



Request for City Council Committee Action from the Department of Regulatory Services

Date: June 2, 2008
To: Council Member Don Samuels, Chair
Referral to: Public Safety and Regulatory Services
Subject: Consider a resolution approving a 4:00 a.m. closing time for liquor establishments during the 2008 Republican National Convention.

Recommendation: Approve 4:00 a.m. closing time for bars and restaurants in the Central Commercial district of Downtown Minneapolis, and all licensed hotels located throughout the city, from September 1, 2008 to September 5th, 2008.

Previous Directives: N/A

Presenters in Committee: Ricardo Cervantes
Prepared by: Grant Wilson Approved by:
Ricardo Cervantes, Deputy Director, Licenses and Consumer Services
Burt Osborne, Director, Licenses and Consumer Services
Rocco Forte, Assistant City Coordinator

Reviews

- Permanent Review Committee (PRC): Approval N/A_ Date _____
- Civil Rights Approval Approval N/A_ Date _____
- Policy Review Group (PRG): Approval N/A_ Date _____

Financial Impact

- See Staff Report prepared for Public Safety and Regulatory Services and the Ways and Means Committee

Community Impact

- Neighborhood Notification, yes.

Supporting Information

4 a.m. Temporary Closing Time Permit
Licenses and Consumer Services Staff Report
for Public Safety and Regulatory Services Committee

June 11, 2008

On May 15, 2008 the Minnesota State Legislature authorized municipalities to temporarily extend operating hours to 4 a.m. for on sale alcohol establishments during the Republican National Convention. This staff report is prepared to guide the Minneapolis City Council in developing a resolution for Minneapolis. Included in the staff report is a proposed resolution if the Council chooses to implement an option of extended service hours.

RELATED MINNESOTA STATUTES

Sec. 6. TEMPORARY CLOSING TIME.

- 4.7 During the 2008 Republican National Convention, licensing jurisdictions that lie
4.8 fully or partially within the seven-county metropolitan area may at their discretion issue
4.9 special permits for service of alcohol through extended hours lasting until 4:00 a.m. each
4.10 day. This section is subject to the following conditions:
- 4.11 (1) only holders of an existing on-sale intoxicating liquor license or a 3.2 malt liquor
4.12 license are eligible for later closing hours;
- 4.13 (2) later closing hours apply only during the period from 12:00 p.m. on August 31,
4.14 2008, through 4:00 a.m. on September 5, 2008;
- 4.15 (3) local licensing jurisdictions issuing special permits to operate with extended
4.16 hours during these days, may charge a fee up to but not to exceed \$2.500 for such a permit.
4.17 In the process of issuing a permit under this section, the licensing jurisdiction may limit
4.18 approval to specified geographic, zoning, or license classifications within its jurisdiction,
4.19 or to specific days within the time period described in clause (2); and
4.20 (4) this section is repealed as of 4:01 a.m. on September 5, 2008.
4.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

RELATED MINNEAPOLIS ORDINANCES

362.36. Temporary expansion of premises license. (a) On-sale liquor establishments may obtain a temporary expansion of premises license for premises directly adjacent and contiguous to a permanently licensed premises.

- (1) Application for a temporary expansion of premises license shall be made on forms provided by the director and shall contain the following:
- a. The name and addresses of the on-sale license holder and its owners, officers or partners.
 - b. A specific description and diagram of the area in which the temporary expansion activity is to occur. This area must be compact and contiguous to the permanently licensed premises, and be contained by physical enclosure devices.
 - c. Written consent of the owner or manager of the premises, or a person or group with lawful responsibility for the premises.

d. The purpose for which the temporary expansion is sought, and a description of the planned activities including projected attendance, entertainment, food and beverage service, security plans, and hours of operation.

e. Proof that auxiliary permits for purposes of amplified music, short term food, block event, temporary structures, temporary utilities, etc., Have been obtained.

f. Such other information as the director may deem necessary.

(2) No individual licensee shall be granted such license for outdoor premises more than four (4) times per calendar year, unless the permanently licensed premises is located within an area commencing at the point where the Interstate Highway 35W right-of-way intersects South Seventh Street; thence northwesterly along the centerline of South Seventh Street to the centerline of Park Avenue South; thence northeasterly to the centerline of Washington Avenue South; thence southeasterly to the point where Washington Avenue South intersects with the Interstate Highway 35W right-of-way; thence southwestwardly along said right of way to the point of beginning.

