

City of Scottsbluff, Nebraska

Tuesday, January 3, 2017

Regular Meeting

Item Pub. Hear.1

Council to conduct a public hearing at 6:05 p.m. to consider a Class Z Liquor License application for Great Plains Distillery LLC dba Great Plains Distillery, 213 West Railway, Scottsbluff, NE.

Staff Contact: Cindy Dickinson, City Clerk

Agenda Statement

Item No.

For meeting of: January 3, 2017

AGENDA TITLE: Council to hold a public hearing as advertised for this date at 6:05 p.m. for a Class Z Liquor License for Great Plains Distillery LLC, 213 Railway Street, Scottsbluff, NE.

SUBMITTED BY DEPARTMENT/ORGANIZATION: Administration

PRESENTATION BY: Applicant

SUMMARY EXPLANATION:

BOARD/COMMISSION RECOMMENDATION:

STAFF RECOMMENDATION: Conduct the public hearing and consider a recommendation to the Nebraska Liquor Commission either approving or denying said application.

EXHIBITS

Resolution ☐

Ordinance ☐

Contract ☐

Minutes ☐

Plan/Map ☐

Other (specify) ☐

Application, Memorandums, Exhibits

Exhibit #1 – Application of Great Plains Distillery LLC, 213 Railway Street, Scottsbluff, NE.

Exhibit #2 – City Council Check List for Neb. Rev. Stat. §53-132 Cum Supp 2010

Exhibit #3 – Written Statement of Police Chief

Exhibit #4 – Written Statement of City Clerk

Exhibit #5 – Written Statement of City Planner

NOTIFICATION LIST: Yes ☒ No ☐ Further Instructions ☐

Great Plains Distillery LLC, 213 Railway Street, Scottsbluff, NE.

APPROVAL FOR SUBMITTAL: _____
City Manager

APPLICATION FOR LIQUOR LICENSE
LIMITED LIABILITY COMPANY (LLC)
INSERT - FORM 3b

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov

Office Use

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NEBRASKA LIQUOR
CONTROL COMMISSION



All members including spouse(s), are required to adhere to the following requirements:

- 1) All members spouse(s) must be listed
- 2) Managing/Contact member and all members holding over 25% interest and their spouse(s) (if applicable) must submit fingerprints. See Form 147 for further information, this form MUST be included with your application.
- 3) Managing/Contact member and all members holding over 25 % shares of stock and their spouse (if applicable) must sign the signature page of the Application for License form 100 (even if a spousal affidavit has been submitted)

Attach copy of Articles of Organization (must show electronic stamp or barcode receipt by Secretary of States office)

Name of Registered Agent: Shawn A Burcham

Name of Limited Liability Company that will hold license as listed on the Articles of Organization

Great Plains Distillery LLC

LLC Address: 213 W Railway St

City: Scottsbluff State: NE Zip Code: 69361

LLC Phone Number: 308-672-0574 LLC Fax Number: N/A

Name of Managing/Contact Member

Name and information of contact member must be listed on following page

Last Name: Mitchell First Name: Phillip MI: E

Home Address: 240508 Lake Minatare Rd City: Scottsbluff

State: NE Zip Code: 69361 Home Phone Number: 308-672-0574

Phillip E. Mitchell

Signature of Managing/Contact Member

OK

ACKNOWLEDGEMENT

State of Nebraska
County of SCOTTS BLUFF

NOVEMBER 14, 2016

Date

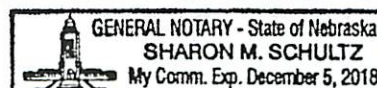
Sharon M. Schultz

The foregoing instrument was acknowledged before me this

by PHILLIP E. MITCHELL

name of person acknowledge

Affix Seal



APPLICATION FOR LIQUOR LICENSE MICRODISTILLERY CHECKLIST

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov

- ☒ NE Tax Bond
☐ Federal Permit
☐ Admin Review

Training ✓

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Hot Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	New Replacing #:
Class Type Z	License Number CON 121072
Initials <i>jm</i> ✓	

Applicant Name Phillip Mitchell/ Austin Propp

Great Plains Distillery LLC

Trade Name Great Plains Distillery

E-Mail Address: greatplainsdistillery@gmail.com

Web Site Address: _____

Provide all the items requested. Failure to provide any item will cause this application to be returned or placed on hold. All documents must be legible. Any false statement or omission may result in the denial, suspension, cancellation or revocation of your license. If your operation depends on receiving a liquor license, the Nebraska Liquor Control Commission cautions you that if you purchase, remodel, start construction, spend or commit money that you do so at your own risk. Prior to submitting your application review the application carefully to ensure that all sections are complete, and that any omissions or errors have not been made. You may want to check with the city/village or county clerk, where you are making application, to see if any additional requirements must be met before submitting application to the state. You must first have made application with Alcohol and Tobacco Tax and Trade Bureau (TTB).

crim hist reported on application to Mary Missman 12-6-16

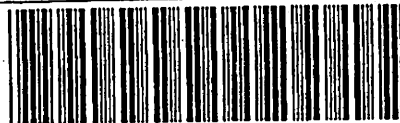
REQUIRED ATTACHMENTS

Microdistillery means a distillery located in Nebraska that is licensed to distill liquor on the premises of the distillery licensee and produces ten thousand or fewer gallons of liquor annually.

- 147 enclosed ✓ 12-6-16 entered into database Ag report sent 12-6-16 NSP report sent 12-6-16 Fm report sent 12-6-16 Local report sent 12-6-16*
- ☒ 1) Application fee \$400 plus licensee fee \$250
Total \$650 (Check made payable to Nebraska Liquor Control Commission) or pay online at PAYPORT
 - ☒ 2) Copy of Federal Basic Permit application as filed with Alcohol and Tobacco Tax and Trade Bureau (TTB)
 - ☒ 3) Alcoholic Liquor Tax Bond, \$1,000 minimum including the Power of Attorney documentation
(May use FORM 115)

OFFICE USE ONLY

PAYMENT TYPE: CK 1019
AMOUNT: \$650
RECEIVED BY: jm
RECEIPT #: _____



1600022336

RECEIVED
10/1

Passport, voter reg, 147, signed

Manager's information must be completed below PLEASE PRINT CLEARLY

Last Name: Mitchell First Name: Phillip MI: E

Home Address: 240508 Lake Minatare Rd

City: Scottsbluff County: Scottsbluff Zip Code: 69361

Home Phone Number: 308-672-3007

RECEIVED

Driver's License Number & State: _____ NOV 21 2016

Social Security Number: _____ NEBRASKA LIQUOR

Date Of Birth: 04-27-57 Place Of Birth: Cleveland OH COMMISSION

Email address: pmitchell421@gmail.com

Are you married? If yes, complete spouse's information (Even if a spousal affidavit has been submitted)

☒ YES

☐ NO

X Spouse

Spouse's information

Spouses Last Name: Mitchell First Name: Cynthia MI: A

Social Security Number: _____

Driver's License Number & State: _____

Date Of Birth: 11/29/55 Place Of Birth: Scottsbluff NE

APPLICANT & SPOUSE MUST LIST RESIDENCE(S) FOR THE PAST TEN (10) YEARS

APPLICANT

SPOUSE

Phillip

Cynthia

CITY & STATE	YEAR FROM	YEAR TO	CITY & STATE	YEAR FROM	YEAR TO
Scottsbluff NE	2004	Present	Scottsbluff	2004	Present

MANAGER'S LAST TWO EMPLOYERS

YEAR FROM TO		NAME OF EMPLOYER	NAME OF SUPERVISOR	TELEPHONE NUMBER
2012	current	University of Nebraska	Jim Schild	308-632-1430
2006	current	Ausmus Brothers Realty	Keven Ross	308-6353133

1. READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY.

Must be completed by both applicant and spouse, unless spouse has filed an affidavit of non-participation.

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea, include traffic violations. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name. Commission must be notified of any arrests and/or convictions that may occur after the date of signing this application.

☒ YES ☐ NO

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

If yes, please explain below or attach a separate page.

Name of Applicant	Date of Conviction (mm/yyyy)	Where Convicted (City & State)	Description of Charge	Disposition

2. Have you or your spouse ever been approved or made application for a liquor license in Nebraska or any other state?

☐ YES ☒ NO

IF YES, list the name of the premise(s):

3. Do you, as a manager, qualify under Nebraska Liquor Control Act (§53-131.01) and do you intend to supervise, in person, the management of the business?

