



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Kelly Matalka, City Clerk

DATE: September 3, 2019

SUBJECT: RETAIL LIQUOR & BEER LICENSE AMENDMENT- BROADWAY LIQUOR, LLC

I. RECOMMENDED ACTION

It is recommended the City Council approve the amendment to the Retail Liquor & Beer License held by Broadway Liquor, LLC to include First International Bank & Trust listed as a security interest on the license.

II. DEPARTMENT CONTACT PERSONS

Kelly Matalka, City Clerk 857-4752

III. DESCRIPTION

In 2017, First International Bank & Trust took security interest involving financing of a liquor license purchase for Broadway Liquor, LLC operating as Broadway Liquor. It was brought to light in a recent audit of the loan by First International Bank & Trust that they did not have a perfected security interest. This license amendment will correct the citation found in their audit.

Sec. 5-31, License to constitute a defeasible property right, transfer or other change in status, operation, or form of license, fee for approval of same, states:

(a) A licensee under this chapter shall enjoy a defeasible property right in the license. It is defeasible in the sense that it may be revoked by the city "for cause" without compensation to the licensee as provided in section 5-32 of this Code. Subject to that reservation of rights in the city, the licensee may sell, pledge, grant or retain a security interest in, give away in a will, or otherwise deal with the license.

(b) No transaction affecting a license, including a transfer (whether full or partial), lease, grant or retention of a security interest, or other change in its status, operation, or form (hereafter a "license amendment"), is binding on the city until application for the license amendment has been filed by the licensee or other interested person with the city clerk and approved by the city council. However, as provided hereafter, the chief of police has the power to approve a license amendment for a temporary period of time, and if the chief does so it has the same force and effect as an approval by the city council during such temporary period of time.

IV. IMPACT:

Strategic Impact: N/A

Service/Delivery Impact: N/A

Fiscal Impact:

None

V. ALTERNATIVES

The City Council could deny this application if there is reasonable cause to do so and the amendment would not take effect.

VI. TIME CONSTRAINTS

Authorizing the license amendment will allow First International Bank & Trust to have accurate documentation for their file.

VII. LIST OF ATTACHMENTS