

MINUTES OF THE BLOOMINGTON
LIQUOR COMMISSION

December 8, 2009

The Bloomington Liquor Commissioner Rich Buchanan called the Liquor Hearing to hear the request of Walgreens Co. d/b/a Walgreens #02587, located at 2611 E. Oakland Ave., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Rich Buchanan, Marabeth Clapp, and Steve Petersen; George Boyle, Asst. Corporation Counsel; Tracey Covert, City Clerk; Mike Palmer, District Manager, and Store Manager, and Applicant representatives.

The Bloomington Liquor Commissioner Rich Buchanan called the Liquor Hearing to hear the request of Walgreens Co. d/b/a Walgreens #05188, located at 1525 N. Veterans Pkwy., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Rich Buchanan, Marabeth Clapp, and Steve Petersen; George Boyle, Asst. Corporation Counsel; Tracey Covert, City Clerk; Mike Palmer, District Manager, and Billy Walden Jr., Community Leader, and Applicant representatives.

The Bloomington Liquor Commissioner Rich Buchanan called the Liquor Hearing to hear the request of Walgreens Co. d/b/a Walgreens #09983, located at 1408 N. Main St., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Rich Buchanan, Marabeth Clapp, and Steve Petersen; George Boyle, Asst. Corporation Counsel; Tracey Covert, City Clerk; Mike Palmer, District Manager, and Melissa Jonland, Store Manger, and Applicant representatives.

The Bloomington Liquor Commissioner Rich Buchanan called the Liquor Hearing to hear the request of Walgreens Co. d/b/a Walgreens #11828, located at 909 S. Main St., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Rich Buchanan, Marabeth Clapp, and Steve Petersen; George Boyle, Asst. Corporation Counsel; Tracey Covert, City Clerk; Mike Palmer, District Manager, and Kerry King, Store Manger, and Applicant representatives.

Commissioner Buchanan opened the liquor hearing. He requested that the Applicant present the business plan. He noted that Walgreens Co. had submitted four (4) applications for its four (4) stores located within the City. He added that there were some differences in the store layouts. Walgreens representatives would present the rational for the application and other relevant information.

Mike Palmer, District Manager and Applicant representative, addressed the Commission. Walgreens had submitted four (4) applications one (1) for each of its four (4) locations within the City. The applications were for a "PB", Packaged Beer and Wine, liquor license. The issue was customer convenience. The application was driven by customer request. Walgreens needed to be competitive with grocery, drug, and convenience stores. Each store would have a two (2) door ten foot (10') cooler which would be stocked with cold beer. In addition, each store would offer twelve to eighteen (12 - 18) lineal feet of bottled wine.

Commissioner Buchanan questioned if the liquor would be in the same location at each store. Mr. Palmer responded affirmatively.

Commissioner Petersen questioned if Bloomington was being used as a pilot location. Mr. Palmer responded negatively. This was a national initiative. Commissioner Buchanan noted that Liquor Hearings were scheduled in the Town of Normal next month, (January 2010). Mr. Palmer added that Walgreens had also filed applications in Galesburg and Peoria. Commissioner Buchanan stated that Walgreens held 465 full (all types of alcohol) liquor licenses. Mr. Palmer responded affirmatively. He noted that in the 1990's the Walgreens' store formerly located at Eastland Mall held an "A", All types of alcohol, liquor license. He added that Walgreens has held liquor licenses since the 1990's. Based upon customer demand, Walgreens had filed these four (4) applications. Packaged beer would be limited to six (6), twelve (12), and eighteen (18) packs and cases. Wine would be bottled.

Commissioner Petersen questioned the statement listed on the Fact Sheet under Product Assortment, "Walgreens will also work with local beer and wine producers to customize our selection with local products." Mr. Palmer stated that Walgreens was interested in working with local distributors who carried local products.

Commissioner Buchanan noted that Aldermen had expressed an interest in store #09983 due to its proximity to Illinois Wesleyan University. Commissioner Buchanan noted that Aldermen had also expressed an interest in store #11828 due to its location within the South Hill neighborhood. Concerns had been expressed regarding single serve items. It was noted that on the Fact Sheet: Reintroducing Beer & Wine at Walgreens, under Product Assortment, there was the following statement: "There will be no single servings or any other variation that would be considered conducive to alcohol abuse." Commissioner Buchanan recommended that this Fact Sheet be adopted by reference as it was submitted by the Applicant. He also noted all of the language under Product Assortment. Mr. Palmer restated that liquor sales were not seen as a growth category by Walgreens. The Fact Sheet under Product Assortment stated "Beer and wine will make up less than 5 percent of our total sales." The issue was customer convenience. Commissioner Buchanan questioned if four (4) pack wine coolers would be available for sale. Mr. Palmer noted that the majority of the product selection would be the same nationwide, (major labels). The only exception would be local wineries. He estimated that liquor sales would represent two to three percent (2 - 3%) of gross sales.

