



**TENNESSEE ALCOHOLIC BEVERAGE COMMISSION  
MINUTES  
TUESDAY, DECEMBER 19, 2017  
1:30 p.m.**

The December meeting of the TABC was held on December 19, 2017, in Nashville, Tennessee. Commissioner Kaegi, Commissioner Jones, and Commissioner Skiles were present. Commissioner Kaegi sat as acting Chairman. Director Byrd, Asst. Director Blair, Commission Counsel Stepp, Commission Counsel Hollingshead-Cook, Mark Reineke, Nichelle Dorroh, and CLEO Tubbs were present.

**1. REVIEW/APPROVAL OF THE NOVEMBER 28, 2017, COMMISSION MEETING MINUTES**

**Discussion/Action Taken:** Commissioner Jones moved to accept the minutes as presented. Commissioner Skiles seconded the motion and it passed with three ayes.

**2. RETAIL MATTERS**

**A. OLD BUSINESS** - none

**B. NEW BUSINESS**

**1. SYCAMORE VIEW LIQUOR  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Sycamore View Liquor LLC  
Member(s): Raymond E. Vallier, 100%

Current: Amro Shawa d/b/a Amco Liquors (license no. 3813)  
Proposed: Sycamore View Liquor LLC d/b/a Sycamore View Liquor

Before the Commission is a request for approval of a complete change of ownership of the retail package store located at 2141 Sycamore View, Memphis, TN 38134. The applicant is purchasing the business from the current owner<sup>1</sup> and the landlord has agreed to the assignment of the lease. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

<sup>1</sup> In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



- a. inspection & acknowledgment of rules & regulations
- b. license fee
- c. responsible vendor certification

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the listed conditional items. Commissioner Skiles moved to accept the recommendation of staff and Commissioner Jones seconded the motion. The motion passed with three ayes.

**2. NORTSHORE WINE & SPIRITS (LICENSE NO. 4085)  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant:	DSJJ LLC	
Members:	<u>Before (%)</u>	<u>After (%)</u>
	David Stevens, 90	David Stevens, 100
	Jared Jordan, 10	----

Retail package store licensee no. 4085 is requesting Commission approval for a change in LLC members. Current member, David Stevens, is acquiring the 10% interest held by Mr. Jordan. The TABC staff recommends approval of this request.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Jones moved to approve and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**3. CAMPBELL STATION WINE AND SPIRITS (LICENSE NO. 3926)  
FARRAGUT, TENNESSEE (KNOX COUNTY)**

Applicant:	DSJJ LLC	
Member(s):	<u>Before (%)</u>	<u>After (%)</u>
	David Stevens, 90	David Stevens, 100
	Jared Jordan, 10	----

Retail package store licensee no. 3926 is requesting Commission approval for a change in LLC members. Current member, David Stevens, is acquiring the 10% interest held by Mr. Jordan. The TABC staff recommends approval of this request.



**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Jones moved to approve and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**4. FOUNTAIN CITY LIQUOR AND WINE INC.  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Fountain City Liquor and Wine Inc.  
Shareholder(s): Tyrone Dixon, 51%  
Paul Dixon, 49%

Before the Commission is a request for licensing of a new retail package store to be located at 4860 N. Broadway St., Knoxville, TN 37918. The applicant is leasing the premises from landlord, Harvestown LLC. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. agent report
- b. certificate of occupancy
- c. inspection & acknowledgment of rules & regulations
- d. license fee
- e. responsible vendor certification

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject receipt of the listed conditional items. Commissioner Jones moved for approval subject to receipt of the items as stated. Commissioner Skiles seconded the motion. The motion passed with three ayes.

**5. CORKS  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Corks Wine & Spirits Inc.<sup>2</sup>  
Shareholder(s): Patrick Ryan McElveen 51%  
Dana Michelle McElveen, 49%

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<sup>2</sup> Corks Wine and Spirits Inc. (d/b/a Corks Wine and Spirits) is also licensed (no. 3873) as a retail package store at 11668 Parkside Drive, Knoxville, TN 37934.



