

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL
COMMISSION MINUTES
OCTOBER 16, 2007**

The following narrative and summary highlights action taken by the North Carolina Alcoholic Beverage Control Commission at its regular meeting on October 16, 2007, beginning at 10:05 a.m. The meeting was recorded and the disk is on file at the ABC Commission in the Legal Division.

ROLL CALL

Chairman Douglas A. Fox, Commissioner Mike Joyner and Commissioner John Lyon were present at the meeting.

MINUTES OF SEPTEMBER 11, 2007, MEETING

Chairman Fox made a motion to waive the reading of the minutes from the September 11, 2007, meeting into the record. Seconded by Commissioner Lyon. So Ordered. Chairman Fox made a motion to approve the minutes from the September 11, 2007, meeting. Seconded by Commissioner Lyon. So Ordered.

EXECUTIVE ORDER REGARDING CONFLICTS OF INTEREST

As required by Executive Order Number One, Chairman Fox asked Commissioner Joyner and Commissioner Lyon if there were any known conflicts of interest or any conditions or facts that might create the appearance of a conflict of interest with respect to any matters on the Agenda. Commissioner Joyner stated that he found no conflicts of interest. Commissioner Lyon recused himself from #88A, Circle K Store 5102, #88B, Circle K Store 5102, #89A, Circle K Store 5102, #89B, Circle K Store 5102, #90A, Circle K Store 5102 and #90B, Circle K Store 5102. Chairman Fox stated that he had no conflicts.

I. HEARING CASES – 98

Chief Counsel Fred A. Gregory stated that contested case #1, Phillips 66, had been settled.

Mrs. Xianglan Lian, owner of First Offense case #54, Fairway One Stop 1, was present to speak on behalf of the business. Mrs. Lian stated that the person who sold to the underage was not her employee but only her friend. Chairman Fox asked Mrs. Lian if the license was in her name. Mrs. Lian answered yes. Chairman Fox stated that it was her obligation and responsibility if she left anyone in charge in the business. Chairman Fox stated that the underage person was seventeen years old.

Mrs. Lian stated she had only one employee and her husband. Mrs. Lian has been in business since November, 2006. This is a location where a lot of young people go.

Chairman Fox stated that in his opinion Mrs. Lian had done nothing to improve the location since the violation. The officer stated in his report he offered Mrs. Lian an upcoming BARS class and she stated she would send her employees to the class but that did not happen.

Chairman Fox made a motion to leave the penalty at \$1,200.00 or suspend the permits. Seconded by Commissioner Joyner. So Ordered.

Mrs. Dori Mulyana, owner of First Offense case #40, Sakura Japanese Restaurant and Sushi Bar, was present to speak on behalf of the business because an employee sold to an underage person. Mrs. Mulyana stated the employee was terminated the same day that the infraction took place. The employee carded the person but didn't look at the I.D. to see that it was the wrong date. Mrs. Mulyana stated they had conversations with the officer, had been through training with all the employees and had weekly meetings before the weekends. Mrs.

Mulyana stated that she and her husband second check I.D.s to make sure if they look underage. Mrs. Mulyana asked for a reduction in their fine because it was their first offense.

Chairman Fox asked Mrs. Mulyana if they had been to the Commission's class. Mrs. Mulyana stated she did not realize the Commission had a class. Chairman Fox asked how many employees did they have. Mrs. Mulyana stated about eleven employees.

Commissioner Joyner made a motion to reduce the penalty to \$600.00 with the stipulation that Mrs. Mulyana and all employees attend a RASP class within 45 days. Seconded by Commissioner Lyon. So Ordered.

Mr. Jeffrey Edwards, owner of First Offense case #9, Edwards Grocery, was present to speak on behalf of the business. Mr. Edwards stated that he brought the employee who sold to the underage person, Ms. Daisy Roberson, with him. Mr. Edwards bought this business in January, 2007, but Ms. Roberson had worked for the previous owner for about three years. Mr. Edwards stated this was their first offense and asked for a reduction in the penalty.

Mr. Edwards characterized the business as a convenient store and stated Ms. Roberson was very busy that night. Mr. Edwards stated he has since then added another clerk.

Ms. Roberson stated that she does card young people but at the time of the sale they were really busy with a long line of people and she didn't look up.

Chairman Fox made a motion to reduce the penalty to \$600.00 with the stipulation that all employees attend a RASP class within 45 days. Seconded by Commissioner Joyner. So Ordered.

