

PUBLIC INFORMATION MEETING
CITY OF CROSSLAKE
AUGUST 28, 2000
7:00 P.M. – CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, August 28, 2000 at 7:00 P.M. Councilmembers present at the hearing were: Mayor Darrell Swanson, Chuck Miller, Irene Schultz, Dean Swanson and Richard Upton. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin and Deputy Clerk Darlene Roach. (Sign in sheet attached as a part of these minutes.)

Mayor Swanson called the informational meeting to order and stated that the purpose of the meeting was to discuss possible amendments to the liquor ordinance. The meeting was then turned over to City Attorney Paul Sandelin.

City Attorney Sandelin summarized the current City Ordinance dealing with off sale liquor licenses. Currently five off sale licenses are allowed under ordinance and all five have been issued. While the City could legally issue combination licenses, the current City Code does not provide for the issuance of combination licenses. The City issues separate on sale and off sale licenses. He further stated that there is a lot of discretion by the Council under City Code and State Statute regarding transfers. He stated that, while the State reviews the issuance of these licenses, the City Council ultimately makes the decision. He stated that the decision cannot be arbitrary. If the Council chooses not to issue a license there has to be a good reason for not issuing the license.

Mayor Swanson stated that the current City Code allows for five off sale licenses. In order to issue additional licenses, the City Code would need to be amended if the decision of the City Council was to add additional licenses.

Bill Reed addressed the Council and inquired how the survey done by the Chamber of Commerce had come out. Crosslake Chamber Director Sandy Lewis addressed the Council and stated that the City had asked the chamber to poll businesses regarding this issue. She stated that 102 businesses with a 56442 zip code were polled. Of this number, 47 responses were received, which is a 46% response rate. Sandy Lewis presented the results of the 47 responses. (Copy attached to these minutes.)

Bill Reed asked the Council what their feeling was in regards to the transfer of existing licenses. City Attorney Paul Sandelin stated that the transfer of existing licenses is in the hands of the Council and is covered under the City Code.

Lonna Andolshek expressed a number of concerns. She stated that in 1997 a request for a transfer came before the Council and was turned down. She stated that there is not a level playing field in the City. She stated that Bill Reed received TIF money from the City that other people have to make up for nine years. She stated there are many inconsistencies in the City and that City Attorney Sandelin had previously stated that if there is no building, no license could be issued. She stated that in the previous election,

Crosslake had 1348 registered voters with only about 900 people voting. In 1999-2000, she stated there are 1500 registered voters. She felt that five off sale licenses are sufficient for Crosslake when compared to Baxter, who only has three off sale licenses issued and has 3,318 registered voters. Brainerd, with six off sale licenses, has 6,595 registered voters. She wanted to know where this all stops and who is to judge who will get a license. She recommended that the City Council declare adding additional off sale licenses a dead issue.

Mayor Swanson asked City Attorney Sandelin to respond to the Council needing to abide by other Council decisions. City Attorney Sandelin stated that this Council may not agree with the decision made by other Councils, and that this Council needs to make their own decision based on the Ordinance. Councilmember Swanson commented that if prior Councils voted to not transfer licenses, future Councils are not bound by their decision. City Attorney Sandelin stated that was true. Councilmember Miller asked how the Council would escape the appearance of an arbitrary decision. City Attorney Sandelin stated that if someone argues that the decision is arbitrary, the City would have to show what facts were proven or shown for the decision.

Bill Reed addressed the Council again and responded to Lonna Andolshek's comments regarding Tax Increment Financing (TIF). He stated that the State of Minnesota passed a law allowing businesses to expand by utilizing TIF. He stated that schools don't lose anything by businesses utilizing TIF. He stated that his property which was previously taxed at \$600 is now taxed at \$27,000 which, at the end of TIF, will bring tax benefits to the City.

Mayor Swanson stated that the purpose of the meeting was not to discuss TIF.

Sharon Seeker stated that Crosslake is growing and is competitive and the City should want to see more businesses. She stated that you can't close the door on a growing City and the growth of the City warrants additional licenses.

Lonna Andolshek spoke about the recent Seeker's controversy where they were told, no building- no license. Mayor Swanson and City Attorney Sandelin agreed, that if there is no location, no license can be issued.

Councilmember Upton stated that the conversations have dealt with economic considerations, but that the issue of public safety also needed to be considered. Councilmember Miller agreed. He stated that economics were the least of his concerns, and in the area of liquor, public safety was of utmost importance.

Roger Roy addressed the Council and stated that everyone has to look at themselves and where they want to go. He feels the Seeker's license should be brought back to the City and dispersed as the Council deems appropriate.

Councilmember Upton asked City Attorney Sandelin to explain transfers versus returning a license to the City. City Attorney Sandelin stated that under City Code, transfers can occur from one license holder to another license holder. Councilmember Upton then

asked if someone could hold a license that is inactive. City Attorney Sandelin stated that they could.

