

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
March 25, 2014
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, March 25, 2014 in Nashville, Tennessee at 1:30 pm. Chairperson Mary McDaniel, Commissioner John Jones, and Commissioner Bryan Kaegi were present. Director Keith Bell, Assistant Director Ginna Winfree, Attorney Joshua Stepp, and CLEO Mark Hutchens were present.

1. **Minutes for the February 25, 2014 Commission Meeting were approved.**

2. **RETAIL**

A. **New Business**

1. **HARRISON WINE & SPIRITS
HARRISON, TENNESSEE (HAMILTON COUNTY)**

Applicant: NANA826, LLC

Members: Keyur Kantial Patel (34%)

Kanti Thakor Patel (33%)

Denishkumar Mukeshbhai Patel (33%)

Before the Commission is a request for a new retail liquor store license to be located at 5940 Hwy. 58, Ste. A-1, Harrison, Tennessee 37341. The applicant LLC is investing \$300,000 of personal funds through its Chief Manager, Keyur Kantial Patel; the funds have been verified by the TABC staff. Kanti Patel also has 20% ownership in the Tobacco Mart located at 1339 W. Walnut Avenue, Dalton, Georgia 30720. The applicant will be leasing the property from Kanji Holdings, LLC, for an initial term of five years. The tenant will pay a security deposit in the amount of \$5,000. The rent will be \$0 for the first three months and will be \$2,500 monthly for the remainder of 2014. In 2015, the rent will be \$3,000 with one month free. For 2016, the monthly rent will be \$3,250; \$3,500 per month in 2017; \$3,750 per month in 2018; and \$4,000 through the end of the lease in 2019.

The TABC staff recommends **conditional approval** of the application for a new retail liquor store license upon receipt of the following:

- a. TTB Alcohol Dealer Registration Form
- b. \$850.00 license fee

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval.

Commissioner Jones made a motion to approve pending receipt of the missing documentation and license fee. Commissioner Kaegi seconded the motion and it passed with 3 ayes. - **New Retail Permit # 3933 issued 03/28/2014 and effective date 04/01/2014.**

**2. VINE & BARREL
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Vine & Barrel, LLC

Before the Commission is a request for expansion of the premises of the retail store located at 5506 Hixson Pike, Ste. 100, Chattanooga, Tennessee 37343. Changes to the existing structure include the addition of 2,964 square feet to the pre-existing 4,500 square foot retail store. The expansion would facilitate between 58 to 64 feet from the wall closest to the parking lot to the wall closest to the loading/storage area. Two doors are planned to be installed. One door will be near the parking lot and will be locked/ barricaded. The other door will be located in the rear of the establishment and provide access to the loading/storage area. An additional counter/cashier area is planned for the expansion area. The wall dividing the two existing buildings will be removed to become one open space. Plans and photographs of the proposed expansion have been submitted.

The TABC staff recommends **conditional approval** of this expansion upon receipt of the following:

- a. Updated lease between LLC applicant/licensee and owner of the property, Emily Cameron
- b. TABC inspection
- c. Certificate of Occupancy

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval.

Commissioner Jones motioned for conditional approval pending receipt of the missing documentation. Commissioner Kaegi seconded the motion and it passed with 3 ayes. – **Approved 03/25/2014, database updated 04/07/2014**

**3. ONE STOP WINE & SPIRITS
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: One Stop Wines & Liquors, Inc.

Before the Commission are two belated requests from an existing retail store: a d/b/a name change and approval of additional storage. The retail store, located at 1735 W. State of Franklin Rd. in Johnson City, Tennessee 37604, seeks approval to change the d/b/a name from One Stop Wines & Liquors to One Stop Wines & Spirits. The second request seeks approval of two industrial trailers without wheels that are bolted and welded to the building with a roof system over both units. Access to the two storage trailers is obtained through the store only and not from the exterior. The public is not allowed in this storage area. Photographs have been submitted to the TABC staff. There is an unpaid citation (#1198) issued February 11, 2014 imposing a civil penalty of \$150.00 for the failure to post pregnancy warning pursuant to T.C.A. § 57-1-211.

The TABC staff recommends **conditional approval** of this d/b/a name change and the addition of storage space upon receipt of payment of the civil penalty of \$150.00.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval.

