

When I first learned about these applications for packaged liquor sales on Fremont Street, I thought, “so.... What’s the big deal? There are bars all up and down the street.... it’s an entertainment venue for crying out loud.

I also thought, it kind of looks maybe a little bit anti competitive – this is going to be a really a hard argument to make. But my clients, The D Hotel, and The Golden Gate joined by other members of the Fremont Street Experience asked me to make this argument. They told me it was absolutely, without a doubt, one of the most important issues they’ve faced in recent years. So I’ve spent the last 36 hours learning why.

I think if I had another day or 2, I could provide you with a lot more empirical evidence, but I’ll share with you what I have learned.

And I’ve learned a lot. And, I’m ashamed to say, I learned a lot **that....** as President of the Downtown Las Vegas Alliance, I should have already known.

So here’s what I observed and learned in the last 24 hours.

One of the questions I had, and it was actually echoed by some of you, when this first came up was, what about Mr. and Mrs. Jones from Arkansas or Texas or Detroit, who come to visit, check out the music, and want to get a bottle of wine or maybe some Jameson (my personal favorite) to have in their room while they’re here. Shouldn’t they have that opportunity? Absolutely they should.

And they do. As I observed last night when I visited most of the hotel gift shops downtown, that most of them have a selection of beer, wine and the most popular liquors in their gift shops, which are, on average, about 250 square feet in size. They typically have one cooler with beer and wine and I’d say they’d have about 10 or so bottles of name brand liquor on display.

And, if they want to shop around, there are already SIX liquor stores within a few feet of the front door of every hotel on Fremont.

I'm going to show a 10 second video of one of the gift shops I visited last night, which in my opinion is actually a liquor store that just happens to sell T-shirts.

So, there are plenty of opportunities for Mr. and Mrs. Jones to buy their bottle, and they need not travel very far to comparison shop.

Another concern I personally had about representing on this item was – what about free enterprise? This is a C-2 zone, it's an allowable use, there are other similar uses established, how can we be opposed to it? Well, yes, it's allowed – with a special use permit. And the reason for that is so that this body and the City Council can evaluate the impacts of its decision on the broader community – which I'll get to in a minute.

Further on the topic of competition, I was told by three Hotel executives as well as the President of the Fremont Street Experience who's here with us tonight if you have any questions of him, that if these applications were for taverns or restaurants or any other establishments that sell liquor, AND would compete – they would not oppose them – it's simply not about competition.

Also – The FSE leases property to Walgreens – that lease contains a clause that prohibits that Walgreens from selling alcohol. FSE could make a good dollar on allowing alcohol sales. Why don't they? Because for many years, the 7-11 on Las Vegas Boulevard that is now being transformed into the Inspire Theater by the Downtown Project sold alcohol – and it caused major issues under the canopy. When the 7-11 shut down, the problems went away. When the first packaged liquor permit was requested, the FSE protested – but it was approved anyway. And now there are six. And by the end of tonight, there could be as many as ten, depending on how you decide these cases. So no, this is not about competition – it's about public safety.

So my next question was, “what’s the difference between buying a drink at a bar and buying a beer in a store?”

Well, – at the bar, there’s a bartender, who works for a casino, whose owner is a non-restricted gaming licensee. That bartender (and I talked to several last night) not only has to have a TAM card, as everyone who sells liquor in Clark County does, but he also is trained to know when someone has had too much to drink – and he knows to cut them off.

At the bar outside the D, I observed Flair bartenders, entertaining their customers with acrobatics and serving – one .. drink... at a time. And when a customer has too much, they get cut off.

Nobody can go up and order a 12 pack of 4 Loco, or a bottle of Jack Daniels, walk away and go share it with their under age friends.

What I observed outside the Liquor Stores was people coming out with 12 packs, using the trash cans provided by the funds that come from the owners of the Hotels on Fremont Street as their personal bars. They put the 12 pack down near their feet, take out a 24 ounce can, put it in a bag, drink it, leaning on the trash can, and repeat. I saw this up and down Fremont Street last night.

I then learned that last Sunday night, or early Monday morning, there was yet another stabbing on Fremont Street. I learned that the alleged perpetrator of the stabbing was intoxicated and holding a can of 4 LoKo.

I learned that you can buy 2 24 ounce cans of 4 Loko for \$5.00. And, you can buy as many as you like all at once and share them with your friends outside and down the street. And, I learned that in February, the Federal Trade Commission issued an order compelling the makers of Four Loko to change its packaging so that “consumers will finally know that one can contains the equivalent of consuming 4.7 regular beers.” So for \$5.00, people are walking into these shops and buying the equivalent

of ten beers in two cans. And they can buy as many as they like and there's no bartender to cut them off.

The alcohol content in 4 Loko is 12 percent. Amstel Light is 3.5%. Becks is 5%. In a list of about 60 beers, the majority were 5% or less.

Why does this matter? Because that's what the kids are getting from these stores and yes, there are kids drinking this stuff. It doesn't matter if they're buying it, or if they're paying someone over 21 to go in and get it for them – they're getting it. And they're getting in trouble.

