

SLGA Retail Auction

What is being auctioned?

SLGA Retail's Lawson Heights liquor store in Saskatoon closed in 2020. SLGA Retail is now selling the rights to that permit via an online auction.

Does the auction include buildings or other assets?

No. The permit allows a business to sell beer, wine and spirits in closed containers for off-site consumption. The auction is for rights to the permit only – it does not include any physical building or assets.

When is the auction taking place?

The auction is taking place online at McDougallBay.com and begins June 8 and ends June 28. Interested bidders must register on the website to participate in the auction. Once the auction opens, bids can be placed.

Will bids be visible?

Yes. The online auction format shows bids as they are made.

Is there a cost to participate in the auction?

There is no cost to sign up to bid. The successful bidder is required to pay McDougall Auctioneers a bidder's premium (auction fee) of \$750 (plus GST) within three days of the auction closing. In addition to the purchase price, successful bidders are required to pay an application fee (\$525) to start the application process for the retail store permit. There is also an annual retail store permit fee (\$525) that must be paid before the permit is issued and annually thereafter.

Do bids have to be paid in full once the auction is over?

The Bidder's premium of \$750 (plus GST) must be paid within three days of the auction closing. Payment of the winning bid is as follows:

- Within 30 days after the conclusion of the auction, 25% of the total bid amount must be paid. This amount will be forfeited if the purchaser does not proceed with opening a retail store.
- Within 12 months after the conclusion of the auction, an additional 50% of the total bid amount must be paid; and
- At the earlier of 18 months from the conclusion of the auction, or the effective date of the new Retail Store Permit, the remaining 25% of the total bid must be paid.

Note: the bid amount must be fully paid and the permit issued prior to the opening of the bidder's retail liquor store.

Does the successful bidder need to open a store in Saskatoon or can they move the permit elsewhere?

This permit can only be used to operate a retail liquor store in Saskatoon. The successful bidder can select their location within Saskatoon (as long as it meets municipal zoning rules). The retail store must be opened within 18 months of the auction closing.

Is this permit for a standalone store only?

Yes. All retail liquor stores operating in communities with a population greater than 5,000 must operate a standalone store (freestanding or store-within-a-store configuration).

Once the auction ends, what happens?

The highest bid gives the individual/business the opportunity to formally apply for the liquor permit. It's important to note that the prospective retailer must meet regular SLGA liquor licensing requirements to hold a commercial liquor permit, including good character. Simply being the highest bidder does not automatically qualify someone to hold a commercial liquor permit.

What if the successful bidder is disqualified during the liquor licensing process. Will their bid amount be refunded?

The first 25% payment is non-refundable. However, if an applicant fails to meet the good character requirements during the permitting process, the bid amount paid to date will be refunded. The \$750 bidder's premium is non-refundable. See the Purchase Agreement for full details.

Can a successful bidder sell the permit without opening for business?

The retail store must be opened within 18 months of the auction closing and the retailer must complete the permit process and open a store before they can sell their interest in the permit. There is no specific timeline that the business must be open before it can be sold.

When will retail liquor permits in other communities become available?

This auction is being conducted by an existing liquor retailer (SLGA Retail Inc.). It is not part of SLGA's Liquor Licensing auction process for unallocated retail permits. That process currently remains on hold.

Where can I get more information?

Attachments to the lot listing provide additional information about Retail Store Permits as well as the permit application process. The lot listing can be found on McDougallBay.com. All other questions can be emailed to inquiry@slga.gov.sk.ca