

City Council Agenda Memo

From: Bonnie Foster, City Clerk

Council Meeting: August 9, 2022

Subject: On-Off Sale Wine Operating Agreement renewal: Pheasant Café & Lounge

Person(s) Presenting: Bonnie Foster, City Clerk

Summary:

RGO, Inc., dba Pheasant Café & Lounge has reached the end of the current 10-year Wine Operating Agreement. This is for the renewal of the Wine Operating Agreement for an additional 10-years, with a 5-year mid-term renewal. Address: 726 Main Avenue South. Legal description: Lot 2, Block 2, Grossman Heights Addition.

An operating agreement is required for all Wine Licenses. This Resolution allows the City Manager to enter into a 10-year Operating Agreement renewal, effective through 2032, with a 5-year mid-term renewal in 2027.

This location does not have Video Lottery. If Video Lottery is requested, a public hearing and action by the City Council is required.

Background:

A public hearing and action by the local governing body is required for all alcohol licenses. This license would be effective through December 31, 2022 and then subject to an annual renewal. If approved, the application would be forwarded to the State Department of Revenue for final action and issuance of the license.

Item Details:

Chapter 6, Article 2, Section 6-42 of the City Code of Ordinances pertains to the Application Review Procedure. The city council shall review all applications submitted to the city for available on-sale alcoholic beverage agreements and for all alcoholic beverage licenses in accordance with SDCL 35-2 and in accordance with the following factors:

- 1) Type of business which applicant proposes to operate: on-sale alcoholic beverage operating agreements and on-sale alcoholic beverage licenses may not be issued to convenience grocery stores, gas stations, or other stores where groceries or gasoline are sold unless it can be established that minors do not regularly frequent the establishment.
- 2) The manner in which the business is operated: on-sale alcoholic beverage operating agreements and alcoholic beverage licenses may not be issued to

establishments which are operated in a manner which results in minors regularly frequenting the establishment.

- 3) The extent to which minors are employed in such a place of business: on-sale alcoholic beverage operating agreements and on-sale alcoholic beverage licenses may not be issued to convenience grocery stores, gas stations, or other stores where groceries or gasoline are sold and which regularly employ minors.
- 4) Adequacy of the police facilities to properly police the proposed location: The city council shall inquire of the city manager whether the police department can adequately police the proposed location.
- 5) Other factors: The hours that business is conducted shall be considered by the city council in its review of applications for on-sale alcoholic beverage operating agreements and on-sale alcoholic beverage licenses.

Legal Consideration:

None.

Strategic Plan Consideration:

Economic Growth – opportunity for a local business transfer to continue operations as have previously offered the community.

Financial Consideration:

This license would be effective through December 31, 2022 and then subject to an annual renewal.

Options and Recommendation:

The City Council has the following options:

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

Staff recommends approval.

Supporting Documentation:

Resolution

Operating Agreement

Location Map