

## STAFF REPORT

---

**Date:** June 14, 2023

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Approval of a Nevada State Liquor Manufacturer's License Application for James Phalan II, Fox Brewery & Pub LLC dbas The Fox Brewery & Pub located at 124 Wonder Street, Reno, Nevada and if approved, authorize the Mayor to sign the Nevada State Liquor License Application

**From:** Lance Ferrato, Business License Manager

**Department:** City Manager's - Business License

---

**Summary:** This application is for a Nevada state liquor manufacturer's license ("state license") to operate a brewery at 124 Wonder Street, Reno, Nevada. Nevada Revised Statutes ("NRS") require Council to review applications submitted for state licenses that will operate within the City. Based upon a background investigation conducted by the Reno Police Department ("RPD"), Council must find satisfactory evidence that the applicant is of good moral character in order to approve.

Staff recommends that Council find satisfactory evidence that the applicant, James Phalan II, is of good moral character, approve the state license application for Fox Brewery & Pub LLC dba The Fox Brewery and Pub ("Fox Brewery"), and authorize the Mayor to sign the application.

**Previous Council Action:** There is no recent Council action relevant to this item.

**Background:** Pursuant to NRS Chapter 369 entitled "Intoxicating Liquor: Licenses and Taxes," certain persons and businesses engaged in the importation of liquor, wholesale dealers of beer, wine and liquors, winemakers, instructional wine-making facilities, breweries, brew pubs, and craft distilleries are required to obtain a state license to engage in the activities listed involving intoxicating liquor. Prior to the revisions in SB 22 (2015 legislative session), state law required applications for state licenses to be submitted to the Board of County Commissioners in the county in which the applicant maintained their principal place of business.

SB 22 revised the provisions of NRS 369.190, governing the review and approval of the state license. The revisions in the bill now require an applicant whose principal place of business is located within an incorporated city to submit the state license application to the governing body of the City instead of the Board of County Commissioners. The governing body shall approve or disapprove the application based on evidence that the applicant is of good moral character. The state license requirement is in addition to any licensing requirements in the municipal code of the local jurisdiction(s) in which the business is physically located.

**Discussion:** On April 27, 2023, staff received a state license application from Fox Brewery to be licensed as a brew pub (Exhibit A). Additionally, Fox Brewery submitted City applications for general and privileged business licenses including restaurant, alcoholic beverage manufacturer, and dining room alcohol.

NRS 369.190(3) and RMC sec. 5.07.055(c) specify that Council shall determine if there is “satisfactory evidence that the applicant is a person of good moral character” when reviewing and approving a state license application.

RPD completed the applicant’s background investigation on May 24, 2023 and recommended approval for the alcoholic beverage manufacturer and dining room alcohol licenses. Based on completion of the background investigation, staff has determined that the applicant is “of good moral character” and suitable to hold the state license under the provisions of NRS and RMC.

**Financial Implications:** No financial implications at this time.

**Legal Implications:** Legal review completed for compliance with City procedures and Nevada Law.

**Recommendation:** Staff recommends that Council find satisfactory evidence the applicant, James Phalan II, is of good moral character and approve the Nevada State Liquor Manufacturer’s License for Fox Brewery & Pub LLC dba The Fox Brewery and Pub and authorize the Mayor to sign the application.

**Proposed Motion:** I move to approve staff recommendation.

**Attachments:**

Exhibit A - Nevada State Liquor License Application  
Notice Waiver - James Phalan