Before the Commission is a request for licensing of a new package store to be located at 116 S. Central St., Knoxville, TN 37915. The applicant is leasing the premises from landlord, Boyd's Group Properties, LLC. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. agent report
- b. inspection & acknowledgment of rules & regulations
- c. certificate of occupancy
- d. license fee
- e. responsible vendor certification

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject receipt of the listed conditional items. Commissioner Jones moved for approval subject to receipt of the items as stated. Commissioner Skiles seconded the motion. The motion passed with three ayes.

**6. SHELBY SPIRITS  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: J & J Investments LLC  
Member(s): William Likes, 100%

Current d/b/a name: Frugal Freddie's  
Proposed d/b/a name: Shelby Spirits

Current location: 2096 Covington Pike, Memphis, Tennessee 38128  
Proposed location: 6723 East Shelby Drive, Memphis, Tennessee 38141

Retail package store licensee no. 3591 has two requests before the Commission. The first request is to change its d/b/a name to Shelby Spirits. The second request is to transfer its location to 6723 East Shelby Drive, Memphis, TN 38141. The TABC staff recommends approval of the d/b/a name change and staff recommends conditional approval of the location change subject to a TABC inspection.

**Discussion/Action Taken:** There were two motions associated with this request. Director Byrd reviewed the matter to the Commission and



recommended approval of the d/b/a name change. Commissioner Skiles moved to accept the recommendation and Commissioner Jones seconded the motion.

Director Byrd reviewed the matter to the Commission and recommended conditional approval of the location change subject to an inspection. Commissioner Skiles moved to accept the recommendation of staff and Commissioner Jones seconded the motion. The motion passed with three ayes.

### 3. WINERY MATTERS

#### A. OLD BUSINESS – none

#### B. NEW BUSINESS

##### 1. NASHVILLE URBAN WINERY NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Love and Exile Wines LLC  
Member(s): Tyler Alkins,<sup>3</sup> 100%

Applicant is requesting approval for the issuance of a winery license at 715 Main Street, Nashville, TN 37206. The applicant is leasing the premises from landlord, Stephen Port. The TABC staff recommends conditional approval of the winery license subject to receipt of the following items:

- a. agent report
- b. inspection & acknowledgment of rules & regulations
- c. certificate of occupancy
- d. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the listed conditional items. Commissioner Skiles moved to accept the recommendation of staff and Commissioner Jones seconded the motion. It was approved with three ayes.

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<sup>3</sup> Tyler Alkins is also the owner of Nashville Urban Winery, LLC d/b/a Nashville Urban Winery, a liquor by the drink establishment (license no. 105692). The liquor by the drink establishment and the winery will be located on separate premises at 715 Main Street, Nashville, TN 37206.



#### 4. FARM WINERY MATTERS

##### A. OLD BUSINESS – none

##### B. NEW BUSINESS

#### 1. VILLA NOVE VINEYARDS & WINERY BUTLER, TENNESSEE (JOHNSON COUNTY)

Applicant: Linda Gay and Robert Gay<sup>4</sup>

Before the Commission is a request for licensing of a farm winery<sup>5</sup> to be located at 1877 Dry Hill Road, Butler, TN 37640. Robert Gay and Linda Gay own the real property where the farm winery will be located. The farm winery has a custom crush agreement with Watauga Lake Winery (W-81), also owned by Robert and Linda Gay. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. inspection & acknowledgment of rules & regulations
- b. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the listed conditional items. Commissioner Jones inquired as to the number of licensed farm wineries and Commission Counsel Stepp estimated there were less than five. Commissioner Jones moved to approve as presented subject to receipt of any missing items. Commissioner Skiles seconded the motion. The motion was approved with three ayes.

#### 5. WHOLESALE MATTERS

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<sup>4</sup> Linda Gay and Robert Gay own Watauga Lake Winery (W-81) located at 6952 Big Dry Run Rd., Butler, TN 37640. Watauga Lake Winery also holds a self-distribution permit.

