STATE OF MICHIGAN LIQUOR CONTROL COMMISSION SEMI-ANNUAL PUBLIC HEARING Proceedings had in the above-entitled case before Chairman Andrew J. Deloney, Commissioner Dennis Olshove, Commissioner Edward Clemente, Commissioner Bradford Jacobsen, held at the offices of the Michigan Liquor Control Commission, 25680 West Eight Mile Road, Southfield, Michigan, on Thursday, June 8, 2017.

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20		STAFF IN ATTENDANCE:	
21		Barb Subastian, Regional Manager Enf. Div.	
21	*	Mary Anne Donley, Regional Manager Enf. Div.	
22		Donald McGehee, Assist. Atty. Gen.	
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Thursday, June 8, 2017 - 1:00 p.m.

CHAIRMAN DELONEY: We will call this hearing of the Liquor Control Commission to order. The Commission welcomes you to the first of our Semi-Annual Public Hearings of 2017 as required by Section 215(2), Act No. 58, Public Acts of 1998, as amended.

This hearing is held to provide the public the opportunity to provide comments to the Commission regarding the administration of the Liquor Control Code.

To my right is Commissioner Brad Jacobsen, to my left is Commissioner Ed Clemente as well as Commissioner Dennis Olshove. Commissioner Teri Quimby is not present for today's hearing.

This Public Hearing is being recorded, so please state your name and the organization which you represent; it would be of great help to the Commission members as well as Renette Gibson, our hearing reporter.

If you have any questions of a specific nature, you may wish to wait until the end of the hearing to discuss with us.

One of the things before we get to public comments, it seems there may be some confusion based on

phone calls and e-mails we've gotten over the last couple days. There is some belief, perhaps, that this hearing is specifically in regard to any rule making that may be going on by the Commission; that is not the purpose of the hearing. There have been no hearings that have been published either in the Michigan Register or in any newspapers as required by the Administrative Procedures Act in regards to hearings or regarding rule making.

So again, this is the first of two of these hearings the Commission does annually. With that, we'll proceed with comments. Because of the number of comments that we have, I'll ask people to limit their comments to two minutes.

The first card I have is Brian Zeer. Please come forward.

MR. ZEER: I'm here to state that -- first of all my name is Brian Zeer, I represent Quick Stop

Market, Upper Straits, Inc., and Crescent Lake, Inc.,

Crescent Food Store in Waterford and West Bloomfield;

we have two locations. I'm just here to state my view

that I'm totally against abolishing the half mile rule.

It's been there for years for a reason. We already

have too many liquor, too many SDD, too many SDM

licenses, and the state keeps giving gas stations

liquor licenses and beer licenses. And for the gas stations, a lot of them are suppose to maintain \$250,000 inventory, which probably 99 percent don't maintain \$250,000 inventory and the laws are not being enforced by the Liquor Control Commission.

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Also I want to say that small businesses in Michigan generate a lot of money for the State of Michigan through lottery revenue, sales tax collection, cigarettes tax, liquor tax. We generate hundreds of millions of dollars for the State of Michigan, and we're not being appreciated and we're not being looked after, and a lot of people paid hundreds of thousands for their liquor license thinking there's a half mile rule, that the gas stations are not going to have beer, wine and liquor, and all these rules are being thrown out of the books, and there is no need for anymore liquor license; I mean every half mile you have one, and a lot of liquor license, resort liquor licenses were given out, too. I'm just asking -- most retailers that I speak to are really tired of all these gas stations getting liquor licenses, and are totally against abolishing the half mile rule for the SDD license; and that's it.

CHAIRMAN DELONEY: Thank you very much.

Next is Clifton Denha.

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MR. DENHA: Hello, my name Cliff Denha. represent the Wine Palace in Livonia. My thought is my family's been in the liquor business, my father's life, for 60 years, and we've always abided by this, we pay the licensing fees every single year, which if it becomes where everybody can get a license then -- my license fee was almost \$6,000 last year, where's the protection? I mean we're in Livonia. We are so well We have three of the top ten stores in the State of Michigan here and we have, for a population of a hundred thousand, we're really well served with liquor licenses. If you guys enforce this half mile rule, I mean if they rescind the half mile rule where everybody, I mean where people have to layoff jobs here, I mean people depend on us here. This is really a fairness issue. Believe me when I tell you we're very well represented with liquor stores and everywhere you go there's a liquor store. So this idea that the public is not being served is very false. So I just think that in order of fairness, and I know I might seem like I'm biased, but I am. My family's been in the liquor business all my life, but we follow all the rules, we pay all our bills, we generate a lot of taxes for the state. We need a little bit of fairness and reciprocation here, and I think this half mile rule

would be a very big detriment to the state. In terms of jobs, I employ 15 people, if they enforce it, I might have to layoff five or six if they give a license to everybody that comes along. That's all I want to say. Thank you.

the Commissioners. (Supplied a document for the file.)

CHAIRMAN DELONEY: Thank you very much.

Next is Satpal Makkar. You have two minutes.

