



City of Stanley
Town Hall Meeting Minutes
Resort City Liquor License
June 24, 2024
6:00 P.M.

Stanley Community Center, 510 Eva Falls, Stanley, ID 83278

Call to Order: (Mayor Botti)

Mayor Botti calls the meeting to order at 6:04 PM.

Roll Call: Mayor Botti (Present), Councilmember Cardoso (Present), Councilmember Hernandez (Present), Councilmember Gadwa (Present), Councilmember Cron (Present).

Also present for the City: Jennifer Hayes, City Clerk/Treasurer; Kimberly Peters, Maintenance and Building Manager; Jennifer Folsom, Assistant To Mayor/Chamber.

City Business:

- None

Open Town Hall Discussion of Resort City Restaurant Liquor Licenses.

Mayor Steve Botti thanks everyone for coming. Town hall meeting to query the community best we can to make sure the city council knows what the community wants to be done before the council takes any action on it. The new law allows the cities to issue these resort city liquor licenses, but it does not require it.

- Restaurant resort liquor licenses are only available to Resort Cities.
- Resort cities are defined as:
 - Qualified to impose local option tax.
 - Population of less than 10,000 people.
 - Tourism based economy.
 - The city must be within 10 miles of the actual forest boundary.
 - The city must be at least 15 miles from a city of more than 50,000 people.

Some of the specifics of the Resort City Restaurant liquor license:

- Sewage flow in the high season is greater than in the low season. Stanley is 45%.
- The statute is specific that the business must operate primarily as a restaurant with at least 60% of revenue derived from food service, and liquor sales may only occur while food service is available.
- No more than three licenses may be issued by a resort city.
- The city council of the resort city must pass a resolution allowing the resort city restaurant liquor license to be issued. The state of Idaho will not approve licenses to any city until a

city council passes. The city council is not required to allow any licenses. ABC would like the cities to let them know soon if they wish to allow it.

- All liquor sales must cease at the time food services and sales cease.
- The resort cities that allow resort city restaurant liquor licenses may impose additional date, time and location restrictions on such liquor sales. This would be done by a city ordinance. If the city council agrees to allow these special liquor licenses, the Idaho state police and alcohol beverage control bureau will issue liquor licenses on a first come first served basis. Qualified applicants that are on the waiting list will be notified and offered the licenses and will have 10 days to respond. They will then have 90 days to meet the requirements to utilize the license.

Mayor Botti opens the floor to comments of whether the City of Stanley should do it at all, if so, how many? How should we do it? What restrictions should be put in place if allowed? Open discussion.

Russell Clark, Vice president of Mountain Village Resort introduces himself. There are currently four liquor licenses in Stanley, (Including Redfish) of those four, three of the four of those liquor license holders are in attendance today. Clark says he only sees present here today one other potential benefiter of the liquor license and that is Mr. Tim Cron. He doesn't see any other restaurant owner to speak in favor or disfavor of it in attendance today.

Clark is personally not in favor of it. He feels like four liquor licenses in this town is enough. He asks, out of curiosity did the city solicit the sheriff department's input before this meeting?

Coming at this from a very heartfelt, safety aspect, Clark feels like if Mountain Village (I think he meant Stanley?) only had one liquor license he would be open to more liquor licenses in this town. He's not afraid of healthy competition, he thinks it's great, makes us strive.

Clark does feel like it's a big safety concern, he believes currently if you hold a beer and wine license you can have canned cocktails in your establishment. The only thing that they can offer more to their customers is straight alcohol. And let's say someone goes in, has a burger and three shots of tequila, where are they going to go? How are they going to get out of town? The three most dangerous roads in Idaho are coming and going from Stanley. Stanley in the summertime is maxed out with hotels, and Airbnb's. You are forcing people to take the most dangerous position they can and that is get behind the wheel or handlebars and drive away from here. There is no public transportation, the cops are very good but it's a force of two, and they are trying to patrol the biggest county in Idaho and now there is potentially up to 7 liquor licenses. It will be pretty taxing for them.

Clark does not see how that is beneficial to visitors or to the community that is here. Clark can only see a possible benefit to the city would be tax dollars. But he does not foresee those tax dollars to be very good because the three people in the room that currently hold liquor licenses, would be asking the city to have audit

programs. They would want to see that the majority of the sales are truly coming from food sales and will want to see the numbers.

