



City of Grand Island

Tuesday, August 12, 2008

Council Session

Item E1

**Public Hearing on Request from Roadhouse Garage, Inc. dba
Roadhouse Garage & Grill, 2710 Diers Avenue, Suite B for a Class
“C” Liquor License**

Staff Contact: RaNae Edwards

Council Agenda Memo

From: RaNae Edwards, City Clerk

Meeting: August 12, 2008

Subject: Public Hearing on Request from Roadhouse Garage, Inc.
dba Roadhouse Garage & Grill, 2710 Diers Avenue,
Suite B for a Class “C” Liquor License

Item #'s: E-1 & I-1

Presenter(s): RaNae Edwards, City Clerk

Background

Section 4-2 of the Grand Island City Code declares the intent of the City Council regarding liquor licenses and the sale of alcohol.

Declared Legislative Intent

It is hereby declared to be the intent and purpose of the city council in adopting and administering the provisions of this chapter:

- (A) To express the community sentiment that the control of availability of alcoholic liquor to the public in general and to minors in particular promotes the public health, safety, and welfare;
- (B) To encourage temperance in the consumption of alcoholic liquor by sound and careful control and regulation of the sale and distribution thereof; and
- (C) To ensure that the number of retail outlets and the manner in which they are operated is such that they can be adequately policed by local law enforcement agencies so that the abuse of alcohol and the occurrence of alcohol-related crimes and offenses is kept to a minimum.

Discussion

Roadhouse Garage, Inc. dba Roadhouse Garage & Grill, 2710 Diers Avenue, Suite B has submitted an application for a Class “C” Liquor License. A Class “C” Liquor License allows for the sale of alcohol on and off sale inside the corporate limits of the city.

City Council action is required and forwarded to the Nebraska Liquor Control Commission for issuance of all licenses. This application has been reviewed by the Clerk, Building, Fire, Health, and Police Departments.

After review of the Police Department report (see attached) it is recommended that the City Council approve the application of Roadhouse Garage, Inc. with the restrictions that Sarah Tjaden and Jeff Leo have no involvement in the operation of the business.

Also included with the application was a request from Thomas Schutte, 4227 Calvin Drive for a Liquor Manager designation.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the application.
2. Forward to the Nebraska Liquor Control Commission with no recommendation.
3. Forward to the Nebraska Liquor Control Commission with recommendations.
4. Deny the application.

Recommendation

Based on the Nebraska Liquor Control Commission's criteria for the approval of Liquor Licenses, City Administration recommends that the Council approve the application.

Sample Motion

Move to approve the application of the Roadhouse Garage, Inc. dba Roadhouse Garage & Grill, 2710 Diers Avenue, Suite B for a Class "C" Liquor License contingent upon final inspection and with the restrictions that Sarah Tjaden and Jeff Leo have no involvement in the operation of the business. Also approve the request from Thomas Schutte, 4227 Calvin Drive for a Liquor Manager designation, contingent upon Mr. Schutte completing a state approved alcohol server/seller training program.

INTEROFFICE
MEMORANDUM
Police Department



*Working Together for a
Better Tomorrow. Today.*

DATE: August 1, 2008

TO: RaNae Edwards, City Clerk

FROM: Dave Vitera, Sergeant, Police Department

RE: Application for Liquor License & Manager Designation
The Roadhouse Garage & Grill, 2710 Diers Avenue,
Suite B, Grand Island, NE



The Grand Island Police Department received an application from Thomas Schutte, the proposed owner, for a liquor license for the Roadhouse Garage & Grill and a Manager Designation for Thomas Schutte. The business is currently called the Roadhouse Garage and is owned by Sara Tjaden (until 7-10-2008).

The Roadhouse Garage has a hearing with the Liquor Commission on August 1, 2008. At the time of this report, the hearing has been continued. Tjaden is accused of violating the terms of her liquor license by allowing Jeff Leo to participate in the bar business. Thomas Schutte has been an employee of The Roadhouse for the last two years.

I checked Spillman and NCJIS to access some criminal records on Schutte. I could not find any discrepancies from what he disclosed on the application. None of his listed convictions would automatically exclude him from getting a liquor license.

