News Release

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Liquor Store Expansion Meets Consumer Demand

Measured Statewide Increase Matches State's Population Growth, While Providing Small Business Opportunities

PORTLAND, OR. – The steady addition of independently owned and operated liquor stores across Oregon is helping meet customer demand for products while keeping pace with Oregon's growing population according to the Oregon Liquor and Cannabis Commission (OLCC). That assessment of the agency's retail store expansion was presented as part of an annual business review provided to Commissioners during their regularly scheduled monthly meeting.

In other business, the Commission unanimously supported the renewal of 23 liquor store agent agreements, and approved one stipulated agreement.

The retail liquor store expansion effort was launched in 2015 with the objective of providing consumers greater convenience and improved product offerings. Expansion also generates small business opportunities for Oregonians to own and operate liquor stores while providing support to Oregon's hospitality industry. Liquor stores sell and deliver distilled spirits to restaurants, bars and hotels which historically represents between 20 to 25 percent of all liquor sales.

"Locally owned liquor stores are a vital business partners for Oregon's hospitality industry statewide and our expansion is mindful of the need for a strong and dependable business-to-business supply chain," said Chris Mayton, Director of the OLCC Distilled Spirits Program.

During the six-year expansion, 36 additional liquor stores have opened across Oregon, bringing the total to 281 stores*. In that same period, for all stores, the average sales per liquor store improved from \$2.3 million to \$2.9 million, a more than 25% increase (4.3% annualized.)

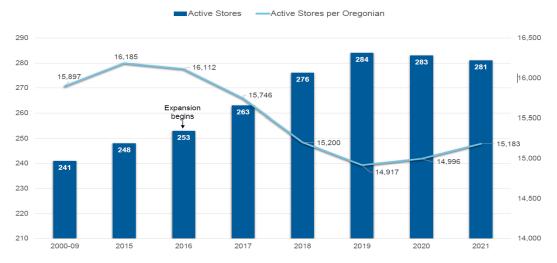
To date, the stores added during retail expansion have generated more than \$287 million in revenue, producing about \$109 million in funding for state programs, and created more than 165 new jobs. The OLCC <u>previously reported</u> that Oregon's liquor stores sales set a new high of \$813 million in 2021.

The sales of distilled spirits by liquor stores is projected to generate \$631 million dollars (2021-23 budget) distributed to state, county, and city services for education, health, public safety and other public services.

"Our partnerships and contracts with all these private businesses that sell distilled spirits, are the key ingredient to us being able to meet demand and providing access to local and world class products," said Steve Marks, OLCC Executive Director. "OLCC's successful work to tie store expansion to population growth is mission driven. The agency strives to balance sustained consumer satisfaction and the prosperity of the hospitality industry, with public safety and considerations along with our fiscal responsibility for ensuring predictable and stable revenue growth for state and local public services."

First-time liquor stores have opened in Parkdale, Selma, and Terrebonne, while the metropolitan areas in Bend, Eugene, Medford, Portland and Salem added a combined 21 stores. The measured store growth is in part based on population; in 2015 there was one liquor store for roughly every 16 thousand residents; today there is one liquor store for every 15 thousand residents. In 2015, Oregon had slightly over 4 million residents, today the state has more than 4.2 million residents.

Population Per Liquor Store



The Commissioners also ratified the following stipulated settlement agreement (detailed information on specific cases can be found on the OLCC website):

NOI THAI (FCOM) Two of the five members of Noi Thai, LLC in Bend were convicted in December 2019 of defrauding the government for using software in their restaurants to skim cash sales from their books, resulting in a percentage of their sales being unreported. The Licensee has accepted responsibility, the two convicted members are required to divest their interest in the business and are subject to license restrictions preventing them from participating in the operation or management AND will either pay a \$4,950 civil penalty OR serve a 30-day license suspension.

Licensees are: Noi, LLC; Pornchai Chaiseeha, Managing Member; Settapong Nilket, Member; Jantana Chaiseeha, Member; Chadillada Lapangkura, Member; Chanpen Lapangkura, Member.

^{*}Currently three stores are not operational (Blue River, Camas Valley, Garden Home)