The current license holders are not tied to that because they currently outright own their liquor license. They paid dearly for their liquor licenses. So, what do we do? We hold dearly the consequences that could happen with overserving someone. Calrk says if someone got a liquor license for \$350, they would try to hold it but if something got out of hand, they are not going to be too worried about losing a \$350 liquor license. If someone paid between \$70, 000 and \$150, 000 for that liquor license they are going to hold that asset dearly and make sure everyone is safe.

Clark says he can go on for a long time why he thinks the restaurant liquor license is a bad idea. He has yet to come up with why it's a good idea. Clark does, however, see how places like Idaho Rocky could probably benefit from something like this, they are secluded, a little dude ranch, they could have alcohol where the people are staying, therefore it's a safe environment. (Idaho Rocky would not qualify, however, it is not in the city limits.) Places like the high-country Inn could benefit from something like this. But he does not see any representatives from the High country pushing for this, perhaps, they have on the back end unaware to him. High Country Inn has hotel services, and for the most part a captive audience. It also has shuttles, so if they were to have an over-serving situation, they would be more apt to accommodate it.

The fear is that Stanley will become a party town, whereas the desire is that this be a family-oriented town. Most of the staff at Mountain Village are volunteer EMS, EMT, and firefighters. It's already taxing for them in the summer to accommodate what we have, we do not want to add to their workload, or to add to their risk. The desire is for Stanley to be a nice family town. Clark finishes his statement.

Mayor Botti asks Levi if he has any thoughts about problems associated with the new liquor licenses. Deputy Levi Mitchel from Custer County introduces himself and explains that he was not there to give an opinion, the Sheriff wanted to attend but was on a prisoner transport. He states that, obviously, the more liquor that is served, the more DUI'S that are going to be issued. It's an obvious fact. Deputy Levi does not give his opinion about it; he does not have an opinion or reason to try to swing it either way. He is there to get educated and try to understand the benefits to each side.

Mayor Botti asks him if he foresees any kind of issues that would be associated with this new law. Deputy Mitchel replies that there are a lot of people who drink and drive and that will increase. Whether the risk outweighs the benefits is not something he's fully assessed at this point.

Jim Slantez, owner of the Kasino Club in Stanley introduces himself. He agrees with a lot of the issues that Russel Clark brought up. He does want to bring up that there are a lot of liquor licenses here in town, if we add three more, Stanley will have more per capita than Boise. If his math is right, we will have 80 times more per capita liquor licenses than Boise. Which brings into question the Idaho

Temperance law, which is in the state constitution that could probably be challenged. As Russell Clark brought up, the enforcement of it will be very difficult to figure out. What food is, is this cereal? Don't think Stanley, or most cities are capable of enforcing this type of thing.

Having been on the city council for Ketchum for twelve years, Slentez is aware that people should recuse on a conflict of interest. He feels that Tim Cron has a direct conflict of interest in this, his vote would be a questionable legality and he should probably recuse himself. Slantez notes he is not an attorney but has dealt with this a lot being on city councils in the past.

Mayor Botti reminds everyone that there will not be a vote at this meeting, it is to gather information before making any decision.

Clark asks whether anyone has thought about a pro from anyone?

Gary Gadwa asks why did the State propose this? Is there really any city that needs another avenue of alcohol? Seems like a huge mess for Idaho State police and liquor and for small cities like Stanley to deal with. Gary Gadwa reiterates he does not understand why.

Mayor Botti states that to his understanding, but not knowing the details, was that some of the members of the Idaho Resort Cities Coalition, the Idaho cities that collect option tax, were strongly in favor of this. There was a desire in their town for people eating in restaurants who wanted liquor served with their meals.

Tripp Costas, the new owner of Rod and Gun, and one of the owners of the three Stanley liquor licenses, introduces himself. Tripp purchased the Rod and Gun in December of 2023, and poured all of his heart and his finances into creating a welcoming space for the community and its visitors. It is one of the longest continuously operating bars in Stanley and whether you are 20 years old or 80 years old people have a memory of this bar. Over time he has learned that the building doesn't belong to one person, it belongs to this town. He has taken thoughtful steps to be a good neighbor, by placing the sound system in a way that neighboring businesses, and neighbors have not been burdened by noise, rowdy drunkards, or anything like that.

