A regular meeting of the Collierville Beer Board was held Tuesday, February 21, 2017, at 6:00 p.m. in the Board Chambers at Town Hall, 500 Poplar View Parkway.

Vice Chairman Hampton Parr was present and presiding.

The following members were present: William Finney, Michael Lynch, Terri O'Connor, James Lawrimore, and Scott Tucker. William Jones was absent.

Also present were Town Administrator James Lewellen, Town Attorney Nathan Bicks, Assistant Town Administrator Athanasia Lewis, Assistant Town Administrator Daniel Estes, and Assistant to the Town Administrator Adam Hamric.

CALL TO ORDER

Vice Chairman Parr called the meeting to order.

PLEDGE OF ALLEGIANCE

Mr. Tucker led the Pledge of Allegiance.

ELECTION OF OFFICERS

Mr. Lawrimore made a motion, seconded by Ms. O'Connor to reappoint Mr. Jones as Chairman.

ROLL CALL: Finney – yes, Lynch – yes, O'Connor – yes, Parr – yes, Lawrimore – yes, and Tucker - yes. Motion approved.

Ms. O'Connor made a motion, seconded by Mr. Tucker to reappoint Mr. Parr as Vice Chairman.

ROLL CALL: Finney – yes, Lynch – yes, O'Connor – yes, Parr – yes, Lawrimore – yes, and Tucker - yes. Motion approved.

APPROVAL OF MINUTES

There were no corrections or additions to the minutes.

Mr. Lawrimore made a motion, seconded by Ms. O'Connor to approve the minutes of the December 20, 2016 meeting.

ROLL CALL: Finney – abstain, Lynch – yes, O'Connor – yes, Parr – yes, Lawrimore – yes, and Tucker - yes. Motion approved.

CLASS II – OFF-PREMISES PERMIT

TN Management Group, LLC d/b/a Ballard Food Mart located at 1990 W. Poplar Ave.

Mr. Hamric stated that TN Management Group, LLC d/b/a Ballard Food Mart located at 1990 W. Poplar Ave., formerly Ballard Shell, Inc., has undergone a change in ownership and that the four new owners are applying for a permit. The Collierville Police Department has performed background

investigations on all four applicants and found nothing in their histories to deny them a beer permit. The building has also been inspected and approved by the Codes Department and the Fire Department. Mr. Hamric also stated that the applicants have not supplied a $2,500 surety bond to the Town.

Mr. Parr asked if someone from TN Management Group, LLC was present, and asked him to come forward.

Salman Noordin came forward.

Mr. Tucker asked the applicant if he and his employees were familiar with the recent changes to the Town's beer ordinance.

Mr. Noordin replied yes.

Mr. Tucker asked if Mr. Noordin owns any other businesses.

Mr. Noordin replied that they have five locations in the area under the umbrella of TN Management Group, LLC.

Mr. Parr inquired about the training practices they use for their employees.

Mr. Noordin stated they make sure every employee has a valid ABC card, knows the hours allowed for the sale of beer, and understands they must check IDs for every customer. They also have ID scanners at several of their locations.

Mr. Parr asked if a scanner was going to be at this location.

Mr. Noordin answered that he was not sure if there was one currently at this location but there would be one there eventually. He emphasized that they do everything possible to ensure employees do not sell to anyone underage, including immediately terminating employees who receive a violation.

Ms. O'Connor asked if they would be retaining some of the same employees who were there now.

Mr. Noordin replied yes.

Ms. O'Connor pointed out that the other business under TN Management Group, LCC d/b/a 9125 Shell located at 9125 East Shelby Drive, has not have any recent violations.

Ms. O'Connor made a motion, seconded by Mr. Lawrimore to approve a Class II "off-premises" beer permit for TN Management Group, LLC d/b/a Ballard Food Mart located at 1990 W. Poplar Ave. contingent upon the applicant supplying a $2,500 surety bond to the Town of Collierville.

