

**AGENDA
PARK RAPIDS CITY COUNCIL WORKSHOP
TUESDAY, JULY 14, 2020, 5:00 PM
RAPIDS SPIRITS MUNICIPAL LIQUOR STORE
1102 FIRST STREET EAST
PARK RAPIDS, MINNESOTA**

1. INTRODUCTION/ROLL CALL

2. BUSINESS:

2.1. Walk through of Rapids Spirits Municipal Liquor Store

3. ADJOURNMENT

Council Workshop Tour

Rapids Spirits opened in 1995 with a foot print of 6000 sq. ft. and had an addition in 2001 to add loading dock and expand cooler space that added 1560 sq. ft. The store also had a small remodel in 2008 to add the wine room in the NW corner of the sales floor (this did not increase building size) and the other portion of the remodel was to move the entrance/exit to the east side from the NE corner to better utilize parking created behind the store (23 spaces) after MNDOT widened Hwy 34 and we lost (8) parking spots along the north side . The small remodel also added a breakroom in what used to be the office and the office was given space between the Entrance /Exit vestibules that were added to separate entering and leaving traffic, as the old entrance/exit had traffic using a common door. (the small remodel created 240 sq. ft of new space) the remodel did create another issue in moving the entrance exit to the east side of the building. The elevation of that portion of the store created the need to have handicap ramps and a large landing for ADA requirements that consumed a little over 40 feet along the east side or (4) parking spots. (the Hwy. 34 expansion in essence consumed 12 parking spots adjacent to the store) *Total sq. ft 7800 and proposed needs are 12,500 an increase of 60%*

Sales for Rapids Spirits in 1995 were \$1,700,000 sales for 2019 were \$3,324,000 ,one of the other factors that is over taxing our operation is the change in industry to offer something for every taste when we opened Rapids Spirits in 1995 - for example we of course sold Jim Beam (but now we offer 12 types of Jim Beam vs 1 in 1995) this expansion has pretty much impacted all segments and the other side of the coin is we have so many brands and types of products that didn't exist five years ago let alone in 1995 .

The issues I will try to address are:

Exterior:

Parking – lost spots to Hwy 34 expansion and handicap ramps and landing on east side

Building deficiencies- Loading dock door too low for taller semis and we have to remove top layer of pallet (beer trucks) at the time of construction no Beer wholesaler in our area delivered with a semi at the loading dock. (they all used bay trucks that used the south side ramp and raised dock) the majority have converted to semi on large days or in total. The other issue is that our freight hauler either delivered in a straight truck or a 43' trailer and now with the cost of fuel most of the beer and freight haulers are using a 53' trailer which means the trucks are having to meet the dock at an angle since there isn't sufficient space between the dock and the curb on the other side of the parking lot.

Safety- cars backing out of spots are close to the entrance off Hwy 34 and it is narrow on the east side, slope on east side parking (handicap), building overhangs sidewalks for snow clearing (equipment can't access) and any snow removed from sidewalks has to go into parking lot

Interior:

Sales floor – shelving space / display space/tasting area / cash registers / carts /safety

Public restroom- customers/ tourists want (we don't have)

Room for more cash registers - register #3 functions as a back up to #1 & #2 (in the event #1 or #2 fail for any reason) the problem is now we use #3 weekends in the summer and during peak times. The fact that we use #3 now for those purposes means we don't have a backup in those peak times and weekends during the summer

Shopping carts and cart return – shopping carts increase peoples purchases and we don't have enough on the floor and no space for a customer who has used one to shop to return cart to upon leaving (we do have a cart coral outside during the non-snow times of the year)

Tasting/sample area – no space to conduct sampling (when we do have a sampling now we have to take larger shopping carts off floor) the space is still not really conducive for people to sample product and listen to presenters information , since the space is so near the entrance and traffic.