MR. MAKKAR: I will give to you to pass onto

My name is Satpal Makkar. I'm representing
United Small Business Owners Association. It is newly
form association, it's one year old. Because of this
half mile rule, first of all I really appreciate you
holding this meeting, although you said that this is
not for this purpose, I think everybody's here for only
half mile rule; everybody concerned about this,
everybody scared about that, everybody afraid about
that for the future of how they going to feed their
family. So thank you very much guys for coming here
and showing our strength and concern that you care
about your business, you care about families.

So my first point is, in the current situation, the business, the very independent stores are running our businesses. It's getting really hard. In last 30, 40 years I don't know how many you are

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experience in the independent liquor store businesses. The life is really hard, and I'm honestly speaking if you are independent store business. We stand on our feet 12 hours; we open in the morning, 6:00 or 7:00 o'clock and it goes up to 2:00 o'clock in the night, in the morning next day. We get empty bottles, they are full of, you know, waste, we clean them, we sort them out, we put our -- devote a space for that; there's shoplifting, the employees stealing. There are number of taxes, and then these are happening from last 40 years and our profit margin, while inflation goes up, employees minimum wage goes up, insurances goes up, rent goes up, everything is going up. The only thing protecting all these small store business owners is this half mile rule and the liquor. Minimum price of the liquor is making us survive. Don't think that we are making money; we are hardly surviving. I would really invite you guys to go in front of these stores in downtown area and other areas and observe, spend some time, two hours please, and see their plight. It's a really horrible, horrible situation.

I tell you about myself, and I'm representing all these 400 store owners, they cannot speak here.

CHAIRMAN DELONEY: Sir, you have 30 seconds.

MR. MAKKAR: Yeah, please. It really is

getting really tough. If you remove this half mile rule we'll be out of business. It's so simple, it's very plain and clear. Seventy percent of liquor is being sold by independent owners and you have always this half mile rule. All these people coming from different states, you can see people coming from New York, California, they are moving. Most of the Michigan population are going out, and they're coming in this industry, and the half mile rule is protecting them. They're bringing their food on the table, but as I said only 70 percent in 40 years not pleasing, but if you remove the half mile rule, we are out of business. So this is my humble submission, please consider our families and consider us. We are really on your mercy.

CHAIRMAN DELONEY: Thank you.

Is there Inderjit Singh? You have two minutes.

MR. SINGH: Good afternoon. I moved from California in 2007. I heard about the nice business, liquor store business over here and I came here with my family, and everybody and last seven, eight years I found our profit margin is getting lower and lower; there is too much competition, everybody is getting opening their stores next to us. And if this half mile rule go away, if anybody comes next to my store then

how we survive? I am -- physically I have back pain.

In last few years I start working more because of our profit margin. So please stick with this half mile rule. Thank you.

CHAIRMAN DELONEY: Thank you.

Next is Hari Singh.

MR. SINGH: My name is Hari Singh, and we own five liquor businesses in Saginaw and Flint, and I'm against the changes you guys gonna make half mile rule. That gonna hurt our family and our income. I have three kids to raise and please think about us. Thank you.

CHAIRMAN DELONEY: Thank you.

Next is, and I apologize if I mispronounce this, Freweini Kahasay.

MR. KAHASAY: You pronounced it right, thank you. Again, my name is Freweini Kahasay. Good afternoon and thank you for having the hearing for us today. My point is the same way as my colleagues here. The half mile rule is going to definitely hurt a lot of businesses and a lot of families that are depending on it. I personally moved to the Grand Rapids area about thirteen years ago. I lived in the Washington D.C. area and I moved here because the fact that the half mile rule has a good feature to owning your own

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business is the reason I moved here. So today I made sure that I need to voice my opinion and my desire to the fact that this half mile rule should be reconsidered and be thought of before any decisions are made on it. So that's the only thing I wanted to say. Thank you for giving us the opportunity.

CHAIRMAN DELONEY: Thank you.

Next is Satpal Singh.

Good evening. I'm Satpal Singh MR. SINGH: from Portage representing Liquor Market and a few other My family own two businesses over there. Our major concern, as everybody else has, is the half mile rule. What will be the consequences of that that should be considered? Let's say if somebody purchase a million dollar property today with a business that there is no competition and no competition coming within half a mile because of the existing laws. Suppose if some other business comes across the street his property value is going to substantially go down. Let's say if that property goes down, other businesses cutting to half, how he going to afford his market, how he will survive his family, and what about his hard work where he earn all his money to put into that business? He can file bankruptcy, losing unemployment like the other guy mentioned. So those are all the

factors which you need to consider before you make any changes.

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Second thing I would like to ask some questions from you also that, can somebody tell us what was the need for giving SDM license to the gas station? Why a special purpose or some group was served?

CHAIRMAN DELONEY: Well I can't speak for the legislature, the legislature passed a state law, but again this hearing is for the purpose of taking public comments. I can't speak for the legislature.

MR. SINGH: So those issues whenever those laws or any rules are made, I believe we should get -the Liquor Control Commission should try to get input from the liquor store owners or the licensees so that their interest is protected. Thank you.

CHAIRMAN DELONEY: Thank you.

