City pushes ahead on alcohol impact area

Despite some business opposition, city seeks to prohibit the sales of large and high-alcohol beverages downtown

BY AMANDA WALDROUPE
STAFF WRITER

The City is continuing its push to create an alcohol impact area in downtown Portland, despite the dismal failure of a voluntary agreement between the City of Portland and downtown convenience store owners to not carry certain kinds of malt liquor and fortified wine.

On Thursday, Aug. 12, a public meeting was held between representatives of the Office of Neighborhood Involvement, the Portland Police Bureau and storeowners. The meeting was the first step in the process to petition the state and the Oregon Liquor Control Commission (OLCC) to officially designate downtown Portland as an alcohol impact area.

If the OLCC did so, convenience stores in the downtown area could not sell beer by the can, any malt liquor that contains more than 5.75 percent alcohol by volume, and wine containing more than 14 percent alcohol. Microbrews are exempt.

The impact area would encompass downtown, Old Town, and parts of the Goose Hollow and Northwest neighborhoods. It would be the first alcohol impact area in the state.

The City first tried to get store owners to voluntarily agree not to sell the types of alcohol in question. The initiative, called "VibrantPDX" failed, because only 9 out 43 stores signed the agreement.

The purpose of the program is to decrease what proponents call "street drinking," or drinking in public. It is illegal in Portland, and offenders are given a citation. The Portland Police Bureau gave 1,700 citations for public drinking in that area in 2009. That accounts for 55 percent of all public drinking in the city.

About 20 storeowners attended the Aug. 12 meeting to reiterate their vehement frustration and lack of support for creating an alcohol impact area. They are worried that the restrictions will negatively effect their business.

Storeowners who supported the "VibrantPDX" iniative, however, are now opposed to the alcohol restrictions the Office of Neighborhood Involvement is currently proposing. The "VibrantPDX" agreement exempted 16-ounce cans from the list of restrictions. 16-ounce cans are no longer restricted. "That's 30 percent of the market or more," Doug Peterson, the owner of Peterson's Convenience Stores, said at the meeting.

Peterson also brought three bottles of wine with him to the meeting – a merlot by Duck Pond, and zinfandels by BV Coastal and Kendall Jackson. All are extremely popular products at his stores, he said, and all three bottles contain at least, if not more than, 14.5 percent alcohol. And some wines, he said, have slightly more alcohol in them than prior vintages. "You could have an illegal item and violation by accident," he said.

"It is overly broad," Peterson said, referring to the list of current restrictions. "That was loud and clear during the Vibrant PDX discussions."

Mike Boyer, a crime prevention specialist at the Office of Neighborhood Involvement, says it will be possible as discussions continue that more exemptions can be added to the final list given to the OLCC. "If there is one thing that can be made clear," he says, "it is that this is a public process."

The Oregonian has reported that the OLCC's chairman, Phil Lang, supports alcohol impact areas.

The Aug. 12 meeting was the first step of many in a long and involved process to create an alcohol impact area. The Office of Neighborhood Involvement will petition the City Council to ask the OLCC to create an alcohol impact area. That is expected to happen sometime in mid-September. From there, it could take almost a year before the OLCC creates the impact area.

Boyer says that there are no other programs or initiatives that have been planned to combat street drinking. That includes increasing the funding for alcohol and drug treatment. But, Boyer says, those ideas are not being excluded.

To critics who say this is a Band-Aid approach to a larger problem," Steve Mattsson, manager of the Hooper Detox Center, says "I'm fine with Band-Aids. They're very useful. But as part of a comprehensive solution, I have no problem with it whatsoever."

Hooper admits about 10,000 people to its sobering station each year. The population Hooper deals with are predominately homeless aclohol and addicts," Mattsson says. "That's the group we're most concern with, and the cheap high alcohol really is marketed to them, and we deal with them on a daily bases, and it really does have a negative effect."

Pauline Gustafson of Georgia's Grocery

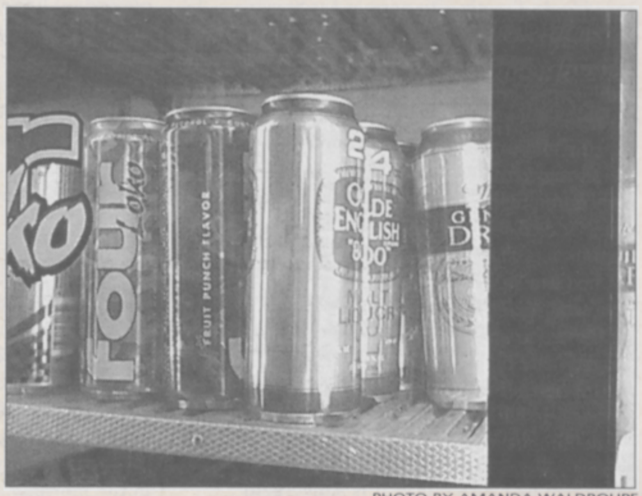

PHOTO BY AMANDA WALDROUPE

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at Southwest 12th Avenue and Stark Street is a storeowner who is vehemently opposed to creating an impact area. She shares Peterson's concerns that her business will be affected. But she also does not think it will solve any problems associated with street drinking. They will just go somewhere else in Portland where that type of alcohol is sold, she thinks.