☒ YES ☐ NO

Have you enclosed Form 147 regarding fingerprints?

5.

[illegible]

Experience:

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***For list of NLCC Certified Training Programs see training**

[illegible]

Name	Date
Tammy	

4. List the alcohol related training and/or experience (when and where) of the person making application.

4.

PERSONAL OATH AND CONSENT OF INVESTIGATION

The above individual(s), being first duly sworn upon oath, deposes and states that the undersigned is the applicant and/or spouse of applicant who makes the above and foregoing application that said application has been read and that the contents thereof and all statements contained therein are true. If any false statement is made in any part of this application, the applicant(s) shall be deemed guilty of perjury and subject to penalties provided by law. (Sec §53-131.01) Nebraska Liquor Control Act.

The undersigned applicant hereby consents to an investigation of his/her background including all records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant and spouse waive any rights or causes of action that said applicant or spouse may have against the Nebraska Liquor Control Commission and any other individual disclosing or releasing said information to the Nebraska Liquor Control Commission. If spouse has **NO** interest directly or indirectly, a spousal affidavit of non-participation may be attached.

The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate, or fraudulent.

***Applicant Notification and Record Challenge:** Your fingerprints will be used to check the criminal history records of the FBI. You have the opportunity to complete or challenge the accuracy of the information contained in FBI identification record. The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*



Signature of Manager Applicant

Signature of Spouse

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

ACKNOWLEDGEMENT

State of Nebraska

County of SCOTTS BLUFF

The foregoing instrument was acknowledged before me this

NOVEMBER 16, 2016

date

by

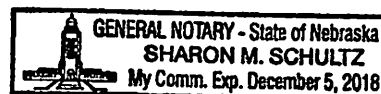
PHILLIP E. MITCHELL

NAME OF PERSON BEING ACKNOWLEDGED



Notary Public signature

Affix Seal



In compliance with the ADA, this application is available in other formats for persons with disabilities. A ten day advance period is required in writing to produce the alternate format.

SPOUSAL AFFIDAVIT OF NON PARTICIPATION INSERT

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

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NEBRASKA LIQUOR
CONTROL COMMISSION

I acknowledge that I am the spouse of a liquor license holder. My signature below confirms that I will have not have any interest, directly or indirectly in the operation or profit of the business (§53-125(13)) of the Liquor Control Act. I will not tend bar, make sales, serve patrons, stock shelves, write checks, sign invoices or represent myself as the owner or in any way participate in the day to day operations of this business in any capacity. I understand my fingerprint will not be required; however, I am obligated to sign and disclose any information on all applications needed to process this application.

Cynthia Ann Mitchell

Signature of spouse asking for waiver
(Spouse of individual listed below)

Cynthia Ann Mitchell

Printed name of spouse asking for waiver

State of Nebraska

County of Scottsbluff

NOVEMBER 14, 2016

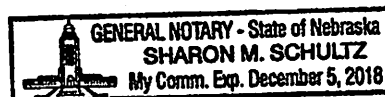
date

Sharon M. Schultz

Notary Public signature

The foregoing instrument was acknowledged before me this
by CYNTHIA ANN MITCHELL
name of person acknowledged

Affix Seal



I acknowledge that I am the spouse of the above listed individual. I understand that my spouse and I are responsible for compliance with the conditions set out above. If it is determined that the above individual has violated (§53-125(13)) the Commission may cancel or revoke the liquor license.

Phillip E. Mitchell

Signature of individual involved with application
(Spouse of individual listed above)

Phillip Mitchell

Printed name of applying individual

State of Nebraska

County of Scottsbluff

NOVEMBER 14, 2016

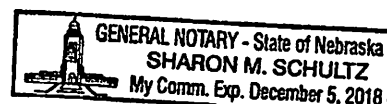
date

Sharon M. Schultz

Notary Public signature

The foregoing instrument was acknowledged before me this
by PHILLIP E. MITCHELL
name of person acknowledged

Affix Seal



In compliance with the ADA, this spousal affidavit of non participation is available in other formats for persons with disabilities. A ten day advance period is requested in writing to produce the alternate format.

FORM 35-4178
Revised 1/2008

Name of Applicant	Date of Conviction	Where Convicted	Description of Charge	Disposition
Phillip Mitchell	06/2012	St. Paul Nebraska	Possess/Consume open alcohol container	Guilty
Phillip Mitchell	04/2009	Scottsbluff Ne	No valid registration	Gulty

#1
corp
man

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

**MANAGER APPLICATION
INSERT - FORM 3c**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

MUST BE:

- ✓ Citizen of the United States. Include copy of US birth certificate, naturalization paper or current US passport
- ✓ Nebraska resident. Include copy of voter registration card or print out document from Secretary of State website
- ✓ Fingerprinted. See form 147 for further information, read form carefully to avoid delays in processing, this form **MUST** be included with your application
- ✓ 21 years of age or older

Corporation/LLC information:

Name of Corporation/LLC: Great Plains Distillery LLC

License information:

Liquor License Number: _____ Class Type _____ (if new application leave blank)

Premises Trade Name/DBA: Great Plains Distillery

Premises Street Address: 213 W. Railway St

City: Scottsbluff County: Scottsbluff Zip Code: 69361

Premises Phone Number: 308-672-3007

Premises Email address: greatplainsdistillery@gmail.com

The individual whose name is listed as a corporate officer or managing member as reported on insert form 3a or 3b or listed with the Commission. To see authorized officers or members search your license information [here](#).


SIGNATURE REQUIRED BY CORPORATE OFFICER / MANAGING MEMBER

(Faxed signatures are acceptable)

1. Name: Phillip Mitchell Date of Birth: 04/27/57 Last 4 SSN: 6562
(Please print legibly)

Fingerprints on file with the commission? YES ☒

How was payment made to NSP? ☒ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

2. Name: Austin Propp

Date of Birth: 05/23/89 (Please print legibly)
Last 4 SSN: 3145

Fingerprints on file with the commission? YES ☒

How was payment made to NSP? ☒ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

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3. Name: _____

(Please print legibly)

NOV 21 2016

Date of Birth: _____ Last 4 SSN: _____

Fingerprints on file with the commission? YES ☐

How was payment made to NSP? ☐ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

NEBRASKA LIQUOR

CONTROL COMMISSION

4. Name: _____

(Please print legibly)

Date of Birth: _____ Last 4 SSN: _____

Fingerprints on file with the commission? YES ☐

How was payment made to NSP? ☐ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

5. Name: _____

(Please print legibly)

Date of Birth: _____ Last 4 SSN: _____

Fingerprints on file with the commission? YES ☐

How was payment made to NSP? ☐ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

6. Name: _____

(Please print legibly)

Date of Birth: _____ Last 4 SSN: _____

Fingerprints on file with the commission? YES ☐

How was payment made to NSP? ☐ NSP PAYPORT ☐ CASH ☐ CHECK SENT TO NSP Ck # _____

I hereby certify that fees of \$28.75 per person have been submitted directly to the Nebraska State Patrol – CID office. The undersigned certifies on behalf of the Corporation, LLC, Partnership or Licensee that it is understood that a misrepresentation of fact is cause for rejection of this application or suspension, cancellation or revocation of any license issued.

Name (Print):

AUSTIN F. PROPP

Title:

President

Signature:

[Signature]

Date:

11-14-16

FORM 147
REV JAN 2016
PAGE 2

12. List the alcohol related training and/or experience (when and where) of the person(s) making application. Those persons required are listed as followed:

- Individual: Applicant and spouse; spouse is exempt if they filed Form 116 – Affidavit of Non-Participation.
- Partnership: All partners and spouses, spouses are exempt if they filed Form 116 – Affidavit of Non-Participation.
- Limited Liability Company: All member of LLC, Manager and all spouses; spouses are exempt if they filed Form 116 – Affidavit of Non-Participation.
- Corporation: President, Stockholders holding 25% or more of shares, Manager and all spouses; spouses are exempt if they filed Form 116 – Affidavit of Non-Participation.

