

## Department of Safety and Inspections

Proposed Amendment of Charter Section 17.07 relating to  
On-Sale Liquor Licenses issued to restaurants

Over the past year, the Department of Safety and Inspections (DSI) worked with Council Members, District Councils, the City's Business Review Council, business owners, and residents to evaluate restaurant market conditions impacting Saint Paul's vibrant restaurant market. One major issue identified was the ability of existing or new restaurant operators to obtain an on-sale liquor license in the City of Saint Paul. The proposed Charter Amendment addresses that issue.

### Background:

- Changing restaurant market conditions have resulted in liquor (beyond wine and beer) being a greater part of customers' expectations for their dining experiences.  
E.g. a craft cocktail with dinner or a Bloody Mary with brunch.
- City Charter limits the number of on-sale liquor licenses allowed per Council Ward and Citywide. (Licenses issued to bars and restaurants are both counted towards the limits.)
  - Currently, three Wards generally have no on-sale liquor licenses available.\*
    - Each of these Wards involve major new development opportunities; including the Ford Site, West Side flats, and the new soccer stadium site.
- State law limits the number of on-sale liquor licenses allowed in cities, but does not count licenses issued to restaurants towards those limits. (Minneapolis' law mirrors State law.)
- City Charter on-sale liquor license limits are based on pre-1990s development patterns.
- Current City Ordinance prohibits the issuance of a new on-sale liquor license to a bar outside of downtown Saint Paul or Council approved Commercial Development Districts.
- Restaurant operators are requesting on-sale liquor licenses to expand or create new restaurants in the City of Saint Paul. Lack of licenses thwarts these restaurant activities.

### Proposed Changes:

- Amend the City Charter to remove on-sale liquor licenses issued to restaurants from the Council Ward and Citywide limits. This change would:
  - Reflect existing City Charter language which excludes wine and beer licenses from the on-sale liquor license limits.
  - Align Saint Paul liquor laws with Minnesota State liquor laws.
  - Increase the number of on-sale liquor licenses available to restaurants.
  - Level the regional playing field to strengthen Saint Paul's ability to attract businesses and meet existing restaurant market demands.
- In addition, the City Council is in the process of amending the City Code of Ordinances' definition of restaurant to ensure restaurants do not operate as bars.

\* Accompanying this letter is a chart showing the available full on-sale liquor licenses by Ward and Citywide. One license in Ward 3 and one in 4 became available in the past 45 days. There is significant interest, especially in Ward 3 where it has been many years with no availability. One application is already being processed.