Mr. Richard Weiss, owner of First Offense case #33, Homebrew Haus, was present to speak on behalf of the business. Mr. Weiss stated this was his first offense. He checked the young lady's I.D., looked at the date, did some very poor math and sold her a bottle of beer. Mr. Weiss stated he had been to court in New Bern and was doing community service at the present time. Mr. Weiss stated that since then he has made a sign to make checking birthdates easier.

Chairman Fox made a motion to reduce the penalty to \$600.00 with the stipulation that all employees attend a RASP class within 45 days. Seconded by Commissioner Lyon. So Ordered.

Mr. Andre Martinez, owner of First Offense case #24, Amigos Mexican Restaurant, was present to speak on behalf of the business. Mr. Martinez stated that the employee asked for I.D. but he made a mistake with his math. Mr. Martinez stated it was his first offense and that he fired the manager and hired a new manager. Mr. Martinez stated that the employee who was charged with the violation continues to work for him.

Chairman Fox made a motion to reduce the penalty to \$600.00 with the stipulation that all employees attend a RASP class within 45 days. Seconded by Commissioner Joyner. So Ordered.

Chief Counsel Fred A. Gregory stated that hearing case #63, E Zee Food Mart, will be carried over to the November 15, 2007, Commission meeting.

Chairman Fox made a motion to approve hearing case #88A, Circle K Store 5102, hearing case #88B, Circle K Store 5102, hearing case #89A, Circle K Store 5102, hearing case #89B, Circle K Store 5102, hearing case #90A, Circle K Store 5102 and hearing case #90B, Circle K Store 5102. Seconded by Commissioner Joyner. So Ordered.

Chairman Fox made a motion to approve the remaining Offers in Compromise for the hearing cases. Seconded by Commissioner Joyner. So Ordered.

The following were Add-On Hearing cases:

- #97 – Sharkys Place
- #98 – Sams Mart 14

The following were Add-On First Offense cases:

- #58 – Huffs High Point Road

II. FIRST OFFENSE CASES - 58

The following is a list of first offense violation cases in which Final Agency Decisions were signed by the Chairman on October 16, 2007, pursuant to the Commission’s authorizing resolution dated November 8, 2002:

1. Marcos Pizzeria Restaurant – 946 Merrimon Avenue, Asheville, NC 28804
2. Knightdale B P 320 – 7601 US Hwy 64 East, Knightdale, NC 27545
3. Tokyo Japanese Restaurant – 3525-F South Memorial Drive, Greenville, NC 27834
4. Zebulon Quik Mart – 550 West Gannon Avenue, Zebulon, NC 27597
5. Aunt Millies – 249 Broad Street, Milton, NC 27305
6. Common Market – 2007 Commonwealth Avenue, Charlotte, NC 28205
7. Carolina Ale House – 3911 Durham Chapel Hill Boulevard, Durham, NC 27707
8. El Ranchito Restaurant – 716 Hwy 24-27 Bypass East, Albemarle, NC 28001
9. Edwards Grocery – 8008 NC Hwy 39 South, Henderson, NC 27537
10. Hills Minnow Farm – 7940 Bringle Ferry Road, Salisbury, NC 28144
11. Island Grill – 401 Money Island Drive, Atlantic Beach, NC 28512
12. Moselys Grocery – 146 Rich Boulevard – Suite D, Elizabeth City, NC 27909
13. Mama Fu’s Asian House – 1600 East Woodlawn Road – Suite 170, Charlotte, NC 28209
14. Mama Wok Chinese Restaurant – 986 High House Road, Cary, NC 27513
15. Pacifico Mexican Restaurant 2 – 410 East Main Street, Sylva, NC 28779
16. Kangaroo Express 3093 – 3223 NC Hwy 55, Durham, NC 27713
17. Food Lion 1355 – 4548 North US 220, Summerfield, NC 27358
18. Kangaroo Express 336 – 5703 Bragg Boulevard, Fayetteville, NC 28304
19. Food Lion 1099 – 2930 West Main Street, Durham, NC 27705
20. Kangaroo Express 3192 – 14685 Hwy 64 West, Siler City, NC 27344
21. Tazys Burgers and Grill – 4107-H Oleander Drive, Wilmington, NC 28403
22. Trade Winds Restaurant – 3701 Unit “n” Croatan Hwy, Kitty Hawk, NC 27949
23. Vincents Restaurant and Sports Bar – 1839 South Main Street – Suite 138, Wake Forest, NC 27587
24. Amigos Mexican Restaurant – 435-J Dolley Madison Road, Greensboro, NC 27410
25. Arrowood Shell – 7741 South Tryon Street, Charlotte, NC 28217
26. Beef n Bottle Restaurant – 4538 South Boulevard, Charlotte, NC 28209
27. Bills Pizza Pub – 5200 Randleman Road, Greensboro, NC 27406
28. China House Buffet – 8825 East W T Harris Boulevard – Suite 101, Charlotte, NC 28227
29. Galaxy of Rocky Mount Express – 540 Cokey Road, Rocky Mount, NC 27801
30. Tacos El Tio Cheto – 1023 16th Street NE, Hickory, NC 28601
31. Days Inn Restaurant – 3945 Goldsboro Road, Wade, NC 28395
32. Giovannis Restaurant – 5831 High Point Road, Greensboro, NC 27407
33. Homebrew Haus – 1201 US Hwy 70 East, New Bern, NC 28562
34. Kangaroo Express 3797 – 302 East Williams Street, Apex, NC 27502
35. Homers Truck Stop – 306 Stamey Farm Road, Statesville, NC 28625
36. Mikes Food Mart – 1317 Raleigh Road, Rocky Mount, NC 27803
37. Ming Garden – 1826 Martin Luther King Jr Blvd – Suite B-13, Chapel Hill, NC 27516
38. Lancaster Store – 8997 Lancaster Store Road, Castalia, NC 27816
39. La Fogata Mexican Restaurant – 1214 East Caswell Street, Wadesboro, NC 28170