NLCC certified training program completed:

Applicant Name	Date (mm/yyyy)	Name of program (attach copy of course completion certificate)
Austin Propp	TBD	SERVSAFE- in progress
Phillip Mitchell	TBD	SERVSAFE- in progress

List of NLCC certified training programs

Experience:

Applicant Name/Job Title	Date of Employment:	Name & Location of Business

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13. If the property for which this license is sought is owned, submit a copy of the deed, or proof of ownership. If leased, submit a copy of the lease covering the entire license year. Documents must show title or lease held in name of applicant as owner or lessee in the individual(s) or corporate name for which the application is being filed.

☒ Lease: expiration date June 1 2018
☐ Deed
☐ Purchase Agreement

14. When do you intend to open for business? 01/01/17

15. What will be the main nature of business? Distilling and bottling spirits

16. What are the anticipated hours of operation? 8am-5pm Monday- Friday

17. List the principal residence(s) for the past 10 years for all persons required to sign, including spouses.

RESIDENCES FOR THE PAST 10 YEARS, APPLICANT AND SPOUSE MUST COMPLETE

APPLICANT: CITY & STATE	YEAR FROM	TO	SPOUSE: CITY & STATE	YEAR FROM	TO
Phillip Mitchell Scottsbluff	2004	Present	Cynthia Mitchell Scottsbluff, NE	2004	present
Austin Propp Scottsbluff Ne	2004	2013			
Austin Propp Williston ND	2013	2015			
Austin Propp Scottsbluff NE	2015	Present			

If necessary attach a separate sheet.

FORM 130
REV APRIL 2016
PAGE 7

5. Are you borrowing any money from any source, include family or friends, to establish and/or operate the business?

☐ YES ☒ NO

If yes, list the lender _____

6. Will any person or entity, other than applicant, be entitled to a share of the profits of this business?

☐ YES ☒ NO

If yes, explain. (All involved persons must be disclosed on application)

No silent partners

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7. Will any of the furniture, fixtures and equipment to be used in this business be owned by others?

☐ YES ☒ NO

If yes, list such item(s) and the owner. _____

NEBRASKA LIQUOR
CONTROL COMMISSION

8. Is premise to be licensed within 150 feet of a church, school, hospital, home for the aged or indigent persons or for veterans, their wives, and children, or within 300 feet of a college or university campus?

☐ YES ☒ NO

If yes, provide name and address of such institution and where it is located in relation to the premises (Neb. Rev. Stat. 53-177) _____

9. Is anyone listed on this application a law enforcement officer?

☐ YES ☒ NO

If yes, list the person, the law enforcement agency involved and the person's exact duties

10. List the primary bank and/or financial institution (branch if applicable) to be utilized by the business

a) List the individual(s) who will be authorized to write checks and/or withdrawals on accounts at this institution.

Western States Bank 1701 1st Ave, Scottsbluff NE Phillip Mitchell Austin Propp

11. List all past and present liquor licenses held in Nebraska or any other state by any person named in this application. Include license holder name, location of license and license number. Also list reason for termination of any license(s) previously held.

n/a

APPLICANT INFORMATION

1. **READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY.**

- ✓ Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also, list any charges pending at the time of this application. If more than one party, please list charges by each individual's name. Include traffic violations. Commission must be notified of any arrests and/or convictions that may occur after the date of signing this application.

☒ YES ☐ NO

If yes, please explain below or attach a separate page.

Name of Applicant	Date of Conviction (mm/yyyy)	Where Convicted (city & state)	Description of Charge	Disposition
Austin Propp	05/2012	Scottsbluff NE	DUI -1st Off	Guilty
Austin Propp	02/2007	Scottsbluff NE	speeding	Guilty
Austin Propp	02/2012	Scottsbluff NE	Posses Drug paraphernalia	Guilty
Austin Propp	09/2013	Scottsbluff NE	stop sign vio	Guilty
Austin Propp	08/2006	Morril County NE	speeding	Guilty
Austin Propp	05/2015	Williston ND	fail to yield	Guilty

2. Are you buying the business of a current retail liquor license?

✓ ☐ YES ☒ NO

If yes, give name of business and liquor license number _____

- Submit a copy of the sales agreement
- Include a list of alcohol being purchased, list the name brand, container size and how many
- Submit a list of the furniture, fixtures and equipment

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

3. Was this premise licensed as a liquor licensed business within the last two (2) years?

✓ ☐ YES ☒ NO

If yes, give name and license number _____

4. Are you filing a temporary operating permit to operate during the application process?

✓ ☐ YES ☒ NO

If yes:

- Attach temporary operating permit **FORM 125**
- T.O.P. will only be accepted at a location that currently holds a valid liquor license.

PREMISE INFORMATION

Trade Name (doing business as) Great Plains Distillery

✓ Street Address #1 213 W Railway St

Street Address #2 _____

City Scottsbluff

County Scottsbluff

21

Zip Code 69361

Premise Telephone number 308-672-3007

Is this location inside the city/village corporate limits:



YES

city

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Mailing address (where you want to receive mail from the Commission)

Name Great Plains Distillery

NEBRASKA LIQUOR
CONTROL COMMISSION

✓ Street Address #1 213 W Railway St

Street Address #2 _____

City Scottsbluff

State Ne

Zip Code 69361

DESCRIPTION AND DIAGRAM OF THE STRUCTURE TO BE LICENSED
READ CAREFULLY

In the space provided or on an attachment draw the area to be licensed. This should include storage areas, basement, and/or sales areas and any area where consumption of alcohol will take place. If only a portion of the building is to be covered by the license, you must still include dimensions (length x width) of the licensed area as well as the dimensions of the entire building. No blue prints please. Be sure to indicate the direction north and **number of floors** of the building. For on premise consumption liquor licenses a minimum standard of at least two restrooms is required.

Building: length 52 x width 37 in feet

Is there a basement? Yes _____

No ☒

If yes, length _____ x width _____ in feet

Is there an outdoor area? Yes _____

No ☒

If yes, length _____ x width _____ in feet

PROVIDE DIAGRAM OF AREA TO BE LICENSED BELOW OR ATTACH SEPARATE SHEET

see diagram

**APPLICATION FOR LIQUOR LICENSE
MICRODISTILLERY**

301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.nebraska.gov/

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NEBRASKA LIQUOR
CONTROL COMMISSION

**CLASS OF LICENSE FOR WHICH APPLICATION IS MADE AND FEES
CHECK DESIRED CLASS(S)**

☒ Class Z Microdistillery Application fee \$400 plus licensee fee \$250
Total \$650 (Check made payable to Nebraska Liquor Control Commission)

☐ Class K Catering license (requires catering application FORM 106) \$100.00

☐ Copy of application filed with TTB for Federal Basic Permit

☐ Alcoholic Liquor Tax Bond minimum of \$1,000 FORM 115

Additional fees may be assessed at city/village or county level when license is issued

Term of license runs from May 1 – April 30

CHECK TYPE OF LICENSE FOR WHICH YOU ARE APPLYING

☐ Individual License (requires insert 1- FORM 104)

☐ Partnership License (requires insert 2 – FORM 105)

☐ Corporate License (requires insert 3A – FORM 101 & 3C FORM 103)

☒ Limited Liability Company (LLC) (requires insert 3B – FORM 102 & 3C FORM 103)

NAME OF ATTORNEY OR FIRM ASSISTING WITH APPLICATION (if applicable)

Commission will call this person with any questions we may have on this application

Name Megan A Dockery Phone number: 308-635-3161

Firm Name Smith, Snyder, Petitt, Hofmeister & Snyder

- ☒ 4) Submit diagram to include:
- a. Facility dimensions and description
 - b. Identify production area
 - c. Any storage area

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- ☒ 5) Copy of your detailed business plan

- ☒ 6) Fingerprints are required for each person as defined in new application guidelines. See FORM 147 for further information, this form MUST be included with your application

NEBRASKA LIQUOR
CONTROL COMMISSION

- ☒ 7) Enclose the appropriate application forms

Individual License (requires insert 1- FORM 104)

Partnership License (requires insert 2 - FORM 105)

Corporate License (requires insert 3A - FORM 101 & 3C FORM 103)

Limited Liability Company (LLC) (requires insert 3B - FORM 102 & 3C FORM 103)

- ☒ 8) If building is being leased send a copy of signed lease. Be sure the lease reads in the name of the individual(s), corporation or Limited Liability Company making application. Lease term must run through the license year being applied for.

- ☒ 9) Corporation or Limited Liability Company must enclose a copy of articles of incorporation; as filed with the Secretary of State's Office.