Bill Reed stated that the Council has still not stated their position on this issue and asked for two clarifications. His first question was whether the location of a license could be moved? City Attorney Sandelin stated that, yes, it could be moved based upon Council approval. His second question was if the Seeker's wanted to move to a new location, because their current location is not large enough, is the license transferable? City Attorney Sandelin stated that it was.

Councilmember Swanson stated that he felt the City did not need more than five off sale licenses, however, when a transfer comes before the Council how could the Council not approve the transfer.

There was some discussion regarding the number of standalone off sale businesses versus combined businesses. Councilmember Miller stated that if you separate the locations of the off sale from the on sale, you spread out more places where people can get alcohol.

Councilmember Upton stated that he would like to hear from the Chief of Police. Chief Bob Hartman stated that the Police Department is taking a zero tolerance approach to underage consumption. He stated that DWI's have increased from five in 1999 to fifteen year-to-date 2000. He stated that from a law enforcement standpoint, the City has enough licenses. Bill Reed asked Chief Hartman if he opposed a transfer and Chief Hartman responded that he did not.

Bill Reed stated that he is spending a lot of money in expanding his property and the City Council is dictating what businesses he can put in.

Councilmember Swanson stated that kids are going to get alcohol, but if we have good operators of the businesses the amount would be minimal. Councilmember Upton stated that his comments were not directed to the owners, but to the fact that public safety and welfare is an issue.

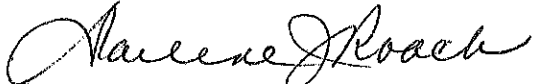
Mayor Swanson stated that he does not like government getting involved in business, but feels that five licenses are enough. He stated that he has listened to the tape of the Council meeting where the prior transfer was discussed and stated that he would have voted with Councilmember Miller to allow the transfer. He stated that while he agrees with Councilmember Upton and Councilmember Miller on the public safety and welfare issues, he did not feel that he could vote against a transfer of a license. He stated that he would not vote for more licenses, but would support the transfer of licenses.

Councilmember Miller felt that a precedent was set with the Moonlite Square transfer request.

Councilmember Swanson stated that if the Moonlite Square transfer had come to the Council when he was a Councilmember, he would have voted in favor of the transfer. Regarding relocation, he stated that is a transfer and would vote for it. He felt, however, that five licenses are plenty.

There being no further comments, MOTION 08PH-01-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO ADJOURN THIS PUBLIC INFORMATION MEETING AT 7:46 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,


Darlene J. Roach, Deputy Clerk

OFF-SALE LIQUOR LICENSE SURVEY RESULTS

The Chamber polled 102 businesses with a 56442 zip code. Of that, we had 47 responses with a 46% response rate as of 8/24. Here are the results:

1. As a member of the Crosslake business community, do you feel there should be more than the five (5) existing off-sale licenses issued in Crosslake? (They are: Andy's Channel Liquors, The Exchange, Riverside Inn, and Seeker's.)

23 Voted YES 49%
22 Voted NO 47%
2 were Undecided 04%

2. Should growth of the Crosslake Area Community determine the number of off-sale licenses?

28 Voted YES 60%
15 Voted NO 32%
4 were Undecided 08%

3. Other comments:

- 5 seems like enough but if the City grows larger it seems it should be set up so the City can adjust.
- Competition in all business is good for the customer.
- It's time Crosslake expands it's mentality.
- Actually there are too many off sale stores in Crosslake already, we do not need any more avenues for our under '21' children to purchase alcohol.
- On sale liquor license -yes if needed for hotel etc.
- Winter is hard for everyone. The small shops won't make it.
- It's still a seasonal area,- if there is a perceived need during the peak season,-it doesn't offset the lack of business during the off-season.
- City council should determine the number.
- Enough off-sale liquor in town
- These current license holders need this for a living. Don't spread their sales out bo one more.- No, don't have a liquor store.
- Not at this time (pertaining to growth)

OFFICES IN CROSSLAKE & BRAINERD

P.O. Box 356 • Brainerd, Minnesota 56401-0356

PHONE: (218) 829-2838 • FAX (218) 829-8199 • E-MAIL: info@brainerdchamber.com • WEBSITE: www.brainerdchamber.com

Bue Reece	Box 480 Croslake
Shawn Seckw	16728 Co Rd 109 Merrifield
GARY Roy	36477 Co Rd 66
Kary Roy	" " " " "
Monty Reed	Box 212 Croslake
Jamie Reed	Box 4114 Croslake
Charles Smith	39144 MARY LAKE
Paul Jandelin	Forest Acres
Gene Schmitt	City of Croslake
Richard J. Spott	City of Croslake
Alan R. Swanson	City of Croslake
Lonna Andolshek	Box 33 - Croslake
Tom Swenson	City of Croslake
Doreen Swenson	City of Cumulative
Jandi Lewis	BLANC
Robert G. Hartman	City of Croslake