MINUTES OF THE MEETING OF THE UTAH

 ALCOHOLIC BEVERAGE CONTROL COMMISSION

HELD TUESDAY, APRIL 28, 2020.

*[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, April 27, 2020.]*

In response to the Governor’s Executive Order and for precautionary measures to prevent the spread of COVID-19, an anchor location for public attendance was not available. Public attendance was available by audio; commission and staff participated via audio and GoToMeeting.

Chairman John T. Nielsen called the meeting to order at 10:00 a.m.

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

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

APPROVAL OF MINUTES:

Mr. Jacobson moved to approve the minutes of the Commission Meeting held on March 31, 2020 and the Special Commission Meeting held on April 6, 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, May 26, 2020

 - Tuesday, June 30, 2020

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) ~~The Brazen Head, Tooele~~. *STRIKE*

 (2) ~~Red Lobster, Orem, and Junelyn~~ *STRIKE*

 (3) Rooster’s, Layton, and Ann Frost \*SBI (RE)

 (employee).

 (4) ~~Round 1 Bowling & Amusement, Sandy~~ *STRIKE*

 (5) Squatter’s Pub Brewery, Salt Lake. \*SBI (BAR)

 (6) Summit Creek Sinclair, Smithfield, and \*SBI (OP)

 Desirae Burnham (employee).

 (7) Carlos and Harley’s, Eden, and Jessie \*SBI (RE)

 Elliott (Employee).

 (8) Walmart #7043, Riverton, and Kate \*SBI (OP)

 Ashworth (employee).

Ms. Micklos explained that due to technical difficulties, Ms. Page emailed her notes for Ms. Micklos to present. She asked the commissioners to strike #1 The Brazen Head, #2 Red Lobster and #4 Round 1 Bowling & Amusement and recommended approval of the balance of the items on the consent calendar.

Ms. Orton moved to strike #1 The Brazen Head, #2 Red Lobster and #4 Round 1 Bowling & Amusement and approve the balance of the consent calendar. Mr. Jacobson seconded the motion which passed unanimously.

REQUEST FOR TRANSFER OF LOCATION:

a. Ogden’s Own Distillery, Ogden.

Dan Oberg gave an overview of their request noting staff recommends approval.

Mr. Jacobson moved to approve a transfer of location for Ogden’s Own Distillery in Ogden. Mr. Parrish seconded the motion which passed unanimously.

INDUSTRIAL MANUFACTURING APPLICANTS:

a. North Park Enterprises, Springville.

b. Waterpocket Distillery, Salt Lake City.

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

Mr. Parrish moved to approve industrial manufacturing special use permits for North Park Enterprises in Springville and Waterpocket Distillery in Salt Lake City. Mr. Jacobson seconded the motion which passed unanimously.

AIRPORT LOUNGE APPLICANTS:

a. Wasatch Airport Pub, Salt Lake City. *(violation history)*

b. Squatter’s Airport Pub, Salt Lake City. *(violation history)*

Mr. Nielsen gave an overview of recent discussions to move the airport lounge applicants to the July agenda as they will not be able to open prior to that time, and they will be closer to the three month policy for review of their violation history.

Mr. Parrish moved to place the airport lounge applications from Wasatch Airport Pub and Squatter’s Airport Pub on the July commission meeting agenda. Mr. Bateman seconded the motion which passed unanimously.

OFF-PREMISE BEER RETAILER APPLICANTS:

a. Completed Applications. *(list attached)*

b. Conditional Applications. *(list attached)*

Stephne Hanson gave an overview of both lists noting staff recommends approval.

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

LICENSE APPLICATIONS:

a. Bar Establishment Applicants:

 *Previous Applicants:*

(1) Redemption, Herriman.

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

(3) Jackson’s Base Camp, Park City.

 (4) Calavera Cantina, Salt Lake City. *(violation history)*

 (5) ~~Fife Brewing Company, Salt Lake City~~. *STRIKE*

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

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

(8) ~~Heber Valley Brewing Company, Heber~~. *STRIKE*

 (9) Duces Wild, Salt Lake City. *(SOB approval needed)*

 (10) ~~Stoddard Inn, Morgan~~. *STRIKE*

 (11) Aces High Saloon, Salt Lake City. *(Conditional)*

 (12) Balcony One, Virgin. *(Conditional)*

 (13) The Spoke, Moab. *(Conditional)*

 (14) Unspoken, Ogden. *(Conditional)*

Margaret Hardie asked the commissioners to strike #5 Fife Brewing Company, #8 Heber Valley Brewing, and #10 Stoddard Inn. Mr. Nielsen noted there were three full and two summer seasonal licenses available.

The commissioners discussed the applicants considering whether they are ready to open, located in an under-served area, and length of time on agenda. They also discussed when the next license will be available by quota.

Ms. Orton moved to grant a full year bar establishment license to #1 Redemption in Herriman. Ms. Smith seconded the motion which passed unanimously.

Mr. Jacobson moved to grant a full year bar establishment license to #2 Grid City Beer Works in Salt Lake City. Ms. Smith seconded the motion which passed unanimously.

Mr. Jacobson moved to hold one license for the May meeting. Mr. Bateman seconded the motion which passed unanimously.

Ms. Hardie noted applicants did not express interest in the available summer seasonal licenses.

b. Full Service Restaurant Applicants:

 *New Applicants:*

(1) Olive Garden #6449, W Bountiful. *(Conditional) (violation history)*

 (2) Outlaw’s Roost, Hanksville.