I acknowledge that this application is not a guarantee that a liquor license will be issued to me, and that the average processing period is 60 days. Furthermore, I understand that all the information is truthful and I accept all responsibility for any false documents.

☒ Philip E. Mitchell
Authorized Signature

PHILIP E. MITCHELL
Print Name

308-672-3007
Contact Phone Number

11-17-2016
Date

FORM 130
REV APRIL 2016
PAGE 2

Business Plan

Great Plains Distillery Business Plan

OWNERS

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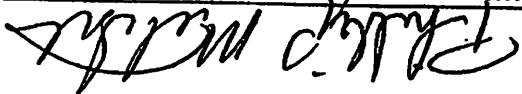
Austin Propp
Phillip Mitchell

NEBRASKA LIQUOR
CONTROL COMMISSION

Great Plains Distillery
213 W Railway St
Scottsbluff, Ne 69361

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Phillip Mitchell, Agent



DATED this 6 day of May, 2016.

Operating Agreement.

The regulation of internal affairs of the limited liability company is as set forth in the

INTERNAL AFFAIRS

ARTICLE VI.

conditions set forth in the Operating Agreement.

The members shall have the right to admit additional members under the terms and

RIGHT TO ADMIT ADDITIONAL MEMBERS

ARTICLE V.

Articles

Business Plan

I. Table of Contents

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I. Table of Contents.....	NEBRASKA LIQUOR CONTROL COMMISSION	2
II. Executive Summary		3
III. Highlights and General Company Description.....		5
IV. Products.....		6
V. SWOT Analysis and Marketing Plan.....		7
VI. Operational Plan.....		9
VII. Management and Organization.....		11

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II. Executive Summary

Great Plains Distillery will be a craft Micro-Distillery of ultra-premium and small batch spirits that will include vodka's (flavored and neutral), rums (light, dark, and spiced), and a locally themed, high quality, distilled Nebraska corn based moonshine and aged whiskey. Our primary goal will be to become a locally based leader in the rapidly growing trend of craft distilled spirits. The current trend in distiller spirits towards ultra-premium products manufactured in small batches and an increase in the number of entrepreneurs, or craft distillers and competition amongst existing companies presents an opportunity for Great Plains Distillery to penetrate the market. Our products will be of extremely high quality in order to ensure total customer satisfaction, supported by impeccable service to our customers and a marketing program that reflects the quality and image of the products. The product image of premium quality and uniqueness is an absolute requirement in order for Great Plains Distillery to be successful in this market.

Initial plans are to produce three main product lines, primarily focusing on the following, aged whiskey (distilled from local corn), a locally themed moonshine (distilled from local corn), light and dark rum (distilled from local beet molasses), and vodkas (plain and flavored: TBD).

These products will be sold in the standard 5th sized containers of 750ml; a 1.75 liter version would be made available if requested. The immediate channels for distribution will include state controlled beverage distribution and eventually store front sales. Quality will be Great Plains Distillery's mantra: From the selection of the finest grains to the freshness of the fruits and spices that we use for flavoring, the suppliers that we chose to conduct business with will mirror Great Plains Distillery in their dedication to providing only the finest products. This along with our superior quality still will allow us to promote the image of quality and redefine the definition of a craft distillery spirit.

Image is everything...In order to prosper there is need for Great Plains Distillery to be flexible and responsive, to delight customers by providing them with what they want, when they want it and before the competition. From product concept to goods dispatch we intend to ensure that every policy and procedure, system, and process must have the objective of improving the flexibility and response of the whole company. There is a need for interaction between all functional areas, particularly between marketing and manufacturing, if the organization is to realize its full potential, with marketing and controlled manufacturing being employed as a strategic weapon.

Our marketing strategy will be based mainly on ensuring that customers know what need the product is able to fulfill, and making the right product and information available to the right target customer. Hence we intend to implement a market penetration strategy that will ensure that we are well known and respected in our respective industry. We will ensure that our products' prices take into consideration people's budgets and that these people appreciate the product and know that it exists, including where to find it. However, these prices will also take into consideration the cost of production and distribution so as to ensure that we remain viable and operational. An initial goal of 40-45% gross margin would be the initial target with distilling process improvements possibly allowing for an increase in margins from the second year.

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Marketing effort will convey the sense of quality and satisfaction in every picture, every promotion, and every publication. Our promotional strategy will involve integrating advertising, events, personal selling, public relations and direct marketing. In the long term internet marketing shall also be undertaken, details of which are provided in the marketing section of the following plan.

Our target market(s) and consumers will primarily constitute the corporate class who appreciate good quality premium spirits. The corporate or managerial segment will constitute those who are aware of their image and reputation and order cocktails equal to this. Our primary focus will be to make Great Plains Distillery products the recommended, premium liquors of the ultra exclusive lounges and clubs throughout the US. Great Plains Distillery will pride itself on its production ability, premium quality and reputation, and its adaptability to changes in the market and in the method of its practice.

Business Plan

III. Highlights and General Company Description

Great Plains Distillery will be a craft distiller of fine spirits with manufacturing headquarters in Scottsbluff, Ne.

The benefits of operations based in Scottsbluff, Ne will include

- Ability to purchase local products
- Bring more jobs to the valley
- Expose locals to craft distilling

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Mission Statement

Great Plains Distillery intends to provide only the highest quality spirits that always exceed the drinker's expectations. Hence we intend to assist in the creation of a welcoming and relaxed ambiance reflective of people enjoying themselves. We are sensitive to the taste, look and feel of premium spirits, as well as affordable prices. We intend to provide the best possible value to our customers who care about quality products at affordable prices, and we want every dollar spent on our products to be well spent. We seek a fair and responsible profit, enough to keep the company financially healthy for the short and long term, and to fairly compensate owners and investors for the money and risk.

Keys to Success

The keys to Great Plains Distillery success will undoubtedly be effective market segmentation through identification of several niche markets and implementation strategies. Along these lines the company intends to implement advertising, personal selling and direct marketing strategies aimed at the target markets. Our advertising marketing strategies will rotate around. Hence our key success factors will include the following:

- **Excellence in Fulfilling the Promise:** We intend to produce and provide products of uncompromised quality to our customers. This is so as to meet the needs and high standards of our target customer segment.
- **Effective and Efficient Distribution Network:** The importance of such cannot be over emphasized in our line of business. We intend to establish an excellent distribution network that will enable us to rapidly respond to customers' orders and provide us with ample opportunities for growth.
- **Loyalty and Dedication:** The loyalty and dedication of our employees shall be essential to the prosperity of the organization. We recognize that corporate commitment to success should lead to the survival and prosperity of the products, and ultimately the organization as a whole.
- **Marketing Know-how:** In an increasingly competitive market there is need to aggressively market our business so as to be continuously at the top of our prospective and current client's minds. We intend to establish and dominate our presence on the World Wide Web, which will increase the knowledge of our products to the various market segments we shall be targeting. Web presence is a natural objective in reaching the appropriate potential customers. Well-done brochures, company profiles and business cards often have a triggering effect on clients contemplating on ordering our products. Hence this will undoubtedly generate increased sales of our products
- **Adherence to Stringent Values and Principles:** Great Plains Distillery needs to acknowledge the fact that the financial and strategic management of the business will ultimately determine its prosperity and success. Hence we intend to adhere to stringent values and principles that will enable such to be achieved.
- **Ownership:** The proposed legal form of ownership for Great Plains Distillery will be an LLC Corporation.

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IV. Products

Great Plains Distillery's initial product lines will include the following four families of craft spirits. Although we intend on producing small batches of other craft spirits, these four main product lines will be the primary focus for Great Plains Distillery due to their current popularity among our targeted customer base.

- **Vodkas** - Currently vodkas remain the number one spirit of choice in the US for the Premium cocktail. Great Plains Distillery will produce an ultra-premium neutral vodka spirit.
- **Rums** - Following the current popularity of pirates and rums, mainly spiced, High Plains Distillery will produce premium craft rums utilizing Nebraska grown and produced sugar beet molasses.
- **Moonshine** - With Great Plains Distillery, being a Nebraska based company, it would only be proper for us to offer a premium version of an American classic.
- **Aged Whiskey**- Great Plains Distillery will produce a whiskey aged in Charred American White Oak Barrels before being bottled and sold.