As Russel Clark mentioned, these things are taken seriously when you have a liquor license in this town. Costas made his purchasing decision and designed his entire business model based on the laws at the time. This law was not proposed in December, or even January, it was a new product of the state legislation this spring. Costas points out that one can argue the Temperance law, or the liquor license quota are a fair and just product but nonetheless it's the sandbox we are playing with.

When Costas made his purchasing decision, he was negotiating with the Kirch family and consulting with other folks from Stanley and Boise to determine evaluation. The liquor license was valued at over \$150,000, which is also what he paid as a premium to have a liquor license in Stanley. He designed his business around that. Allowing the entry of additional bars at a negligible cost would severely affect his business. The premium that he paid would not be null and void but pretty close. He would have to reconsider his business model and consider other sources

of revenue to make things right. The bar business is not his background, he is an adaptable guy, he will figure it out and utilize the property to make sure that he can make payments on it and maintain his solvency regardless of what that may take. That could be expanding into different enterprises like food service, music, etc. He does not want to do that.

Beyond the personal impact on his business there are some practical aspects of this bill that he believes will have an impact regarding the text of this bill he believes will have a significant impact. Speaking of the value of the liquor licenses that Mr. Clark, Mr. Slantez and himself own as it relates to the specialty licenses, he believes the way that the bill is written there will be no distinction between the three incorporated city licenses and the ones the state has allowed. Referring to Gary Gadwa's point, the bill that has passed is quite arbitrary and quite vague. It makes you wonder why this law was passed. He believes it will expose the city to potential liability in the enforcement nature.

Costas points out a couple key points that are in the text of the bill. It calls for no less than sixty percent of gross sales must be food. Tripp references a similar Bill from his home city of Nashville that was eventually rolled back, you can use a spreadsheet and QuickBooks and show that threshold quite easily. The question to the city and to the county is, is the city prepared to complete certified audits of these businesses and at what cost?

Another key text to the bill is that all liquor sales must cease at the time food sales cease. Yet the people that crafted this bill did not define what food sales and what a kitchen qualifies as. Would a microwave and a bag of popcorn qualify? Costas questions is the city thinking that they are going to pass a bill expecting kitchen sales to stop at nine? He begs to differ, he believes it would enable any of these restaurant liquor licenses to serve until 2 am. Is the City prepared to deal with that?

It also says that no resort city restaurant license pursuant to this section shall be promoted or operate the restaurant as a bar or a lounge. Yet they provide no details as to what that means. A restaurant that promotes this license and takes a picture on their Facebook of a gin and tonic next to a burger, would that be considered promoting a bar? Is the city prepared to enforce this provision to protect itself from legal action?

To address the resort coalition that the mayor has mentioned, Costas can see where this can be applicable in certain situations like when you look at a town like Ketchum, which has about 3400 residents, give or take, or towns like McCall. Costas doesn't believe that sign says 117 people for Staenley, even though he has not done a full year here, he has been here in early March, and he feels 117 is a little extreme. Stanley is a micro town; it is not even a small town. Costas looked up McCall, and between golf courses and their incorporated city liquor licenses, it has 8 or 9 already in McCall. Ketchum proper has between three to four thousand people, not including Hailey, or Bellevue. Stanley is different in this regard; it's about understanding if the city is ready to deal with this.

On a personal level, Costas moved here for the mountains, for the river, for the community. He's been traveling here for 10 years, the first year he was blown away. He then spent the next 9 years trying to come back and have a bad time, to find some negative energy, find people that weren't cool to hang out with and talk

to, and he couldn't do it. Here we are now, he's living in Casanova Jack's tree house in the back of the Rod and Gun 10 years later.

Costas left Nashville whose chamber of commerce over the past 5 years leaned into a narrative of promoting a culture of partying and drinking and is now reeling from the unintended consequences. Major conventions have pulled away. Visitors are leaving saying I wasn't expecting this. Historic neighborhoods, including his own, are being overrun with mobile party buses and raucous tourists who are planning their trip to Nashville because quote "you can party everywhere. " The New York Times and the Wall Street Journal have both written about this. The city council and the chamber of commerce went way out over their skis and they're now reeling from it and they're trying to walk it back because locals are no longer visiting downtown. Locals are not participating in the economy because in the Central core it is a party atmosphere that's been created. Costas realizes that Nashville is a much different dynamic than Stanley from the size and every perspective, and it's certainly a sensitive subject for him, he knows what a party town looks like. He moved here to get away from it.