That doesn't happen at the bars. Bartenders are not serving underage kids unlimited quantities of 24 ounce cans of beverages with 12 percent alcohol content.

In recent months, there's been an upsurge in gang activity, crime, underage drinking, and violent behavior in this area. A significant upsurge.

The events are getting so out of hand that the hotel bars have been shutting down, and hiring extra security to keep the gangs and under age people who are clearly intoxicated out of their hotels. I have formed my own opinion that the easily accessible, cheap, strong liquor is a draw for this element coming down to Fremont. That opinion is based on last night's observation, conversation with Metro and with people who work on the street day in and day out.

I've heard the argument that more stores won't equal more sales. Well, there are effectively only 3 owners of these stores on Fremont. They're not "little mom and pop" operations. If they didn't think they were going to sell more alcohol, why invest the significant dollars in licensing, entitlement, inventory, etc... if you think you're not going to sell any more? Just a question. I don't know the answer but it's a logical question to me.

The Fremont Street Experience spends in excess of \$1 million a year on Security and a significant amount more to bring tourists to this town.

The Fremont East Entertainment District, a group of small businesses including The Beat Coffee House, Radio City Pizza, as well as The El Cortez, pay an extra tax for the privilege of having bars and restaurants - and the owners provide their own additional security. And the Downtown Project has the Rangers – people they are hiring to both be a welcome familiar face on the street but also to be available to help handle the crowds and the negative element that's drawn to easily available, inexpensive alcohol. All of these other businesses are investing in building a new and exciting downtown – and they're spending their own dollars to curtail the behavior of people who are partaking too much alcohol on the street from open containers purchased at liquor stores.

And Metro has provided a significant amount of additional resources. The only people not contributing to keeping Fremont Street and Fremont East safe are the owners of the retail shops which again, are turning into nothing more than liquor stores.

I've been contacted by the owner of the Downtown Cocktail Room, Michael Cornthwaite, who is out of town and he asked me to express his vehement opposition to all of these applications.

Gina Gavan with Project Dinner Table and a downtown Resident asked me to express her opposition.

I know that Ryan Doherty from Commonwealth sent an email expressing his opposition as have a number of downtown residents. These people aren't worried about competition – they welcome legitimate competition from people who have to follow the same rules that they do.

Now - One recent event involving a significant number of intoxicated younger people who were becoming violent - involved a large team of Metro officers in an effort to move the crowd off the street. The bars on Fremont – responsibly - closed down due to the potential for an

extremely volatile situation. FSE provided Metro with gates to keep people out after they'd gotten them out. The liquor stores stayed open and had lines out the door.

This is more than a land use issue. I am convinced that this is an issue of significant public safety.

Metro, the FSE, the FEED and the DLVA have been working with the City Department of Business License on how to get a handle on this matter – it requires the attention of all Downtown stakeholders in a thoughtful and careful way. We'd like for all of these applications to be denied – but at a minimum – to be delayed until a packaged liquor density study can be conducted – till we can adequately analyze the recent incidents and their relationship to packaged liquor sales – and to come up with a community driven mechanism to deal with these significant public health safety and welfare issues. This type of process isn't new to us. It's how we as a community always do business. Two final very important points – the Las Vegas municipal code specifically states two things –

A person licensed for the off-sale or on-off-sale of alcoholic beverages shall post a sign no lower than three feet and no higher than seven feet at each sale counter and at each entrance to the premises advising to the effect that, pursuant to LVMC [10.76.010](#), it is unlawful for a person to drink an alcoholic beverage or to possess an open container of alcoholic beverage which was purchased in an original sealed or corked container:

(A)

Upon any premises, including the parking lot, of an establishment which is licensed only for the off-sale or the on-off-sale of alcoholic beverages; or

(B)

Upon property, other than residential property, located within one thousand feet of an establishment which is licensed for off-sale or on-off-sale.

(Ord. No. 6071, § 21, 12-16-09; Ord. 5607 § 32, 2003)

Clearly – that law is not being enforced and the resources for its enforcement don't exist. The open container law outside of the Canopy is also unenforceable at the moment.

6.50.010 Liquor control—Regulatory powers declared.

The City Council declares that this Alcoholic Beverage Control Chapter is an exercise of the regulatory powers delegated to the City Council pursuant to the City Charter and NRS 268.090, inter alia. The regulations contained in this Chapter involve, to the highest degree, the economic, social, physical and moral well-being of the residents and taxpayers of the City. The sale or other disposition of alcoholic beverages is not a matter of right but of privilege, which would otherwise be unlawful if it were not exercised pursuant to a license. This privilege may be denied, revoked, conditioned, suspended or subjected to any other disciplinary action by the City in the exercise of its police powers for the protection of the safety, welfare, health, peace and morals of the residents and taxpayers thereof. Businesses engaged in the sale or other disposition of alcoholic beverages must therefore comply with LVMC [Chapter 6.06](#). Every person licensed pursuant to this Chapter shall cooperate with Department and Metro personnel in the exercise of their duties under this Chapter.

I thank you for your time and respectfully request that you consider these facts carefully, and I hope that you at the very least hold these items for at least 90 days.