(3) The applicant shall file proof that the liability insurance required by this code of ordinances and by Minnesota Statutes Chapter 340A apply to the expanded area.

(4) The hours of operation of a temporary expansion of premises license shall not exceed those hours authorized at the permanent premises, or any lesser hours specified as a condition of the temporary expansion of premises license.

(5) The city council may authorize an establishment to conduct entertainment in the expanded area not otherwise allowed under its permanent license. Application for such permit shall be filed with the department of licenses and consumer services on a form prescribed by the director. The application for a temporary entertainment license shall indicate in detail the type of entertainment to be provided. The fee for a temporary entertainment license shall be as established in Appendix J, License Fee Schedule.

(b) Director of licenses and consumer services to grant temporary expansion of premises and temporary entertainment licenses in certain places. When an application for a permit for temporary expansion of premises has been filed too late to be considered on the regular agendas of the public safety and regulatory services committee and the city council prior to the scheduled date of the event, the director of licenses and consumer services may issue the permit if the following conditions have been met:

(1) The application form has been completed and filed.

(2) The fee, including a fifty (50) percent late fee has been paid.

(3) The applicant has not been denied an application for temporary expansion of premises by the city council since any temporary expansion granted within the previous eighteen (18) months.

(4) The premises have not been designated by resolution of the city council pursuant to subsection 362.36(c) as requiring city council approval for a temporary expansion of premises.

(c) The city council may by resolution establish a list of premises for which a temporary expansion of premises must be approved by the city council and for which the director may not issue a permit for a temporary expansion under subsection 362.36(b).

360.70. Special late hours food license.

(a) Any person operating under an on-sale liquor, wine or beer license who desires to remain open for the service of food later than the hours provided in section 364.100 and section 368.70 may apply to the city council for a special late hours food license. Application shall be made on a form provided by the division of licenses and consumer services,

containing such information as the division deems necessary to verify that the conditions of this section have been met and to make a recommendation regarding the application. The annual fee for a special late hours food license shall be as established in Appendix J, License Fee Schedule.

(b) The number of special late hours food licenses at any time issued and outstanding shall not exceed fifty (50).

(c) No special late hours food license shall be issued unless the establishment complies at all times with the following conditions:

(1) The establishment shall be a banquet facility as defined in section 362.425(b) in which the meal service required by section 362.425(b) is actually available during the special hours of operation authorized under the license, or

(2) The establishment shall be a restaurant which:

(i) Meets the standards set forth in section 362.390 and the standards in section 362.395 relating to percentage of revenue derived from the sale of food and nonalcoholic beverages, and

(ii) Maintains a substantial menu available during special late hours which includes at least four entrees, sandwiches, or other principal food items, and

(iii) Keep its business open for at least eight (8) continuous hours daily except Sunday, twelve (12) months a year, not including any hours authorized by its special late hours food license.

(d) The city council may issue a special late hours food license subject to additional conditions including, but not limited to:

(1) Limitation on the special late hours of operation or the days of the week on which special late hours are authorized;

(2) Requirements concerning menu items;

(3) Requirements concerning staffing or security levels;

(4) Any other requirement reasonably related to concerns of security, noise, litter, parking or traffic.

(e) The city council may deny, revoke, suspend or refuse to renew a special late hours food license for any of the following reasons:

(1) The existence of special late hours disturbs the peace, quiet or repose of surrounding residential or commercial areas;

(2) The existence of special late hours contributes to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the establishment;

(3) Any violation of the laws relating to sale or service of alcoholic beverages;

(4) Any violation of the terms of this section;

(5) Any other good cause related to the operation of the establishment.

(f) Nothing herein shall permit the operation of live entertainment, singing or dancing after 2:00 a.m. regardless of the class of on-sale license held by an establishment. The operation of live entertainment, singing, or dancing after 2:00 a.m. shall require a special late hours operation license under section 360.75.

PAST PRACTICES

In 2000, Minneapolis hosted the NCAA tournament. During that event hours of operation for food and entertainment establishments located in the central commercial district were extended until 3 a.m. By limiting the extended hours to downtown where the crowds were predominately located and authorizing additional resources, the city successfully managed the issues associated with excessive crowds and extended hours of service.

STAFFING IMPACT

The Minneapolis Police Department will be the most affected if hours of operation are extended to 4 a.m. for the Republican National Convention. Police personnel will be distributed-throughout the City to address the security needs of the Republican National Convention independent of the need for additional resources for the 4 a.m. temporary closure time. If approved, the Police Department has committed to staff personnel in the Central Commercial District to adequately address a 4 a.m. closing time. MPD has determined that staffing other areas of the city for a similar closing time is not an option.