Next is Sukhinderbir Singh.

MR. SINGH: Good afternoon. My name is
Sukhinderbir Singh, I'm representing Boardwalk Party
Store in Saginaw, Michigan. My concern the same as the
other guys who speak here. I moved from California to
this fine state about twenty years ago, and doing very
clean, nice business. Now this new rule coming out
already have lot of competitions around us as it is.
As the new rule come in, half mile rule, and somebody

open a store next to us, we'll be out of jobless.

Whole family work, my family work with me, my wife work with me I work with me, have three young kids to raise. So it's going to be difficult if somebody moves in a half mile, to raise the family which is the only income we have is the liquor store. So I request you to please consider us before you make any changes. Thank you.

CHAIRMAN DELONEY: Thank you.

Next is Hardip Singh.

MR. SINGH: Good afternoon. My name Hardip Singh. I representing Reet, Inc., it's in Saginaw, Michigan.

CHAIRMAN DELONEY: I'm sorry, could you speak up please?

MR. SINGH: I'm from Saginaw, and I have a liquor store. I move from California. This half mile rule gonna probably kill our business. Saginaw already losing lot of population; we lost plants, we lost two big Krogers, we lost K-Mart. Population is moving out of Saginaw. This half mile rule gonna bring more small liquor stores in this area that's going to kill our business completely; we'll be out of business. It's very tough already, please don't make it more tougher. That's all I want to say.

CHAIRMAN DELONEY: Thank you.

Next is Gurbinder Singh.

A VOICE: He stepped out.

CHAIRMAN DELONEY: We'll move him back if he stepped out and if he comes back in we'll get to him.

A VOICE: Excuse me Chairman, where's the speaker if I may ask? We can't even hear some of the comments of the people that talk.

CHAIRMAN DELONEY: I can't control whether or not we have amplified sound in the room.

Next we have Jay Sharma.

MR. SHARMA: Good afternoon. I'm Jay Sharma, we own Huffman's Corner Store in Portage, Michigan.

Our store has been the oldest liquor store in the Kalamazoo County. Everyone that's here, I support everything that has been said so I won't repeat that, but I will give you typical situation of my own life which represent everyone in this room. We immigrants from India. When we come here, we worked 6:00, 7:00, 8:00 o'clock in the morning 'til midnight to 2:00 o'clock whatever the store hours. I did not see my children grow up. My wife would come in, kick me out literally from the store so you have children, go. So she would work, watch the store; that's how the family has been. Then the city came along and moved our store

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because our property was in the middle of the city's development so we moved. Then the Walgreen's came next door, then they put beer and wine in the Walgreen's so our business went down. Now we have a gas station around our store. Our store is the most expensive liquor store in the area because of the value of the property, and I had to come up with other options to pay the taxes, insurances and everything, as we all know, to generate the income to support about five employees, and that will destroy -- the half mile rule will destroy livelihood of other employees that we have and the family. So this is a very difficult situation for everyone who works over here and we work very hard to make ends meet, and this half mile rule will not -competition is always going to be encouraged, but this will not give us good competition; this will destroy families, businesses and other things. As someone said, everything else has gone up but the profit margin on liquor has stayed the same. Most of our sales at state minimum right now and that also has kept us in So please consider not implementing rule and business. consider about the infrastructure destruction it's going to do. Thank you.

CHAIRMAN DELONEY: Thank you.

Next Auday Arabo.

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MR. ARABO: Good afternoon Chairman, members of the Commission. My name is Auday Arabo, I'm President, CEO of AFPD, been around since 1910. We represent over 3,000 retailers in the State of Michigan. I can't speak for other groups, but I will say that AFPD did send information out to our membership to actually come to the open meeting to express their feelings on the half mile rule. Obviously we're very happy to have this opportunity. lot of states don't actually have the open opportunity. We actually welcome and hope that the MLCC actually joins hands with us with a bill that we've actually dropped in the House, House Bill 4504 that actually takes a lot of MLCC's concerns with human measurement using the GPS instead, it was from the concerns from the governor's office making it the 21st Century. As you can see, a lot of people are very emotional about the issue, it is livelihood, and we also understand the constraints from the MLCC standpoint. Although we very much disagree with the logic that was turned into ORR because this does not conflict with any existing law that was passed recently. We've been at the table for almost every law that's been passed in legislature the last three or four years. We believe you're actually mistaking location versus quantity. Location is what

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the half mile rule deals with; it's been dealing with it since 1979. The rule or the law that you're actually referring to in the ORR document deals with population, so that's number versus location. there's no direct conflict, in fact they compliment one another. All these people have their livelihood set on the half mile rule and we wanted to make sure it was an open process, we wanted to make sure everybody's heard. Obviously, chairman, you know where we stand on this We've been dealing with this issue for years on the ORR committee. We've worked together with the MLCC over the years; we still plan to. We hope to have open dialogue. We think we can create a win win situation for all the people in this room as well as your administration and we want to be part of the solution, not part of the problem and our hands are up for it; we're open.