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V. SWOT Analysis and Marketing Plan

We foresee our strengths as the ability to respond quickly to what the market dictates and to provide a craft distilled spirit in a growing market. In addition, through aggressive marketing and quality management we intend to become a well-respected and known entity in our respective industry. However we acknowledge our weakness of a small sized company without a lot of experience, and the threat of new competition taking aim at our niche. Below are the summarized strengths, weaknesses, opportunities and threats.

Strengths

- Strategic market segmentation and implementation strategies.
- Diversified market segments: ensuring the lack of dependency on one particular market.
- An aggressive and focused marketing campaign with clear goals and strategies.
- Clear-cut channels of distribution.
- A product that capitalizes on the current growing trend of craft or boutique spirits.

Weaknesses

- Lack of a reputation in comparison to our competitors.
- A limited financial base compared to the major players in the industry.
- Establishment on the Internet will produce technological challenges.

Opportunities

- The new generation of individuals and families has a far greater appreciation of attractive packaging (image conscious).
- Internet marketing and sales.
- Increasing number of craft distilleries looking at penetrating the market.

Threats

The present growth in the market may result in market saturation, through competition. This competition could emerge from a variety of given sources including:

- New marketing strategies and tactics by established products and companies.
- Existing competition
- Other start-up companies nationwide.

Target Market Segment Strategy

Our marketing strategy will be based mainly on making the right product available to the right target customer. We will ensure that our products' prices take into consideration our target markets' financial situations and that these people appreciate the product and know that it exists, including where to find it. The marketing will convey the sense of quality in every picture, every promotion, and every publication. There is already a sense of segment strategy in the way we define our target market. We are choosing to compete in areas that lend themselves to competition, service and channel areas that match our strengths, and avoid our weaknesses. Our strategy calls for the development of relationships with suppliers, distributors and retailers to support our business. Regular visits will be undertaken to these areas so as to ensure that we are meeting their expectations. The quality of raw materials, will be evident in our products, and will serve to enhance the appearance of our customers, in turn adding to their status.

Market Trends

Our target markets are increasingly growing towards recognizing the difference between

Business Plan

poor quality spirits and those of high quality. This development is an important trend for us as it represents our target market. We now are having an increasing number of people who appreciate the availability of craft distilled, small batch premium spirits. With this in mind we intend to ensure that our packaging is attractive to our target market consumer.

Strategy and Implementation Summary

Our marketing strategy emphasizes focus on our target consumer. This will be the key. We will be the new company and hence must focus on certain kinds of products with certain kinds of consumers. Initially Great Plains Distillery will focus on the local markets in NE, CO, and WY. Hence the form of growth that shall be initially pursued will be local growth. The target customers will include key decision-makers in the retail and clubs and lounges who often order or recommend on behalf of the whole organization, the aim being to obtain an initial order and fully satisfy the customer from then on.

- We are currently building image and awareness through consistency and distinctiveness in our product provision.
- We intend to focus on delivering quality products that in turn produce good referrals, which can then generate revenue. We intend to always be active in personal relationships with clients and strategic allies keeping abreast of their needs and wants.
- We are focusing advertising on several key medias.

Marketing Strategy

One core element of our marketing strategy will be that of differentiation from our competitors. In terms of promotion, we intend to sell our company as a differentiated strategic ally, not just our products. In price, we intend to offer reasonable prices in line with the competition and we need to be able to sustain that. Market penetration through lower prices shall be undertaken where need be, while premium pricing will be the case of the upper-end of the market.

Product Marketing

Our product marketing will emphasize the image of consuming our products, including The quality and refinement of our spirits. We intend to sell the opportunity to enjoy oneself amongst friends, family and/or colleagues. This will come out in our advertising, delivery and collateral such as sales literature and business cards. Our product marketing's most important challenge will be the problem of being accepted and appreciated on the market as a provider of quality products. Hence we intend to not only meet customers' expectations but to exceed them. We intend to focus on the individual or a group who wants to enjoy themselves through the consumption and appreciates what they're drinking says about them.

Niche Market

Great Plains Distillery will be at the forefront of the craft distillery movement, and will be the first in this group to provide a Western Nebraska line of products to the consumer on a national market.

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VI. Operational Plan

Production

All distillation, bottling and storage will occur within the initial Scottsbluff, NE facility with future product possibly being produced and stored at a second facility to be named later.

Production will be outlined in the Operational Handbook and will include detailed instructions for the following procedures:

- Incoming raw material quarantine for quality inspection
- FIFO (First In, First Out) inventory procedures
- Equipment inspection, sanitization and setup
- Raw materials and ingredients preparation
- Recipe procedures
- Distillation procedures and spirit testing
- Cutting, storage, blending and bottling
- Aging – and barrel rotation
- Inventory control will be handled with a limited ISO base procedure for inventory control with the use of an accounting software package TBD.
- Production control and finished product inventory will be tracked and controlled based upon Federal Government procedures for distilleries.
- Product research and development for new products will be handled on a small batch, 25 - 50 liter column/pot still – already owned. New products and recipe refinements would be ongoing to improve upon the products that we would already offer and remain inline with our consumer's requirements.
- Market research projects and marketing, including consumer polls, taste test, and ongoing surveying would provide new product direction and current product refinements.

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Location

Great Plains Distillery will be a craft distiller of ultra-premium spirits with manufacturing headquarters in Scottsbluff, NE.

The benefits of operations based in Scottsbluff, NE include;

- Location to major interstate – reduced transportations cost for raw materials and final product.
- Lower then national average cost for leasing and/or purchasing commercial property.
- Reduced utility cost.
- Low cost of local labor.
- Central location for immediate distribution to NE, WY, CO.
- Ease and reduced cost for obtaining state licensing to produce distilled spirits.

Inventory – Raw Materials

- All stocked inventory including both raw materials and finished goods will be stored and used based on the FIFO principal. The majority of raw materials inventory will be handled as just-in-time once vendor lead and shipping times have been established and verified.
- Some raw materials will require specialized storage including grains, potatoes, yeast, fresh fruit and juices and tanks for molasses to prevent spoilage and the infiltration of rodents and pest.
- Average value in stock of raw materials should be equal to a 30-45 day supply. Some

Business Plan

more perishable items including fresh fruits may only equal a 2 weeks on hand supply.

- Seasonal buildups will be planned for as demand requires. Marketing plans for product releases will define timeframes where demand for products will increase.

Inventory – Finished Goods

- Finished goods inventory will be stocked for all non-aged products based upon a 30 – 45 day run rate for distribution.
- All aged rums and moonshines will be stocked based on marketing research suggestions (MRD)
- Tracking will be based upon federal requirements.

Suppliers

Key suppliers:

- TBD – currently being investigated

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VII. Management and Organization

Day to day management of the organization will initially be handled by Austin Propp. During this time, Phillip Mitchell would be brought in to assist in the day to day accounting and materials control as required. A production manager will be brought on board and fully trained in production procedures when deemed necessary. Front office staff will be hired and trained as required. Initial marketing materials, direct mail, and press releases will be handled by Austin Propp with certain materials (graphics, logo's, business card design) outsourced to -TBD

Professional and Advisory Support

ADI- American Distillers Institute

Backwards Distilling-Casper, WY

303 Distilling-Boulder, CO

Megan Dockery- Attorney

Dick Bretthauer- Farm Bureau Financial Services

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

Lease

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LEASE

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This Lease made this 1st day of June, 2016 between MORGAN RENTALS, LLC, the Landlord, and GREAT PLAINS DISTILLERY, LLC, the tenant:

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applicant

Witnesseth that in consideration of the payment of rent and the keeping and performance of the covenants and agreements by the said Tenant hereinafter set forth, the said Landlord, being the owner of the property hereinafter described, hereby leases unto the said tenant the following described premises in Scottsbluff, Nebraska, to-wit: Property description EX N 50' & EX PT of SE corner of LT 11, Blk 9, Third Add 23-42-55, otherwise known as 213 W Railway St, Scottsbluff, Nebraska.

premise

To Have and To Hold the same with all the appurtenances unto the said Tenant from the 1st day of June, 2016, at and for a rental of \$5700.00 per annum, to be paid according to the following schedule: the sum of \$475.00 per month commencing June 1st, 2016 and ending June 1st, 2018. Payment of the last month's rent (May 1, 2018) shall also be paid at the time of the first monthly payment.

fire

The Tenant shall have two options to renew the term of this lease for an additional period not to exceed two years per option period, provided that the Tenant notifies the Landlord at least 180 days before the end of the three year primary term that it desires to renew the said Lease. This notice shall be in writing and addressed to the Landlord at the same address as where the current rental is being paid. The rental for the additional 1st option period shall be at a rental which shall be in keeping with the current rental market value and not to exceed 9% per annum.

