

RESOLUTION ESTABLISHING THE FAIR MARKET VALUE OF ON-SALE FULL SERVICE RESTAURANT LICENSES

WHEREAS, the City of Rapid City has adopted Ordinances that create a comprehensive regulatory scheme for the sale and consumption of alcoholic beverages; and

WHEREAS, the South Dakota Legislature recently enacted Senate Bill 126 which authorized the issuance of additional on-sale licenses to full service restaurants subject to certain conditions; and

WHEREAS, pursuant to the authority granted in Senate Bill 126 the City of Rapid City adopted Ordinance No. 5400 to implement the provisions of the on-sale full service restaurants license; and

WHEREAS, Senate Bill 126 requires the municipality to establish the fair market value of the on-sale full service restaurant license by using the documented value of the last arms length transaction prior to January 1, 2008; and

WHEREAS, it appears that the last arms-length transfer prior to January 1, 2008, of an on-sale alcohol license occurred on August 1, 2007 when the transfer of an on-sale license from Hansen Investments, Inc. to Dealer Exchange, Inc. was approved by the Rapid City Common Council; and

WHEREAS, the City of Rapid City has received documentation showing that the value attributed to the on-sale license was \$295,000; and

WHEREAS, the City of Rapid City is mandated by state law to use this transaction to establish the fair market value of the on-sale full service restaurant license.

NOW THEREFORE, BE IT RESOLVED by the City of Rapid City that the fee for the full service on-sale restaurant license is hereby established at \$295,000.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

(SEAL)