Commissioner Buchanan noted that the space dedicated to liquor stock would be minimal. Mr. Palmer stated that Walgreens had a nationwide policy. Single serve sale items and offering the lowest price were not a part of that policy.

Commissioner Petersen questioned if Walgreens' Fact Sheet could be included in the motion. Commissioner Buchanan noted that Walgreens had been precise as to cooler and shelf space. Any expansion of same would require Liquor Commission permission.

George Boyle, Asst. Corporation Counsel, addressed the Commission. Based upon the Applicant's presentation, he did not believe that there would be a large percentage of increase in liquor stock and/or liquor sales.

Commissioner Petersen questioned if only management level staff was ready to handle liquor sales. He questioned staff training. Mr. Palmer noted that a program would be rolled out in the spring 2010. The Fact Sheet had a heading entitled "Operational Controls and Employee Training". Operational controls would be provided. Violations can happen, should one occur options ranged from staff retraining to constructive discipline.

Commissioner Buchanan questioned if a date of birth must be entered to complete a liquor sale. Mr. Palmer responded affirmatively.

Commissioner Buchanan noted that the application was thorough and well prepared. He added his belief that Commissioner Stockton would support same. He cited the City Code, Chapter 6. Alcohol Beverages, Section 4B. Creation of New License - Findings, which lists the criteria for creation of a license. The Applicant must address the need for the liquor license. Walgreens was not surrounded by "P", Packaged, liquor licenses. He noted the limited scope of sales and minimal sales space dedicated to liquor stock. He cited impact on the neighborhood as a criterion. He noted Walgreens' reputation and added his belief that there would be little to no negative impact upon the neighborhood. Walgreens application was different than other "P", Packaged, applications.

Commissioner Buchanan opened the hearing to public comment. No one came forward to address the Commission regarding stores # 02587, #05188 and #09983.

Cindy Shepard, 918 S. Madison, addressed the Commission. She expressed her opinion that there was plenty of liquor available in the area. She was a thirty-three (33) year resident of the City. She informed the Council that she was employed part time at Jewel. The majority of sales this date were for liquor. The South Hill neighborhood had been against liquor applications in the past. She cited the BP store located at 807 S. Main. She was not a Walgreens shopper. The bottom line for Walgreens was increased income. The Hucks located at 102 W. Oakland Ave. held a GPBS, "Gasoline Packaged Beer & Wine, Sunday Sales", liquor license.

Commissioner Petersen questioned if Ms. Shepard's argument could be tempered by Walgreens' statements that there would be no aggressive liquor sales. Their application was prompted by customer convenience. Ms. Shepard cited the proliferation of liquor sales. The South Hill neighborhood did not need additional businesses with liquor licenses.

Commissioner Buchanan questioned if Ms. Shepard was addressing the Commission on behalf of the South Hill Neighborhood Association. Ms. Shepard responded negatively. She cautioned the Commission to watch the representatives of commercial operations. A date of birth is not entered for every liquor sale transaction at Jewel. Commissioner Buchanan noted that the BP and Jewel were not on the Commission's Agenda. The Commission would not make assumptions about Walgreens. The addition of a liquor license at this location would provide more outlets, a different sales distribution.

Bill Hackman, 918 S. Madison, addressed the Commission. He expressed his confusion. He did not believe that this application was needed. He cited the anticipated minimal percentage of liquor sales. He added his concern regarding the BP store located at 807 S. Main, (across the street).

Commissioner Buchanan noted that the current owner of the BP store may apply. The Commission and City Council would have to make a determination if an application is filed.

Mr. Hackman expressed his belief that a large percentage of sales at the Hucks located at 102 W. Oakland were for liquor. Sales were not for gasoline or auto related. Commissioner Buchanan stated that a large percentage of sales at Hucks occurred at the pump. He added his belief that the Walgreens store should be the least of Mr. Hackman's worries. Walgreens' applications were prompted by customer convenience. Mr. Hackman restated his confusion as Walgreens was a wonderful store.

Mr. Palmer informed the Commission that there was never a company policy to not sell liquor. In the past, liquor sales were too labor intensive. Walgreens focused on expanding its health/wellness end of the business. Walgreens was 109 years old. Liquor would not be offered for sale if it were not profitable. The application was in response to customer convenience. Mr. Hackman stated that nothing positive could be associated with liquor.

Velma Nordine, 905 S. Center, addressed the Commission. She had resided at this address since 1961. She had prepared a written statement. The South Hill neighborhood did not need another liquor license. For the past two (2) years, Walgreens had provided the neighborhood with a pharmacy and other goods without liquor sales. Walgreens had purchased a prime business location. She questioned if Walgreens needed the license to stay in the neighborhood or to increase its profits. She questioned the impact of this liquor license upon her home's value. Center St. was one way and a state highway. She noted the location of the Home Sweet Home Mission and the City's revenue needs. She questioned the number of liquor licenses issued by the City. Walgreens applications represented an additional four (4). She cited past hearings involving Amoco. The Commission needed to consider the neighborhood not just the store.