40. Sakura Japanese Restaurant and Sushi Bar – 548 South Stratford Road, Winston Salem, NC 27103
41. Scotchman Store 190 – 510 Fontana Boulevard, Havelock, NC 28530
42. Raceway 991 – 2708 South Saunders Street, Raleigh, NC 27616
43. Rivergate Express – 12922 Walker Branch Drive, Charlotte, NC 28273
44. L and L Food Stores 2 – 8941 NC Hwy 58, Castalia, NC 27816
45. Pros Pizza – 805 Spartanburg Hwy, Hendersonville, NC 28739
46. Tavola Rossa – 5300 Homewood Banks Drive, Raleigh, NC 27612
47. University Place Hilton – 8629 J M Keynes Drive, Charlotte, NC 28212
48. Cruizers 44 – 13250 New Falls of Neuse Road, Raleigh, NC 27614
49. Handy House 8 – 2176 Hwy 70, Beaufort, NC 28516
50. J M S Food Mart – 431 North Raleigh Street, Rocky Mount, NC 27801
51. K's Café and Bar – 6322 Market Street, Wilmington, NC 28405
52. Kevins Mart – 1418 West Green Drive, High Point, NC 27260
53. E P Mart 10 – 7604 Knightdale Boulevard, Knightdale, NC 27545
54. Fairway One Stop 1 – 1530 Woodmere Drive – Suite A, Greensboro, NC 27405
55. Fast and Friendly Food Mart – 6901 Falls of Neuse Road, Raleigh, NC 27609
56. Griffins 11 – 1551 North Wesleyan Boulevard, Rocky Mount, NC 27804
57. Wilco 1130 – 2901 Waughtown Street, Winston Salem, NC 27107

Chairman Fox made a motion to approve the Offers in Compromise for the First Offense cases with the exception of First Offense case #40, Sakura Japanese Restaurant and Sushi Bar, First Offense case #9, Edwards Grocery, First Offense case #33, Homebrew Haus, First Offense case #24, Amigos Mexican Restaurant, which had been ratified earlier. Seconded by Commissioner Joyner. So Ordered.

III. ABC STORE LOCATION – DURHAM COUNTY

Administrator Michael Herring addressed the Commission concerning the proposed location of an ABC Store in Durham County. On September 14, 2007, ALE Supervisor Jeff Lasater began an investigation and found that the Durham County ABC Store will be located at 2121 T W Alexander Drive in Morrisville, North Carolina. It will be in the Alexander Village Shopping Center between the Food Lion and Ace Hardware store.