We actually have the bill dropping in the senate with Senator Jones this week that actually codifies the half mile rule exactly the way it is except for GPS. We believe that the house bill is more towards what you'd like to see. We actually work with the governor's office and we'd like to hold hands and get this done so everybody in this room will be happy for the most part and your administration will be happy

as well. Thank you for your time.

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CHAIRMAN DELONEY: Next, Harpreet Multani.

MR. MULTANI: Good afternoon. I'm Harpreet Multani, I have liquor store on Plainfield in Grand I have the store nearly twenty years and we Rapids. feed our family, everybody live on that. We work hard, fifteen hours a day, my wife work twelve hours a day and the idea of gas stations next to me, two gas stations they got beer and wine licenses; when we got ours two months ago they got theirs. And my concern is we are living -- that's our livelihood, and if the rule comes up, where will we go, who's going to pay our mortgage, house payment, health care and all that. very thankful to you if you don't go for that. Thank you very much.

CHAIRMAN DELONEY: Next, Karamjit Singh.

MR. SINGH: Good afternoon. Our members -I'm Karamjit Singh representing Karamjit Corporation.
We own a liquor store in Rockford, Michigan. I'm here
just to request the Liquor Control Commission not to
change that half mile rule because the liquor store is
already in the middle of two gas stations, they already
got the beer, we already lose 50 percent business. So
I just want to request the Liquor Control Commission
not to change that rule so we can survive. Thanks.

CHAIRMAN DELONEY: Next is Nishan Singh;
Nishan Singh.

MR. STNGH: Good afternoon.

CHAIRMAN DELONEY: Good afternoon.

MR. SINGH: Yes. I own King's Corner Market in Owosso area, and I own it for like four to five years now and I still have ten years worth of mortgage to pay. So I'm wondering now that other gas stations got the beer license, so other stores gonna have to start getting liquor license if they off the half mile rule. So I don't know, it's gonna be hard for me to pay the mortgage. So I will appreciate it if you guys think about that. Thank you.

CHAIRMAN DELONEY: Thank you.

Harpal Singh.

MR. SINGH: My name is Harpal Singh, I'm from Battle Creek. I'm representing also some other store owners in Battle Creek. I just recently bought two liquor stores and definitely they are right about a block there's buildings are empty. I'm sure if you guys didn't pass the law there will two other liquor stores right competition to me. I don't know how I'm gonna afford making payment for them. I have a family. I move from New York City a while ago; same thing I heard before of my members and friends and this state

everybody move. Michigan is a beautiful state, very good for business, and after we been already suffering, I do have liquor store in Battle Creek, I say, and we already been in competition with that and the profit margins are so low and we are hardly suffering. We have family, kids to take care, and definitely if this rule goes forward, our business, lot of more than half of the people will be bankruptcy, they would be out of business. Thank you so much. Think about it please.

CHAIRMAN DELONEY: Thank you.

Next, Marjinder Singh.

MR. SINGH: Good afternoon.

CHAIRMAN DELONEY: Good afternoon.

MR. SINGH: My father own a store in Saginaw and we own that store liquor about twelve years now and we still have like about five more years for a mortgage and we can report our store almost like about a million worth and if you guys take this half mile rule and we have another store across the street, with that store I would lose about \$200,000, so all this like 50 years work will be down the drain in like one stroke. So like inner city stores are struggling already whether in Saginaw, Flint, Detroit. Like when we move to Saginaw the population of the city was almost 65,000, right, and there was only about like 15 stores I can

think of. Now the population for Saginaw is like about 48,000 and there are more than 25 stores already. So it's worsening. This half mile rule is not going to help us at all or anybody else. So I really appreciate it if you guys take this into consideration when you guys sit and talk about this half mile rule. It's just gonna change like a lot peoples livelihood and we are already struggling. It's not like we are sitting in a home — we already putting, my family, eighty hours a week just to survive. Another additional store we probably will have to do like hundred hours a week. So please consider that. Thank you.

CHAIRMAN DELONEY: Thank you.

Next, Gregory Hill.

MR. HILL: Good afternoon.

CHAIRMAN DELONEY: Good afternoon.

MR. HILL: My name is Greg Hill. I reside at 434 Washington Avenue in Holland, Michigan, and I thank you for this opportunity to speak with you about a pending application for SDD license. My wife and I own and operate two convenience stores in Holland, Michigan; they both conduct business as Minit Mart. The one location in Washington Square has both an SDD and SDM licenses, and the other store which we bought six months ago has only the SDM license. Both stores

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have a common legacy, they both existed as rundown operations that were contributors to the blight of the distinct neighborhoods in Holland, our city. As a native of Holland we wanted to help restore these neighborhoods which we know are used and still providing for our family. We make our home on the floor of the Washington Square store above the store, and we invested about \$500,000 into that location. Ιt was a run down home, dilapidated property. That business has been doing well with both the SDD and SDM licenses and serving our family as we continue to grow our business. The other store, which is Minit Mart East, is located in the Columbia Avenue business district. It was sadly neglected, a rundown piece of property and we invest another half a million dollars into that property as well. We lease the upstairs out to local professionals, and soon we'll have the City of Holland doing improvements around the building such as sidewalks, parking, et cetera. I have some photos which I'll share with you of both properties, what they look like before and after we did the remodeling. Neither of these approved properties would have not been possible without the Liquor Control Commission issuing our other location both licenses. tried to make a contribution to these poorer

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neighborhoods and Michigan ideal urban centers.