Don Trickel, 906 S. Madison, addressed the Commission. He was a member of the South Hill Neighborhood Association at the time of the Amoco issue, (1991). Currently, no alcohol is offered for sale at the BP store. He cited Walgreens' application. He questioned the difference between the two (2). He cited litter as an issue. Walgreens was in the health and welfare business and wanted to offer alcohol for sale. The location of this store with its proximity to

residences meant that there would be an impact upon the neighborhood. He expressed his opposition to this application.

Mr. Palmer noted that Walgreens was sensitive to neighborhood concerns. The company had a social conscience. Their focus was on health/wellness. Walgreens was in a competitive market. It was a function of the economy. He had been with the company for thirty-two (32) years. Walgreens' employees would be diligent. Liquor sales would equal two percent (2%) of revenue. Walgreens would be a good corporate neighbor.

Mr. Hackman responded to Mr. Palmer's statement. He had lived in the South Hill neighborhood for years. He cited the neighborhood's past experience with Amoco. This business had been sold a number of times. He believed that he had legitimate concerns.

Mr. Trickel commended Walgreens on the store's appearance. He also cited the deterioration of the BP store. He expressed his concern for the neighborhood. Commissioner Buchanan questioned if Mr. Trickel was recommending that the application be denied or approved with conditions. Mr. Trickel responded that this application be denied.

Ms. Nordine added that the South Hill neighborhood had a number of low income residents. She added her belief that South Hill neighborhood residents would not purchase alcohol.

Commissioner Buchanan closed the public input portion of the hearing.

Commissioner Petersen expressed his appreciation to those who addressed the Commission with their concerns. He extended an offer of sympathy. He added his belief that there would not be any negative impact from this application. Walgreens would not offer single serve items for sale.

Commissioner Buchanan cautioned those present that there would not be a second Public Hearing before the Council on January 11, 2010. He added that the Council might provide limited opportunity to address them.

Motion by Commissioner Clapp, seconded by Commissioner Petersen that the application of Walgreens Co., d/b/a Walgreens #02587 located at 2611 E. Oakland Ave., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week be approved with the following condition: 1.) that Walgreens Fact Sheet: Reintroducing Beer and Wine Sales at Walgreens be incorporated as part of same.

Motion carried.

Motion by Commissioner Clapp, seconded by Commissioner Petersen that the application of Walgreens Co., d/b/a Walgreens #05188 located at 1525 N. Veterans Pkwy., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week be approved with the following condition: 1.) that Walgreens Fact Sheet: Reintroducing Beer and Wine Sales at Walgreens be incorporated as part of same.

Motion carried.

Motion by Commissioner Clapp, seconded by Commissioner Petersen that the application of Walgreens Co., d/b/a Walgreens #09983 located at 1408 N. Main St., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week be approved with the following condition: 1.) that Walgreens Fact Sheet: Reintroducing Beer and Wine Sales at Walgreens be incorporated as part of same.

Motion carried.

Motion by Commissioner Clapp, seconded by Commissioner Petersen that the application of Walgreens Co., d/b/a Walgreens #11828 located at 909 S. Main St., requesting a PBS liquor license which allows the sale of packaged beer and wine for consumption off the premises seven (7) days a week be approved with the following condition: 1.) that Walgreens Fact Sheet: Reintroducing Beer and Wine Sales at Walgreens be incorporated as part of same.

Motion carried.

Commissioner Buchanan informed the Applicant that this item would appear on the Council's January 11, 2010 meeting. The item would appear on the Consent Agenda. He encouraged their attendance. Mr. Palmer stated his intention to be in attendance at same.

There being no further business the hearing recessed at 5:07 p.m.

The Bloomington Liquor Commissioner Rich Buchanan called the Liquor Hearing to hear the request of Fat Jacks Inc., d/b/a Fat Jacks, located at 511 N. Main St., currently holding a TAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week regarding the change of stock holder. Present at the hearing were Liquor Commissioners Rich Buchanan, Marabeth Clapp, and Steve Petersen; George Boyle, Asst. Corporation Counsel; Tracey Covert, City Clerk.

Commissioner Buchanan opened the liquor hearing. The City had received a letter from Tyler Holloway, owner and license holder for Fat Jacks. The City had been informed that Fat Jacks, Inc. purchased the shares held by Pat Steinlage. Mr. Steinlage had held a fifty percent (50%) interest. It was noted that the Commission must be informed of the deletion of a shareholder. Mr. Holloway would be the sole share holder.

Motion by Commissioner Clapp, seconded by Commissioner Petersen that the Commission had been informed and approved the change of stock holder for Fat Jacks Inc., d/b/a Fat Jacks, located at 511 N. Main St. currently holding a TAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.

Motion carried.

There being no further business the hearing recessed at 5:10 p.m.

George Boyle, Asst. Corporation Counsel, addressed the Commission. He informed them that there might be a discussion regarding possible violations at the Commission's January 12, 2010 meeting.

There being no further business the hearing adjourned at 5:12 p.m.

Respectfully,

Tracey Covert, CRM, CMC, RMC
City Clerk