2 year renewal needs writing

Tenant will pay for all utilities (water, sewer, gas, electricity, phone/internet). Tenant will pay for trash removal and maintenance of any security system. It will be the responsibility of the tenant to add any electrical wiring or plumbing that might be required for the installation of any equipment or appliances tenant requires in his business.

The Landlord warrants and represents that the exterior of the premises, including roof and walls will be continuously maintained by the Landlord during the term of this lease in good condition and repair, and the Landlord will make any structural renewals, repairs, and replacements necessary during the term of this lease including, but not limited to the heating and appurtenances , plumbing and other items in said building, except that portion of the interior of the demised premises which the Tenant agrees to

Lease

#13

keep in reasonable condition and repair, except repairs made necessary by fire, the elements or other casualty, and at the termination of this lease to surrender the premises to the Landlord in substantially as good condition as when received ordinary wear and tear expected, damage by fire, the elements and other casualties excepted.

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If the premises shall be damaged by fire, the elements or other casualty, so that a part thereof shall remain tenantable and reasonable usable by Tenant in its business, and such damage can be repaired within 120 days from the date of damage, the Landlord shall proceed immediately to make and complete such repairs, and during the time of such partial occupancy, the Tenant shall pay rental in such proportion to the entire rental herein reserved that the space actually occupied bears to the entire space herein leased, provided that, if such repairs shall not be completed within 120 days from the date of damage, or if the space is not usable in the business of the Tenant, the Tenant shall have the right to terminate this lease by notice in writing to the Landlord, the Landlord shall refund any prepaid rentals.

The Landlord agrees to carry a public liability policy individually in the amount \$1,000,000 per occurrence and further, the Landlord will maintain and pay for fire and extended coverage insurance on the demised premises until Tenant commences business on or around January 1, 2017, including the building and appurtenances in which the demised premises are situated so as to provide the necessary funds for repair, replacement, or rebuilding in the event the building is damaged or destroyed. Upon commencement of business (on or around January 1, 2017) the Tenant will procure fire and extended coverage insurance of no less than \$85,000.00 on the demised premises so as to provide the necessary funds for repair, replacement, or rebuilding in the event the building is damaged or destroyed. The Tenant also agrees to provide liability insurance on the personal property located in the rented premises.

Indemnification of Landlord: Except for any damage or liability arising out of the negligence of Landlord, the Tenant covenants with Landlord and its successors in interest, that the Landlord hereunder shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person, occurring during the term of this Lease, from any cause whatsoever, by reason of the use, occupancy and enjoyment of the Premises by the Tenant or any other person thereon or holding under or claiming directly or indirectly through the Tenant. Tenant will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense whatsoever in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence, whether

Lease

#13

real or claimed in, upon or at the Premises or occasioned by the occupancy or use by Tenant of the Premises, or any part thereof, or any repairs, or alterations, which the Tenant may make upon the Premises or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, sub-tenants or concessionaires. In such case, if Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses, including reasonable attorney's fees and investigator's fees incurred or paid by in connection with such litigation.

Indemnification of Tenant: Except for any damage or liability arising out of the negligence of Tenant, the Landlord covenants with Tenant and its successors in interest, that the Tenant hereunder shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Landlord or any other person, occurring during the term of this Lease. Landlord will indemnify Tenant and save it harmless from and against any and all claims, actions, damages, liability and expense whatsoever in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence, whether real or claimed in, upon or at the Premises or occasioned wholly or in part by any act or omission of Landlord, its agents, contractors, employees, servants, or concessionaires. In such case, if Tenant shall, without fault on its part, be made a party to any litigation commenced by or against Landlord, then Landlord shall protect and hold Tenant harmless and shall pay all costs, expense, including reasonable attorney's fees and investigator's fees incurred or paid by in connection with such litigation.

The Landlord will pay for all taxes or assessments levied or assessed on the demised premises and the property in which the demised premises are situated with the exception of the Tenant's own personal property taxes, during the term of this lease when due and payable.

If the Tenant installs, at its expense, any shelving, light fixtures, portable or temporary partitions, room dividers, advertising signs, roof antennae or other trade or business fixtures or equipment used in the operation of its business whether attached or not, the Tenant may, at its election, remove any or all of the same, provided that in such removal the Tenant shall repair any damage occasioned to the premises, ordinary wear and tear excepted.

-3-

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CONTROL COMMISSION

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Tenant shall be responsible for the maintenance and replacement of all glass in exterior walls in the demised premises and the tenant shall also be responsible for the maintenance and replacement of any glass in the interior of the demised premises.

The tenant shall have the right to sublease all or any portion thereof only with prior permission of the Landlord, which permission shall not be unreasonably withheld. Tenant shall be responsible for the full payment of the rentals as provided in this lease.

Tenant agrees and understands that the demised premises are for commercial use only and not for residential use by Tenant or by any other person who may sublet a portion of the premises.

In the event the demised premises, or any part thereof, including the parking area, shall be taken and condemned for public purposes by proper authorities, then and in that event the rental shall be adjusted in a fair and appropriate manner depending upon the portion of the premises so taken or this lease may be terminated by the Tenant. Otherwise, insofar as the remainder of the demised premises is concerned the said lease shall remain in full force and effect at the option of the Tenant. It is further agreed that in the event of condemnation proceedings, the Landlord and the Tenant shall each be entitled to such portion as may be attributable to the portion so taken, of any amount that may be awarded as damages or paid as the result of such proceedings or as the result of any agreements made relating thereto.

The Tenant is hereby given the right at all times during the term of this lease or any extension thereof to maintain a free standing sign, a sign on the building adjoining the demised premises, a sign on the door proved the same shall be done and maintained at the sole cost of the Tenant and in compliance with any and all governmental regulations affecting the same.

The Tenant shall keep the sidewalks which adjoin the demised premises clear and free of snow at its own expense.

In the event of a default on the part of the Tenant, the Tenant shall have 15 days after notice in writing if said default is for the payment of rent or any other monies due, in which to correct same and for any other default, 30 day's notice in which to commence to correct such default and proceed diligently thereafter to complete same, it being understood that any matters beyond the control of the Tenant shall extend said time.

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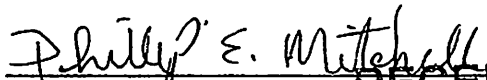
In the event of a bonafide offer to purchase the property, of which the Premises are a part, Landlord herewith agrees that Tenant shall be given a "right of refusal". Notification to the Landlord of the exercising of Tenant's right of refusal shall occur in writing by certified mail within ten (10) business days of receipt of notification by the Landlord and shall be accompanied by a certified check matching the earnest money of said bonafide offer. In the event, Tenant elects not to exercise this Right of Refusal and in the event of any sale of the Building, by Landlord, including, without limitation, sales by foreclosure or a deed in lieu thereof, Landlord shall be, and is, entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act or omission occurring after the consummation of such sale; and the purchaser shall, during the period of its ownership, be deemed without any further agreement between the parties to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease. All subsequent purchasers shall similarly be freed and relieved of all liability hereunder subsequent to the date of such sale by them. In the event of any such sale, Tenant agrees to attorn to and become Tenant of Landlord's successor-in-interest, and Landlord shall request that such successor(s)-in-interest, as a part of the purchase of the Premises, execute a copy of this Lease, and thereby agree to be bound by its terms.

The Tenant, Great Plains Distillery LLC, shall have the right to nullify this lease within the first six (6) months after the date of signing the lease should necessary permits and licenses not be obtained to conduct their specific business.

