



STATE OF ARIZONA
ARIZONA STATE LIQUOR BOARD
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DOUGLAS A. DUCEY
Governor

J. D. GHELFI
Board Chair

JOHN COCCA
Director

Arizona State Liquor Board Hearing Minutes
June 4, 2015

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

Members Absent: Vikki Scarafiotti

Counsel Present: Michael Raine, 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 June 4, 2015 at 10:00 a.m. with Mr. Ghelfi presiding.

Roll Call

Ms. Scarafiotti was absent. All other board members were present.

B. 10:00 a.m. Agenda: Review, consideration and action

1. Beer and Wine Store Liquor License No. 10113260 - Original Application

Stefanie Alvidrez
Stanfield Ranch Market LLC
Stanfield Ranch Market
36820 W. Arizona Hwy 84
Stanfield, AZ 85172

This matter was continued from the May 7, 2015 meeting and is set for hearing because of public protest. The Applicant, Stefanie Alvidrez, appeared at the hearing and was not represented by counsel. Alejandra Torres was present to interpret for the Applicant. The Applicant was sworn and testified. Public protestor Phil Crabbe appeared telephonically and was sworn and testified.

Ms. Valdez disclosed that this account will be in the distribution territory of her employer, Golden Eagle Distributors, Inc. Ms. Valdez stated that she is an employee of Golden Eagle Distributors. She is not an owner or shareholder of the company. She believes she can participate and be impartial in making a decision on this application. She is not inclined to recuse herself unless there are objections from the parties. There were no objections.

Ms. Alvidrez described the Stanfield Ranch Market, her training, her prior experience working with liquor, and her duties managing the store and supervising employees. There were questions from the Board regarding local permits, ownership, and management.

Motion to convene in executive session for legal advice -	Ghelfi
Seconded -	Cantrell
Yay -	Ghelfi, Cantrell, Du Pont, Valdez, Carruthers
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 10:20 a.m. and reconvened in open session at 10:35 a.m.

Board questioning continued. Mr. Crabbe read a prepared statement and answered Board questions. There were additional Board questions for the Applicant regarding security and managing the store.

Mr. Du Pont made a motion regarding Liquor License No. 10113260: Based on both applications we have management and regular liquor training on file, the Applicant present has had prior experience in bar for a two year period. I move that we find the Applicant is capable, qualified and reliable as required by A.R.S. § 4-203(A). And that based on this location, it was previously a grocery store, that they have done upgrades to facilitate the needs of existing residents as a deli, bakery, full service grocery store, that the police or sheriff's department did not have a problem with this, and that the Board of Supervisors did pass this, we find that the public convenience does require that the best interest of the community will be served as required by A.R.S. § 4-203(A) by granting the liquor license and therefore we grant the application.

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

2. Bar Liquor License No. 06070512 - Person and Location Transfer Application

From:	To:
Don Drysdale Doral, Agent	Christian Nava Cruz
Playtime LLC	2438 LLC
Ox Sportsbar	Heat Cabaret
3209 E. Pinchot	2438 E. McDowell Road
Phoenix, AZ 85018	Phoenix, AZ 85008

This matter was continued from the May 7, 2015 meeting and is set for hearing because the City of Phoenix recommended disapproval of this application. The Reverend Jarrett Maupin and Isabelle McCann appeared on behalf of the Applicant. The City of Phoenix was represented by Assistant City Prosecutor Jessica Breedlove. Josefina Valenzuela and Maria Guadalupe Arenazas appeared on behalf of the City of Phoenix. All witnesses were sworn and testified.

Ms. Breedlove made an objection to moving forward with the hearing because the ownership of 2438 LLC changed and the application that was forwarded to the City of Phoenix contained incorrect information. Ms. Breedlove stated that the Applicant should submit an application with correct information and go through the application process again.

Motion to convene in executive session for legal advice -	Ghelfi
Seconded -	Valdez
Yay -	Ghelfi, Valdez, Cantrell, Du Pont, Carruthers
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 10:59 a.m. and reconvened in open session at 11:08 a.m.

The objection was overruled. Ms. Breedlove made another objection to moving forward based on the notice requirements of A.R.S. § 4-201. The objection was overruled.

Mr. Cruz discussed his business qualifications, training and community service. In response to City Council requests, Mr. Cruz testified that he changed the business name, changed the sign on the building, added traffic signs, upgraded the outdoor lighting, and upgraded the security. Mr. Cruz testified that he attended the Neighborhood Association meeting where the neighbors voted in favor of having the Series 6 liquor license at this location. On cross-examination, Mr. Cruz explained amendments to this application, violations at Locas Showclub, and a violation at Bottoms Up Gentlemen's Club. There were Board questions.

