

# City Council Item

April 22, 2024



<b>Item</b>	Ordinance XXX: Amend 2024 City Fees and Charges Schedule to add an On-Sale Intoxicating Club Liquor License Fee	
<b>File No.</b>		<b>Item No:</b> D.8
<b>Agenda Section</b>	CONSENT AGENDA	
<b>Prepared By</b>	Kim Meuwissen, City Clerk	
<b>Reviewed By</b>	Laurie Hokkanen	

## **SUGGESTED ACTION**

"The Chanhassen City Council adopts an ordinance amending the 2024 City Fees and Charges Schedule to add an annual On-Sale Intoxicating Club liquor license fee of \$300."

<b>Motion Type</b>	Simple Majority Vote of members present
<b>Strategic Priority</b>	N/A

## **SUMMARY**

## **BACKGROUND**

Life Time Club Operations Company, Inc. dba Life Time Pickleball applied for and the City Council approved on February 12, 2024, an on-sale Beer and Wine liquor license for their Pickleball facility located at 2970 Water Tower Place (see attached staff report).

Upon inspection of the facility by the Minnesota Department of Public Safety Alcohol and Gambling Enforcement (AGE) Division, it was determined that the required kitchen facilities were not constructed to accommodate a restaurant seating at least 25 guests at one time as defined in [Minnesota Statute 340A.404.5](#), and the AGE would not approve the on-sale Beer and Wine liquor license. The AGE suggested the city consider issuing an on-sale intoxicating Club liquor license instead.

Section 10-29 of the Chanhassen City Code-Types of Licenses, allows the city to issue on-sale intoxicating Club liquor licenses. Staff was directed to issue Life Time Club Operations Company, Inc. dba Life Time Pickleball a Club license to sell on-sale intoxicating liquor to members and guests. Since an on-sale intoxicating Club liquor license fee has not been established, the City Council must adopt an ordinance amending the 2024 City Fees and Charges Schedule to add the fee before the license can be issued and forwarded to the AGE for their final approval.

**DISCUSSION**

M.S. § 340A.408.2 Retail License Fees states as follows:

(b) The annual license fee for an on-sale intoxicating liquor license issued by a municipality to a club must be no greater than:

- 1. \$300 for a club with under 200 members;
- 2. \$500 for a club with between 201 and 500 members;
- 3. \$650 for a club with between 501 and 1,000 members;
- 4. \$800 for a club with between 1,001 and 2,000 members;
- 5. \$1,000 for a club with between 2,001 and 4,000 members;
- 6. \$2,000 for a club with between 4,001 and 6,000 members; or
- 7. \$3,000 for a club with over 6,000 members.

In late 2023, staff conducted a liquor license fee survey of 10 comparable cities within a 20-mile radius of Chanhassen with similar population totals. The annual fees charged are shown in the table below.

City	Fee	Flat Fee or Fee by Number of Club Members
Shorewood	\$250	Flat Fee
Victoria	\$300	Flat Fee
Waconia	\$300	Flat Fee
Farmington	\$225	Flat Fee
Champlin	\$300	Flat Fee
Shoreview	\$300	Flat Fee
Prior Lake	\$650	Flat Fee
Chaska	\$530	Flat Fee
Inver Grove Heights	\$225	Flat Fee
Shakopee	\$300	Flat Fee
	\$300	Under 200 members
	\$500	201 to 500 members

City	Fee	Flat Fee or Fee by Number of Club Members
Rosemount	\$650	501 to 1,000 members
	\$800	1,001 to 2,000 members
	\$1,000	2,001 to 4,000 members
	\$2,000	4,001 to 6,000 members
	\$3,000	Over 6,000 members
Savage	\$300	Under 200 members
	\$500	201 to 500 members
	\$650	501 to 1,000 members
	\$800	1,001 to 2,000 members
Minnetonka* Pop. 54,141	\$300	Under 200 members
	\$500	201 to 500 members
	\$650	501 to 1,000 members
	\$800	1,001 to 2,000 members
	\$1,000	2,001 to 4,000 members
	\$2,000	4,001 to 6,000 members
	\$3,000	Over 6,000 members
Eden Prairie* Pop. 64,567	\$100	Fraternal Clubs
	\$4,250	Non-Fraternal Clubs
Plymouth* Pop. 81,026	\$300	Flat Fee

\*Cities surveyed with higher populations

Rosemount, Minnetonka, and Savage follow the guidelines in the statute and base their Club fees on the number of club members. For those cities that charge a flat fee, the average fee amount is \$343.

## **BUDGET**

N/A

## **RECOMMENDATION**

Staff recommends that the City Council adopt an ordinance amending the 2024 City Fees and Charges Schedule to include an annual fee of \$300 for an on-sale intoxicating Club liquor license.

The liquor license background investigation fees currently listed in the fee schedule would also apply to a Club liquor license.

## **ATTACHMENTS**

[Draft Ordinance Amending 2024 Fees and Charges Schedule](#)

[Life Time Pickleball Beer and Wine License CC Staff Report 02-12-2024](#)