



STATE OF ARIZONA
ARIZONA STATE LIQUOR BOARD
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JANICE K. BREWER
Governor

J. D. GHELFI
Board Chair

ALAN EVERETT
Director

Arizona State Liquor Board Hearing Minutes
December 4, 2014

Members Present: J.D. Ghelfi - Chairman, Cyndy Valdez - Vice Chairman, Bill Du Pont, Robin Cantrell, Jim Carruthers, Vikki Scarafiotti and Pud Colquitt

Members Absent: None

Counsel Present: Sarah Selzer, Assistant Attorney General
Christopher Munns, Assistant Attorney General

Staff Present: Denise Bale, Board Administrator

A. Call to Order

The hearing of the Arizona State Liquor Board was called to order on December 4, 2014 at 10:06 a.m. with Mr. Ghelfi presiding.

Roll Call

All board members were present.

B. Agenda: review, consideration and action

The Board proceeded to agenda item #2.

2. Restaurant Liquor License No. 12083509 - Original Application

Alan Adolf Olivas
Wonder Bar and Grill
2034 Plaza Drive
Bullhead City, AZ 86442

This matter is set for hearing because the Department is protesting the application. The Applicant was not present and was represented by counsel, Peter H. Schelstraete. Ms. Selzer said the Department does not object to the withdrawal. The hearing was continued to the end of the agenda to allow Mr. Schelstraete time to file an application withdrawal.

The Board proceeded to agenda item #1.

1. Restaurant Liquor License No. 1207A003 - Original Application

David M. Aguilar
El Rey Restaurant Mexican & Sea Food LLC
El Rey Restaurant Mexican & Sea Food
3328 W. Van Buren Street
Phoenix, AZ 85009

This matter is set for hearing because the Department is protesting the application and because the City of Phoenix recommended disapproval. There is an interim permit in place. The Applicant, David M. Aguilar, did not appear at the hearing and was not represented by counsel. Notice of hearing was sent to the Applicant via certified mail to the address of record. Assistant City Prosecutor Nathan Watts and Detective Shon Washburn appeared on behalf of the City of Phoenix. Assistant Attorney General Sarah Selzer and Investigator Dan Webb appeared on behalf of the Department. Assistant Attorney General Christopher Munns, from the Solicitor General's Office, was present and available to provide independent legal advice to the Board. Detective Washburn and Investigator Webb were sworn, and Investigator Webb testified.

Ms. Selzer submitted on the record. There was Board discussion. Ms. Valdez made a motion regarding Liquor License No. 1207A003: Based upon the following factors, the licensed premises appears to be operating as a bar versus a restaurant, the cook versus bartender ratio is lopsided, the establishment is unable to meet the forty percent food sales criteria in the past and the current applicant has stated that he intends to operate it in the same manner, which would be outside the criteria for that series license. Therefore, I move we find that this business will not operate as a restaurant as provided in A.R.S. §4-205.02. Also, the fact that the City is protesting, the police department is concerned with the possible hidden ownership, and that the applicant failed to provide full financial disclosure, I move that we find the applicant is not capable, qualified and reliable as required by A.R.S. §4-203(A) and that this Board deny this application and revoke the interim permit.

Motion to deny license
and revoke the interim permit - Valdez
Seconded - Carruthers
Yay - Valdez, Carruthers, Cantrell, Colquitt, Ghelfi, Du Pont, Scarafiotti
Nay - None
Abstained - None
Disposition - License denied and interim permit revoked

The Board proceeded to agenda item #2.

2. Restaurant Liquor License No. 12083509 - Original Application

Alan Adolf Olivas
Wonder Bar and Grill
2034 Plaza Drive
Bullhead City, AZ 86442

Mr. Schelstraete presented an application withdrawal stamped by the Department.

Motion to accept
application withdrawal - Du Pont
Seconded - Valdez
Yay - Du Pont, Valdez, Ghelfi, Colquitt, Carruthers, Cantrell, Scarafiotti
Nay - None
Abstained - None
Disposition - Application withdrawal accepted

The Board proceeded to agenda item #3.

3. Beer and Wine Store Liquor License No. 10133275 - Original Application

Roy Lee Beard
Black Canyon Jerky, LLC
Clarkdale Market
915 Main Street
Clarkdale, AZ 86324

This matter is set for hearing because the Common Council of the Town of Clarkdale recommended disapproval. The Applicant, Roy Beard, and his spouse, Caryll Beard, appeared at the hearing and were not represented by counsel. The Board provided Applicant the opportunity to postpone the hearing to obtain counsel; the Applicant chose to proceed without counsel. The Applicant and Ms. Beard were sworn and testified. Gayle Mabery, Town Manager, and Joe Moore, Fire Chief, appeared on behalf of the Town of Clarkdale and were not represented by counsel. Ms. Mabery and Chief Moore were sworn and testified.