<sup>5</sup> T.C.A. § 57-3-207(o)(1)(C): (4) The holder of a farm wine permit may: (A) Transport or have transported produce grown on the farm to a winery licensed pursuant to subsection (b), for the manufacture, bottling and labeling of unfortified wine from such produce;

(B) Receive such wine back from the winery manufacturing, bottling and labeling the wine for the farm wine producer;

(C) Offer on the premises of the farm single servings of its wine, with or without charge, as tastings for each wine sample; and

(D) Sell at retail on the premises of the farm sealed containers of wine made from the produce of its vineyard, orchard or fruit garden in a designated building or area.

(5) [Deleted by 2014 amendment, effective May 24, 2014.]

(6) Subsections (d), (h), (i), (j), (m), (n), and (q) which apply to wineries shall also apply to farm wine permittees.



**A. OLD BUSINESS** – none

**B. NEW BUSINESS**

**1. EMPIRE DISTRIBUTORS OF TENNESSEE-KNOXVILLE (LICENSE NO. 41)  
MARYVILLE, TENNESSEE (BLOUNT COUNTY)**

Applicant: Empire Distributors of Tennessee Inc.<sup>6</sup>  
Current location: 6520 Baum Drive, Knoxville, TN 37919  
Proposed location: 1541 Mount Tabor Road, Maryville, TN 37801

Wholesale licensee no. 41 is requesting approval to transfer its location from 6520 Baum Drive, Knoxville, TN, to 1541 Mount Tabor Rd., Maryville, TN 37801. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

- a. certificate of occupancy
- b. inspection & acknowledgment of rules & regulations

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the certificate of occupancy, inspection, and acknowledgment of rules & regulations. Attorney Curtis Harrington was present on behalf of the applicant. Commissioner Jones moved to approve and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**6. DISTILLERY/BREWERY MATTERS**

**A. OLD BUSINESS** – none

**B. NEW BUSINESS**

**1. APPALACHIAN HERITAGE DISTILLERY  
BRISTOL, TENNESSEE (SULLIVAN COUNTY)**

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<sup>6</sup> Empire Distributors of Tennessee Inc. also holds three additional TABC wholesaler licenses: Empire Distributors of Tennessee-Nashville (license no. 11), Empire Distributors of Tennessee-Memphis (license no. 43) and Empire Distributors of Tennessee-Chattanooga (license no. 36).



Applicant: Appalachian Heritage Distillery, LLC  
 Member(s): Ester Nicholas, 67.5%  
 Blake Putnam, 22.5%  
 Rodney Jackson, 10.0%

Before the Commission is a request for licensing of a new manufacturer to be located at 102 Vance Drive, Bristol, TN 37620. The applicant is leasing the premises from landlord, Michael & Hellen Lambert. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. agent report
- b. inspection & acknowledgment of rules & regulations

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the listed items. Commissioner Jones motioned to approve subject to receipt of the items as stated and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**2. LEATHERWOOD DISTILLERY (NO. 169)  
 PLEASANT VIEW, TENNESSEE (CHEATHAM COUNTY)**

Applicant:	Leatherwood Distillery, LLC	
Member(s):	<u>Current (%)</u>	<u>Proposed (%)</u>
	Andrew Lang, 85	Andrew Lang, 80
	William A. Havle, 5	William A. Havle, 5
	John R. Lindahl Jr., 5	John R. Lindahl Jr., 5
	Michael Collins, 5	Michael Collins, 5
	-----	Ethan Allison, 2.5
	-----	Kara Allison, 2.5

The distillery licensee (no. 169) located at 6381 Hwy, 41 A., Pleasant View, TN 37146 is requesting approval for a change in LLC members and member interest. Ethan Allison and Kara Allison are being added as members. The TABC staff recommends approval of this request.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Skiles motioned to accept the recommendation of staff and Commissioner Jones seconded the motion. The motion passed with three ayes.