Shelf space – single facing items/open cases/labor dollars for stocking /customer finding items
Room for new items

Mass display for volume purchases – beer/spirits we have to keep things we already have purchased in bulk buys in the back

Limitations on running feet of gondola- the length of runs may be long or short depending on what will fit in the space available and product types may not be adjacent to sections they associate with (gin – Vermouth)

The demand for shelf space is everywhere and, in an effort, to keep current we have single faced many items and that has a ripple effect. The practice of single facing has these **primary issues** – customer confusion since the item they are looking for is only one in a sea of many, staff is forced to make decisions all the time while stocking as the need to bring out an item from the back (single face for most items is about 6 bottles deep on the shelf , so they have to determine how fast its turning do we have to bring it out now , if they do bring it out and there are bottles on the shelf and the case holds twelve then at least half the case won't fit on the shelf and has to be repacked into a box and labeled as such and taken to the back or it goes in our small open case room) the ripple effect continues in the warehouse area because we have to store the repacked labeled boxes somewhere , if the item is of a volume level that is sufficient that we will need it before the next delivery I order it (but it won't go on the shelf till later in the week so we have to store it) we added racking to accommodate these items and now they are full and have moved into the receiving area) The open case room is constant battle to organize and staff spends lots of time just searching for an item that our POS system says we have , so then when it's time to put those items on the shelf we have to look for a full case , repacked case or in the open room .(labor dollars & time that could be on sales floor) I spend most of my day Monday and parts of the week planning out purchases and part of that planning is dealing with the space needs .

Beer Cooler:

Number of Doors – we need at least another (10) or a beer cave for higher volume items

Space for cold wine / champagne

Space for cold craft / imports /build your own 6pk

Feature door / new item door / seasonal door

All of the cooler doors had *a 6th shelf added in early 2000* to give us more facings and now items on the bottom are below the threshold of the door and some customers struggle to access them and the top shelf is tall for some customers and is certainly tall for staff and have to use a ladder

Storage space - in the cooler gets really tight in the peak season as we try to cram the volume we sell (*we have to anticipate sales volume and get product into cooler to cool down before the customer would purchase*) into the space (**safety** – we have added racking and marked walls to make sure stacks stay safer)

Warehouse space:

We don't have space for volume in summer season isles get tight and items get stacked on top of each other (*labor to move many times / date rotation/safety*)

The back-warehouse area has grown over into the receiving area and we now struggle on freight days to have room for pallets when they come off truck and to safely get around them and to break them down and put away

The loss of receiving area is now a problem when we have two trucks at once or there is a change in delivery schedule and liquor freight delivery and beer are here at same time. I have had to plan out when I order from what vendor and the available delivery days and times so that we have space to accommodate. (Monday is the only day we don't have a truck) Liquor and wine out of the Cities has to be ordered by 4:30 Monday to have it delivered Wednesday morning (otherwise the only other regular day is for Friday and Bud & Miller are at our dock on Friday)

Beer deliveries are – Bud & Miller Tuesday and Friday for both / Coors& Old Milwaukee Thursday for both

Coke/Pepsi/ Mixes juices /bags and many smaller vendors are throughout the week

Storage for display pieces – we can't afford to keep some of the pieces we might reuse and I have display pieces and seasonal item stored at the old liquor store and the airport

We don't have a place to store (floor scrubber /snowblower/extra carts / empty pallets) so all those things are stored on the freight lift and have to be moved every time we need to use it.

Office:

The office has become crowded – we added another desk work station for lead clerk to be able to use for data entry

The issues with the crowded office-

Change safe-is in office and every time a staff member needs to access it if I have a sales rep in my office (they have to be interrupted / change safe is exposed to non-staff)

The network printer -that staff uses to print signs for displays is sitting on the extra desk in the office, so if they are printing signs for displays, they have to come in office to retrieve and again interrupting the sales rep

If I have a sales rep with me in the office, they utilize that desk chair so no one can use that workstation or have to stop using it if I have a sales rep stop

If a sales rep has a product representative with them, I don't have a chair for both let alone space in general

Mechanical:

The current building has had minimal improvements other than the addition in 2001 and the entrance remodel in 2008.

The building roof was shingled in 2015 / insulation was also added at that time

The interior has not been painted or had flooring updates

Mechanical systems (Refrigeration / HVAC/ Water heater) are all original and have only had replacement of failed components

The mechanical freight lift - has had no major service other than safety checks performed monthly and hydraulic fluid replaced recently

Automatic doors – original to the 2008 remodel and have over 2 million open and closing cycles

Parking Lot - was over-layed in 2016