

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting/Work Session – November 30, 2015

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, November 30, 2015, at 5:30 p.m. in the Conference Room of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Johnson, Hellquist, Olson, Erickson, Larson

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, City Attorney Alan Felix, Liquor Store Supt. Kevin Fenner, City Clerk Kay Murphy

Mayor Albrecht stated that the purpose of the special work session was to discuss options for expanding the City's liquor operations.

Eischens stated that in July 2015 the Council authorized a market study to discuss the potential of upgrading the Discount Liquor Store or moving to a new location. He noted that the City's liquor stores are successful due to location, customer service, product selection and staff experience. Discount Liquor Store building is over 40 years old and in need of major improvements including coolers, flooring, entrance doors, parking and interior furnishing.

City Manager Mathews stated he has had discussions with several parties regarding liquor store opportunities. Council discussed the following options:

- Luekens – Have limited interest in leasing space at their south store but require more specifics.
- PACE Development – Staff discussed a stand-alone building lease opportunity with PACE. This new building would be built in the Westridge Mall parking lot area.
- Northern Liquor – Mathews has approached the owners regarding purchase of their operation. Initially, the owners were not interested but recently expressed being open to discuss a "lease with option to buy" scenario.
- Orton's Gas Station/Smoke Shop – Both property owners have been approached regarding their interest in selling or partnering with the City on a potential store expansion project. Orton's were not interested in selling at this time. Mathews is still waiting to discuss further with the Smoke Shop. Without additional land, expansion of Discount Liquor is not feasible.
- Ground Round Restaurant – Owner expressed interest in selling and will provide the city with offer price shortly.

Council discussed the possibility of Sunday liquor sales receiving legislative approval which would cause personnel and operational costs to increase. It was noted that another risk to consider is grocery stores gaining the ability to sell wine, liquor and strong beer.

Supt. Fenner stated that the liquor industry growth has been in two directions, flavors and craft beer and finding room to accommodate the changing market is difficult. He stated that while Lakeview Liquor could use some updating it functions well and those needs are a lower priority than those of Discount Liquor.

While Council members had varying opinions about expanding current Discount Liquor and purchasing/leasing, they were in agreement that more information was needed. Staff will expand the liquor store study to include the options as outlined.

ADJOURN

There being no further business, motion by Hellquist, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 6:20 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk