

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING/WORKSHOP, JULY 20, 2011**

The meeting was called to order at 7:00 a.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Mike Woll; Aldermen absent: Ron Wood (excused).

Staff present: Craig Clark, City Administrator; Brian Kolander, Finance Director; Janice Oberloh, City Clerk; Dan Wycoff, Liquor Store Manager.

Others present: Paul Kaspszak, Minnesota Municipal Beverage Association.

LIQUOR STORE FEASIBILITY AND BUDGET AMENDMENT APPROVED

Studies conducted by the Minnesota Municipal Beverage Association indicate that a liquor store having sales above \$600 per square foot should be considering a new facility to capture increased revenue, service the volume of product and provide the necessary revenue to finance a new store. The Worthington Liquor Store has sales of \$650 per square foot with projections to reach \$700 per square foot. Council considered a proposal from McComb Group, LTD to conduct a feasibility study with the following objectives:

- Evaluate new liquor store location
- Identify competitive liquor stores
- Conduct customer survey to determine distribution of customers between trade area residents and inflow customers
- Evaluate trade area demographics and determine liquor store sales potential
- Evaluate historic liquor store sales of beer, wine, and spirits for a five-year period
- Determine impact of new store location on trade area market share and inflow sales
- Prepare retail sales estimates for beer, wine, spirits and other merchandise for a five-year period taking into consideration a new location and a larger store

Dan Wycoff, Liquor Store Manager, noted that sales have steadily increased the past five years. Council viewed a slide show of the current liquor store showing some of the issues with the facility. Paul Kaspszak, Minnesota Municipal Beverage Association, told Council his advice was to complete the feasibility study and if it comes back okay look at the information to determine if we should proceed and use it to educate the public.

Craig Clark, City Administrator, noted there are several operational deficiencies requiring significant expenditures that will need to be addressed at the current facility including:

- 16 door beer cooler
- Carpet
- Check-out counters
- Shelving
- Ceiling tile and lights

- Bathrooms
- Camera system
- Air conditioner

Mr. Clark also noted that should Council approve the feasibility study, they should also include a budget amendment for the cost of the study from the unreserved undesignated liquor store fund balance.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to move ahead with the feasibility study to be used for public education, and to approve a budget amendment for the cost.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 8:18 a.m.

Janice Oberloh, CMCM
City Clerk