Commissioner Jones made two separate motions for approval pending receipt of a \$150.00 civil penalty, and Commissioner Kaegi seconded both motions; both passed with 3 ayes. – **Citation RI#1198 paid (\$150.00) on 04/03/2014 and citation RI #14-1199 retired 04/03/2014. Retail renewal permit issued with d/b/a change and database updated 04/09/2014.**

3. WINERIES

A. NEW BUSINESS- NONE

4. FARM WINERIES

A. NEW BUSINESS

**1. MNM FARM WINERY
ETHRIDGE, TENNESSEE (LAWRENCE COUNTY)**

Applicant: Johnny M. Lynch
Sole Proprietorship

Before the Commission is a request for a new farm winery located at 361 Pleasant Valley Road in Ethridge, Tennessee 38456. Mr. Lynch will be investing \$20,000 in personal savings. Mr. Lynch has a Custom-Crush contract with James M. Odom, owner of Natchez Hills Vineyard in Hampshire, Tennessee. MNM Farms will deliver their grapes in harvest bins to Natchez Hills Vineyard where the winery will crush, process, make into wine, and bottle the product before transporting it back to MNM Farm. Mr. Johnny M. Lynch and Minnie S. Lynch have held a warranty deed to the property since 1978. Minnie S. Lynch has supplied a statement that she will not have any interest or ownership in the MNM Farm Winery.

All documentation and agency requirements have been submitted with the exception of the following:

- a. TABC Inspection
- b. Agent report
- c. Acknowledgement of TABC Rules and Regulations
- d. \$150.00 License fee

The TABC staff recommends **conditional approval** of this application upon receipt of the missing documentation and license fee.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval.

Commissioner Kaegi motioned to approve pending receipt of the missing documentation and license fee. Commissioner Jones seconded the motion and it passed with 3 ayes. - **Permit # FW-91 issued 04/11/2014**

**2. MOUNTAIN MIST FARMS
PIGEON FORGE, TENNESSEE (SEVIER COUNTY)**

Applicant: Allen C. Shirley and Diane W. Shirley
Partnership: Husband and Wife

Before the Commission is a request for approval of a new farm winery to be located at 722 Caney Creek Road, Pigeon Forge, Tennessee; 37863. Mr. and Mrs. Shirley have an ongoing business, growing and selling fruits, and will

invest approximately \$10,000 of additional capital of personal funds. The TABC staff has verified the funds. There is commercial lease agreement between The Allen C. Shirley and Diane W. Shirley, Revocable Living Trust (Landlord) and the applicant (Tenant). The lease term is one year beginning March 3, 2014 and shall be automatically renewed for annual terms unless terminated (with a ninety day notice) in writing by Landlord or Tenant. The rent for the property will be \$1.00 per year. The applicant has a Custom Crush contract with Blue Slip Winery, LLC in Knoxville, Tennessee. All documentation and agency requirements have been submitted with the exception of the following:

- a. Tax ID number
- b. TTB Basic Permit

The TABC staff recommends **conditional approval** of this application upon receipt of the missing items.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval pending receipt of the **Tax ID number and TTB Basic Permit**.

Commissioner Jones motioned to approve pending receipt of the missing documentation. Commissioner Kaegi seconded the motion, and it passed with 3 ayes. – **Approved 03/25/2014. Permit # FW-89 issued 04/07/2014**

**3. STORYBROOK FARM
JONESBOROUGH, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Diane L. & John P. Vogt
Partnership: Husband and Wife

Before the Commission is a request for a new farm winery located at 695 N. Cherokee Street, Jonesborough, Tennessee; 37659. Mr. and Mrs. Vogt will each be investing \$2,000 of personal funds per year as verified by TABC agents. The applicant owns the property of the farm winery, there is not a land lease required. The applicant has a contract for Custom Crush with Blue Slip Winery, LLC in Knoxville, Tennessee. All documentation and agency requirements have been submitted.

The TABC staff recommends approval of this application.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and requested to amend the applicant's business name to its correct name of Storybrook.