ROLL CALL: Finney – yes, Lynch – yes, O'Connor – yes, Parr – yes, Lawrimore – yes, and Tucker - yes. Motion approved.

CLASS III – ON-AND-OFF PREMISES PERMIT

On Tap Growlers located at 910-1 W. Poplar Ave.

Mr. Hamric stated that On Tap Growlers located at 910-1 W. Poplar Ave. is requesting a Class III "On-and-Off Premises" permit. In 2014, the Beer Board granted a Class II "off-premises" beer permit to On Tap Growlers. The "off-premises" beer permit granted to this business was the same one that is typically granted to convenience stores and gas stations, and does not allow the consumption of beer on the premises in any form or fashion whatsoever. In the context of the ordinance, at that time, the Class II beer permit was the only one that could have been issued to such a business, since the other classes envisioned a restaurant (with prepared food sales requirements) or a private club. In 2015, the Board of Mayor and Aldermen passed on third reading Ordinance 2015-06, an ordinance to add a new classification of beer permit for "growler" stores. With a Class V "growler" permit, consumption on the premises remains prohibited except that customers may taste individual beer samples of no more than one (1) ounce, and that customers may sample no more than five (5) one ounce samples per business day. On March 17, 2015, the Collierville Beer Board granted a Class V "growler" permit to On Tap Growlers, which they currently hold.

Mr. Bicks then stated that On February 13, 2017, the Board of Mayor and Aldermen passed on third reading Ordinance 2017-03, in order to bring the Collierville Alcoholic Beverages Ordinance in compliance with State law. This Ordinance allows that growlers can be sold for off-premises consumption under a Class III permit and sets certain conditions such as a percentage of food sales and minimum seating. Mr. Bicks stated that these are things in which the applicants need to establish to qualify for the issuance of this permit.

Mr. Hamric stated that the Collierville Police Department has performed a background check on the applicants and found nothing in their history to deny them a beer permit. Code Enforcement inspected the building and issued approval pending the passage of Ordinance 2017-03 by the BMA, which did pass. The building was inspected by the Fire Department, and the Fire Department will re-inspect for compliance. Mr. Hamric also stated that the applicant has a $2,500 surety bond on file with the Town of Collierville.

Mr. Parr asked the applicant to come forward.

Mr. James Conlan and Ms. Karen Conlan came forward.

Mr. Parr asked Mr. and Ms. Conlan to explain their new business plan.

Ms. Conlan stated that they are looking to offer a place in which customers can taste and enjoy high quality, craft beer in a relaxed, sophisticated environment.

Mr. Parr inquired about the food component of the business plan.

Ms. Conlan stated they have spoken to nearby restaurants and food distributors, which will cater food as they will not have a kitchen on site; and based on these conversations, they have provided a sample menu for the Board. They will have a refrigerator to ensure food is stored at proper temperatures and a microwave.

Ms. O'Connor asked for clarification on whether or not this would be a "21 and over" establishment since they are also serving food.

Ms. Conlan stated that if someone brings in a member of their family who is underage, they will have tables at which they can sit and food will be served. She also explained that they expect most of their customers to be 21 years old and older as they will be a craft beer bar rather than a traditional restaurant, and they will not be encouraging families to bring underage children.

Ms. O'Connor stated that the current premise of the business is to fill a growler and leave, so there is not a place to stay. She asked if it would be encouraged for families to bring their children once they change to the new business plan.

Ms. Conlan said they would not be encouraging the presence of children. She also explained that most of their customers now who have asked if they can have a beer on-site have left their children at home but do not want to have to drive to Memphis for a craft beer. Customers want to be able to enjoy a craft beer in Collierville while their children are at home and they have an hour or so to themselves. They will not be advertising their business as a restaurant for children.

Mr. Parr asked if they were going to encourage customers who come in for a beer to order food as well.

Ms. Conlan replied yes. She further explained that one of the reasons they would like an on premise permit is so they can have beer pairing events.