Without getting SDD license it hinders us from making a fair profit and growing.

CHAIRMAN DELONEY: You have 30 seconds.

MR. HILL: Okay, I'll leave you with my information as well. I have letters from the Holland City Council encouraging you to take a look at this as well as the Ottawa County Commissioner. I also have with me, 500 names of petitions for us to get the SDD license as well. We have applied back in April for SDD Resort License and just wanted to make you aware of who we are and what we have.

CHAIRMAN DELONEY: Thank you. You can leave your information, we'll make sure you're documentation is in the file.

> MR. HILL: I left you a copy.

CHAIRMAN DELONEY: Next is Yass Konja.

MR. KONJA: Good afternoon. My name is Yass Konja, called Elias Konja. We have three liquor licenses. Been in business thirty-five years. Have a liquor license very nice business, it's beautiful, professional. Recently within the last five, ten years, my mother and dad endorse Proposal A to give two percent, half for property taxes. We seen the impact on the market, affect a lot of businesses, open door

for smugglers and unhonest business retailers. shop opens, let them have it now. Who enforce the law, who follow rules, who going to spend all these things? Same thing gonna happen now. You're gonna see every corner liquor store, even maybe by the school, by the hospital, next door to me, doesn't matter, I don't What matter is business getting tougher and harder. Look at the big boxes, Costco, Sam's Club, Kroger, everybody got their liquor license. They are professionals as well as we are professionals too. do our best. We are community stores, some of us hire from the community to the community. We hire our kids, we teach them our best. Small store needed in the community. Second thing.

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Second thing. This legislature, not you, the legislature proposes this proposal. They're not proposing to put another highway every half mile in this area, to build a school every half a mile, but liquor license. Internet, who control that; does Liquor Control Commission control the smugglers, the liquor, you guys control the internet shipping? They ship it by UPS. What happen to license? We pay taxes, rent, license fee. What else you want me to name? Do you guys look at us, but they don't do nothing? I don't know if they do or not.

Liquor Control Commission, how many license you guys inspect? How are you gonna control? Let's say you have thousand licenses in the area, can you control 2000 licenses in the area? Do you have the manpower? That's the problem going to end up. You not to your best. Maybe five years from today be worse. Don't push the people away. Try to support them. We work for you just like you work for me. We are licensee, we pay our share taxes just like you. Licensee life is getting harder. Every single license over there have a hard time to pay rent, to pay taxes, to pay everything. Even if you want to hire employees they cannot afford to give 25 cents to employees a raise.

CHAIRMAN DELONEY: You have 15 seconds.

MR. KONJA: I'm done. Thank you.

CHAIRMAN DELONEY: Thank you.

Next is Chris Asmar.

MR. ASMAR: My name is Chris from the Northland Party Store in Detroit, Michigan. I don't know if the state thinks that removing the half mile rule will be effective, but it's actually going to be the opposite. What happens is when you have a steady business, let's say there's two blocks, you have one steady business here then you have a gas station next

door, they apply for a liquor license, they get it.

What happens here is he takes some of my business,
shifts over there, but now we both sell just under
average, now we're not going to be able to afford to
pay our bills, to pay for payroll. All you guys are
doing is spreading the business around, but in the end
we both close down and now it's not effective anymore.
So I really believe in not removing the half mile rule.
That's it.

CHAIRMAN DELONEY: Thank you.

Next is Steve Jamil.

MR. JAMIL: Good afternoon. My name is Steve Jamil, I own Pinebrook Liquor Store in Sterling Heights, Michigan. We been in there 33 years and we made our living in there. We renovated the building, the store. We have to put out a lot of money, we did mortgages, and that half mile taken away is going to affect business a lot. It used to be a mile years ago, they changed it to half mile, that was bad enough too, now it's going to make it a lot worse. So please I urge you not to change that half mile and stay with the half mile, please. That's all.

CHAIRMAN DELONEY: Thank you.

Next is Frank Sitto.

MR. SITTO: Good afternoon Your Honor.

CHAIRMAN DELONEY: Good afternoon.

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The idea is that when we MR. SITTO: purchased this business was based on the fact that there's a half mile distance that nobody else gonna come near to me. So the investment that we put into this, consider we're small people, a large investment anything from half a million dollars to probably two million dollars, and most of this money is either borrowed from the bank or as a land contract. Even the owner kind of adjust his life according to his income and all of a sudden we will see a big competition. mean America build on competition but there's already a big competition of liquor license. You will see in one mile three liquor licenses which is on many streets in The other thing is that most of the property Detroit. that there's a liquor license, especially in an area like Detroit, Saginaw, Flint, Pontiac. If you take the liquor license out of that property, property go down from \$300,000 to \$30,000, which I think is going to destroy this industry and this kind of business. you.