Commissioner Jones motioned for approval. Commissioner Kaegi seconded the motion and it passed with 3 ayes. – **Permit # FW-90 issued 04/07/2014**

5. WHOLESALERS

A. NEW BUSINESS- NONE

6. DISTILLERY

A. NEW BUSINESS

**1. GREAT SMOKY MTN. DISTILLERY, INC.
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Great Smoky Mtn. Distillery, Inc.
Stockholders: Phillip Don Collier (16.67 %)
 Kay Collier-Pittman (16.67 %)
 Ashley Rowles Collier (66.66 %)

Before the Commission is a request for approval of a new distillery to be located at 519 Parkway, Gatlinburg, Tennessee; 37738. Ashley R. Collier will be investing \$250,000 personal funds as verified by TABC agents. Phillip D. Collier will be in active control and personally conduct the management of the business. The lease for the property is by and between the applicant and landlords Twin Island's Land Company, LLC and Indian Gap, LLC. The applicant will pay an annual base rental of \$60,000 to be divided into \$5,000 monthly payments for the first lease year. Beginning July 1, 2014 and continuing on the first day of July of each Lease Year thereafter through and including July 1, 2017, rental will continue to be paid in equal monthly installments and will increase by \$10,000 per year. Beginning July 1, 2018 and continuing on the first day of July of each Lease Year thereafter, base rental will continue to be paid in equal monthly installments and shall increase 2.5% annually. The applicant will pay base rental to landlords in two separate drafts made payable to each of the two respective property owners in accordance with the owner's percentage of ownership interest, with 40% of the total area of the Leasehold premises, and therefore rental, payable to Twin Island's Land Company, LLC and 60% of the total area of the Leasehold premises, and therefore rental, payable to Indian Gap, LLC. Additional percentage rents have been set at seven and one-half

(7.5%) percent of all gross sales under one million dollars, ten (10%) percent of all gross sales from one million to two million dollars, and an additional two and one-half (2.5%) percent for each additional million dollar increment.

All documentation and agency requirements have been submitted with the exception of the following:

- a. Questionnaires from Landlords' Officers and Principals - **submitted on 3/25/2014**

The TABC staff recommends **conditional approval** of this application upon receipt of the missing items.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and requested approval upon satisfactory review of the Questionnaire's submitted on Tuesday March 25, 2014.

Commissioner Jones moved to approve based on the above condition. Commissioner Kaegi seconded the motion and it passed with 3 ayes. - **Permit #104 issued 3/26/2014**

6. PRIVATE CLUBS

A. NEW BUSINESS

**1. HIDDEN VALLEY GOLF & COUNTRY CLUB
LIVINGSTON, TENNESSEE (OVERTON COUNTY)**

- Applicant:** Overton County Recreation Association, Inc.
- Stockholder(s):** Private Club Membership
 - Michael J. Borden - General Manager
 - Jeffery Crawford - Board of Directors
 - Bill Fletcher- Board of Directors
 - Bruce Elder- President/Board of Directors
 - Greg McDonald- Board of Directors
 - Stephen Moody Board of Directors
 - James Reed Brown- Board of Directors
 - Phillip Smalling Board of Directors

Before the Commission is a request for licensing, pursuant to T.C. A. § 57-4-102(8)(A), of a not-for-profit private club, to be located at 201 Valley Drive, Livingston, Tennessee 38570. The applicant is a nonprofit association organized and existing under the laws of the State of Tennessee and designated as a 501(c)3

by the Internal Revenue Service and has 140 members with each member paying \$588.00 in annual dues. A land lease is not required as the applicant purchased the real property upon which it is located in 1989 for the sum of \$4,000. A commercial deed of trust was made by the applicant and Marty Maynard (the Trustee) in 2013; American Bank and Trust of the Cumberland is the beneficiary. The applicant meets all the remaining requirements contained in T.C. A. § 57-4-102(8)(A) including being organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings inures to the benefit of any member, has a suitable kitchen and dining area and no member, officer, agent or employee of the club is paid, or directly or indirectly receives, in the form of salary or other compensation, any profits from the sale of spirituous liquors, wines, champagnes or malt beverages beyond the amount of salary as may be fixed by its members at an annual meeting or by its governing body out of the general revenue of the club.

All documentation and agency requirements have been submitted. The TABC staff recommends approval of this application.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission. Commissioner Kaegi motioned to approve. Commissioner Jones seconded the motion and it passed with 3 ayes. – **Permit #99480 issued 3/26/2014**

7. BUDGET

A. NEW BUSINESS-NONE

8. PENDING MATTERS LIST

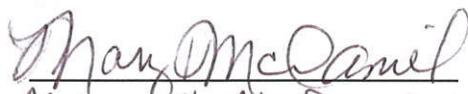
A. Commission Meeting Dates for the 2014 calendar year

April 22, 2014
May 27, 2014
June 24, 2014
July 22, 2014

9. PERSONNEL-NONE

10. DATE OF NEXT MEETING — April 22, 2014

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 22nd DAY OF APRIL, 2014.


MARY H. McDaniel
TABC, chairperson


E. Keith Bell