**7. PRIVATE CLUB MATTERS** - none

**8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION** – none

**9. MISCELLANEOUS**

▪ **RLPS UPDATE**

**Discussion/Action Taken:** Director Byrd asked Assistant Director Blair to comment on this item. Assistant Director Blair then addressed the Commission and commented on several points associated with the RLPS system, specifically, upcoming key dates on January 22<sup>nd</sup> and February 1<sup>st</sup>. Assistant Director Blair noted that staff will be deliberate about communicating with the industry during this process and that RLPS information will be provided by agents and regulatory officers at the time of renewal inspections.

Assistant Director Blair then requested the industry's help with encouraging clients and industry members to sign for the TABC email distribution list, waiting until 60 days prior to expiration before submitting renewals into the system, and inputting ownership information and required documents into the new system.

Additionally, Assistant Director Blair noted that staff will have a help desk for users, create document checklists for the most common license types, and put together internal and external supporting documentation and content.

Assistant Director Blair briefly spoke on the testing process and system demonstrations that had been conducted and noted that staff training will be held in January.

Assistant Director Blair also asked for the industry's patience during this transition.

Commissioner Jones expressed concern about documents that the licensee may have difficulty finding such as a certificate of occupancy issued years in the past. Assistant Director Blair commented that staff was creating a Substitute/Pending Document Form for users to submit as a substitute in certain situations.

**10. BUDGET** - none

**11. COMMISSION MATTERS**

**Discussion/Action Taken:** Commissioner Jones commented that he asked Director Byrd to write a letter summarizing the accomplishments the Commissions had achieved in the past 18 months. Commissioner Jones commented that the agency has made a huge transformation in the past few years.



Commissioner Jones requested Director Byrd to address the highlights included in the letter and Director Byrd then spoke on various items from the letter.

Commissioner Jones thanked the industry for its support as noted his appreciation for the assistance from the Governor's office and General Assembly. Commissioner Jones commented that he wanted to acknowledge the work of the staff. Commissioner Kaegi and Commissioner Skiles concurred with Commissioner Jones' comments. Commissioner Skiles commented that he's been impressed with leadership and commitment of the staff.

Commissioner Jones asked that Director Byrd's letter be included as an addendum to the meeting minutes. (See letter attached to the end of this document)

**Discussion/Action Taken:** Director Byrd commented that the meeting would be Commissioner Kaegi's last Commission and expressed appreciation for Commissioner Kaegi's seven years of public service on the Commission. Commissioner Kaegi commented and noted that it had been a pleasure to serve at the pleasure of the Governor and expressed appreciation for the Commissioners, staff, and industry.

**12. NEXT MEETING -** Thursday, January 25, 2017, at 1:30 p.m.

**13. UPCOMING MEETINGS**

- Tuesday, December 19, 2017, at 1:30 p.m.
- Thursday, January 25, 2017, at 1:30 p.m.
- Thursday, February 22, 2018, at 1:30 p.m. (the February meeting date was set at December meeting)

The meeting adjourned.

**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 25th DAY OF JANUARY 2018.**

  
COMMISSIONER

  
CLAYTON BYRD, DIRECTOR



December 18, 2017

Commissioner John A. Jones  
Commissioner Bryan Kaegi  
Commissioner Richard Skiles

Subject: Accomplishments

Dear Commissioners,

You have asked me to summarize the accomplishments of our agency beginning with the Commission's appointment of new leadership in June of 2016. Below please find a summary of the hard work that the Commission and staff have achieved together. The TABC will launch an online licensing and permitting system next month, a system which will fundamentally transform the day-to-day operations of our agency. Before this change occurs, it is worth noting the significant progress that we've made together.