CHAIRMAN DELONEY: Thank you.

Next is Gus Abro.

MR. ABRO: Good afternoon Commissioner
Deloney, good afternoon Chairman and Commissioners.

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MR. ABRO: I want to echo what everyone here has been stating. Obviously it is no secret that people invest their life savings and even mortgage their home in an effort to get their business running and improved and acquiring a businesses. The half mile rule does more than just protect against that person's business, it provides a safeguard. When they invest in that location, as Mr. Sitto just stated, they're doing so relying on that rule. I'm a licensee, I represent a number of licensees who couldn't be here today because they can't afford the employment to be here, the employees to be here. There's a factor that goes into the half mile rule. Again when you go and take it away, the investment that they made is at risk, their livelihood is at risk and that's because someone else is going to take business away from them. The pie is only so big. I think you're going to hear from everyone here, the harm that's going to be done; that harm is going to be overwhelming than a select few that may benefit. What I think need to be done is everyone here need to hear from the Commission, we need to hear from you. Why do you want to eliminate this rule; what are the objectives, what's the motive? I think we need to I sit, as Mr. Arabo has stated, let's figure out a

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better solution to further the Commission's objectives. Taking away this rule, this safeguard, is not that solution. The people are already -- you know the profits are dwindling, they work for the state, they're selling a product that you provide. The margins, again, are just shrinking. Let's find another solution. Allow these people to pay their bills, live their livelihood, move to the state, not drive them away. Thank you for your time.

CHAIRMAN DELONEY: Next is Larry Farida.

MR. FARIDA: My name is Larry Farida. like to start off by saying after looking at everybody here I can quarantee you, including myself, nobody is getting rich off of SDD license. It cost you more than fifteen percent to run a business. I'm told that Ohio has 483 licenses and they sold over a billion dollars worth of liquor in 2015. Michigan has close to 5,000 licenses and we didn't even do eight hundred million in business. All you're doing is giving out more licenses more licenses but your numbers are not going up. All you're doing is spreading the sales and nobody is benefitting from that. You have a half mile rule now and I can take you around town and I can show you liquor licenses two buildings apart. I don't understand who's enforcing this. You guys are giving

out resort licenses. I thought in my life when I grew up, a resort was somewhere to go on vacation. I don't know of any resort license that I can go vacation at. They're in gas stations and they're everywhere, and apparently those aren't restricted by the half mile rule because I know of many of them that got them that are less than quarter mile of businesses that have an SDD license, but I guess a resort is a resort. I'm against rescinding the half mile rule. Like I said, nobody in here is getting rich, and I don't know anybody that can run a business on 15 percent and make money, and if you can tell me how, I'd like to know.

CHAIRMAN DELONEY: Next is Sean Awdish. Sean Awdish. Is Sean Awdish here?

Gurbinder Singh, Gurbinder Singh. This is the gentleman I was told who stepped out earlier; is Gurbinder Singh back in the room. Gurbinder Singh is not in the room.

Zuhair Sheena. Zuhair Sheena. Oh, there he is.

MR. SHEENA: Good afternoon gentlemen.

Thanks everybody being here. Thank the association for this, keeping us informed. Give you a little background of this over hear.

How many members we have from Commission on

the panel; how many total members? What's the total panel you have; how many, five or six, four?

CHAIRMAN DELONEY: Five.

MR. SHEENA: That's it? I think we should put twenty, we need twenty of you on there, four is not enough, five is not enough. I hope you understand what I'm getting to. Competition is great, but it's limited. To respect the business district, to respect your license, we are representing you all of us, with honor, not selling to minors. You are throwing the towel outside for a fee. Okay, let's talk about our future, your future. I'm not talking about the raise for the Commission, the percentage. For crying out loud the cost of living is growing faster than participation.

I got burned -- I'm speaking on behalf of AZHar Investments, Inc. Our license was in escrow. You guys give the license across street directly from that person because we don't buy more than \$10,000 liquor. How did that become? You tell me. I open up that question right here. Liquor here, liquor there, and now you want to give more liquor outside. Imagine one drunk guy, I'm not against gas stations, goes out there drunk and pull the gas tank out. We respect your license and you have to respect our needs over here,

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all of us; okay. We're not trying to take food away from the table, you're doing it to us; where going to the store is like going to the war, we don't know if we'll come back or not, for crying out loud. nothing but a number. My question is imagine there were 20 people panel in there, how much you guys going to be cut; how many guys going to be making decision wise, dollar and cents wise. Let's start by improving our bottom line, everything's going up. Fifteen percent ain't doing nothing. You have to raise that at least 23 percent, 27 percent. If you walk down the line we can maybe afford to pay you a little more for licensee to compensate us over here, but it has to be a compromise down the line. Taking from one another to give it to another just to be doing, you're really doing a yo-yo job. I had to say the words; you know. Please take it under total consideration. You have families, we have families. We respect you. doing this for over 40 years since I was a child. got drafted in '79; this is my livelihood. I got sick and I died almost, came back again; that's the only thing I know; that's only thing these people know. How much is how much, how much is enough? Can you please tell me how much is enough? Are we gonna take anything to the grave yard? Did anybody take a dollar to the

grave yard? We want to be healthy, a little money to save for your kids, your family. We have kids go to colleges. I don't wish this business to my worse enemy; I hate to say that. I have kids that's gone to colleges, I will never want them to work one day in the store. I'm sure you guys -- I don't know if you've work in business, the store or liquor business. Have you ever worked in liquor store business? We'd like to see your outcome, your initiative in this case. We need to see some positive response; respect you all for this, respect our needs. I hope we can work this one out.

