

City Council Agenda Memo

From: Bonnie Foster, City Clerk

Council Meeting: September 12, 2023

Subject: Video Lottery Authorization: Holiday Stationstores LLC, dba Circle K

Person(s) Responsible: Bonnie Foster, City Clerk

Summary:

The City of Brookings has received a request for a Video Lottery authorization for Holiday Stationstores LLC, dba Circle K. All required documents have been submitted.

Background:

A public hearing and action by the local governing body is required. This license would be effective upon State Lottery Office approval and license issuance, and subject to annual renewal.

This business is to be located at I-29 and Highway 14 Bypass. It is proposed to hold 1 video lottery suite, with up to 10 video lottery machines.

The Council approved Ordinance 23-020, which established the number of video lottery authorizations in the City. As per Ordinance, there are 30 authorizations available for the first 26,377 population. The request on tonight's council agenda, if approved, will utilize the remaining authorization. No additional authorizations will be granted until the population of the City of Brookings reaches 27,377 (one authorization granted for each additional 1,000 of population).

Item Details:

Holiday Stationstores LLC, dba Circle K, has applied for an On-Off Malt License, with video lottery authorization, for their store to be located at I-29 and Highway 14 Bypass. This would allow up to 10 video lottery machines at this location.

In order to satisfy State Video Lottery Regulations, there must be separate and distinct physical facilities maintained and utilized for the sale and consumption of alcoholic beverages for each separately described premises.

Their plan indicates the separate space has been designated, and sales and consumption of alcoholic beverages are intended to occur at this location within the building. This would comply with the video lottery requirements if the City Council approves the On-Off Sale Malt License with video lottery authorization.

SDCL [42-7A-64](#). Additional criteria for on-sale alcoholic beverage licensees in video lottery licensed establishments. A municipality or county may consider, in addition to the criteria for the issuance of an on-sale alcoholic beverage license, the following criteria for authorizing video lottery machine placement in establishments issued an on-sale alcoholic beverage license pursuant to subdivisions 35-4-2(12) and (16):

1. The number of establishments currently licensed for video lottery;
2. The proximity of the business to other establishments licensed for video lottery;
3. The type of business and manner in which the applicant proposes to operate it;
4. The location of the business in relation to other businesses, residential areas, or activities within the same general area;
5. The extent to which minors frequent a business connected to the one proposed; and
6. The effect the proposed business has on economic development.

The governing board shall certify on each application filed with the Department of Revenue for a license granted under subdivisions 35-4-2(12) and (16) whether the business premises is authorized for video lottery machine placement. An existing video lottery license may not be denied renewal or transfer based upon the criteria set forth in this section. The lottery may issue a video lottery license to those establishments certified pursuant to this section. Notwithstanding the above provisions, a county or municipality may not restrict the number of alcoholic beverage licenses issued under subdivisions 35-4-2(12) and (16) and certified for video lottery to a number less than those licensed as video lottery establishments on March 1, 1994.

Source: SL 1994, ch 329, § 1; SL 2003, ch 272 (Ex. Ord. 03-1), § 82; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 161, eff. Apr. 12, 2011.

Legal Consideration:

None.

Strategic Plan Consideration:

Economic Growth – business growth opportunity.

Financial Consideration:

Video Lottery Fee: \$50 / machine

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

Staff recommends approval.

Supporting Documentation:

Current Video Lottery List

Video Lottery: SDCL and Administrative Rule

Legal Notice

Proposed Building Plan

Location Map