(3) Chettinad House, Salt Lake City. *(Conditional)*

Anita Knowley explained that #1 Olive Garden has a violation history and is conditional. They expect to open in September or October. Ken Little and Amy Crane from Olive Garden responded to questions from the commission. They explained that they wanted to be on the agenda today to secure a license as they continue construction; and they gave an overview of the actions taken to prevent further violations. Mr. Jacobson expressed concern about violations seen at restaurants in Utah (i.e. patrons are allowed to obtain drinks and consume in front of the podium). He suggested staff continue to work with Olive Garden to ensure the hospitality culture in Utah’s restaurants follows statute.

Mr. Jacobson moved to continue #1 Olive Garden #6449 in West Bountiful to the July 2020 commission meeting agenda. Ms. Smith seconded the motion which passed unanimously.

Ms. Knowley gave an overview of the balance of the applications noting #3 Chettinad House is conditional. Staff recommends approval.

Mr. Bateman moved to approve a full service restaurant license for #2 Outlaw’s Roost in Hanksville and a conditional full service restaurant license for #3 Chettinad House In Salt Lake City. Ms. Smith seconded the motion which passed unanimously.

c. Limited Service Restaurant Applicants:

 *New Applicants:*

 (1) Lighthouse Seafood & Grill, Cedar City.

 (2) ~~Black Pearl Asian Bistro & Sushi Bar, Logan~~. *STRIKE*

 (3) Shake Shack, Murray. *(Conditional)*

 (4) Slap Fish, Park City.

 (5) ~~Squatter’s & Wasatch Craft Café, Salt Lake City~~. *STRIKE*

Cori Price asked the commissioners to strike #2 Black Pearl Asian Bistro and #5 Squatter’s & Wasatch Craft Cafe. She gave an overview of the balance of the applications noting #3 Shake Shack in Murray is conditional. Staff recommends approval.

Ms. DiCaro moved to approve limited service restaurant licenses for #1 Lighthouse Seafood & Grill in Cedar City and #4 Slap Fish in Park City; and a conditional limited service restaurant license for #3 Shake Shack in Murray. Mr. Parrish seconded the motion which passed unanimously.

d. On-Premise Beer Recreational Amenity Applicants:

 *New Applicants:*

 (1) Links Grill @ Bountiful Ridge, Bountiful.

 (2) ~~Brian Head Resort, Brian Head~~. *STRIKE*

 (3) Links Grill @ Forest Dale, Salt Lake City.

 (4) Links Grill @ Bonneville, Salt Lake City.

 (5) Links Grill @ Rose Park, Salt Lake City.

 (6) Links Grill @ Glendale, Salt Lake City.

Erin Hinkel asked the commissioners to strike #2 Brian Head Resort and gave an overview of the balance of the applications noting staff recommends approval.

Ms. Smith moved to grant on-premise beer recreational amenity licenses to #1 Links Grill @ Bountiful Ridge in Bountiful, #3 Links Grill @ Forest Dale in Salt Lake City, #4 Links Grill @ Bonneville in Salt Lake City, #5 Links Grill @ Rose Park in Salt Lake City, and #6 Links Grill @ Glendale in Salt Lake City. Mr. Bateman seconded the motion which passed unanimously.

e. On-Premise Beer Tavern Applicant:

 *New Applicant:*

1. Strap Tank Brewing, Springville. *(violation history)*

Erin Hinkel gave an overview of the application noting they have a violation history.

Victoria Salsbury from Strap Tank Brewing gave an overview of the actions taken to prevent additional violations and answered questions from the commission.

Ms. DiCaro moved to grant an on-premise beer tavern license to #1 Strap Tank Brewing in Springville. Mr. Bateman seconded the motion which passed unanimously.

f. Package Agency Applicants:

 *New Applicants:*

(1) Victory Ranch Club, Park City. (Type 1)

 (2) Ogden’s Own Distillery, Ogden. (Type 5)

Jeff Colvin gave an overview of the applications noting they are complete and staff recommends approval.

Ms. Smith moved to approve package agency licenses for #1 Victory Ranch Club in Park City and #2 Ogden’s Own Distillery in Ogden. Mr. Jacobson seconded the motion which passed unanimously.

OPERATIONS UPDATE:

Mr. Meier updated the commission on the difficulties in obtaining protective equipment. He also provided an overview on the actions taken in the stores when there is an exposure to COVID-19. The Murray and Moab stores will reopen when they are sanitized and staffed.

Mr. Bateman noted that the Operations Subcommittee held a meeting this morning that was robust and covered a variety of topics including the department’s response to the earthquake and efforts to mitigate the effect of the pandemic.

Mr. Petilos updated the commission on the financial status for the department noting he expects a downward turn in revenue growth due to a reduction in licensee sales. Mr. Petilos also reported that licensees recently returned $330,000 in product.

FINANCIAL UPDATE:

Man Diep reported that as of the end of March 2020, YTD bottle sales decreased 2.95% (1,146,502 bottles) compared to last year. The decrease is due to the change in beer laws. YTD retail sales increased $18,016,622 (4.96% increase).

Mr. Bateman thanked Ms. Diep and staff for an excellent report. He also thanked Mr. Petilos and the department for maintaining efficiency in the net operating margin considering the additional expenses resulting from the pandemic and earthquake. Ms. DiCaro added her appreciation for staff as they work through the current challenges.

COMMENTS FROM COMMISSIONERS AND PUBLIC:

* Mr. Nielsen thanked those attending and those presenting for their patience and understanding as business is conducted virtually.

There being no further business, the meeting adjourned at 10:50 a.m.

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Chairman