MINUTES OF THE MEETING OF THE UTAH

 ALCOHOLIC BEVERAGE CONTROL COMMISSION

HELD TUESDAY, FEBRUARY 25, 2020, AT 1625 SOUTH

900 WEST, SALT LAKE CITY, UTAH.

*[A copy of the final agenda was posted on the bulletin board at the DABC Administrative Office, emailed to the Salt Lake Tribune and the Deseret News, and posted on the Utah Public Notice Website by 10:00 a.m. on Monday, February 24, 2020.]*

Chairman John T. Nielsen called the meeting to order at 10:05 a.m.

Commissioners Present: John T. Nielsen, Tom Jacobson, Steve Bateman, Amanda Smith, Sophia DiCaro, Jacquelyn Orton, and Stanley B. Parrish.

Staff Present: Salvador Petilos, Director; Cade Meier, Deputy Director; Angela Micklos, Compliance and Licensing Director; and Man Diep, Finance Director..

Also Present: Sheila Page, Assistant Attorney General.

PLEDGE OF ALLEGIANCE:

Chris Johnson led the group in the Pledge of Allegiance.

APPROVAL OF MINUTES:

Mr. Parrish moved to approve the minutes of the Commission Meeting held on January 28, 2020. Ms. DiCaro seconded the motion which passed unanimously.

ANNOUNCEMENTS:

Mr. Nielsen made the following announcements:

a. Proposed Future Meeting Schedule: *(subject to change)*

 - Tuesday, March 31, 2020

 - Tuesday, April 28, 2020

ADMINISTRATIVE RULES:

a. Enact R82.

b. Repeal R81.

Ms. Micklos gave an overview of the efforts made to overhaul the administrative rules. The new rules in R82 will condense R81 and mirror statute. She also explained the updates resulting from legislative changes.

Both R82 and the repeal of R81 have been through the rulemaking process and no public comments were received. The commission may vote to approve R82 and set an effective date.

Mr. Bateman moved to approve R82 and set an effective date of February 25, 2020; and, at the same time, repeal R81. Ms. Orton seconded the motion which passed unanimously.

VIOLATIONS:

 \* Referral Source – State Bureau of Investigation (SBI)

a. Consent Calendar:

*[The following Consent Calendar items include uncontested letters of admonishment (written warnings) and settlement agreements that have been agreed to and accepted by the licensees. They are considered as a block with one vote unless one of the commissioners request that any item be removed for individual discussion. A summary of consent calendar items was distributed to the commissioners and is attached and made part of these minutes.]*

 (1) Charleston Café, Draper and Peyton \*SBI (RE)

 Stock (employee).

 (2) ~~Hokkaido Sushi Bar, South Jordan and~~ *STRIKE*

 (3) ~~7-Eleven Store #25472B, Logan and Kelsey~~ *STRIKE*

 (4) ~~7-Eleven Store # 34995A, South Jordan~~ *STRIKE*

 (5) Airport Chevron, Salt Lake and Gonzalo \*SBI (OP)

 Santiago (employee).

 (6) Asian Potato, Sandy and King Yu Kuan \*SBI (RL)

 (employee).

 (7) Bawarchi, South Jordan and Pavan Kumar \*SBI (RL)

 (employee).

 (8) Bout Time Pub & Grub, West Valley and \*SBI (BAR)

 Stephani Boggess (employee).

 (9) Bout Time Pub & Grub, Salt Lake and \*SBI (BAR)

 Nicholas Gerwick & Karley Kershaw

 (employees).

 (10) Cruzrs Saloon, Holladay. \*SBI (BAR)

 (11) Firehouse Pizzeria, Logan and Tyson \*SBI (RB)

 Watterson (employee).

 (12) Ganesh Indian Cuisine, Midvale and \*SBI (RL)

 Rajashekar Sampath (employee).

 (13) Holiday Oil Co #5, South Jordan and \*SBI (OP)

 Eric Whitehorse (employee).

 (14) Hyatt Place, SLC Airport, Salt Lake and \*SBI (RE)

 Faafetai Nuusa (employee).

 (15) ~~Ruby River Steakhouse, Provo~~ *STRIKE*

 (16) La Hacienda Mexican Restaurant, Draper \*SBI (RE)

 Guadalupe Isidoro (employee).

 (17) Linda Lou’s Time for Two, Layton and \*SBI (BAR)

 Johnell Patterson (employee).

 (18) Red Maple Chinese Cuisine, Taylorsville \*SBI (RL)

 And Kim Oui Talay Roldan (employee).

