

## August 1, 2017, Public Hearing

The Clarion Borough Council held a Public Hearing on August 1, 2017, at 6:30 p.m. in the Assembly Room of the Clarion Free Library, the purpose of the hearing was to receive testimony on a resolution for the inter-municipal transfer of restaurant liquor license by Sheetz, Inc.

A list of those people in attendance is attached to the Official File Copy of these minutes.

Vice President Sanders Dédé called the hearing to order at 6:30 p.m.

Vice President Sanders Dédé asked for any testimony for the inter-municipal transfer of a restaurant liquor license by Sheetz, Inc.?

Attorney Paul Namey, attorney with the law firm of Flaherty & O'Hara representing Sheetz, passed out to everyone a power point presentation, which is attached to the Official File Copy of these minutes and stated he is present to formally request that Clarion Borough approve a resolution permitting the inter-municipal transfer of a restaurant liquor license as pursuant to Section 461 (b.3) of the Pennsylvania Liquor Code. The license will be used at the store when it is rebuilt and remodeled at the Sheetz location located at 1281 East Main Street in Clarion Borough. Section 461 (b.3) permits the Pennsylvania Liquor Control Board to approve the transfer of a license from any municipality within a county to a different municipality within the same county so long as the receiving municipality issues a resolution approving the transfer. Attorney Namey commented last summer there was big statewide news that Governor Wolf signed Act 39 into law that permits a gas station to sell both beer and wine and pointed out the slogan 'free the six pack', which is on Page 4 showing a six pack with tiny little wings on the side of it. Before this laws came into effect, however, Sheetz had already been selling beer in around 8 stores across the State of PA. What the real change of Act 39 of August 8, 2016, changed is in the eyes of PLCB there must be a separation of gasoline sales from the sale of alcohol to end the constant legal challenges by certain competitors to having licenses at locations that sold gasoline. Attorney Namey pointed out one of the legislative intent that the General Assembly passed Act 39 was for recognition and furtherance of all these elements is essential to the welfare, health, peace and morals of the citizens of the Commonwealth. As background, Sheetz is a home-grown Pennsylvania company, which was founded by Bob Sheetz with a single store in Altoona in 1952. In 65 years, it has grown to over 600 stores in 6 states in which half of those stores sell alcohol, including 21 currently active in Pennsylvania. Attorney Namey stated Sheetz employs more than 17,500 people. Sheetz has been committed to acting responsibly and in partnership in the communities in which they serve. Attorney Namey commented Sheetz has his favorite mantra of any client the firm has in that they strive to innovate every day to put the Sheetz store today out of business tomorrow. The purpose of the history lesson is that Sheetz has worked for a long time to build its reputation and would not jeopardize its community standings by serving alcohol in an irresponsible manner. Sheetz has been able to grow and expand to what it is today because of its ability to get in front of the changing market places. Attorney Namey repeated Sheetz has 21 stores in Pennsylvania selling

beer and wine and 5 more in safekeeping, which means they've been approved by PLCB but are waiting to complete renovations. Twenty-six more applications are pending approval through PLCB. Attorney Namey informed everyone this Sheetz location is in line for a complete rebuild to replace the older white block with an attractive brick exterior with new awnings and accents. An example is in the handout. The square footage will increase from 3,800 to 6,000 and will have a better store layout, which will improve customer flow and lead to a better shopping experience. The store currently has a full MTO menu, and the food offerings will remain relatively similar to what they are now. The kitchen and work space, however, will be much larger and all equipment will be updated. The food service, both from a customer perspective as well as an employee/associate perspective, will be much more efficient. Attorney Namey announced another major change to the interior will be the addition of a seating area for up to 30 patrons, which is a technicality required for Sheetz to qualify for a restaurant liquor license under the Pennsylvania Liquor Code. The seating will be a mix of round and square tables including 6 countertop seating. Attorney Namey pointed out the majority of the alcohol and beverage sales in the Pennsylvania stores are for take-out, which is expected to be the same in the Clarion area. Excluding gasoline, beer and wine sales have averaged just fewer than 14% of Sheetz's inside sales. Less than 1% of those sales have been on-premises consumption. People don't come to the store and drink. Wine is sold only by the bottle and for take-out. There is no draft or tap system. All beer is sold by the bottle and is displayed only for sale in the beer cave, which Councilmembers can see an example picture of the beer cave. It's basically a walk-in cooler. Attorney Namey added there will be no warm beer on the floor, no gaudy signage or tower of beer stacked to promote the sale of it. Only individuals 21 years or older are permitted to walk into the beer cave to do a purchase. During non-sale hours, the doors are locked.

