

City Council Agenda Item Memo

From: Bonnie Foster, City Clerk

Council Meeting: May 7, 2024

Subject: Resolution 24-047: setting the fee for On-Sale Liquor and Full-Service Restaurant On-Sale Liquor Licenses

Presenter: Bonnie Foster, City Clerk

Summary:

At the April 23rd Council Meeting, the City Council requested a resolution to adjust the fees for On-Sale Liquor and Full-Service Restaurant On-Sale Liquor Licenses to \$100,000 each. The resolution is attached. Staff has no guidance and recommends Council take action as they deem appropriate.

Background:

It was requested by City Council at their April 23rd Council Meeting to bring a Resolution with revised fees to the Council for formal action.

4/23/2024 City Council Meeting Minutes Excerpt: "Liquor License Fees. Discussion was held on the new license fees for On-Sale Liquor and Full-Service Restaurant On-Sale Liquor Licenses. A motion was made by Council Member Specker, seconded by Council Member Rasmussen, to approve the following fees: \$25,000 for On-Sale Liquor, and \$100,000 for Full-Service Restaurant On-Sale Liquor. A motion was made by Mayor Niemeyer, seconded by Council Member Tilton Byrne, to amend the fees to \$75,000 for both licenses and to direct staff to bring a Resolution with these revised fees to the Council for formal action. A friendly amendment was made by Council Member Tilton Byrne, and accepted by Mayor Niemeyer to raise both license fees to \$100,000. The motion carried by the following vote: Yes: 4 - Niemeyer, Avery, Tilton Byrne, and Doran; No: 3 - Wendell, Specker, and Rasmussen. On the original motion, as amended, the motion carried by the following vote: Yes: 5 - Niemeyer, Wendell, Avery, Tilton Byrne, and Doran; No: 2 - Specker, and Rasmussen."

On-Sale Operating Agreements

The City enters into Operating Agreements with on-sale liquor license holders. Agreements are for 10-years, with a 5-year mid-term renewal.

State Law (SDCL 35-4-2(4), SDCL 35-4-111, and 35-4-116) requires a municipality to set the fee for the initial issuance of an operating agreement at not less than \$1 for each person residing within the municipality as measured by the last preceding Federal Census. The 2020 Census identified Brookings with 23,377 population. State law does not set the maximum fee for the issuance of Operating Agreements, and accordingly,

the fee may be set by the City Council provided the fee equals or exceeds the minimum fee, which would be \$23,377.

The Federal Census in decennial years states the population of the City of Brookings has been:

- 2000 – 18,560 population
- 2010 – 22,056 population
- 2020 – 23,377 population

Item Details:

This item provides the City Council the opportunity to set the fees for On-Sale Liquor and Full-Service Restaurant On-Sale Liquor. A resolution is provided, as directed by City Council. The resolution sets both license fees at \$100,000 each.

Legal Consideration:

City Attorney Steve Britzman has reviewed the proposed Resolution.

Strategic Plan Consideration:

Fiscal Responsibility – updating on-sale liquor license fees appropriate for the community.

Financial Consideration:

On-Sale Liquor Fee: \$100,000

Full-Service Restaurant On-Sale Liquor Fee: \$100,000

Renewal fee: \$1,500

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 has no guidance and recommends Council take action as they deem appropriate.

Supporting Documentation:

Resolution