We would like to be informed of any changes that come in from your ends. Every liquor license should be informed, e-mailed. Not just throwing the towel on us like this. We already got burned in our business, we open up again. We lost over \$150,000 because the value's not there, we're sharing the cost. One example to these people right now, there's a guy right down the street from me, my numbers are not there. Everyday I go to work to compete against myself. Please think of something positive. We can do something better than this. Let's build not destroy. Competition's great, but give us a little respect to it. My bottom line is, and I hate to say this, this

1 will not be the only city, the state to live and do 2 business with. Okay, I appreciate your time. 3 you for listening. God bless you. 4 CHAIRMAN DELONEY: Thank you. 5 These are all the cards we have for people 6 who have indicated a desire to speak at this first of 7 our two Semi-Annual Public Hearings. 8 Are there any Commissioners who have comments? We have Commissioner Jacobsen, welcome to 9 the Commission. 10 A VOICE: Mr. Chairman I filled a card out. 11 12 I was one of the first of ten people here. 13 CHAIRMAN DELONEY: What's your name sir? A VOICE: Joel Smitter, S-m-i-t-t-e-r, known 14 15 as Smitty from Smitty's Specialty Beverage. CHAIRMAN DELONEY: You're right, Joel 16 17 Smitter. Please come forward. 1.8 A VOICE: I also filled out a form. 19 CHAIRMAN DELONEY: What's your name ma'am? 20 A VOICE: Deize Nickless, Corkscrew Party 21 Shoppe. 22 CHAIRMAN DELONEY: Thank you. Thank your for 23 reminding me. 24 Thank you for letting me up. MR. SMITTER: 25 My name is Joel Smitter know as Smitty from Smitty's

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Specialty Beverage, from Grand Rapids, Michigan. been in business, I opened that business up in 1982, so I've been there over thirty-five years. Just wanted to point out a couple things. First of all, most communities, especially in western Michigan, I'm not so sure on this side of the state, but most communities do not want liquor stores on every corner. This has been our problem in the past for a lot of the, especially the lower income communities and whatnot, so that's something you need to consider. The communities really don't need tons of liquor stores. This bill will not increase the liquor purchases from the state except for their initial order. As the gentlemen both pointed out earlier, the piece of pie is only this big; okay, slice it how you want, but all we're going to do is we're going to end up whatever is sold in my community, part's going to come from me, part is going to come from my new neighbor and his new neighbor, and so we're not going to increase the volume or the profits for the In fact, it'll probably work the opposite way for the State Of Michigan. Already the liquor delivery companies RNDC and General Liquor are so under staffed and cannot hire people. We as licensees have to sit and wait sometimes hours upon hours for the delivery that the state says you will be delivering to that

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location on this day; and have you ever tried to take on a \$13,000 liquor order at 5:00 o'clock rush hour? Meijer might be able to do it because they have big back rooms. I'm quessing most of us here operate out of a 2,000 square foot building or 4,000 square foot building at most. We don't have the luxury of having late time, late deliveries by our liquor companies, so we need that and if you add on several more stops in that community in that delivery area, all that's going to do is back everything up and make everything worse for us retailers that have already a hard enough time receiving our product on a timely basis. I talked with both suppliers, and they have tried to hire but they can't, the ones that they do hire they always quit; you know why? It's too much damn work for them they say. They quit because it's too hard. So you can't take that on a pipe dream, well they'll just hire more people, create more jobs. You're not creating more jobs because they're not being filled already.

Just one last thing here. The industry has always been a hard industry. Like I said, I should know, I've been there thirty-five years in it, but even though the state lifted the price restrictions a few years back, that was like, wow, we all, I'm sure, got excited, and that does help except for the fact we have

to consider we can't raise our price because the box stores sell it at minimum shelf price. And so if we try to get an honest profit margin, an honest return on our investment which is, in some cases, my case, millions of dollars. I could mark it up whatever I want. You guys said I can -- I can sell that bottle of Louie VIII for \$10,000 if I want, but guess what, I'm not going to sell it for \$10,000, I have to sell it for minimum shelf price because the other guy does, the box stores, so please keep that in mind. We're asking to dismiss this bill. We all invest in our lives, in our finances, and as the old rule goes, more is not always better, keep that in mind; more is not always better. Thank you for your time.

CHAIRMAN DELONEY: Thank you.

Deize Nickless.