The Durham County ABC Board plans to open the ABC Store between the middle of December, 2007 and the middle of January, 2008. They will be leasing the property which is 2,400 square feet from Hunter and Associates Commercial Real Estate. The monthly rent will be \$3,800.00 with a 3% increase each year beginning the second year.

The nearest church is the Eagles Nest Christian Fellowship Church and is approximately .4 mile from the proposed location.

The nearest school is the Eagles Nest Christian Fellowship School and is approximately .4 mile from the proposed location.

The nearest ABC Store is currently a Durham County ABC Store which is located 6.82 miles from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on September 12, 2007, in compliance with the ABC Commission's 30-day requirement.

The projected sales volume is 1.5 million a year.

The ABC Commission had received no objections to this site.

Mr. Herring recommended the ABC Commission approve this request for a new ABC Store.

Mr. Herring stated that Mr. Randy Mills, General Manager of the Durham County ABC Board, was present if the Commission members needed to ask any additional questions.

Chairman Fox asked Mr. Mills if the store was going to be big enough. Mr. Mills replied “yes sir.”

Chairman Fox asked when the store would open. Mr. Mills stated it would probably be January.

Chairman Fox asked how many stores are in Durham. Mr. Mills replied nine stores.

Commissioner Lyon made a motion to approve the new ABC Store location. Seconded by Commissioner Joyner. So Ordered.

IV. ABC STORE LOCATION – HALIFAX COUNTY

Administrator Michael Herring addressed the Commission concerning the proposed relocation of an ABC Store in Halifax County. This is a request from Joey McAllister, the General Manager of the Halifax County ABC Board and they are requesting approval to relocate their ABC Store in the Town of Enfield. On September 20, 2007, ALE Supervisor Pat Forbis began an investigation and found that the Halifax County ABC Board would like to relocate their current counter store to a self-service style operation.

The proposed location for the new ABC Store is a vacant lot located on the corner of S. McDaniel Street and Burnette and Llewelyn Street in Enfield, North Carolina. There is no numeric address currently for the lot.

The property is currently owned by James Marvin Shearin II and his wife of Rocky Mount, North Carolina.

No conflicts of interest exist between the ABC Board members and the property owners.

The purchase price for the lot is \$30,000.00 and if approved by the Commission construction will begin in the spring or early summer of next year.

The approximate size of the store would be 2,500 square feet.

The nearest church is Emmanuel Christian Center and is approximately one-tenth of a mile south of the proposed location.

The nearest school is Inborden Elementary School and is approximately six-tenths of a mile from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on September 5, 2007, in compliance with the ABC Commission’s 30-day requirement.

The current sales volume in this store is \$455,000.00 a year and they are projecting to increase to \$475,000.00 at the new location.

The nearest ABC store is the Scotland Neck ABC Store located in Halifax County and is approximately 15 miles from the proposed location.

Mr. Herring recommended the ABC Commission approve this request for a relocation of the ABC Store.

Mr. Herring stated that Mr. Joey McAllister, General Manager of the Halifax County ABC Board and the Chairman, were there to answer questions.

Commissioner Joyner asked Mr. McAllister for an estimate of the population. Mr. McAllister stated he checked with the Department of Transportation and one block from their current location in Enfield an estimated 2,400 vehicles pass that location. Mr. McAllister stated that 7,200 vehicles pass the proposed location.

Commissioner Lyon made a motion to approve the proposed relocation of the ABC Store. Seconded by Commissioner Joyner. So Ordered.

V. ABC STORE LOCATION – ORANGE COUNTY

Administrator Michael Herring addressed the Commission concerning the proposed location of an ABC Store in Orange County. On August 30, 2007, the Commission received a letter from Dan Sykes, General Manager of the Orange County ABC Board, requesting approval to open a new ABC Store in Hillsborough, North Carolina. On September 11, 2007, ALE Agent J. C. Batten began an investigation and found that the ABC Board is planning to open a new ABC Store at 112 John Earl Street, Hillsborough, North Carolina. It is in the Granville Centre Building in Units C, D and E.

The purchase price for the property is \$102,000.00 and the sale was conditional upon approval by the ABC Commission.

The property is currently owned by Tim Bennett of Tim Bennett, LLC.

No conflicts of interest exist between the ABC Board members and the property owner.

The shopping center is a brick building consisting of several units which is leased for rental space. Orange County is purchasing this property.