Executed by:


By: Vernon E Morgan

MORGAN RENTALS LLC

By: Judy Morgan

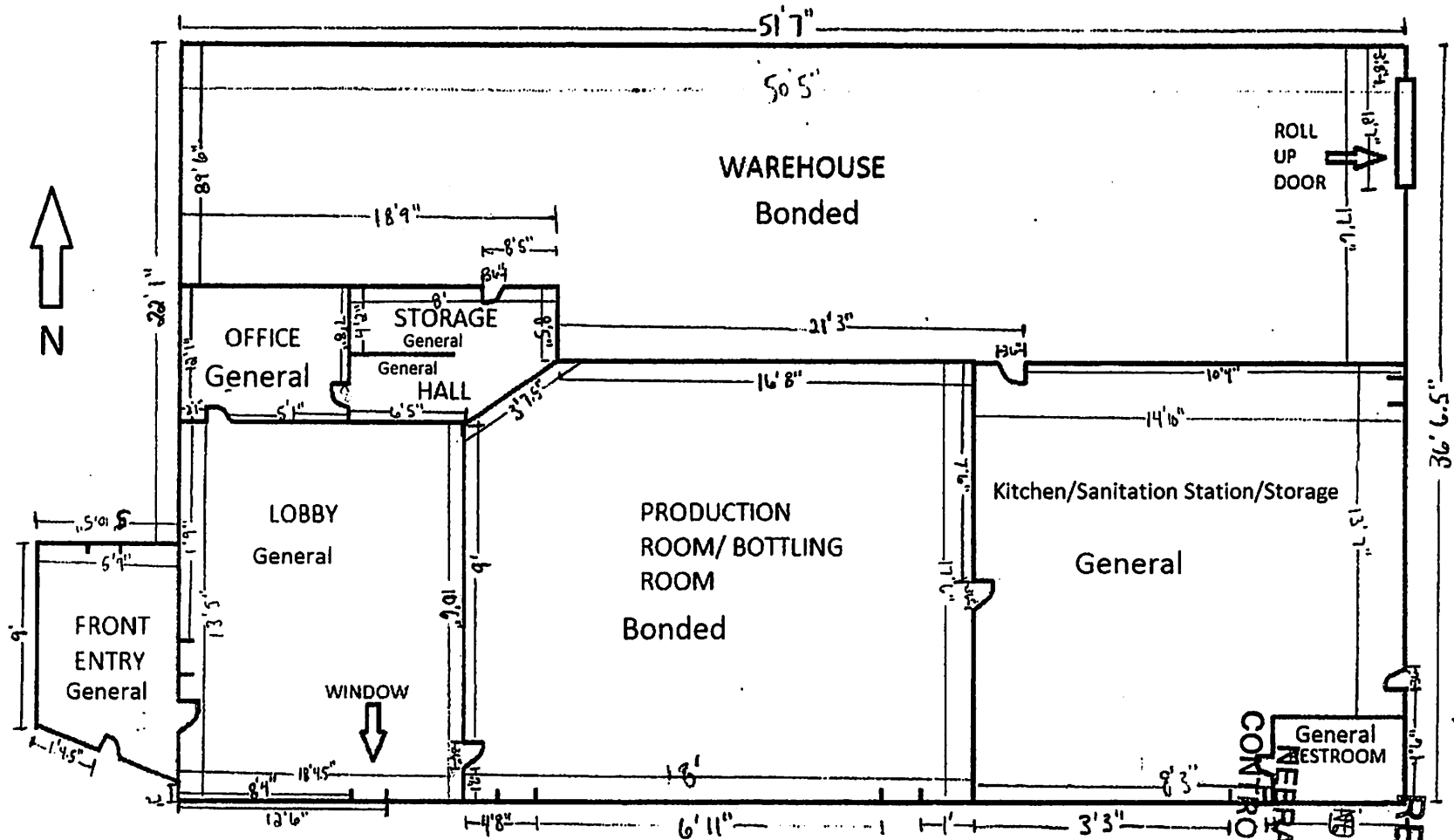
GREAT PLAINS DISTILLERY LLC

By: Phillip E Mitchell

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-5-

one story building approx 37 x 58



GREAT PLAINS DISTILLERY BUILDING

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CHECK LIST

Neb. Rev. Stat. §53-132 (Reissue 2010)

Council should determine the propensity of whether or not to grant the liquor license that has been requested. In that regard, suitability and fitness and the following four criteria are most important:

- (2)(a) Applicant is fit, willing and able to provide the service proposed.
- (2)(b) Applicant can conform to all laws.
- (2)(c) Applicant has demonstrated that the type of management and control exercised over the licensed premises will be sufficient to ensure conformance with law.
- (2)(d) Issuance of the license is or will be required by the present or future public convenience and necessity.

In making its determination Council may also consider as the Nebraska Liquor Control Commission will consider, the following. The Council should not base its recommendation on any of the following criteria, but may chose to comment to the Commission about one or more of the criteria:

- (3)(b) Citizen's protest.
- (3)(c) Existing population/growth.
- (3)(d) The nature of the neighborhood around the location.
- (3)(e) Existence of other licenses.
- (3)(f) Existing motor vehicle and pedestrian traffic in the vicinity.
- (3)(g) Adequacy of existing law enforcement.
- (3)(h) Zoning restrictions.
- (3)(i) Sanitary conditions.
- (3)(j) Whether the type of business or activity proposed will be consistent with the public interest.

***OTHER COUNCIL CONCERNS**



Memorandum

To: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
From: Kevin Spencer, Chief of Police
Date: 12/30/2016
Re: Application for a Class Z Liquor License number Z - 121072, Great Plains Distillery LLC dba: Great Plains Distillery 213 W Railway Street, Scottsbluff, NE 69361

AUTHORITY: The Scottsbluff Police Department reports specific information to the City Council whenever a liquor license application is presented. The information furnished by the Police Department conforms to Chapter 53, Reissue Revised Statutes of Nebraska 1943, and Section 53-132, which outlines the factors which the Commission may consider in granting a liquor license.

COMMENTARY

53-132: Section 2

(A) The applicant is fit, willing and able to properly provide the service proposed within the city where the premises described in the application are located:

I conducted a background check on Phillip Mitchell and Austin Propp the owners of Great Plains Distillery as a means to determine their fitness to hold a liquor license.

Phillip Mitchell reported an "Open Alcohol Container" violation in ST. Paul, Nebraska June of 2004 and "no valid registration" in Scottsbluff, NE April, 2009.

Austin Propp reported the following criminal history; Speeding – Morrill County August 2006, Speeding - Scottsbluff, NE February 2007, Possession of Drug Paraphernalia – Scotts Bluff County NE February 2012, DUI 1st offense - Scottsbluff, NE May 2012, Stop Sign Violation - Scottsbluff, Ne September 2013, Fail to Yield - Williston ND May 2015 and DUI 2nd Offense – Scotts Bluff County November 18, 2016.

In considering if the applicants are fit, willing and able to have a liquor license I have found no information to disqualify Phillip Mitchell. However, because of Austin Propp's criminal history and recent arrest for DUI one has to question his willingness and fitness to have a liquor license. In working with Trooper Jackson, Nebraska State Patrol he has indicated that he will require a "Show of Cause" hearing requiring both Phillip Mitchell and Austin Propp to appear before the Nebraska Liquor Commission because of Austin's criminal history.

Phillip Mitchell and Austin Propp appeared before the City of Scottsbluff Liquor License Holders Investigatory Board. After much discussion the board approved a positive recommendation to council.

The applicant can conform to all provisions, requirements, rules and regulations provided for in the Nebraska Liquor Control Act:

Any operator must adhere to the existing laws while doing business in the community and adhere to acceptable business practices.

Neither Phillip Mitchell nor Austin Propp have experience in the alcohol industry other than Phillip Mitchell has been working with other distillers in Casper, Wyoming and Boulder, Colorado in an effort to learn the distillation process.

Both Mitchell and Propp have stated that they will be attending the Nebraska State Patrol Responsible Beverage Servers Training. For the time they will be the only employees of the business.

The applicant appears to have the ability and willingness to conform to language within the Nebraska Liquor Control Act.

- (B) The applicant has demonstrated that the type of management and control exercised over the licensed premises will be sufficient to insure that the licensed business can conform to all provisions, requirements, rules and regulations provided for in the Nebraska Liquor Control Act:**

On Wednesday December 28, 2016 I made a sight visit to Great Plains Distillery. In talking to Mitchell he told me that the business will have security cameras on the inside and outside as well as an intrusion alarm for after hours. Mitchell explained that in the beginning they will only sell to a wholesaler. Mitchell further explained that in the future they may have some tastings, which the Class Z license allows.

It should also be noted that Great Plains Distillery currently has the required federal license which is a process similar to the state liquor license.

