

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Brian Sturgeon, Chief of Police**  
Date: **June 22, 2020**

## **Business License Fee Adjustment Due to COVID-19 Pandemic**

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### **BACKGROUND INFORMATION:**

On March 25, 2020 Governor Walz issued Executive Order 20-20 directing Minnesotans to stay at home and limit activities outside of their home beyond essential needs. This order went into effect on March 26, 2020 and essentially shut down all non-essential businesses included restaurants and bars.

On June 1, 2020 through Executive Order modification, bars and restaurants could operate outdoor dining at a maximum capacity of 50 patrons. The City Council took action to expedite the approval process to implement outdoor dining spaces for those bars and restaurants that wished to operate under these circumstances.

On June 10, 2020 through Executive Order modifications, bars and restaurants could now operate at 50 percent capacity in their indoor seating areas.

Over the past couple of months, staff has received several requests from on-sale liquor license holders requesting some type of assistance in the form reduced liquor license fees due to the inability to operate.

The on-sale liquor license fee is \$7,500 and can be paid either annually or bi-annually. If a license holder pays bi-annually there is a small additional service fee. Currently there are 15 of these licenses issued. For a perspective on what a potential fee reduction could potentially look like, take for example if you reduce the on-sale liquor license fees by 50 percent for 2020 that would come to \$56,250.00.

Staff has received an additional request from Clear Channel to reduce their lease agreement payment due to loss of revenue. This request however, at face value, is quite different as Clear Channel is a global company that continues to operate the electronic billboard at the Sports Center throughout the pandemic.

Even though there has not been any requests from other business license holders that have been shut down through Executive Orders, the following list of business licenses were affected:

- Pawnbroker – One license issued - \$7,100.00
- Precious Metal Dealer – One license issued - \$1,925.00
- Second Hand Dealer – Four licenses issued - \$280.00
- Tobacco – Two licensees - \$500.00
- Beer and Wine License – Two licenses issued - \$2,000

- Massage Licenses – 10 licenses issues – \$190.00 or \$95.00

**FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		<b>Unknown</b>
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Discuss and provide direction to staff on the course of action to take regarding license fees to those businesses that have been directly impacted by the COVID-19 pandemic.