The nearest church is the Dickerson Chapel Church and is approximately 1.2 miles from the proposed location.

The nearest school is the C. W. Stanford Middle School and is approximately 2.7 miles from the proposed location.

The nearest ABC Store is currently in Hillsborough and is approximately 2.1 miles from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on August 28, 2007, in compliance with the ABC Commission's 30-day requirement.

The projected sales volume at this new location is expected to be \$685,000.00 a year.

The ABC Commission had received no objections from the public to this site.

Mr. Herring stated that Mr. Dan Sykes, General Manager of the Orange County ABC Board, was there to answer questions.

Mr. Herring recommended the ABC Commission approve this request for a new ABC Store.

Chairman Fox asked Mr. Sykes how many square feet in the building. Mr. Sykes stated around 3,400 square feet.

Commissioner Joyner made a motion to approve the new ABC Store location. Seconded by Commissioner Lyon. So Ordered.

VI. ABC STORE LOCATION – WAKE COUNTY (RALEIGH)

Administrator Michael Herring addressed the Commission concerning the proposed relocation of an ABC Store in Wake County. On August 30, 2007, Craig Pleasants, General Manager of the Wake County ABC Board, requested approval to relocate the store currently at 2732 South Wilmington Street, Raleigh, North Carolina. On September 4, 2007, ALE Agent W. I. Berryhill began an investigation and found that the proposed new location would be 3320 Olympia Drive, Raleigh, North Carolina.

It is a commercial area comprised of restaurants and retail businesses.

The property is currently owned by Leon Hix of Wake County. The board plans to purchase this property and have entered into an agreement to purchase the property for \$510,000.00. The building on this property is vacant and was formally a First Union Bank.

The nearest church is The With Love From Jesus Church and is approximately 1/10 of a mile behind the proposed location.

The nearest school is the Garner Magnet High School and is approximately 2.39 miles from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on August 30, 2007, in compliance with the ABC Commission's 30-day requirement.

The projected sales volume for this new location is \$4.1 million a year.

The ABC Commission had received no objections on this proposed location.

Mr. Herring stated that Mr. Craig Pleasants, General Manager of the Wake County ABC Board, was at the Commission meeting to answer any questions about the proposed location.

Mr. Herring recommended the ABC Commission approve this request for relocation of their ABC Store.

Mr. Pleasants stated the existing building was going to be demolished.

Chairman Fox asked if the board would close the South Wilmington ABC Store. Mr. Pleasants said they would close it when they open the new store. Chairman Fox asked when they expected to have the new store open. Mr. Pleasants responded in about 11 months.

Chairman Fox made a motion to approve the proposed relocation of the ABC Store. Seconded by Commissioner Lyon. So Ordered.

VII. ABC STORE LOCATION – WAKE COUNTY (WAKE FOREST)

Administrator Michael Herring addressed the Commission concerning the proposed relocation of an ABC Store in Wake County. The Wake County ABC Board is requesting to relocate their Wake Forest ABC Store. On August 29, 2007, ALE Supervisor Jeff Lasater began an investigation and found that the proposed ABC Store would be on undeveloped property located at 12080 Capital Boulevard, Wake Forest, North Carolina. It will be in the Crescent Pointe Commercial Subdivision which is a vacant lot. The Wake County ABC Board estimates the ABC Store can be built in approximately one year upon the Commission's approval.

The property is owned by the Mountaineer Group Limited Partnership. They are planning to have six commercial properties at the Crescent Pointe Commercial Subdivision and the ABC Store will be on one of these lots.

No conflicts of interest exist between the ABC Board members and the property owners.

The proposed location is an one acre parcel with a purchase price of \$300,000.00.

The store will be approximately 4,800 square feet.

The nearest church is Wake Forest Presbyterian Church and is approximately 1.7 miles from the proposed location.

The nearest school is Wakefield High School 9th Grade Center and is approximately 1.1 miles from the proposed location.

The nearest ABC Store is located in the Triangle Town Center Mall on Town Center Drive and is approximately 9.2 miles from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on August 23, 2007, in compliance with the ABC Commission's 30-day requirement.

The sales volume at this new location is projected to be 2.6 million per year.

Mr. Herring recommended the ABC Commission approve this request for relocation of their ABC Store.

Commissioner Lyon asked Mr. Pleasants if they would have LBD from this location. Mr. Pleasants stated they would. Commissioner Lyon asked how big is the store at Triangle Town Center. Mr. Pleasants said it was basically the same size but the new store could be 100 square feet longer.