"Portland has been trying to get rid of people on the street for as long as I can remember. This is yet another way to get them out of sight," she said during the meeting.

Washington State initiatives seek to privatize liquor sales

Competition and declining revenue has coalition, brewer's guild concerned

BY MOLLY SMITH
STREET NEWS SERVICE

Two Washington initiatives aim to put an end to the government's monopoly on liquor. Washington and Oregon are among 18 states in the nation that continue to control the distribution and sale of hard liquor, and under the current system, liquor is distributed by the state liquor control boards and sold in state-run liquor stores, or by state-approved private contractors.

Washington Initiative-1100 and Initiative-1105 aim to privatize the state's liquor retail system, giving current licensed beer and wine retailers, such as local grocery and convenience stores and big-box chain stores, the ability to sell hard liquor.

Under I-1100, which has been heavily supported by retail giant Costco, current beer and wine retailers would be able to purchase an annual liquor license. The Liquor Control Board would no longer set price controls, and bans against volume discounts would be repealed. Unlike the current system, retailers would be able to buy directly from manufacturers, in essence becoming their own distributors.

I-1105, would also allow retailers to purchase liquor licenses, but it would preserve state laws that are in place to protect liquor distributors such as the uniform price requirement and the prohibition against bulk discounts. Whereas I-1100 would keep current liquor taxes in place, I-1105 calls for the repeal of all existing taxes applied to liquor and the institution of a new tax, as developed by the WSLCB and approved by the state legislature.

Washington State has the highest liquor tax rate in the nation, and at $25.73 per gallon, liquor taxes generate a significant amount of income for the state. According to a "State Government Performance Review" issued by state auditor Brian Sonntag in January 2010, the Liquor Control Board brought in $322 million in taxes and operating income in fiscal year 2008, revenue that is used to fund both state and local services. Initiative backers contend that the state would generate more revenue by cutting the operating costs of its liquor stores and distribution center and through the sale of liquor licenses.

The potential for lost revenue is just one of the major concerns of the Keep Our Kids Safe Coalition, a coalition of members of the Washington State Council of Firefighters, labor unions, mom-and-pop store owners and church coalitions, and the state's most vocal opponent of both I-1100 and I-1105.

"(I-1100 and I-1105) would increase access and decrease monitoring and prevention, harm state and local funding for related law enforcement and education programs, and seriously affect public health and the safety of our communities," reads a Keep Our Kids Safe position paper.

The Washington Brewers Guild, which represents small breweries across the state, also recently released a position paper detailing its opposition to I-1100, calling the measure the "the greatest threat the Washington craft brewing industry has experienced in a decade".

"I-1100 is being marketed as just privatizing the sale of hard liquor, but it actually repeals 39 state laws, 11 to 15 of which have a direct impact on how Washington state breweries and wineries do business," says Heather McClung, Washington Brewers Guild President and owner of West Seattle's Schooner Exact Brewing Company.

"It's really a sweeping attempt to deregulate our entire industry," she says. By giving volume pricing discounts to the largest companies, the initiative favors the largest players in the industry and eliminates the level playing field small breweries need to prosper. Of the state's 150 breweries, McClung says that 148 are categorized as small businesses.

The Washington Brewers Guild has yet to take an official stance on I-1105. According to McClung, the Guild will either declare its support for the initiative in the coming weeks or it will continue to remain neutral on the measure. "(I-1105) keeps the three-tier system in place, but it does give some rights and privileges to the spirit industry that we have no problems with," she says.

For now, the Guild is focusing its efforts on building alliances with other I-1100 opponents.

Although the initiatives together turned in over 750,000 signatures – well over the 241,000 each needed to land a spot on the ballot – it remains to be seen how the measures will fair in November. According to a July poll conducted by Survey USA and KING5 on voters' attitudes towards privatizing liquor, 65 percent of respondents trust the state to sell liquor responsibly whereas 56 percent trust the private sector.

Originally published by Real Change, Seattle, Wash. © www.streetnewsservice.org