



City of Grand Forks
Staff Report
Committee of the Whole – February 24, 2020
City Council – March 2, 2020

APPROVED & ACCEPTED
by City Council

03/02/2020

Maureen Storstad
Maureen Storstad
City Auditor

Agenda Item: Request for approval of ownership change for Class 1 (General On- and/or Off-Sale) Alcoholic Beverage License from BTAB, LLC, dba Rumors Sports Bar & Grill

Submitted by: Maureen Storstad, Finance Director

Staff Recommended Action: Approve the transfer request and waive the transfer fee

Committee Recommended Action: Referred to City Council with recommendation to approve. Motion carried unanimously.

Council Action: Approved unanimously on consent agenda

BACKGROUND: The Finance Department has received a request for approval of an ownership change for BTAB, LLC, dba Rumors Sports Bar and Grill. BTAB, LLC. has been owned by William Tyrrell and Adam Badalato 50% each. Adam Badalato is selling his 50% ownership back to William Tyrrell, as he wishes to leave the business. The parties are requesting a waiver of the transfer fee, due to the nature of the transfer.

City Code defines that ownership changes of more than 50% are considered a transfer of ownership which requires city council approval and that City Council has the authority to waive a transfer fee. In this case, ownership of the business will be consistent with full ownership by an existing partner a waiver of the transfer fee could be considered.

ANALYSIS AND FINDINGS OF FACT:

- BTAB, LLC has submitted a request for change in corporate ownership.
- Ownership change consists of a purchase of the full 50% share of Adam Badalato by the other owner of the corporation William Tyrrell, which will give the full 100% ownership to Mr. Tyrrell.
- An ownership change of 50% or more is deemed to be a transfer under City Code and payment of a transfer fee of \$16,425.
- Transfers require review and approval of City Council.
- City Council may authorize waiver of a transfer fee when proposed ownership is substantially similar to existing ownership.

SUPPORT MATERIALS:

- Request from BTAB, LLC
- Copy of City Code Section 21-0201(15) Transfer

February 3, 2020

Adam Badolato
5580 Gallatan Circle
Grand Forks, ND 58201

RE: Removal from BTAB LLC Liquor License(dba Rumors Sports Bar & Grill)

Dear Grand Forks City Council:

I, Adam Badolato, would like to sell my 50% ownership of BTAB LLC to my business partner, William Tyrrell. In doing this, I would ask that you approve the removal of my name from the Grand Forks Liquor License.

I would also respectfully request the waiver of the Liquor License transfer fee.

Thank you for your time and efforts in this matter.

Adam Badolato

Handwritten signature of Adam Badolato in black ink, written over a horizontal line.

William Tyrrell

Handwritten signature of William Tyrrell in black ink, written over a horizontal line.

21-0201. - Definitions.

For purposes of this article, the following words and phrases shall have the meanings ascribed to them in this section:

- (15) *Transfer*. Any assignment, sale, exchange or other conveyance of any license issued pursuant to the provisions of this article. A transfer shall be deemed to have occurred upon the assignment, sale, exchange, or other conveyance of fifty (50) percent or more of the interest in a license holder partnership or stock in a license holder corporation, whether such assignment, sale, exchange or other conveyance occurred in one (1) single transaction or multiple transactions. However, the term "transfer" shall not apply to the following described conveyances:
- (A) When an individual possessing a license issued pursuant to the provisions of this article has become deceased, the license may, upon application of the personal representative of the decedent, be transferred to another individual, partnership, firm or corporation.
 - (B) When any corporation possessing a license issued pursuant to the provisions of this article voluntarily dissolves, the license may be issued to any individual shareholder in such corporation who held the stock at the time of the issuance or last renewal of the license and whose application is approved by the holders owning a majority of the outstanding shares of stock in the corporation prior to the time of dissolution; provided, however, that such shareholder shall be subject to all the requirements of this article relating to the application for a license and the qualifications of license holder.
 - (C) When an individual license holder desires to transfer a license to a corporation in which the license holder is the owner of at least a majority of the outstanding shares of stock in the corporation; provided, however, that such license holder's stock ownership in the transferee corporation does not fall below the majority of the outstanding stock in the corporation without the prior approval of the city council and reapplication for license by the transferee corporation. The transferee corporation shall be subject to all the requirements of this article relating to the application for a license and the qualifications of a license holder.
 - (D) When a license holder is a corporation or partnership which desires to transfer a license to another corporation or partnership having substantially the same partners or stockholders; provided, however, that such transferee corporation or partnership shall be subject to all the requirements of this article relating to the application for a license and the qualifications of a license holder.
 - (E) When an individual license holder desires to transfer a license to a blood relative of the first degree, as defined by the North Dakota Century Code, or to a grandchild of the individual license holder if the grandchild's parents are deceased. For purposes of this subsection only, a similar conveyance of shares of stock in a license holder corporation shall not be considered a "transfer" if the person seeking to convey shares of stock owns at least a majority of the outstanding shares of stock in the corporation or is seeking to convey shares or stock to a blood relative of the first degree as defined by the North Dakota Century Code, or to a grandchild if the grandchild's parents are deceased.
 - (F) When a majority of the entire city council adopts a resolution and declares the conveyance not to be a transfer for the purposes of this article.