

News Release

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June 3, 2020

Wine Industry Outlines Reopening, Recovery Plans to Commission

Commissioners Restrict License of Portland 7-Eleven Store OLCC Staff Outline Need for Expanded Warehouse Space

PORTLAND, OR. – At its regular monthly meeting on **May 28, 2020**, the Oregon Liquor Control Commission heard from the wine industry on its plans to reopen and readjust their business during the ongoing Covid-19 pandemic. Commissioners also approved a restricted alcohol license for a Portland business and took action on other alcohol violation stipulated settlements. Commission staff also shared a high-level view on why the agency needs to increase its warehouse space, otherwise the state will lose projected sales revenue.

Oregon's wine industry is continuing to adjust to Covid-19 business conditions. Industry members discussed the collaborative steps winemakers are taking to incorporate social distancing and public health best practices for tasting room re-openings. Most wineries are located in areas where Phase 1 reopening has taken place, and now the industry is contributing concepts to the Governor's Office to create operational guidelines for Phase 2.

"We're probably at least 12 to 18 months away from ever moving to a Phase 3 reopening," said Mike McNally with the Willamette Valley Wine Association. "What that means is that the Phase 2 reopening is probably the guidelines that we're going to have operate with for the foreseeable future."

The Commission approved a limited off-premises sales license for a 7-Eleven retail business to sell beer, wine and cider, but the business operator is required to keep the alcoholic beverages in locked coolers. The licensee (Morrison Store, Inc.) in downtown Portland was already operating under an agreement with the OLCC to keep all beer (malted beverages) in locked coolers.

Customers patronizing this 7-Eleven store will not be able to removes containers of beer, wine or cider for themselves but will have to ask store staff to retrieve their selection(s). The store is also required to report to the Portland Police any violent or illegal activity taking place near the store. Another stipulation is that the licensee maintain a security video surveillance and recording system that provides coverage of the areas in and around the business.

OLCC staff shared with Commissioners findings from internal and external studies that have determined the distilled warehouse facilities have reached their capacity and require substantial investments to maintain their current levels of operation.

May 28, 2020 OLCC Commission Meeting - Alcohol

The agency currently uses two separate warehouses and transports distilled spirits back and forth between them. The OLCC's existing warehouse space will be fully utilized by the end of 2021 and the inability to add additional product is projected to result in lost sales and a decline in revenue for the State.

The need for additional warehouse space is driven by an increase in overall sales, steady population growth, and the demand for customer convenience: the OLCC has been expanding the number of OLCC liquor stores to align with the population based expansion in Oregon.

"We could easily be in the position to be the second largest revenue stream in the state before long," said Paul Rosenbaum, Chair of the Oregon Liquor Control Commission. "And that becomes even more important for us not to lose any revenue in the future."

Commissioners also ratified the following violation fines and suspensions based on stipulated settlement:

MOD SUPER FAST PIZZA (L) in Sherwood will pay a \$1,485 fine OR serve a nine-day suspension.

Licensee is MOD Super Fast Pizza, LLC; MOD Super Fast Pizza Intermediate Holdings II, LLC, Managing Member; MOD Super Fast Pizza Intermediate Holdings I, LLC, Managing Member; Scott Svenson, Manager; Robert Barton, Manager; Paul Twohig, Manager; John Maguire, Manager.

C BAR (F-COM) in Portland will pay a \$1,485 fine OR serve a nine-day suspension. Licensee may offset the number of days it was prohibited from exercising its on-premises license privileges pursuant to the Governor's Executive Order 20-07, or any successor that extends that order, against the nine-day suspension.

Licensee is C Bar Portland, LLC; Jeremiah Smith, Managing Member.

FOGGY BOTTOM BAR AND GRILL (F-COM) in Harbor will pay a \$1,650 fine OR serve a 10-day suspension. Licensee may offset the number of days it was prohibited from exercising its on-premises license privileges pursuant to the Governor's Executive Order 20-07, or any successor that extends that order, against the 10-day suspension.

Licensee is Hyde's Sporthaven Resort, Inc.; Elaine Righetti, President/Stockholder.

LAURIE DEVOE - Service permittee, Laurie Devoe, would have been suspended for 25-days. However, her employer was prohibited from using its on-premises license because of the Covid-19 pandemic so the service permittee was allowed to off-set the suspension by the number of days her employer has been closed.

SWANK AND SWINE/PARAMOUNT HOTEL (F-COM) in Portland will serve a 21-day suspension. Licensee may offset the number of days it was prohibited from exercising its on-premises license privileges pursuant to the Governor's Executive Order 20-07, or any successor that extends that order, against the 21-day suspension.

Licensee is 925 Park Avenue Associates, LLC, Co-Licensee; Michael Bashaw, Managing Member WCPB, LLC, Member; West Coast Park Avenue, Inc., Member; Donald Barnard, Member; Swank and Swine, LLC, Co-Licensee; Mark Byrum, Managing Member; Alan Williams, Member.

THE DOUBLE J SALOON (F-COM) in Redmond pay a \$4,950 fine OR serve a 30-day suspension. Licensee may offset the number of days it was prohibited from exercising its on-premises license privileges pursuant to the Governor's Executive Order 20-07, or any successor that extends that order, against the 30-day suspension.

Licensee is The Double J Saloon, Inc.; Justin Turpin, Pres/Dir/Stockholder; Laura Turpin, Sec/Treas/Director.

A copy of the Stipulated Settlement Agreements for Alcohol Violation Cases can be found on the <u>OLCC website</u>, on the Laws & Rules page under the <u>Final Orders</u> section.