

## **LIQUOR CONTROL COMMITTEE MEETING**

**July 20, 2016**

**1:30 P.M.**

Present: Commissioner Piepkorn, Commissioner Gehrig, Police Chief Dave Todd,  
Director Environmental Health Grant Larson, City Auditor Steve Sprague  
Absent: None  
Others Present: Rick Carik, Rick's; Dean Bachmeier, Buffalo Wild Wings, Randy  
Thorson, OB; Rudie Martinson, ND Hospitality; Greg Danz, Zambroz;  
Aaron Templin, Jim Craft Beer; Mike Zimney, Kilbourne, Jared Hardy,  
Fargo Brewing; Mark Bjornson, Drekker; Jamie Mattern, uncle Maddio's;  
Joe Burgum, concerned citizens and other members of the industry.

Meeting was called to order at 1:30 P.M.

1. Commissioner Piepkorn called the meeting to order and asked if there were any additions or corrections to the minutes of June 17, 2016. There were no additions or corrections to the minutes of June 17, 2016. Moved by Gehrig, seconded by Larson to approve the minutes of the June 17, 2016 meeting of the Liquor Control Board; all voted in favor, motion passed unanimously.
2. A. The first application to be considered today is for the issuance of a Class C alcoholic beverage license to The Jim LLC d/b/a The Jim Craft Beer Lounge to be located at 614 Main Ave. The applicant has request using Front Street Tap Room instead of The Jim Craft Beer Lounge for the d/b/a. The applicant needs to meet the requirements for a place of assembly.

Moved by Sprague seconded by Gehrig to approve the issuance of a Class C alcoholic beverage license to The Jim LLC d/b/a The Jim Craft Beer Lounge (in the future called Front Street Taproom) to be located at 614 Main Ave., on the condition the applicant receives all necessary permits (fire, inspections and health). All voted in favor, motion carried.

B. The second application to be considered today is for the transfer of a Class AB alcoholic beverage license from Playmakers, Inc. d/b/a Avalon Events Center West located at 2525 9<sup>th</sup> Avenue South to License Holdings LLC d/b/a Pickled Parrot to be located at 505 3<sup>rd</sup> Avenue North.

Moved by Gehrig, seconded by Larson to approve the transfer of a Class AB alcoholic beverage license from Playmakers, Inc. d/b/a Avalon Events Center West located at 2525 9<sup>th</sup> Avenue South to License Holdings LLC d/b/a Pickled Parrot to be located at 505 3<sup>rd</sup> Avenue North. All voted in favor, motion carried.

3. The Auditor's Office received a request from Herd & Horns to expand their licensed premise to the adjacent space to the East of their existing location. This request meets the requirements for expanding a licensed premise.

Moved by Gehrig, seconded by Larson to approve the amended licensed premise of Herd & Horns. All voted in favor, motion carried.

4. Sprague indicated he received a letter from the owners of Firebox, the previously approved transfer will not take place, the license will remain in the original owners' possession.
5. The Auditor's Office received a request from Fargo Brewing to modify the Class M Microbrew Pub license to match the NDCC section 5-01-14 limiting the barrels of production to 10,000 barrels annually rather than the current Fargo Municipal Code limit of 25 barrels per week. Moved by Gehrig, seconded by Larson to direct the City Attorney to amend the Class M ordinance to match the North Dakota Century Code section 5-01-14 and set the limit of production at 10,000 barrels annually.

Fargo Brewing requested an increase in the number of Class C licenses and for their licenses to be converted from Class Y to Class C. Jarred Hardy explained they were approved for a second tap room license thinking they would be able to transfer product produced at the 7<sup>th</sup> Avenue location to the 45<sup>th</sup> Street location. The State Tax Commissioner's office indicated the brewer tap room license only allows consumption of product produced at that specific location and transferring product is not allowed. With the microbrew pub license they would be able to purchase product through a distributor and have delivery at the south Fargo location. Gehrig commented this shows a sign of success.

Greg Danz of Zambroz spoke in favor of increasing the number of Class C licenses, he explained he has a space that he would like to have available for occasional usage, he would not be competing with bars, just an added amenity for his customers.

Rudie Martinson, North Dakota Hospitality Association, explained that prior to the 2011 legislative session the brewery taproom license was not available at the State. They needed a way to maintain the integrity of the 3 tier system. The intent was to allow customers exposure to the product, in 2013 the legislature approved multiple locations, however, it is considered a manufacturing license so they made the provision that you needed to manufacture in each location. The microbrew pub classification existed before the brewery taproom license.

Joe Burgum stated this was an opportunity to add 5 to 10 Class C licenses, we should look for consistency between new and established licenses. Randy Thorson spoke

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against the change in licenses, he said he could get back into the production then sell beer to his own companies at a competitive advantage. Jared Hardy informed the group that Federal law requires sales price to be consistent to everyone.

Mark Bjornson, Drekker commented that because the State legislature only meets biannually it is not responsive to the changing industry. In the 2013 legislative session the industry tried to get ahead of the legislature. For Drekker, warehousing is a problem, they are not allowed to store product in a joint warehouse, but a microbrew pub at least allows transfers, through a distributor.

Keith Bergseth, Bergseth Bros. commented that the growth in the craft beer industry has been tremendous. Businesses need to determine which license structure best fits their business concept; brewer, distributor or retailer.

Moved by Gehrig, seconded by Todd to direct the City Attorney to prepare the ordinances to increase the number of Class C licenses by 6 for a total of 10. Motion passed 4 to 1, voting in the affirmative, Gehrig, Todd, Larson and Sprague; voting against, Piepkorn. Motion passed.

6. Drekker Brewing requested a change in Fargo Municipal Code 25-1509 J to include the Class C & Class Y licenses. Moved by Gehrig, seconded by Todd to direct the City Attorney to prepare the necessary ordinance changes adding Class C and Class Y to section 25-1509 J. Motion passed.

Drekker is further requesting the language be changed from “public sidewalk adjacent to the licensed establishment” to “public right of way adjacent to the licensed establishment” Mark Bjornson commented they periodically use the alley for events like adopt a dog. Burgum commented closing the alley would still require a permit. Bjornson said they would not be selling alcohol in the right of way only allowing consumption in the public right of way.

Moved by Gehrig to change public sidewalk to public right of way. Motion died for lack of a second. Sprague commented they can continue using the alley as they have in the past by getting an E permit partnering with a retail license holder.

There being no further business to come before the Liquor Control Board, the meeting was adjourned at 2:29 p.m. **The next regular meeting will be held Wednesday, August 24, 2016 at 1:30 p.m. in the City Commission Room.**

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