 (19) Raul Martinez (employee of La Puente \*SBI (RE)

 Taylorsville.

 (20) Sartain and Saunders LLC, Salt Lake \*SBI (SE)

Ms. Page asked the commissioners to strike #3 7-Eleven in Logan, #4 7-Eleven in South Jordan, and #15 Ruby River Steakhouse in Provo. She also noted that the settlement for #2 Hokkaido Sushi Bar was approved last month with the stipulation that the fees be paid by Friday, January 31, 2020, at 5:00 p.m. Ms. Page reported that they did not pay their fees and recommended that the commission allow the office to go after the bond for the $127.00 and issue an order to show cause as to why they didn’t comply. Ms. Page recommended approval of the balance of the items on the consent calendar.

Mr. Jacobson moved to authorize the Attorney General’s office to go after the bond for #2 Hokkaido Sushi Bar for the $127.00, and to issue an order to show cause to appear at the March commission meeting. Mr. Bateman seconded the motion which passed unanimously.

Mr. Jacobson moved to approve the consent calendar except for #2 Hokkaido Sushi Bar, #3 7-Eleven in Logan, #4 7-Eleven in South Jordan, and #15 Ruby River Steakhouse in Provo. Mr. Parrish seconded the motion which passed unanimously.

b. Orders to Show Cause:

 (1) ~~Karuwaa, South Jordan~~. *STRIKE*

 (2) Pisco Peruvian Cuisine, Cedar City.

Rob Hansen explained that Pisco Peruvian requested a ten day closure on December 5, 2019 which was granted. They contacted him again in January and were given the information on how to obtain an extended closure. In February they contacted staff regarding a change of ownership and noted they had been closed since December 5, 2019. Mr. Hansen explained that they were required to request an extended closure once the ten day closure was completed mid-December. Mr. Hansen also checked with Cedar City and found out their business license had expired and they were applying for a new license under another entity. Staff recommended that the license be forfeited

Mr. Jacobson moved to deem the Pisco Peruvian Cuisine license forfeited. Mr. Bateman seconded the motion which passed unanimously.

DISCUSSION ON DECLARATORY ORDER:

a. Thai Archer, Salt Lake City.

Ms. Page updated the commission on the actions by the court. She recommended that the commission set the matter for a hearing before the commission as quickly as possible to finalize the issues ordered by the court.

Mr. Jacobson made a motion to schedule an order to show cause hearing for March 24, 2020 at 9:00 a.m. to address the issue with the proximity variance that was raised in the declaratory relief action. Ms. DiCaro seconded the motion which passed unanimously.

Ms. Page will notify Mr. Winder and Thai Archer.

REQUEST FOR TIME EXTENSION ON LICENSE:

a. Black Rock Mountain Resort, Heber.

Miraz Rasoul explained that they hold a conditional hotel license which was granted June 25, 2019. They are requesting the additional 90 days to complete construction.

Nick Polychronis from Black Rock Mountain Resort came forward to address the commission. Mr. Polychronis stated they received the final permit from Wasatch County last week and all of the subcontractors are lined up.

Mr. Jacobson moved to grant a 90 day extension on the conditional hotel license for Black Rock Mountain Resort. Ms. Orton seconded the motion which passed unanimously.

REQUEST FOR EXTENDED CLOSURE:

a. ~~UMC Motorsports Campus, Tooele~~. *STRIKE*

INDUSTRIAL MANUFACTURING APPLICANTS:

a. Dial Herbs, Manti.

b. Maple Mountain Co. Packers, Provo.

Abe Kader gave an over view of the applications noting they are complete and staff recommends approval.

Mr. Bateman made a motion to approve industrial manufacturing special use permits for Dial Herbs in Manti and Maple Mountain Co. Packers in Provo. Ms. DiCaro seconded the motion which passed unanimously.

MANUFACTURING REPRESENTATIVE APPLICANTS:

a. Remarkable Vines, Sandy.

b. GNR Imports, Salt Lake City.

Abe Kader gave an over view of the applications noting they are complete and staff recommends approval.

Mr. Parrish moved to approve manufacturing representative licenses for Remarkable Vines in Sandy and GNR Imports in Salt Lake City. Ms. Smith seconded the motion which passed unanimously.

MANUFACTURE BREWERY, DISTILLERY AND WINERY APPLICANT:

a. Intermountain Nutrition, Payson.