Mr. Noto inquired how that is enforced that no one under 21 enters that area.

Attorney Namey commented there are signage and a security camera to monitor the activity. The associates at the store are trained internally by Sheetz and also by RAMP, which is PLCB's training. All beer must be displayed on licensed premises, so theoretically it could be on the floor of the facility and in other coolers; however, Sheetz has a dedicated cave. The handout also shows a wine rack, which each bottle of wine has an individual SKU and cannot be rung out during non-sale hours. Attorney Namey stated Sheetz hours of operation are 24-7. The beer sales will be limited to 7 a.m. until 1:45 a.m. Monday through Saturday and 9 a.m. until 1:45 a.m. on Sunday. Wine sales, by law, can only be sold until 11 p.m. every day, and they will start the same as the beer times listed above. Every Sheetz has policies and procedures in place to ensure responsible sales. Any person who wants to purchase alcohol requires them to produce a valid photo ID, which will be scanned with the transaction that will confirm it's valid and that he/she is over 21 years of age. Sheetz also has a 2 drink limit for on-premises consumption, which is limited to the seating area only. Again, Attorney Namey stressed the sale figures don't show people coming to the store to sit down and drink. Another safeguard is that this location will be RAMP-certified, which is PLCB's Responsible Alcohol Management Program. RAMP specifies that an establishment must have 50% of the service personnel trained; however, Sheetz trains every employee. RAMP signage is posted along with the affidavit, which is a

requirement. Lastly, in regards to security, Sheetz does have an efficient and effective security program. There are security cameras that cover the entire property, notably areas and points of sale and the parking lot. Attorney Namey reported these cameras are monitored at a centralized corporate security operations center. All employees are equipped with radio equipment that connects them directly to the operations center for information to be quickly forwarded to on-site personnel and off-site security. The system is equipped with the technology to zoom and also record audio as necessary. Not only is the store manager and the employees trained through RAMP, but he/she is trained internally to monitor the store. Any time a customer purchases beer and takes it to the seating area, Attorney Namey stated it is tracked on a daily log sheet and every 20 minutes or so employees make a pass through the area to make sure there is responsible consumption. These safeguards have been incredibly effective. Since alcohol sales began over a decade ago in its Altoona store, there have only been two violations; one for sale to a minor and the other for failing to report a store manager change with the PLCB. Wrapping up, Attorney Namey commented the focus of inquiry here is the nature of the establishment, the nature of local communities. This is a well-known responsible operator with a track record of safe and responsible sales at numerous locations around the State, such as, State College, Shippensburg, Indiana, Erie, Gettysburg, and Pittsburgh. Attorney Namey thanked everyone for his/her time and attention to this request.

Mr. Noto asked where the license is coming from?

Attorney Namey reported it was purchased at PLCB auction. Expired licenses, by Act 39, must be auctioned off. The only information Sheetz knows is it's coming from Madison Township. The name of the owner and situation as to why is not known.

Where it says single-serve, Dr. Sanders Dédé questioned if that means she could buy a 6 pack or a bottle or a can?

Attorney Namey stated either or. Sheetz does sell single bottle mainly, because they have the mix and match concept. You see that in a lot of grocery stores. Sheetz does sell single bottles, but the majority of the sales are 6 packs.

Mr. Noto inquired if the single serve would be in the coolers where the pop is located?

Attorney Namey commented no. All beer sales, even single serve, will be in the beer cave. If Council looks at the Sheetz floor plan, the highlighted area is the only location for alcohol sales.

Mr. Noto asked when this is anticipated?

According to a newspaper article, Attorney Namey stated it wouldn't be in 2018. Hopefully, the time line accelerates a little bit. Sheetz had to apply for the license transfer by the end of August, early September, and it should be received between 90-120 days.

Dr. Sanders Dédé asked if the building will be shut down for renovations?

Attorney Namey stated it will be. It will be a complete demolition and rebuild. It will probably take 4-5 months.

Vice President Sanders Dédé asked if there was anyone present that is opposed to the transfer?

There were none.

Hearing no further comments or questions, Dr. Sanders Dédé adjourned the Public Hearing at 6:50 p.m.

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Linda M. LaVan, Borough Secretary