Caryll Beard read a written statement on behalf of Roy Beard, beginning with capability, qualification and reliability as it relates to complying with state, federal and local regulations. The Clarkdale Market applied for and received approval for Lottery sales and EBT cards. Ms. Beard described the Beards' working relationship with the Town of Clarkdale. Mr. Beard stated he and Ms. Beard have completed basic and management liquor law training and they intend to have their employees complete the same training. The location is in the middle of downtown Clarkdale on the main street, and is convenient for people who do not have transportation to travel to another store.

The Board recessed from 10:38 a.m. to 10:44 a.m.

Gayle Mabery discussed the Town Council meeting on August 26, 2014, where the Clarkdale Market liquor license application was considered. The two compliance issues brought to the Town Council involved signage and making it difficult for the fire department to complete its inspection. The issues had been resolved by the time of the Town Council meeting; however, the repeated noncompliance raised concerns about the capability, qualification and reliability of the applicant. Ms. Mabery stated that density was not an issue in the staff recommendation or the Town Council's decision. The population of Clarkdale is 4,097 and there is one convenience store with a series 10 license within one mile of the Clarkdale Market. There were questions from the Board.

Joe Moore addressed the Board and described the attempts Clarkdale Fire District made to schedule an inspection and obtain emergency contact information from Mr. Beard. Chief Moore discussed community partnering. There were questions from the Board.

There was Board discussion. Ms. Valdez made a motion regarding Liquor License No. 10133275: Based upon the following factors, the DLLC is not protesting the application, the applicant is an experienced business owner; the applicant has completed Title 4 basic and management liquor law training, as has his spouse, Caryll Beard; they intend to have their employees complete the same; the applicant's ability to obtain and comply with regulations with regard to EBT and Lottery sales speak to his capabilities; the two compliance issues that were raised by the Common Council of Clarkdale were addressed, though there were challenges in getting them addressed, both have been remedied; I move that we find the applicant is capable, qualified and reliable as required by A.R.S. 203(A); and based upon the following factors, the location is on Main Street in the middle of town; the customers in the immediate area have requested that the store sell liquor as a convenience versus having to drive to another location; there is a letter of support on file; the City Manager has stated that density is not an issue; I move that we find that the public convenience does require and that the best interests of the community will be served as required by A.R.S. 203(A) and that the liquor license application be granted.

Before voting, members commented on holding a hearing for this application.

Motion to grant license -	Valdez
Seconded -	Cantrell
Yay -	Valdez, Cantrell, Ghelfi, Du Pont, Colquitt, Carruthers, Scarafiotti
Nay -	None
Abstained -	None
Disposition -	License granted

C. Minutes

Motion to amend the minutes of
November 6, 2014 to replace
"[inaudible]" with "the number
of licenses" -
Seconded -
Yay -
Nay -
Abstained -
Disposition -

Carruthers
Valdez
Carruthers, Valdez, Cantrell, Ghelfi, Du Pont, Colquitt
None
Scarafiotti
November 6, 2014 minutes amended

Motion to approve the
November 6, 2014 minutes -
Seconded -
Yay -
Nay -
Abstained -
Disposition -

Du Pont
Colquitt
Du Pont, Colquitt, Carruthers, Cantrell, Ghelfi, Valdez
None
Scarafiotti
November 6, 2014 minutes approved

Motion to approve the
November 6, 2014
Executive Session minutes -
Seconded -
Yay -
Nay -
Abstained -
Disposition -

Valdez
Colquitt
Valdez, Colquitt, Cantrell, Carruthers, Ghelfi, Du Pont
None
Scarafiotti
November 6, 2014 Executive Session minutes approved

D. 2015 Hearing Schedule: Review, consideration and action

Motion to approve the
2015 Hearing Schedule -
Seconded -
Yay -
Nay -
Abstained -
Disposition -

Valdez
Colquitt
Valdez, Colquitt, Cantrell, Carruthers, Ghelfi, Du Pont, Scarafiotti
None
None
2015 Hearing Schedule approved

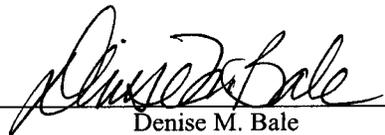
E. Reports on Current Events, Matters of Board Procedure, Requests and Items for Future Agenda

The next Board meeting is scheduled for January 8, 2015. There will be a split agenda; a 10:00 a.m. session and a 1:00 p.m. session. The 1:00 p.m. session will be held in the First Floor Auditorium of the ICA Building (800 W. Washington, Phoenix, AZ). Mr. Ghelfi requested an agenda item for election of officers. Ms. Selzer introduced Frankie Shinn-Eckberg who is a new Assistant Attorney General in the Licensing and Enforcement Section.

F. Call to the Public

None.

The Board adjourned at 11:21 a.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date