

# City Council Agenda Memo

**From:** Bonnie Foster, City Clerk

**Council Meeting:** May 11, 2021

**Subject:** On-Sale Wine Operating Agreement transfer

**Person(s) Presenting:** Bonnie Foster, City Clerk

## **Summary:**

The City of Brookings has received an application to transfer an On-Sale Wine Operating Agreement for ERL LLC, dba The Depot, 921 20<sup>th</sup> Street South, to MG Oil Company, dba Corner Pantry #19, Marlyn Erickson and Troy Erickson, owners. All required documents have been submitted for this application.

## **Background:**

MG Oil Company has purchased the business at 921 20<sup>th</sup> Street South. Both the On-Off Wine License and On-Off Malt License, with Video Lottery, will be transferred from ERL LLC to MG Oil Company.

Approval of this Resolution will allow the City Manager to enter into a 10-year Operating Agreement with MG Oil. A mid-term renewal is required in 5-years.

A public hearing and action by the local governing body is required for all alcohol licenses. This license would be effective upon SD State Department of Revenue final action and license issuance, then subject to an annual renewal.

## **Item Details:**

City Code Chapter 6, Article 2, Section 6-42 pertaining to Application Review Procedure. The city council shall review all applications submitted to the city for available on-sale alcoholic beverage agreements, including transfers, 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: including 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:**

None

**Financial Consideration:**

This license would be effective upon state approval, and 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. Do Nothing

Staff recommends approval.

**Supporting Documentation:**

Resolution

Operating Agreement

Notice of Public Hearing

City Code and SDCL References

Location Map