Abe Kader explained there are three applications from Intermountain Nutrition. They store and use alcohol to produce malt, spirituous and wine frozen pops (similar to Otter popsicles). The products are not sold in Utah. Staff recommends approval.

Ms. Orton moved to approve manufacture brewery, distillery and winery licenses for Intermountain Nutrition in Payson. Mr. Bateman seconded the motion which passed unanimously.

OFF-PREMISE BEER RETAILER APPLICANTS:

a. Completed Applications. *(list attached)*

b. Conditional Applications. *(list attached)*

Rob Hansen gave an overview of both lists noting staff recommends approval.

Mr. Jacobson moved to approve the completed and conditional off-premise beer retailer applications as contained on the lists. Mr. Bateman seconded the motion which passed unanimously.

LICENSE RENEWALS:

a. List A – Timely Renewals: *[action items]*

On-Premise Beer Recreational Amenity Licenses.
On-Premise Beer Only Restaurant Licenses.
On-Premise “Tavern” Licenses.
Off-Premise Beer Licenses.

b. List B – Non-Renewals. *[FYI only]*

Rob Hansen gave an overview of both lists noting List A requires action by the commission. Staff recommends approval.

Mr. Jacobson moved to approve the renewals on List A effective March 1, 2020. Mr. Bateman seconded the motion which passed unanimously.

LICENSE APPLICATIONS:

a. License Transfers:

 ***Full Transfers****:*

 (1) Granny J’s, Price.

 (2) Southgate Tavern, Layton.

 **51% or More Change of Ownership:**

(1) JNL Plus Café, Layton. *(Conditional)*

Margaret Hardie gave an overview of the license transfer applications noting JNL Plus Café in Layton is conditional. Staff recommends approval.

Mr. Jacobson moved to grant license transfers to #1 Granny J’s in Price and #2 Southgate Tavern in Layton; and a conditional license transfer to #1 JNL Plus Café in Layton. Ms. Smith seconded the motion which passed unanimously.

b. Full Service Restaurant Applicants:

 *Previous Applicants:*

 (1) Oak Wood Fire Kitchen, Draper.

 *New Applicants:*

(1) Club Rio, Moab. *(Conditional)*

(2) Desert Bistro, Moab.

 (3) Granary Bar & Grill, Monticello. *(Conditional)*

(4) Bricks, Salt Lake City. *(Conditional)*

(5) ~~Chettinad House, Salt Lake City~~. *STRIKE*

 (6) ~~Hilton Garden Inn SLC Airport, Salt Lake City~~. *STRIKE*

Rob Hansen updated the commission on the trainings staff provided for #1 Oak Wood Fire Kitchen in Draper. Staff recommends the license be approved effective March 7, 2020 as they will have been dry for two months.

Michael McHenry from Oak Wood Fire came forward. He explained they reviewed the timeline with staff as they understood it, and got clarification on the proper procedures. They have been dry for almost two months and estimate a loss of $30,000. He noted DABC did a staff training for all servers; and all owners and managers completed the management class.

Mr. Jacobson moved to approve a full service restaurant license effective March 7, 2020 for #1 Oak Wood Fire Kitchen in Draper. Ms. Orton seconded the motion which passed unanimously.

Rob Hansen asked the commissioners to strike new applicants #5 Chettinad House and #6 Hilton Garden Inn. He gave an overview of the balance of the applications noting those that are conditional. Staff recommends approval.

Mr. Jacobson moved to approve conditional full service restaurant licenses for #1 Club Rio in Moab, #3 Granary Bar & Grill in Monticello, and #4 Bricks in Salt Lake City; and a full service restaurant license to #2 Desert Bistro in Moab. Ms. DiCaro seconded the motion which passed unanimously.

c. Bar Establishment Applicants:

 *Previous Applicants:*

(1) Redemption, Herriman. *(Conditional)*

(2) Grid City Beer Works, Salt Lake City. *(Conditional)*

(3) ~~Jackson’s Base Camp, Park City~~. *STRIKE*

(4) Calavera Cantina, Salt Lake City. *(Conditional)*

(5) Venus Club, Tooele.

 *New Applicant:*

(1) Heber Valley Brewing, Heber.

 *Pending Applicants:* (Pending applications more than 90 days from opening)

(1) Garage Grill, Herriman. *(Conditional)*

(2) Fox House, Salt Lake City. *(Conditional)*

(3) Fife Brewing Company, Salt Lake City. *(Conditional)*

Mr. Nielsen noted there is one license available. He invited applicants to come forward and briefly address the commission.