Chairman Fox made a motion to approve the proposed relocation of the ABC Store. Seconded by Commissioner Lyon. So Ordered.

VIII. ABC STORE LOCATION – WAKE COUNTY (ZEBULON)

Administrator Michael Herring addressed the Commission concerning the proposed relocation of an ABC Store in Wake County. The Wake County ABC Board is requesting to relocate their Zebulon ABC Store. On September 4, 2007, ALE Agent Glenn Webb began an investigation and found that the new ABC store location would be on a vacant lot at the northeast corner of Arendell Avenue and Pearces Road intersection in Zebulon, North Carolina. The proposed location is located near a church, retail businesses and a residential subdivision.

There is a sales agreement to purchase this property for \$575,000.00.

The property is owned by Olde Heritage Builders and Realty Company.

No conflicts of interest exist between the ABC Board members and the property owners.

The nearest church is the Wakefield Central Baptist Church and is approximately 100 yards behind the proposed ABC Store location.

The nearest school is the Zebulon Elementary School and is approximately .5 miles from the proposed location.

Commissioner Lyon asked Mr. Herring about the property line. Mr. Pleasants stated that from their property line to the church's property line was 153 feet.

Commissioner Joyner asked Mr. Pleasants if the church went to talk to the board or the county commissioners. Mr. Pleasants stated that the church sent a letter to the Wake County ABC Board and the Board corresponded to them by letter saying they would plant extra trees and bushes on their side of the building. Commissioner Joyner asked Mr. Pleasants what their response was to that. Commissioner Joyner asked if they still did not want the store. Mr. Pleasants stated "exactly".

Mr. Herring stated that the Commission received a letter expressing their concerns about the site but it did appear that the Wake County ABC Board did address those concerns in a letter back to the church. Mr. Herring stated that the back of the store will face the church.

The nearest ABC Store is in Knightdale and is approximately 9.7 miles away from the proposed location.

Pursuant to ABC Commission Rules, Notice of Intent was posted on August 31, 2007, in compliance with the ABC Commission's 30-day requirement.

The sales volume at this new location is projected to be 1.2 million a year.

Mr. Herring recommended the ABC Commission approve this request for a relocation of their ABC Store.

Commissioner Lyon made a motion to approve the proposed relocation the ABC Store. Seconded by Commissioner Joyner. So Ordered.

IX. OTHER BUSINESS –

Administrator Michael Herring asked the Chairman and Commission Members about a date for a future January Commission meeting. The Chairman and Commission Members agreed upon Tuesday, January 15, 2008.

Mr. Herring discussed the warehouse expansion proposal received from Pease Architects-Engineers in Charlotte, North Carolina. Mr. Herring stated that it did not seem detailed enough but he has been working with them and state construction. He stated he looked at another study to provide more detail in order to expand the warehouse. Mr. Herring stated they had come up with a scope of work in addition to a RFP for a material handling consultant to work with them and provide answers to the questions that the Commission members had last time. Mr. Herring asked the Commission members to review the proposal and give him direction. Mr. Herring stated that the warehouse will need to be expanded due to the increasing growth of spirituous liquor sales in North Carolina.

Commissioner Lyon asked if the current facility was not used could it be sold or leased. Mr. Herring stated that would be part of the study.

Commissioner Joyner suggested a work session to work through the issues. Mr. Herring stated it has been narrowed down to four proposals which are satellite warehouse, stay at current warehouse, build a new facility or develop a model that is a turnkey that gives this project to somebody else to completely warehouse run the operation.

Mr. Herring stated he felt that they should get a consultant and pay them \$35,000.00 to answer the questions.

Mr. Herring stated that the current facility is already being upgraded with a \$350,000.00 security system. The security system had been approved about a year or more.

Mr. Herring stated issues could be improved by staying in the current facility and expanding onto it.

Mr. Herring stated the bonds were paid off in 1995 for the current facility. It has not affected the price of liquor. Mr. Herring stated anything going forward whether it is long term leasing or selling bonds would affect the price of liquor. Mr. Herring stated that when the facility was paid off the bailment and surcharge fee that the local boards pay decreased.

With no further business, the meeting adjourned.

Douglas A. Fox, Chairman
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by

Dottie L. Taylor, Legal Division