Mr. Dow called his next witness, The Reverend Jarrett Maupin. Rev. Maupin testified that Mr. Cruz has made an effort to accommodate the neighborhood and that he supports this application.

Mr. Dow called his next witness, Isabelle McCann. Ms. McCann lives directly behind Heat Cabaret. She testified that Mr. Cruz has worked with the neighborhood and has been responsive to her requests.

Ms. Breedlove called her first witness, Maria Guadalupe Arenazas. Josefina Valenzuela translated for Ms. Arenazas. Ms. Arenazas testified about the neighborhood meetings. She did not attend the neighborhood meeting where the vote on having a Series 6 license at Heat Cabaret was taken.

Ms. Breedlove called her next witness, Josefina Valenzuela. Ms. Valenzuela testified about the neighborhood meetings and her role in assisting with the vote on having a Series 6 license at Heat Cabaret.

Mr. Dow made a closing statement. Ms. Breedlove made a closing statement.

There was Board debate. Ms. Valdez made a motion regarding Bar Liquor License No. 06070512. Based upon the following factors: the Applicant was not truthful in answering questions on his application; the application was incomplete and contained inaccuracies; the Applicant's response to City questions regarding the lack of timeliness and making amendments on ownership were incredible; his application were not credible; he is an experienced business man and to say he was unaware of how to amend an application was also incredible. There is a history of liquor license violations at other locations that were under the Applicant's ownership or management. I move that we find the Applicant is not capable, qualified and reliable as required by A.R.S. § 4-203(A); and based upon the following factors: the City of Phoenix unanimously recommended disapproval; there was testimony from the Applicant and Applicant's witnesses that the crime rate in this area is an issue; there's protests from residents in this area against the application; I move that we find that the public convenience does not require, and that the best interest of the community will not be served as required by A.R.S. § 4-203(A), and that the liquor license application be denied.

There was Board discussion.

Motion to deny license -	Valdez
Seconded -	Cantrell
Yay -	Valdez, Cantrell, Du Pont, Ghelfi
Nay -	Carruthers
Abstained -	None
Disposition -	License denied

The Board recessed from 1:10 p.m. to 1:35 p.m.

Ms. Cantrell excused herself from the meeting.

3. Beer and Wine Store Liquor License No. 10103753 - Original Application

Isaac Cota
Carniceria el Aguajito, LLC
Carniceria el Aguajito
2800 E. Fort Lowell Road
Tucson, AZ 85716

This matter is set for hearing because of public protest. The Applicant, Carniceria el Aguajito, LLC, and its Agent, Isaac Cota, appeared at the hearing and were not represented by counsel. Mr. Cota waived legal rights associated with an attorney's right to practice law in Arizona. Mr. Cota was sworn and testified. Public protestors Julia Fonseca and Dale Turner were not present at the hearing.

Ms. Valdez disclosed that this account is in the distribution territory of her employer, Golden Eagle Distributors, Inc. Ms. Valdez stated that she is an employee and her compensation is not dependent on the revenue of the company. She is not an owner or shareholder of the company. She believes she can participate and be impartial. Unless there are objections from the parties, she is not inclined to recuse herself. There were no objections.

Mr. Cota described the meat market, produce and grocery store. He stated that the location was selected because there are no meat markets in the neighborhood. Mr. Cota discussed his efforts to reach out to the neighborhood and protestors. There were questions from the Board. Mr. Cota, his business partner, and his partner's wife have completed Basic and Management liquor law training. Mr. Cota stated that every customer purchasing beer or wine will be asked for ID. He discussed the convenience of having beer and wine for his customers.

Mr. Du Pont made a motion regarding Liquor License No. 10103753: Based on the applications from the Applicants and their liquor license training both in Basic and in Management training, that all three have been trained, that they are trying to reach out to the community, that they have hired a true butcher to facilitate in the sale of the product, I move that we find the Applicant is capable, qualified and reliable as required by A.R.S. § 4-203; and that based upon Mayor and Council's approval, based on that the zoning is there, that there is no input from the police, therefore there is no criminal history, we find that the public convenience does require that the best interest of the community will be served as required by A.R.S. § 4-203(A) by granting this liquor license and that the Board grant the application.

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

4. Restaurant Liquor License No. 12093102 - Original Application

Justin Wesley Brosemann
Mia Piachi Bistro LLC
The Bistro At Annie's
2849 Highway 260
Lakeside, AZ 85929

This matter is set for hearing because of public protest. The Applicant, Justin Brosemann, appeared at the hearing and was not represented by counsel. Mr. Brosemann waived legal rights associated with an attorney's right to practice law in Arizona. Heather Brosemann appeared on behalf of the Applicant. Public protestors Ross Parsons, Michael Gillespie, and Thalia Wright appeared at the hearing. All witnesses were sworn and testified.