The applicant appears committed to complying with all provisions, requirements, rules and regulations provided for in the Nebraska Liquor Control Act.

- (C) The issuance of the license is or will be required by the present or future public convenience and necessity:**

Initially the hours of operation will not be a concern as the business will only sell to a wholesaler. Austin told me that in the future when the business does have tastings they will only invite small groups of about 10 to those type of events.

Oversight and accountability will be a priority for the applicant as it relates to the sale of alcoholic beverages.

SPECIFIC ISSUES COMMISSION MAY CONSIDER

- (D) The existence of a citizen's protest made in accordance with Section 53-133:**

There have been no known citizen protests of this business.

- (E) The nature of the neighborhood or community of the location of the proposed licensed premises:**

The business is located at 213 W Railway St Scottsbluff, NE. The owners do not anticipate come and go customers. In the future if there are events or retail sales, parking and pedestrian traffic should not be an issue.

- (F) The existence or absence of other retail licenses or bottle club licenses with similar privilege within the neighborhood or community of the location or the proposed licensed premises.**

There are no other businesses of this type in the area or in the City of Scottsbluff.

The existing motor vehicle and pedestrian traffic flow in the vicinity of the proposed licensed premises:

Although no recent traffic studies have been completed regarding motor vehicle traffic of the general area, the traffic flow is not of concern at this time nor is pedestrian traffic.

(G) The adequacy of existing law enforcement:

The Scottsbluff Police Department is allowed 31 full time officers in the department and handled approximately 13,550 calls for service, not including traffic citations during 2015. The number of liquor licenses within the jurisdictional boundaries of the Police Department, regardless of the class, continues to be a concern to the Police Department and even routine monitoring of their business practices is difficult. Compliance checks continue to remain a concern to those businesses that sell alcohol to minors. The Nebraska State Patrol has assumed liquor law enforcement duties and their wide jurisdiction generally precludes any particular focus in the city.

(H) Whether the type of business or activity proposed to be operated in conjunction with the proposed license is and will be consistent with the public interest:

The Police Department would reserve making any statement which would indicate that the sale of alcohol is consistent with the public interest.

Adequate staffing and training, as well as close supervision of patrons are important. Cooperation with the Police Department by management will help to eliminate or diminish potential problems with violations.

EXHIBIT IV

Memo

Date: December 19, 2016

To: Honorable Mayor Meininger and Members of the City Council

From: Cindy Dickinson, City Clerk

CC: Nathan Johnson, City Manager

Re: Great Plains Distillery, LLC, 213 West Railway St., Scottsbluff, NE Class Z-121072 License

The city clerk is required by ordinance to report specific information to the city council whenever a liquor license application hearing is held.

Following are the existing licenses, their class, address and proximity to other licensed premises:

Class of License

Class A	Beer only, for consumption on premises
Class B	Beer only, for consumption off premises
Class C	Alcoholic liquors, for consumption on and off premises
Class D	Alcoholic liquors, including beer, for consumption off premises
Class I	Alcoholic liquors, for consumption on the premises
Class W	Wholesale beer
Catering	Alcohol permitted by licensee's retail license, sold or served at events covered by special designated licenses

Class A Licenses

Restaurants

Pizza Hut of Scottsbluff, Inc.
Mast Enterprises, Inc. dba Godfather Pizza

726 West 27th Street
2203-07 Broadway

Total Class A Licenses **2**

Class B Licenses

Convenience Stores

Total Class B Licenses **0**

Class C Licenses

Restaurants

El Charrito Restaurant & Lounge, Inc .
Tangled Tumbleweed
MJ's Restaurant
Las VII Americas Tortilleria (pending)

802 21st Avenue
1823 Ave. A
2615 5th Ave.
1619 East Overland

Hotel/Motel

Holiday Inn Express
Candlelight Inn & Lounge

1821 Frontage Rd.
1822 East 20th Place

Taverns/Lounges

Hight's Tavern
Silver Saddle Lounge
Shots Bar and Grill
Bob's Garage & Bar
Lucky Keno LLC dba FrontSide
Backaracks Bar & Grille
16th Empire (PENDING)

20 West 18th Street
1901-B 21st Ave.
1722 Broadway
1907 Broadway
1001 Avenue I
1402 East 20th St.- Suite B
1605 Ave. A

Retail

Racks (Catering)
Panhandle Cooperative Assn. (Catering)
Kelley's Liquor (Catering)

1402 East 20th St.- Suite A
401 S. Beltline Hwy West
817 West 27th Street

Clubs

Elks BPO Lodge 1367

1614 1st Avenue

Bowling Alleys

Valley Bowl Fun Center

1702 17th Ave.

TOTAL CLASS C LICENSES

18 (2 pending)

Class D Licenses

Grocery Stores

Safeway of Western Nebraska

Convenience Stores

5th & O Eastco
Scottsbluff Watering Hole
Big Bats
Panhandle Coop Assn.
Git N Split
Cheema's Gas & Liquor
Route 26 Mart
Maverik Stores Inc.,
La Bamba
Walgreens

601 Broadway

503 East Overland
121 W 27th Street
902 West Overland
3302 Ave. B
506 West 27th Street
2002 Avenue I
1722 E 20th Street
920 West 36th St.,
721 East Overland
205 West 27th Street

Liquor Stores

Dermer's
Cigarette Chain

1311 E Overland Dr.
323 East Overland

Discount/Grocery Stores

Big Kmart #7024
Wal-Mart Supercenter #867

802 East 27th Street
3322 Avenue I

TOTAL CLASS D LICENSES

15

CLASS I LICENSES

Restaurants

Rosita's
Chili's Grill & Bar
Wonderful House Restaurant
Taco de Oro
Whiskey Creek Steakhouse
Ole, LLC
Oriental House
Emporium Coffeehouse & Cafe
San Pedro Mexican Restaurant
Sam & Louie's Pizzeria
Taco Town
Prime Cut
The Shed

1205 East Overland
826 West 36th St.
829 Ferdinand Plaza
2601 Avenue I
1802 E 20th Place
1901 East 20th Street
1502 E. 20th St.
1818 1st Avenue
23 West 27th St.
1522 Broadway
1007 West 27th St.
305 West 27th St.
18 West 16th St.

Theater

Hotel/Motel

Hampton Inn & Suites

301 W Hwy 26

TOTAL CLASS I LICENSES 14

Class W Licenses

Wholesale

High Plains Budweiser

2810 Ave M

TOTAL CLASS W LICENSES 1

TOTAL LICENSES

Class A	2
Class B	0
Class C	18 (2 pending)
Class D	15
Class I	14
Class W	1
TOTAL LICENSES	50 (2 pending)

Memo



Date: December 21, 2016
To: Honorable Mayor and City Council
From: Staff, Development Services
CC: Nathan Johnson
Re: Class "Z" Liquor License Application
Great Plains Distillery
213 W Railway Street
Scottsbluff, NE 69361

Action:

Great Plains Distillery has applied for a Class "Z" Liquor License to distill liquor for wholesale distribution at their facility located at 213 W Railway Street.

The Development Services Department is required by Article 1, Chapter 11 of the Scottsbluff Municipal Code to report specific information to the Mayor and City Council whenever a liquor license application hearing is held. In accordance with that directive the following information is offered:

- (1) The property at 213 W Railway Street is situated in a C-3 (Heavy Commercial) zoning district. While "microdistillery" is not a defined use in the City's municipal zoning code, "beverage bottling plants" are an allowable use in the C-3 zone. In addition, the use as a microdistillery is consistent with the intent of the C-3 zoning district, which is stated as follows: "The intent of a C-3 Heavy Commercial Zone is a zone designed primarily for warehousing, distribution centers, and minimum light manufacturing and processing." (City's Zoning Ordinance, Chapter 25, of the City's Municipal Code of Ordinances.)
- (2) For the proposed use as a wholesale, warehousing, or manufacturing facility, there is one parking space required per 1000 square feet of gross floor area, so for the applicant, with a building of approximately 1899 square feet, 2 parking spaces are required. There appears to be adequate parking available on site to meet this need.
- (3) The use of this property is consistent with the surrounding neighborhood, which is generally commercial in nature.
- (4) There are no churches, schools, or other similar institutions within 300 feet of the subject property.
- (5) The existing population of Scottsbluff is approximately 15,039.