The commissioners discussed the number of licenses in each applicants surrounding area, length on agenda, and seating capacity.

Ms. Smith moved to grant a bar establishment license to #5 Venus Club in Tooele. Ms. DiCaro seconded the motion which passed unanimously.

d. Hotel Applicant:

 *New Applicant:*

1. Marriott AC Hotel, Park City. *(Conditional)*

Dan Oberg gave an overview of the application noting it is conditional and staff recommends approval.

Ms. DiCaro moved to approve a conditional hotel license for #1 Marriott AC Hotel in Park City. Mr. Parrish seconded the motion which passed unanimously.

e. Banquet Catering Applicant:

 *New Applicant:*

 (1) ~~Hilton Garden Inn SLC Airport, Salt Lake City~~. *STRIKE*

f. Limited Service Restaurant Applicants:

 *New Applicants:*

 (1) Tamashi Ramen & Sushi Bar, American Fork.

 (2) Arrabiata Restaurant, Ivins.

 (3) Lucky Slice, Ogden. *(Conditional) (Violation History)*

(4) Nomad East, Salt Lake City. *(Conditional)*

 (5) Gura’s Spice House, Salt Lake City. *(Violation History)*

 (6) Red 8 Asian Cuisine & Sushi Bar, Salt Lake City.

Jason Gunn gave an overview of the applications noting those that are conditional. He also noted #3 Lucky Slice and #5 Gura’s Spice House have violation histories.

Mr. Jacobson moved to approve limited service restaurant licenses for #1 Tamashi Ramen & Sushi Bar in American Fork, #2 Arrabiata Restaurant in Ivins, and #6 Red 8 Asian Cuisine & Sushi Bar in Salt Lake City; and a conditional limited service restaurant license for #4 Nomad East in Salt Lake City. Ms. Orton seconded the motion which passed unanimously.

Michael McDonald and Will Shaffer from Lucky Slice came forward to address the commission. They explained they are going from a full service to a limited service restaurant license. They also gave an overview of the actions taken since they received two violations.

Ms. Orton expressed concern the violations will not be considered with the license change. Ms. Page noted the violations will follow the registered owners.

Ms. DiCaro moved to grant a conditional limited service restaurant license to #3 Lucky Slice in Ogden. Mr. Bateman seconded the motion which passed unanimously.

Dhan from Gura’s Spice House came forward to address the commission. Dhan gave an overview of the actions taken since they received a violation. Mr. Gunn clarified that the violation occurred in January 2019 and was adjudicated in August 2019. He expressed concern that there seems to be a language barrier and Gura’s staff may need additional training. Erin Hinkel, the compliance officer for Gura’s, will conduct training for both locations in order to make sure they understand the law. Mr. Jacobson strongly encouraged interpreters be used so management and employees understand the laws.

Mr. Bateman moved to continue the application from #5 Gura’s Spice House to the March meeting and asked staff to report back to the commission regarding management and employee training. Ms. Smith seconded the motion which passed unanimously.

g. On-Premise Beer Only Restaurant Applicants:

 *New Applicants:*

1. The Wing Coop, Salt Lake City.
2. ~~El Madrigal, Salt Lake City~~. *STRIKE*

Dan Oberg asked the commissioners to strike #2 El Madrigal and gave an overview of #1 The Wing Coop noting the application is complete.

Mr. Bateman moved to grant an on-premise beer only restaurant license to #1 The Wing Coop in Salt Lake City. Mr. Jacobson seconded the motion which passed unanimously.

OPERATIONS UPDATE:

Mr. Petilos reported that the RHDP drawing will be open as the department received a three case pack of Pappy Van Winkel. One case goes to a licensee and two for the RHDP drawing.

FINANCIAL UPDATE:

Man Diep reported that as of the end of January 2020, YTD bottle sales decreased 0.28% (84,332 bottles) compared to last year. The decrease is due to the change in beer laws. YTD retail sales increased $13,938,941 (4.89% increase).

PARENTS EMPOWERED UPDATE:

Doug Murakami shared a couple findings from the latest parents’ survey. The goal of the survey is to understand parental beliefs toward underage drinking and the effectiveness of the Parents Empowered campaign. He noted that awareness of the television ads went down as streaming platforms increase in popularity. Due to the survey findings, the campaign will review media buying strategies and report back to the commission.

COMMENTS FROM COMMISSIONERS AND PUBLIC:

None.

There being no further business, the meeting adjourned at 11:25 a.m.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chairman