



City of Grand Forks

Staff Report

Committee of the Whole – January 26, 2026

City Council – February 2, 2026

Agenda Item: Consideration of Amendment to Class 3 (On/Off-Sale Beer & Wine) Alcoholic Beverage License for proposed new business

Submitted by: Maureen Storstad, City Finance Director
Sherie Lundmark, City Clerk

Staff Recommended Action: Review request and provide direction to staff

Committee Recommended Action:

Motion by Berg, second by Lunski to refer to City Council with a recommendation for City Attorney to research ordinance changes needed for this request, with provision for all ages being allowed on premise during sale and service of alcohol. . Motion carried unanimously.

Council Action:

BACKGROUND:

Annie Larson is planning to bring a new business, Annie’s Chocolates, to the Grand Cities Mall this spring. She is bringing forward a new to Grand Forks concept for consideration that in addition to sales of candy, would also provide for a gathering area for coffee and conversation. Ms. Larson has also worked with a California winery to create signature wines that she would like to have available for purchase alone, or as part of gift packages with chocolate, as well as possibly enjoyed onsite. Her business model would include the ability to have customers of all ages within the business. She would have controls so that minors would not have access to or be sold alcohol. While this is a new concept in Grand Forks, it does exist in other communities, including a business in Harvey, ND.

Current City Code would only allow minors on premise under a Class 3 Alcoholic Beverage License if the business has sales of food/meals that are prepared, sold, served and consumed on site that are equivalent or more than alcohol sales. Ms. Larson is asking for consideration of a modification to current City Code to accommodate her business model.

ANALYSIS AND FINDINGS OF FACT:

- Ms. Larson has proposed a new business to Grand Forks for a candy shop that would also be allowed to sell wine, with all ages being permitted on-site.
- Ms. Larson does not plan to have prepared food/meals.
- Current City Code requires that alcohol establishments have prepared food/meals, with sales equivalent or more than the sales of alcohol if they have minors on premise.
- An amendment to City Code would be required to allow minors on premise without the sale of prepared food.

SUPPORT MATERIALS:

- Letter from Ms. Larson detailing her proposed business

Greetings,

I am writing today to ask you to consider an amendment to the Class 3 alcoholic beverage license in Grand Forks, ND. After almost 20 years as a chocolatier, I am beyond excited to be opening a store in the Grand Cities Mall this spring. In this charming shop, the focus is on crafting moments, not just transactions. Customers at Annie's Chocolates are welcomed with a warm smile and a taste of something special, making each visit feel like a personal indulgence. The air is filled with the rich aroma of freshly brewed coffee, perfectly complementing the velvet scent of chocolate. We want this space to become a haven for locals to linger as well as a must-visit destination bringing people in from all over to the great city of Grand Forks.

The other half of my dream has always been to brand my own wine. I am partnering with Red Brick Winery in Napa Valley, CA to curate selections of crisp and dry whites as well as robust reds. The pairing of wine and chocolate is a sophisticated culinary experience. Dark chocolate with its high cocoa content pairs well with full-bodied red wines, while milk chocolate's sweetness is enhanced by dessert wines like sparkling white or a delicious port. Having the Class 3 liquor license would allow me to bring harmony between the flavors and textures of both the wine and chocolate. Ideally I would like to sell wine by the bottle or packaging it together with chocolates creating the perfect gift for that perfect someone.

As far as I understand, with the Class 3 Off- and/or On-Sale Wine & Beer Only the establishment is still required to have 50% of their sales come from a restaurant menu which would be consumed on sight in order for minors to be allowed inside. Although we don't plan on serving meals, 90% of our sales would be food related. We will offer cozy lounge and table spaces so that our customers can linger over those rich coffees and handcrafted chocolates stated above. The wine sold in store would be with the intent to consume offsite but I would also like to offer "experiences" after hours and by reservation. These would be private events, and all participants would be over the age of 21. Guests would taste a series of wines, each paired with a specific chocolate, to discover how the flavors and textures interact. The experience would often include guided notes on the origins, flavors, and textures of both the wines and chocolates, enhancing the appreciation of each pairing.

This concept is not unique to North Dakota. In Harvey, ND there is a charming little store named Ta ahni' that has everything from antiques to a wine bar, coffee bistro, beer selection and curated jewelry and gifts. There are tables towards the rear of the store where people can sit and enjoy a glass of wine and the only food they offer are the light snacks and/or cookies set on each table. The store is open to all ages and even if it is small town where everyone knows everyone, they still card on occasion.

I am asking you to write an amendment to the Class 3 liquor license that allows Annie's Chocolates to sell wine by the bottle and in gift packages in a store where minors are present. A possible scenario is to have the wine displayed in the open but behind the counter, accessed only by employees. I am also asking you to consider allowing me to create after hours experiences by appointment only, with every guest over the age of 21, to taste wine and chocolate samplings. These tastings would be perfect for small Christmas parties, birthday gatherings, office bonding and more.

Thank you for your consideration on this matter. Please reach out if you have any questions.

Respectfully,

Annie Larson
Owner of Annie's Chocolates
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