Ms. O'Connor asked how they would arrange an event such as a beer pairing event.

Ms. Conlan replied that all the food would be catered.

Ms. O'Connor asked if any of the food would be originally prepared by their business.

Ms. Conlan replied that it would all be catered and nothing would be originally prepared by their business; however, she clarified it would be prepared food.

Ms. O'Connor addressed Administration stating her concern that the definition of "prepared food" is becoming loose. She asked if the Town was comfortable with this definition of "prepared food."

Mr. Bicks stated that the Ordinance requires fifty percent of revenue be derived from food sales. The Ordinance does exclude peanuts, popcorn, and pretzels; however, it does not state any other limitations. Mr. Bicks further stated that apart from these limitations, what kind of food is served or where the food is prepared is not pertinent in regards to meeting the requirements of the Ordinance.

Mr. Tucker inquired about items on the sample menu that are also on the list of foods excluded in the Ordinance.

Ms. Conlan explained that the sample menu was created before that change to the Ordinance was added, and they will remove those items from the final menu in order to be in compliance with the Ordinance.

Mr. Bicks clarified that they will not be precluded from selling items such as peanuts and popcorn, but the sales of such items cannot be included in the percent of revenue derived from food sales.

Mr. Tucker asked if they had a way to separate the sale of food that would be included from those that would be excluded from counting for the required fifty percent.

Ms. Conlan replied yes. The POS system accounts for everything separately.

Ms. O'Connor asked Mr. and Ms. Conlan why they want to change their business model.

Ms. Conlan stated that customers expressed a desire for this business model, and they want to fill the demand that is out there.

Mr. Lynch asked how likely it will be that they will be able to meet the requirement that fifty percent of their sales come from food.

Ms. Conlan stated that the price of food will be equivalent to the price of two pints of beer, and their policy will only allow two pints per hour.

Ms. O'Connor asked if they would stop someone.

Ms. Conlan stated that their policy will allow one pint of high gravity beer per hour or two pints low gravity beer per hour with no more than six pints per day.

Mr. Parr asked how they will design the space to meet the minimum seating capacity of 40 individual seats.

Ms. Conlan explained they would have two high-top tables that will be six feet each, two high-top round tables, and three lower, round tables that each seat four. They will also have a bar attached to the wall that will seat eight people.

Ms. O'Connor asked if they already had the seating in place.

Ms. Conlan replied no. They have not bought anything yet, but they know exactly what they will get.

Mr. Parr asked about the percentage of people who will come in to get a growler filled versus people who sit down and drink.

Ms. Conlan said their primary business will still be the growler business; but they also want to be able to offer customers the opportunity to sit down and have a beer and food on premises as well.

Mr. Parr asked the Board for any additional questions.

Ms. O'Connor asked if the growler sales are subject to meeting the food sale requirement.

Ms. Conlan replied no.

Mr. Tucker asked if they were familiar with the recent changes to the Ordinance.

Mr. and Ms. Conlan replied yes.

Ms. O'Connor asked if they had resolved the circumstances that a minor was able to be served in 2015.

Mr. Conlan replied yes and stated that the employee was no longer with them.

Ms. O'Connor stated that she thought there was some confusion with the process of who looked at the ID, who brought the beer, and who rang it up.

Ms. Conlan said there was confusion at that time, but they were very clear now that whoever rings up the sale is the person responsible for checking the ID.

Mr. Tucker made a motion, seconded by Mr. Finney to approve a Class III "on-and-off premises" beer permit for On Tap Growlers located at 910-1 W. Poplar Ave. contingent upon passing Code Enforcement and Fire Department inspections.

ROLL CALL: Finney – yes, Lynch – yes, O'Connor – no, Parr – yes, Lawrimore – yes, and Tucker - yes. Motion approved.

OTHER BUSINESS

No other business.

ADJOURNMENT

There being no further business, the meeting was declared adjourned at 6:30 p.m.

William Jones, Chairman

James Lewellen, Town Administrator