If the temporary 4 a.m. extended hours were supported, officers would most likely be required to stay on duty until 04:15 am or 4:30 a.m. This would equate to two to three hours of overtime per officer, plus Supervisors. The average overtime hourly rate for a Patrol Officer is \$57.63 per hour. Each three hour block an officer works will cost \$173. A block of 10 officers would cost \$1,730; 30 officers would cost \$5,190; and 50 officers would cost \$8,650. These figures are per day and do not include the higher salary costs of Sergeants, Lieutenants, and other specialty units such as Canine and Mounted Patrol. An additional consideration is that September 1st is a Holiday. All officers will be receiving holiday pay at time and a half, which will increase the above costs as well.

There will also be an impact on Licenses staff who will review and approve the applications and provide enforcement services related to the impact such permits have on the community. The Licensing Division anticipates the need to have a minimum of two Inspectors on duty during these hours.

Other costs to consider are related to the Fire Department, Hennepin County Jail, Emergency Medical Services, to name a few.

PERMIT PROCESS AND REVIEW

Licensing Staff would process this permit administratively following the same procedures used for temporary expansions and director granted licenses. The permit requirements include the following:

- 1) Licenses in good standing; This is limited to licensees with one or less liquor violation within the past 12 months;
- 2) Complete temporary expansion application submitted before August 4, 2008;
- 3) Applications with security plans require review and approval by the Minneapolis Police First Precinct;
- 4) Application fee.

The Director of Licenses will grant permits that meet this standard within 10 days of the receipt of the materials. Licensees will be issued a permit to post which grants a temporary closing time of 4 a.m. between the dates of September 1, 2008 and September 5, 2008. If at anytime during the effective dates of the permit the licensee violates the terms of the resolution, the Director of Licenses may revoke or suspend the permit without refund of fees paid.

INDUSTRY IMPACT

Two industry groups meet on a regular basis with staff from multiple city Departments: The Downtown Bar Meeting and LINC, Liquor Industry and the City/2nd and 4th Precinct Liquor Establishments. At the April 2008 Downtown Bar Meeting 33 of the 33 attendees were interested in applying for the temporary closing permit. At the June 2008 LINC meeting, only two attendees expressed some interest in applying for the temporary closing permit. They indicated that they would only apply if their competition applied. A follow-up email was sent to liquor licensees in the 5th precinct and three businesses indicated they would consider applying but made no commitments.

COMMUNITY IMPACT

The Alcohol Epidemiology Program of the University of Minnesota conducted a research regarding the community impact of alcohol. The study reports, "Increases in availability and subsequent consumption of alcohol result in increased alcohol-related problems (Gruenewald, 1998). More specifically, increased availability can result in an increase in drunk driving, motor vehicle crashes, gonorrhea, and liver cirrhosis (Dull & Giacomassi, 1998; Stout, Sloan, Liang & Davies, 2000). Communities with more alcohol outlets produce greater numbers of alcohol-related hospital admissions (Tatlow, Clapp & Hohman, 2000). Increased alcohol availability is also associated with an increase in violence, including homicide, assault, robbery, rape and weapons use (Dull & Giacomassi, 1988; Scribner, MacKinnon & Dwyer, 1995). Density of alcohol outlets is a strong predictor of crime and is positively associated with the number of crimes committed, including robbery, burglary, and theft (Roneck & Maier, 1991; Speer, Gorman, Labouvie, et al., 1998). Violent crime by or against youth is also positively associated with alcohol outlet density (Alaniz, Cartmill & Parker, 1998).

In addition to the increased affects of the increased availability to alcohol, extending the closing time will extend the hours that noise and disturbances can occur. This expected consequence should be considered when defining the eligible location for permits. Additionally, it is important to include in the resolution that adverse permit action will occur if the establishment holding the permit disturbs the peace, quiet or repose of surrounding residential or commercial areas or contributes to crime, disorderly behavior, noise, traffic, litter or parking problems. .

RECOMMENDATIONS

The Minneapolis City Council may consider a resolution to allow 4 a.m. extended hours of operation to the central commercial district and hotels with an on-sale liquor licenses with minimum standards for reviewing applications and adverse permit action if the permit contributes to disturbances and crime. The language is attached.