While reviewing the application, I noticed that Schutte stated that he would be using a Five Points Bank account for the business, and that he is the only person authorized to write checks and make withdrawals from the account. In another section of the application, I noticed that Sarah Tjaden also has a Five Points Bank account for the Roadhouse Garage. The account was opened on 2-13-2006. On July 10, 2008, Thomas Schutte was added to the account. According to the signature card statement, only one signature is required to make a withdrawal. 7-10-2008 was supposed to be the day that the sale of the business was finalized.

On July 25, 2008, I received some information from Five Points Bank. I was told that Thomas Schutte only has one account with them, and that's the account he was just added to with Sarah Tjaden. This contradicts the information that he provided on the application.

I met with Thomas Schutte at the Roadhouse Garage on 7-28-2008. Thomas said that he has already purchased the Roadhouse from Sarah Tjaden. I asked him if the sale was contingent upon him getting a

liquor license, and he said that it was not. Thomas said that if he didn't get a liquor license, he would have to sell the business as quickly as possible.

I showed Thomas the application and asked him about question number ten that says he has a business account at Five Points Bank where he is the only person on the account. I then showed him the copy of the signature card where he was added to Sarah Tjaden's Five Points Bank account for the Roadhouse. Thomas acknowledged that he only has one business account for the Roadhouse, and it's the one with Sara Tjaden. I told Thomas that it didn't make sense to me that he would have a joint account with Tjaden where she could take money out of the account when she doesn't have any interest in the business. Thomas advised that Tjaden told him that it would be easier that way. Thomas said that he had been trying to get her off of the account. I asked him if he asked her to take her name off of the account, and he said that he had not.

Thomas then told me that Tjaden filled out the application for him, and he just signed it where she told him to. I asked Thomas if he read it before he signed it, and he said that he looked it over. I also pointed out to Thomas that there is a spot on the application where the applicant is supposed to name the person who helped them fill out the application if he didn't do it himself. There was a "N/A" in that blank.

I also asked Thomas about the shares of stock in the company. I showed him a copy of a certificate that indicated he owned 3,000 shares out of 10,000 shares of stock. Each share is valued at \$5. I asked Thomas where the other 7,000 shares were located. Thomas acted surprised and said that he didn't know. He wasn't aware that he owned any shares.

I told Thomas that I would probably recommend a denial of the application to the City Council unless he could prove to me that there is only one business account for the Roadhouse with him being the only person on the account. I also instructed him to come up with some answers on the stock issues.

On 7-31-2008, I spoke to Sarah Tjaden at her apartment. Sarah said that she "helped" Thomas fill out the liquor license application. When asked why Thomas was added to her bank account, she pointed out number 6 on the application under "Required Attachments." It reads, "If wishing to run on current liquor license enclose temporary agency agreement (must be Commission form only, must include a copy of the signature card from the bank showing both the seller and buyer's name on the account)."

Sarah acknowledged that she sold the business, however, she still has bills to pay. Sarah advised that she could remain on the account for thirty days after a liquor license is issued to Thomas. Sarah said she would take her name off of the account sometime during that 30-day period.

Sarah said that when she started the business, the Roadhouse was a corporation had 10,000 shares of stock. She owned 3,000 shares. Sarah said that when she sold the business, she had to sell her shares of stock which is the purchase price including tangible items. Sarah said the corporation still holds 7,000 shares of private stock.

I also received a message from Thomas on 7-31-2008. He left an explanation as to why Sarah is still on the Roadhouse account. He also addressed the stock situation.

All in all, the Police Department recommends that a liquor license be issued to The Roadhouse Garage & Grill (under Thomas Schutte's ownership) ;with the stipulation that Sarah Tjaden and Jeff Leo are excluded from the operation of the business. If Thomas Schutte is granted a liquor license, Tjaden assured me that she will have nothing to do with the Roadhouse other than the lease of the building and collecting rent. The Police Department also does not have any objections to Thomas Schutte becoming the liquor manager for the Roadhouse Garage and Grill.