MS. NICKLESS: My name is Deize Nickless, I own the Corkscrew Party Shoppe in Westland. My husband and I purchased the party store when he retired from the Marine Corps after 20 years of service, he wanted to open up a business that was community driven just like how he served in the Marine Corps. After 911, profits going down, he had to go back to work. I run the store. I'm there more hours than you would ever ever want to work at a job. I stock over 200 cases of

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beer a week, me; I clean the bathrooms. just about us, it's about our community that you're destroying, it's about the people that come to our store and they come there for an experience. sorry, I'm very emotional. You know we do things that big box stores will never be able to do and that's what this is about; it's about Meijer getting a license, that's what it's about. You guys don't want more liquor stores on the corner of every street. No, that's not what it's about; it's about Meijer, it's about Target, so let's just be real. My customers come in and we build and humanize those people that come in our store, they know our names, we know their names; I know their kids, I've been to their funerals, I've been to their weddings. We impact them in a way that you will never do, nor will a Meijer or a Target.

You know, everybody in here has a story. I'm going to share with you just a couple. My daughter last year was accepted to West Point. So what I decided to do was to put together a letter writing campaign while she was in boot camp. So my customers kids would start writing letters in the summer; imagine that, they're writing, they're writing letters; they're not just out being hoodlums. The parents are concerned because they're working, they're hard working blue

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collar workers; they don't have time to be at home and watch their kids. So now we're doing something constructive. And I want to share with you a letter that one of the girl's wrote to my daughter after my daughter wrote her back. She said, and I'm going to paraphrase it because I don't have a copy of the letter with me. She said you are my hero. I never did well in school but now I want to be just like you. You are proving that girls can do anything boys can do. that is impacting our community. Walmart isn't going to do that, Target's not going to do that. People like this right here, we're doing that. We're doing that I beg of you, come in my store, don't tell evervdav. me when you're coming but come in my store, you will be greeted at the door, I guarantee you. You will be There's so much hate and there's so much humanized. violence and there so much going on in our community, but we as small business owners, we're humanizing the hard working blue collar people like nobody else will ever be able to do, and we do that because we care; we care, we know them by name. I have a gentleman who just lost his wife, she struggled for four years. and my employees, we shut down our store, we went to her funeral. I never met his wife, he cried on my shoulder. He comes in my store everyday. He only

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spends a couple dollars, he doesn't have much. looking for compassion and love, and he looking for that from small business. We're getting away from small business. What are we doing to our communities? Where's the love, where's the compassion, where's the reason to treat people good? When we get rid of all that and we just go to big box, where is it? Not only are you destroying our lives, but you're destroying our communities. I don't know. I mean, is this what we want, to destroy American dream, American dream of these hard working people that work probably 60 -- I work 60 hours a week. I'm sure some of these people I know work even more. I mean is that what we're looking to do? Are we looking to destroy our communities, not give an outlet to the people that -- my customers, some of them make \$200 a week, \$200 a week. You probably spend that on lottery or maybe you spend that on your shoes or your fancy suits. These people just struggling to make ends meet, and we're their little family haven that they can come to and feel good about themselves, and it doesn't matter if they're black, it doesn't matter if they're white, it doesn't matter if they're Chaldean, we're showing them that there's love and compassion in the world and we're doing it one person at a time. If Meijer, Target, Walgreen, if they

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can do that then pass your half mile rule, but they can't and they never will. So I just really beg of you, come into my store, come in, come into any of the stores, come in. See what we're doing in our communities. We're supporting our communities, we support our police, we support the kids soccer teams. Do you know how many baskets I've given away? When was the last time you went into Target and asked for a donation? I mean they donate, yeah, so they can get a tax break. We're not getting a tax break. We're doing it because we love the people that we serve, and we want to continue to do that, that's all we're asking; don't take that away from us, don't take that away from I personally probably won't go out of business but I know for sure I will lose an employee, and employees are just hard working people that want to be there as well. Don't take that away from us. That's all I have to say.

CHAIRMAN DELONEY: Has Gurbinder Singh reentered the room?

Thank you. Those were all the cards we have of those indicating a desire to speak at this hearing.

Again this is the first of our Semi-Annual Public Hearings that will be conducted; the final one will be in December in the Lansing office in this year.

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1	With those comments having been heard, I will
2	entertain a motion at this time to adjourn.
3	Is there a motion to adjourn?
4	COMMISSIONER JACOBSEN: So moved.
5	CHAIRMAN DELONEY: Moved by Commissioner
6	Jacobsen.
7	Is there a second?
8	COMMISSIONER OLSHOVE: Second.
9	CHAIRMAN DELONEY: Second by Commissioner
10	Olshove.
11	Any further discussion? Hearing none, all in
12	favor will indicate by saying aye.
13	(Unanimous vote.)
14	CHAIRMAN DELONEY: The ayes have it.
15	Commission is adjourned.
16	(Record concluded at 2:01 p.m.)
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1. I HEREBY CERTIFY that I reported stenographically, the foregoing testimony and proceedings on the date and place hereinbefore set forth; that the same was later reduced to typewritten form, and that the foregoing is a true, full and correct transcript of my stenographic notes so taken. Renette L. Gibson, CSR-2731 June 22, 2017 2.2