

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
TUESDAY, SEPTEMBER 17, 2002
1:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Tuesday, September 17, 2002 at 1:00 P. M. The following Councilmembers were present: Mayor Darrell Swanson, Sandy Eliason, Chuck Miller, Irene Schultz and Dean Swanson. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin and Clerk/Treasurer Darlene Roach. There were approximately ten individuals in the audience.

Mayor Swanson called the special meeting to order at 1:00 P.M. and stated that the purpose of the meeting was to discuss and consider a referendum question related to the adding of an additional on-sale liquor license within the City of Crosslake based on a request that has been received. Mayor Swanson asked City Attorney Paul Sandelin to explain the provisions within the law related to placing a question on the ballot.

Attorney Sandelin reviewed the options that the City Council has pertaining to State Statute and City Code. If a question is placed on the ballot and passes, the City Code would need to be amended to reflect the change. The Council has only two options when considering a ballot question. Minnesota State Statute dictates wording for ballot questions relating to liquor. One option would authorize the City Council to issue a specific number of additional on-sale licenses and the second option would authorize the City Council to issue an unlimited number of on-sale licenses. Since only one question is allowed, the Council needs to determine which question they would allow to be placed on the ballot. Attorney Sandelin stated that the City Code does specify that the sale of food is a primary requirement for issuing an on-sale license and that the serving of alcoholic beverages is secondary to the business.

Councilmember Schultz stated that some cities have classifications for issuing on-sale licenses such as in the case of hotels. City Attorney Sandelin stated that is something that could be looked into. Mayor Swanson stated that the food requirement would mandate a hotel's having a restaurant if the hotel wanted an on-sale liquor license.

Attorney Gerry Brine, representing Crosswoods Development LLC addressed the Council. Attorney Brine stated that it is the intent of Crosswoods Development to construct a building to accommodate a restaurant that would be considered a desirable dining area. The applicant agrees that the issuance of any license should be restrictive and based on gross sales including food. He stated that it has always been the intent of Crosswoods Development to plan for a fine restaurant in Lots 1-4 in Block 2. The applicant feels this is an important step in the first phase and is formally asking that a question be placed on the ballot authorizing the City Council to issue an additional on-sale license. He stated that the applicant understands that the ballot question can take two different forms.

City Administrator Tom Swenson informed the Council of other businesses and individuals who have expressed an interest in recent years in obtaining an on-sale license. These include: Ox Lake Tavern, Sundance Inc. and Famous Dave's. This request would increase the number to four.

Mayor Swanson stated that the Council really has two things to consider. Is the issuing of additional licenses in the best interest of the public and, if so, what form should the question take.

City Administrator Swenson commented that although the applicant has made a formal request, there is no establishment to issue a license to. City Attorney Sandelin stated that the City does have the discretion to issue a license with conditions and the City Council would need to look at an amendment to the Ordinance in order to issue a license on a conditional basis, i.e. lack of a building.

MOTION S2-09-01-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO PLACE A QUESTION RELATED TO THE ISSUANCE OF ON-SALE LIQUOR LICENSES ON THE BALLOT. Councilmember Eliason stated that if the ballot question passes, how could the City hold a license for an applicant. City Attorney Sandelin stated that the City could approve a license with conditions. Councilmember Miller stated that there would be no requirement to issue the license right away. City Attorney Sandelin agreed that there could be a whole range of scenarios to deal with. MOTION CARRIED WITH ALL AYES.

Pat Murphy, owner of the Exchange, addressed the Council and asked why the City has to have a referendum. Attorney Sandelin stated that a referendum is required if the City wishes to issue additional on-sale liquor licenses over the maximum number allowed under the law. Pat Murphy commented that the State has established a certain number based on population and Crosslake has exceeded that number by over 200% and wondered why the City needed to add more to what already exists.

Mayor Swanson stated that the last ballot question was defeated when the number was unlimited. Councilmember Miller stated that Brainerd went through the same process and went to specifying a certain number. He stated that many are opposed to allowing the issuance to be open-ended. Councilmember Eliason suggested possibly six. Councilmember Swanson stated that he is torn between establishing a number or leaving it unlimited. Councilmember Miller stated that the City has four parties who have expressed an interest in a license and felt that the number should be based on the number of requests. Councilmember Swanson asked if there was any way the Council could limit the issuance of a license to an area and City Attorney Sandelin stated that he would have to research whether that would be an option for the Council.

Scott Cordahl addressed the Council and stated that the requirement to have a restaurant puts him out of the running for a license even though he would like to have a fair shot at getting one. He asked if the requirement to have food was a City requirement and he was

told that it is. Mr. Cordahl then requested a copy of the City Code dealing with liquor licensing. Clerk Roach will send a copy of the ordinance to Mr. Cordahl.

MOTION S2-09-02-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO LIMIT THE BALLOT QUESTION TO THE ISSUANCE OF FOUR (4) ON SALE LIQUOR LICENSES. MOTION CARRIED WITH ALL AYES.

MOTION S2-09-03-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 1:41 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer

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