

Palmer, Steve

From: Paul Moeller [paul.moeller@greatcorks.com]
Sent: Wednesday, February 22, 2012 12:46 PM
To: Palmer, Steve
Subject: Bill 5021

At the suggestion of Joseph Taborsak, I am sending my thoughts regarding the above bill.

Re: Bill #5021

When small, family owned businesses are bought and built based on strict government regulations, then those regulations are quickly eliminated, chaos often ensues . This is what will happen to many of our Connecticut, family owned package stores.

Our family bought Fairgrounds Wine and Spirits package store in Danbury , Connecticut about 5 years ago. We borrowed \$1.7 million in government backed loans and invested all our savings in the down payment and inventory. The loans were based on a minimum cash flow. If this bill is passed in its entirety we are very concerned that we will be unable to pay back the loan, much less make a reasonable living.

The alcohol business is a very unique business. Demand for its products, excepting holidays, is basically flat. If, for example, there is a snow storm and residents can't get out to buy alcohol, they don't buy twice as much the next day. That sale/opportunity is gone forever. Increasing the retail outlets for alcohol products by allowing "Big Box" stores and convenience stores to sell alcohol will only spread demand among a larger number of stores. Volumes will not go up. Revenues will not go up. More taxes will not be collected. These new outlets will not increase staff, they will simply replace some existing items with alcohol items using the same, existing staff. These new outlets will gain convenience sales from their existing customers at the expense of the smaller stores. This could put 7,000 people out of work. This will definitely decrease my stores volume significantly, possibly putting us out of business.

Also in the bill #5021 is the elimination of minimum bottle (min bottle) pricing. Eliminating min bottle pricing will allow "big box" stores to sell below cost. These large corporations such as Costco, BJ's, Stop and Shop have very deep pockets and will force smaller, family owned stores out of business by using alcohol as a loss leader and making up profits on the other items that they sell. We don't have any other items to sell. Just alcohol related products. They can afford to do this until there is little to no completion left.

Today liquor stores are valued by their volume of sales and location. The medallion method of licensing allows anyone to buy the cheapest license available and then move it anywhere in the state. This greatly lessens the value of the existing businesses built by hard working family people.

Today I employ 16 people. If my volume goes down, I will be forced to let people go. Those people will likely go on unemployment; my income taxes will lessen, decreasing the revenue to the State.

Please do not support this destructive anti small business bill. Please use your vote to save the families that have worked a lifetime to make a reasonable living.

Sincerely,
Paul Moeller, Owner
Fairgrounds Wine & Spirits 19A Sugar Hollow Road, Danbury, Ct 06810 203-792-2152

2/22/2012