- The Commission hired or replaced 28 positions in the agency, including a new Executive Director, Assistant Director, Commission Counsel, Director of Risk Management, Director of Administrative Services, Director of Information Technology, 11 Special Agents, 5 Regulatory Officers, and 6 Administrative Assistants. The TABC has 92 full time positions authorized in its budget;
- The Commission also promoted within the agency to establish a new Chief Law Enforcement Officer (CLEO), 3 new Special Agents in Charge (SACs), and 3 new Assistant Special Agents in Charge (ASACs);
- The Commission developed a mission statement, vision, and core values;
  - **Mission:** To protect the public through regulation, education, and enforcement of Tennessee's alcoholic beverage laws.
  - **Vision:** To transform the state's regulation of the alcoholic beverage industry through technology and innovative leadership.
  - **Core Values:** Accountability, Collaboration, Customer Focus, Respect, Integrity, Innovation.
- The Commission submitted a request to voluntarily reduce its FY19 budget by \$278,457 in recurring expenses. Additionally, due to savings and efficiencies, the Commission reverted \$2,602,477 in FY16 and \$1,556,890 in FY17 to the state's general fund, well above our annual reversion target of \$500,000, as set by the Department of Finance and Administration;



- The Commission successfully implemented “wine in grocery stores,” the largest change in alcoholic beverage law in the state’s history since prohibition;
- The Commission issued 688 retail food store (WIGS) licenses, approximately 133 retail package store licenses, 517 liquor-by-the-drink (LBDs) licenses, 17 manufacturers licenses, and 42,000 server permits. The Commission also renewed the licenses of thousands of existing licensees (e.g. 3,571 LBDs) in the alcoholic beverage industry and conducted annual inspections at each of these locations;
- The Commission adopted comprehensive rule updates relative to multiple license types, including (1) retail package stores, (2) manufacturers, (3) grocery stores, (4) manager permits, and (5) terminal buildings of commercial air carriers , all of which created clarity for the staff and industry, and reduced fees imposed on the industry in excess of \$500,000;
- The Commission completed the development phase and the testing phase for the Regulatory Licensing and Permitting System (RLPS) and it held industry and staff demonstrations in Nashville, Knoxville, Chattanooga, and Memphis. The Go-Live date for RLPS is January 22, 2018, the launch of which will completely transform the day-to-day operations of the entire agency;
- The Commission sponsored and the General Assembly enacted Public Chapter 147 during the 2017 legislative session, a comprehensive cleanup bill improving the day-to-day operations of the agency;
- The Commission reduced the TABC’s real estate footprint by transitioning to alternative workplace solutions (“AWS”), leading to significant and recurring cost reductions to its annual budget;
- The Commission responded to the Comptroller’s sunset audit and implemented corrective actions for each of the 4 findings;
  - The Commission consolidated evidence storage locations from 9 sites to 5 sites to reduce the opportunity of evidence misappropriation and misuse;
  - The Commission implemented mandatory evidence management system training and use for all Special Agents/Regulatory Officers statewide;
  - The Commission revised and implemented eight (8) policies on evidence collection, management, and disposition; and
  - The Commission performed a significant clean-up and organization of the Nashville evidence vault and will relocate that space in calendar year 2018, further reducing recurring real estate expenses.



- The Commission conducted approximately 3,000 compliance checks for underage sales;
- The Commission published user-friendly FAQs on its website (95 questions posted with hypotheticals) and it created a TABC email distribution list on the website with over 1,300 subscribers;
- The Commission revised and updated multiple personnel policies including, the TABC's workplace harassment policy, and it implemented and completed mandatory training for all employees statewide, including DOHR's 12 learning modules; and
- The Commission initiated a massive scanning project and will complete this project in 2018. Each paper record in the possession of the Commission will be scanned into an electronic database, thereby reducing storage costs associated with records retention and allowing for electronic access to the TABC's paper files.

Thank you for your continued confidence and support as we fulfill our vision to transform the state's regulation of alcoholic beverages through technology and innovative leadership.

Respectfully yours,

Clayton Byrd  
Executive Director

A handwritten signature in blue ink, appearing to read "Clayton Byrd".