Regardless, Costas loves every business in this community. He will always support everybody, and he's been working to make Stanley better. He's very thankful to be here and he will respect the city's decision on the matter. He thanks the city for their time.

BZ Waite introduces herself. She has been in Stanley pretty much her entire life, as well as her family. Waite has seen the previous years of absolute mayhem on the 4th of July when all the city streets were blocked off. She had her place lit on fire because of fireworks in the city. She is opposed to it simply because this past weekend she watched a number of drunk people walk through her property. Waite says that she almost called the Sheriff when one drunk walked through her property but saw that he had already turned his lights on and was going after somebody else. She's opposed to it because she believes we have enough to manage right now and doesn't want to see Stanley go down that avenue. We don't need any more drunkenness in this city. Waite says thanks to the city for listening to her thoughts.

Gary Gadwal backs up BZ, he has been here 45 years in this town. He used to work on the city streets here and there were a lot of terrible things going on. The City used to have a reputation of being a party town and it was a mess. The city has moved away from that. Stanley has a nice Thursday event that is working fine but if we have more liquor capabilities, we're just going to be asking for more party activities. More people are intoxicated. We don't need more people intoxicated. This is a pleasant family town, and we need to keep it that way. Gary Gadwa really would like to see the city not adopt more liquor licenses.

Russel Clark speaks, he says that he has asked several people for their unbiased opinion about this subject. He says he has not received any unbiased opinions in a positive way. Clark's mind has been more focused on why we shouldn't do it. He would like to hear an opposition to that and in favor of it and why they are in favor so maybe he can get a better education. Right now, he's on this side and wants to hear from someone on the other side so he can help his mind understand the other side.

Councilmember Tim Cron speaks. They are making a distinction; this is only for restaurants. The argument would be that being able to enhance one's restaurant experience with a cocktail is enhancing the whole hospitality experience of a resort town. We are able to compete on a greater level because there is a market for people who want to go out for dinner and have a drink with their family and don't want to go to a bar. Cron says that is an argument. Councilmember Cron says what we're seeing tonight is that the businesses that could potentially apply for one aren't really interested. That's why we've held this meeting. We will probably vote at the next meeting.

This is the Idaho state Liquor Board coming to the cities and saying-Hey you guys are in control of your own town, you can decide. This is an option. So, it kind of fell in our laps, unexpectedly. Councilmember Cron can see how the argument that offering cocktails in dining establishments enhances the whole resort small town business community.

Councilmember Gabe Cardoso talks. Even if we don't adopt this, it is still there for the future. If Stanley meets some of the criteria, for example, if there is uber service. He admits he's gone to a restaurant and enjoyed a cocktail without going to the bar. The lack of safety is the main issue for Councilmember Cardoso.

Councilmember Cron thinks it's important to get everybody's opinion. A small business community does better when we talk through things, where we can meet in an atmosphere like this, discuss and get everyone's perspective. Councilmember Cron thanks everybody for attending.

Councilmember Gadwa says that there are sideboards that a community can adopt. Regulating that could be interesting. Hours can be set; they don't have to be 8 am to midnight. It could be four in the afternoon, serving just the dinner hour, closing at 9:00 or 10:00 PM. There are other sideboards that can be put on, for instance you have to have a full meal.

Mayor Botti and Councilmember Gadwa looked at different ways of contemplating this, not that they want to do it, just the different avenues that could possibly be considered. Such as if you have to have a full menu, you can't change your menu. Bar food would not fit, popcorn and peanuts at the bar is not considered a full meal. That's not a full meal. That's not a full menu. Yet regulating that could be an interesting feat.

The positive that Councilmember Gadwa has heard is that, yes, people would like to sit down with their family but also be able to have a gin and tonic while they are eating.

Councilmember Cron points out that there are certain states like Oregon, where every restaurant serves liquor and it's not a bar type atmosphere, but you can get a Cocktail. It's an added benefit to restaurants.

