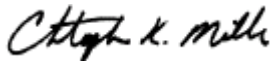



REQUEST FOR COUNCIL ACTION

Date: 6/23/2014
Item No.: 11.b

Department Approval



City Manager Approval



Item Description: Public Hearing to Consider the Transfer of an Off-Sale 3.2% Liquor License to Diamond Lake 1994, LLC (Cub Foods)

1 **BACKGROUND**

2 Jerry's Enterprises, Inc. and its subsidiary Diamond Lake 1994, LLC are in the process of purchasing
3 the Rainbow Foods grocery store located at 1201 Larpenteur Avenue West. Diamond Lake 1994, LLC
4 intends to begin operating under the name Cub Foods upon the closing of the sale, pending local and
5 State approvals.

6
7 Under State Statute 340A.412 and City Code Chapter 302.07B, the acquisition of an existing off-sale
8 3.2% retail location is effectively categorized as a transfer of an existing license; for which City
9 Council consent is required. The City Code reads as follows:

10
11 *Person and Premises Licensed; Transfer: Each license shall be issued only to the*
12 *applicant and for the premises described in the application. No license may be*
13 *transferred to another person or place without City Council approval. Before a transfer*
14 *is approved, the transferee shall comply with the requirements for a new application. Any*
15 *transfer of the controlling interest of a licensee is deemed a transfer of the license.*
16 *Transfer of a license without prior City Council approval is a ground for revocation of*
17 *the license. (Ord. 972, 5-13-1985) (Ord. 1390, 3-29-2010)*

18
19 Specific to City Code, Diamond Lake 1994, LLC's application materials are considered complete and
20 in full compliance with City documentation requirements. Criminal background checks have been
21 completed on all owners and officers. Neither State Statute nor City Code limits the number of licenses
22 that can be issued for off-sale 3.2% liquor licenses.

23 **POLICY OBJECTIVE**

24 State Statute and City Code permit the transfer of a liquor license with City Council consent.

25 **FINANCIAL IMPACTS**

26 Not applicable.

27 **STAFF RECOMMENDATION**

28 City Staff recommends that the City Council approve the transfer of the off-sale 3.2% liquor license
29 from RBF, LLC of Wisconsin to Diamond Lake 1994, LLC, effective on or around July 7, 2014 upon
30 the close of the sale.

31 **REQUESTED COUNCIL ACTION**

32 Motion to approve the transfer of the off-sale 3.2% liquor license to Diamond Lake 1994, LLC for the
33 remainder of the 2014 calendar year.

34

Prepared by: Chris Miller, Finance Director

Attachments: A: Application from Diamond Lake 1994, LLC (Cub Foods)



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division (AGED)
444 Cedar Street, Suite 222, St. Paul, MN 55101-5133
Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License

Cities and Counties: You are required by law to complete and sign this form to certify the issuance of the following liquor license types:
1) City issued on sale intoxicating and Sunday liquor licenses
2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License Roseville License Period From: Issuance To: 12/31/2014

Circle One: New License License Transfer Suspension Revocation Cancel (former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ Sunday License fee: \$ 3.2% On Sale fee: \$ 3.2% Off Sale fee: \$ 30.00

Licensee Name: Diamond Lake 1994 LLC DOB Social Security # (corporation, partnership, LLC, or Individual)

Business Trade Name Cub Foods Business Address 1201 Larpenteur City Roseville

Zip Code 55113 County Ramsey Business Phone 651/488-1825 Home Phone N/A

Home Address N/A City N/A Licensee's MN Tax ID # 1827171

Licensee's Federal Tax ID # 41-1795383 (To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Please see attached List of Officers

Table with 4 columns: Partner/Officer Name (First Middle Last), DOB, Social Security #, Home Address. Three rows are present.

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes/No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law? See attached Violation List

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: SFM Insurance Policy # 9592.521

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county. City Clerk or County Auditor Signature (title) Date

On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at www.dps.state.mn.us.

Diamond Lake 1994 LLC
Listing of Officers

Robert Nessel Shaddock 100% owner President

Kent Dean Dixon Executive Vice President

Benjamin Carl Schultes Vice President of Finance

Alcohol Violations/Fines

Jerry's Enterprises, Inc. currently owns and operates 18 retail grocery stores within Minnesota; 9 under Diamond Lake 1994 LLC, and 9 under Jerry's Enterprises, Inc., as well as three off-sale liquor stores; Cub Liquor in Bloomington, Cub Liquor in West St Paul and Sun Ray Liquors in St. Paul.

Following is a list of alcohol violations that have occurred in these stores in the past five years:

Diamond Lake 1994 LLC

10/17/2013	Cub Broadway	\$500.00 fine
------------	--------------	---------------

Jerry's Enterprises, Inc.

8/31/09	Cub Liquor – Bloomington	\$1000 fine
5/27/10	Jerry's Edina	\$1000 fine
4/21/10	Cub – Bloomington	\$750 fine
9/18/13	Cub – Liquor-SunRay	Warning—no fine
10/1/13	Cub – Lake Street	\$500.00 fine

Policies and procedures are in place, and employee training is ongoing to prevent occurrence of this type of situation. We have a zero tolerance policy regarding the Sale of Alcohol that is strictly enforced.

ROUNDY'S SUPERMARKETS, INC.

PICK 'N SAVE · COPPS · RAINBOW · METRO MARKET · MARIANO'S

PO Box 473
Milwaukee, WI 53201
414-231-5000

May 13, 2014

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Chris Miller
Finance Director
City of Roseville
Finance Department, License Division
2660 Civic Center Drive
Roseville, MN 55113

Re: Change of Ownership

Dear Mr. Miller:

RBF, LLC of Wisconsin will cease operating the Rainbow Foods grocery and liquor stores located at 1201 Larpenteur Avenue West (the "Stores") on or about July 16, 2014, due to the sale of the Stores to Jerry Enterprises, Inc. and its subsidiary JE Roseville Liquor 2014, LLC. The 3.2% Off-Sale and Off-Sale licenses issued to the Stores will be surrendered to the City upon the closure of the Stores.

Please contact me with any questions you may have at 414-231-5901.

Very truly yours,

ROUNDY'S SUPERMARKETS, INC.



Edward G. Kitz
Group Vice President – Legal, Risk & Treasury

Cc: Ben Schultes (via electronic mail)

