

# **City Council Agenda Item Memo**

**From:** Bonnie Foster, City Clerk

**Council Meeting:** May 27, 2025

**Subject:** Video Lottery Authorization: PNP Pub, Suite B

**Presenter:** Bonnie Foster, City Clerk

## **Summary and Recommended Action:**

The City of Brookings has received a request for a Video Lottery authorization for PNP Pub. Staff requests City Council to make a determination.

## **Item Details:**

PNP Pub, Jon Schoon, owner, has applied for an On-Off Malt License, with video lottery authorization, for 318 2<sup>nd</sup> Street South, Suite B. Legal description: Lot 1 and North 10 feet of Lot 2, Block 1, Roberts Second Addition, to the City of Brookings, Brookings County, South Dakota.

The City of Brookings has 1 available Video Lottery authorization, due to an inactive on-off malt license, with video lottery authorization, which was not renewed in 2023.

This location would incorporate a Video Lottery authorization, allowing up to 10 video lottery machines. Their plan indicates a separate space has been designated. This would comply with the video lottery requirements if the City Council approves the additional On-Off Sale Malt License and if the City Council also approves the Video Lottery authorization for this location.

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

**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 – The City of Brookings will support effective diversified community investment and equitable opportunities for prosperity.

**Financial Consideration:**

Video Lottery Fee: \$50 / machine

**Supporting Documentation:**

Video Lottery: SDCL and Administrative Rule

Malt License: City Code and SDCL

Legal Notice

Location Map

Proposed Building Plan

Video Lottery List

Video Lottery Locations Map