Councilmember Gabe says that 60/40 seems high, he thinks it should be 80/20.

Councilmember Gadwall points out that we are not here to make those decisions. Those could be sideboards that could be put on. There are ways of writing an ordinance, because it would have to become an ordinance that would address a lot of those sorts of concerns that people have.

Councilmember Gadwa points out that she is not for or against it. She is looking at the input and that's what she's heard from people. Mayor Botti and Councilmember Gadwa looked at it and considered, what would they do? Does that mean peanuts at the bar? That would not qualify as a meal to her. They would look at those

sideboards and narrow down these things to what the community and the city would be comfortable with.

Councilmember Cardoso asks about the price. Councilmember Gadwa says we cannot control ABC, but once a restaurant gets a license from ABC, they would then have to get a license from the county, and then get a license from the city. There are other fees that are being put on there, we don't know what that would be. We have no idea what the county would do. We have no idea what the city would do, that would all have to be worked out down the road.

Councilmember Cardoso asked if any other towns have adopted this yet. Mayor Botti says not that he can confirm but he has heard that cities are interested. We saw that Ketchum drafted an ordinance and a resolution, so we can guess they plan to move forward, but we don't know that for a fact. The majority of resort cities say they want to do it. We decide our own fate and it's not dependent on what other cities decide.

Councilmember Cardoso asks if we can watch what happens to the cities that decide to adopt it. Councilmember Gadwa asked if there is a time limit or deadline. If we don't do anything now, can we do it later?

Mayor Botti says he will be seeking clarification, but yes. If no one in Stanley applies for the license and Stanley decides to allow it, there would be future opportunities. Businesses could still get it on the waiting list for ABC's for liquor licenses in general.

ABC said some of the businesses have been waiting for 50 years to get out a liquor license. It is on a first come, first served basis. There is currently no one in Stanley on the waiting list. If the city does pass the resolution, ABC said that if somebody wanted to get on the waiting list, they could do it and after July first.

The city could change its mind later in the future years, the law does not say it's a one-off thing.

Clark asks, if the city decided to wait and see how other cities that adopt this law do, then Stanley can choose to adopt it later, but can we reverse this? If Stanley does decide to adopt this law, and issues three right now then in five years decides that this was a huge mistake, can the city take it back at that point? Mayor Botti says no, once we say yes, the law is adopted.

A community member asks if a restaurant applies for a liquor license can the city refuse to give the license to them? Mayor Botti answers that yes, from what he read; however, he is not sure how that would play out. He says it would be quite awkward, unless there was criteria put into the law that the business would have to qualify, it couldn't be an arbitrary thing where the city just changed their mind. Councilmember Gadwa says that the law states we do not have to issue any license.

Sheriff Levi Maydoyle conference calls into the meeting. He asks if there is a deadline for this, Mayor Botti says there is no longer a deadline. Sheriff Levis says that from a law enforcement standpoint from the county he says that this is the city's decision to make. We need to remember why we adopt laws to begin with, that is the most important part. Do we adopt laws to protect or increase revenue or to do other things? We need to see where this law goes. Is this law going to protect anybody or is this law going to probably damage that. He does not know; he says we would probably need to look at other resort towns that maybe have adopted

similar things like maybe Jackson, see if they have ever had things like this, see if they have had any problems. Doing some research on it wouldn't hurt.

Mayor Botti says that is why we are moving slowly on making this decision. There is a city council meeting coming up July 11, the city will hopefully be able to vote and make a decision then. The city doesn't have to but could decide then.

Clark asks if there will be the same background check, fingerprinting, guidelines and criteria for restaurants as there was when he applied for their liquor license.

Yes, there will be no difference in the restaurant liquor license application.

Costas says this is an incredibly vague law and whatever the city decides and it's unfortunate whatever the city decides, it's on the city. A town of 117 people is not the same as McCall or Ketchum, he wishes the city the best.

Councilmember Hernandez says that this town is already stretched for housing, if restaurants are to hire one or two more employees to run a bar scene in a restaurant where is the housing?

Food for thought.

Adjournment:

Mayor Botti adjourns at 7:05 PM.


Steve Botti, Mayor


Jennife Hayes, City Clerk/Treasurer