Ms. Valdez disclosed that her employer, Golden Eagle Distributors, distributes Budweiser products out of its Show Low branch. Ms. Valdez stated that she is an employee and her compensation is not dependent on the revenue of the company. She is not an owner or shareholder of the company. She feels that she can be an impartial participant in the hearing. She is not inclined to recuse herself unless there are objections from the parties. There were no objections.

Mr. Brosemann described his background of 25 years in the culinary industry. He attended Scottsdale Culinary Institute and Le Cordon Bleu. Mr. Brosemann completed Basic and Management liquor law training. There were questions from the Board. Mr. Brosemann stated that based on the landlord's claims that she had a liquor license at this location and the two previous establishments had been liquor-licensed, the issue of having a liquor license at this location was not a big concern. Ms. Brosemann testified that they have been operating restaurants for five years and that customers have requested alcohol beverages to be served with their meals.

Mr. Parsons stated that his family has owned the property for 55 years. The subdivision is in an unincorporated area of Navajo County. He discussed the original deed restrictions on the area dated 1946 and the amendment filed in 1978. The Homeowners Association (HOA) has restrictions on the property to maintain the residential character of the subdivision. There were Board questions.

Mr. Gillespie attended the Navajo County Board of Supervisors meeting where the recommendation for approval of the liquor license was decided. Mr. Gillespie lives 30 feet from the location. He described the deed restrictions when he purchased the property 20 years ago. Mr. Gillespie is concerned that his property will lose its residential character. There were Board questions.

Ms. Wright discussed the noise, traffic, and parking issues with the location. She referred to nine lots that are exempt from deed restrictions and that have businesses. The Bistro At Annie's is located on one of those lots. There were Board questions.

Motion to convene in executive session for legal advice -	Carruthers
Seconded -	Ghelfi
Yay -	Carruthers, Ghelfi, Valdez, Du Pont
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 2:50 p.m. and reconvened in open session at 2:55 p.m.

There were Board questions about hours of operation, special events, and occupancy. There was Board debate.

Ms. Valdez made a motion regarding Liquor License No. 12093102: Based upon the following factors: there is no protest from the Department of Liquor Licenses and Control; the Applicant has completed Title 4 Basic and Management Liquor Law Training; the Applicant has considerable experience in the restaurant business and management including over 25 years in the culinary business holding a variety of jobs; I move that we find the Applicant is capable, qualified and reliable as required by A.R.S. § 4-203(A). And based upon the following factors: the County of Navajo Board of Supervisors unanimously recommended approval; they have been running this restaurant for over five years and customers have been asking for alcohol beverages to complement their meal; I move the public convenience does require and the best interest of the community will be served as required by A.R.S. § 4-203(A) and that the liquor license application be granted.

Mr. Du Pont seconded the motion. Mr. Ghelfi requested an amendment "at this location since April 2014" in place of "for over five years". Ms. Valdez accepted the amendment and Mr. Du Pont seconded the amended motion.

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

C. Minutes: Review, consideration and action

Motion to approve the
May 7, 2015 minutes - Valdez
Seconded - Du Pont
Yay - Valdez, Du Pont, Ghelfi
Nay - None
Abstained - Carruthers
Disposition - May 7, 2015 minutes approved

Motion to approve the
May 7, 2015 Executive
Session minutes - Valdez
Seconded - Du Pont
Yay - Valdez, Du Pont, Ghelfi
Nay - None
Abstained - Carruthers
Disposition - May 7, 2015 Executive Session minutes approved

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

The next meeting is July 9, 2015. The start time will be 10:00 a.m. There are two matters set for hearing. Mr. Ghelfi requested future agenda items: (E) Title 4 training for laws that go into effect July 3, 2015; (F) Advisory in the Notice of Hearing regarding interpreters and legal representation of corporations and LLC's; and (G) Procedural issues with local governing body decisions, which was requested by Ms. Scarafiotti at the last meeting.

E. Interpretation of A.R.S. § 4-201 as it Relates to Documentation Required of Neighborhood Associations

The Board requested a legal interpretation of A.R.S. § 4-201 as it relates to documentation required of neighborhood associations that protest liquor license applications. There was also a question about whether an incorporated neighborhood association is required to be represented by an attorney when it appears before the Board. Mr. Raine will prepare a memorandum for the Board.

F. Procedural Matters to Increase Efficiency of Applicant's Testimony

The Board discussed strategies for requesting written testimony in Affidavit form and maximizing the hearing time for Board questions.

G. Call to the Public

None.

The Board adjourned at 3:22 p.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date