



Alcoholic Beverage Control

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FOR IMMEDIATE RELEASE

APRIL 14, 2011

**NC ABC COMMISSION AUTHORIZES BULK WAREHOUSE LEASE,
ACTS ON 105 HEARING CASES AND APPROVES TWO STORES**

RALEIGH – During its regular monthly meeting, the North Carolina Alcoholic Beverage Control Commission amended its contract for warehouse operations allowing for a lease of a second 200,000 square foot warehouse to handle bulk shipments to the state's 168 local ABC boards.

The ABC Commission has operated from its single state-owned 200,000 square foot warehouse for 27 years and shipped 4.6 million cases last fiscal year, up more than 1 million cases over the number distributed from the same facility a decade ago. According to information presented by ABC Administrator Mike Herring, leasing an additional warehouse to serve as a facility for shipping top-selling items is expected to:

- Increase frequency of delivery to smaller ABC boards, reducing problems of stores being out of stock;
- Increase selection of items by 15 percent (presently there are approximately 1,700 items listed and kept as inventory in the warehouse)
- Help the commission manage growth until a long-term warehouse capacity solution is possible;
- Keep North Carolina's per case delivery charge among the lowest in the nation at \$1.65 per case.

At today's meeting, the commission authorized a five-year lease and an extension of the existing contract with LB&B Associates, which operates the current warehouse. The lease will add \$1.7 million a year to provide for the receipt, storage and distribution of spirituous liquor in the state.

"This increase reflects a cost of one quarter of one percent of the total \$725 million in annual sales of liquor in North Carolina, keeping us among the lowest per case delivery costs in the nation," said Jon Williams, chairman of the NC ABC Commission. "Leasing additional warehouse space to accommodate the growing needs of local ABC boards and their retail customers is in keeping with Gov. Perdue's direction to the ABC Commission in January to maintain the control system and to improve efficiency and customer service of our warehouse operations."

In other business, the three-member commission took action on more than 100 violations and overturned the decision of an administrative law judge regarding the Hickory club, 5 O'Clock Somewhere.

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NC ABC COMMISSION APRIL MEETING

Chairman Williams did not participate in the deliberations regarding the club since he had signed the orders suspending alcohol permits for 5 O'Clock Somewhere in January 2010. In May 2010, the Office of Administrative Hearings heard the case and directed that the club be allowed to hold ABC permits, pending today's action by the ABC Commission; today's decision revokes the ABC permits within 30 days of the business receiving the commission's signed order.

In addition, the commission:

- Approved two store relocations requested by the Greensboro ABC Board for 4446-J US Highway 220, Summerfield, and 409 Pisgah Church Road, Greensboro. The new stores will be located at 4548 US Highway 220 Summerfield, and 305-A Pisgah Church Road, Greensboro;
- Held a public hearing on the rules published in Volume 25, Issue 18 of the NC Register (04NCAC 02R .2001, .2002 and .2003);
- Approved the recommendations of staff regarding the Publication of Proposed Permanent Rules;
- Imposed penalties and fines of approximately \$126,000 on representatives of retail bars, restaurants, groceries and clubs found to be in violation of ABC laws and rules. In addition to the fines, many of the violations resulted in suspensions of permits for five days or more. The fines are to be paid by May 6, 2011 with suspensions beginning May 13, 2011. Fines benefit the local school systems where the violations occurred.

ABOUT THE NC ABC COMMISSION

North Carolina is one of 19 states to regulate alcohol through a control system. Since 1937, the North Carolina Alcoholic Beverage Control Commission has provided regulation and control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in the state of North Carolina. The commission oversees more than 25,000 permits allowing alcohol sales by more than 17,000 retail outlets across the state. <http://abc.nc.gov> ###

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