MINUTES OF THE MEETING OF THE UTAH

 ALCOHOLIC BEVERAGE CONTROL COMMISSION

HELD TUESDAY, JULY 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, July 27, 2020.]*

In response to the Governor’s April 10, 2020 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, 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 Special Commission Meeting held on June 29, 2020 and the Commission Meeting held on June 30, 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, August 25, 2020

 - Tuesday, September 29, 2020

PARENTS EMPOWERED UPDATE:

Doug Murakami updated the commission on the activities of the Parents Empowered Campaign. Mr. Murakami noted the PE campaign is exploring digital media options with the goal to identify where their target audience will receive the PE message. The campaign is focusing on the 5 W’s – who, what, when, where and will there be alcohol?

PROPOSED RULE CHANGES:

* R82-1-103 General Provisions.
* R82-1-208 Percentage Lease Agreements.
* R82-2-303 Non-Consignment Inventory.
* R82-1-304 Background Checks for Resort Licensees.
* R82-5-101 General Retail License Provisions – Definitions.
* R82-5-102 Licensing, Ownership, and Transfer of License.
* R82-5-104 Liquor Dispensing Systems.
* R82-5-107 Identification.
* R82-6-1005 Hospitality Amenity Licensee Records and Notice.
* R82-7-102 Off-Premise Beer Retailer State License and Master Off-Premise Beer Retailer License.

Ms. Micklos outlined the reasons for the proposed rule changes noting those that are new and those being amended. Many of the proposed rule changes are a result of legislation passed during the 2020 legislative session. Ms. Micklos noted the commission may vote to amend or to instruct staff to send the proposed rule changes through the rulemaking process.

The commissioners, Ms. Micklos and staff discussed the proposed changes.

Mr. Bateman made a motion to move all proposed rule changes to the next phase of rulemaking as previously described. Mr. Parrish 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) ~~The Brazen Head Saloon, Tooele~~. *STRIKE*

 (2) Maverik #359, Brigham City and \*SBI (OP)

 Dianne Woolsey (employee).

 (3) Maverik #612, Brigham City and \*SBI (OP)

 Qualie Coombs (employee).

Sheila Page asked the commissioners to strike #1 The Brazen Head Saloon and recommended approval of the remaining items on the consent calendar.

Mr. Jacobson moved to approve the consent calendar with the exception of #1 The Brazen Head Saloon. Mr. Bateman seconded the motion which passed unanimously.

b. Hearing:

 (1) Cheers to You, Midvale. (BAR)

Mr. Nielsen noted he was absent the last commission meeting and asked Mr. Jacobson and Jeff Buckner from the Attorney General’s Office to oversee this matter as they participated in the last proceeding.

Mr. Buckner explained that after their motion to dismiss was denied at the last meeting, Cheers to You filed a motion to reconsider. Mr. Buckner noted a final order had not been issued so the motion to reconsider was premature. He also explained that the motion to reconsider did not provide specific reasons as to why the commission should reconsider the motion to dismiss.

A representative from Cheers to You was not present.

Mr. Jacobson noted the motion to reconsider didn’t explain why or provide new information that was not presented to the commission at the prior hearing.

Mr. Jacobson moved to deny the motion for reconsideration based on the grounds that it did not state any new information that could not have been discovered before our last meeting. Mr. Bateman seconded the motion which passed unanimously.

b. Orders to Show Cause:

(1) ~~Good Grammar, Salt Lake City~~. *STRIKE*

 (2) Ying’s Thai Sushi, Sandy. (RL)

Mr. Nielsen noted #1 Good Grammar was stricken from the agenda.

Miraz Rasoul explained that Ying’s Thai Sushi was issued an order to show cause for failure to complete manager training. She gave an overview of the actions taken to notify Ying’s Thai Sushi of the requirement. Staff recommends license suspension.

Mr. Jacobson moved to suspend the limited restaurant license held by Ying’s Thai Sushi in Sandy until manager training is completed. Ms. Orton seconded the motion which passed unanimously.

LIQUOR TRANSPORT APPLICANT:

a. Bradford Airport Logistics, LTD

 Salt Lake International Airport, Salt Lake City.

Abe Kader gave an overview of the application noting staff recommends approval.

Mr. Jacobson moved to approve an airport transport license for Bradford Airport Logistics, LTD at the Salt Lake International Airport in Salt Lake City. Ms. DiCaro seconded the motion which passed unanimously.

INDUSTRIAL MANUFACTURING APPLICANT:

a. St. George Beverage Co., St. George.

Abe Kader gave an overview of the application noting staff recommends approval.

Mr. Parrish moved to approve industrial manufacturing special use permit for St. George Beverage Co., in St. George. Ms. Orton seconded the motion which passed unanimously.

MANUFACTURE BREWERY APPLICANT:

a. Ogden River Brewing Company, Ogden.

Dan Oberg gave an overview of the application noting staff recommends approval.

Mr. Jacobson moved to approve a manufacture brewery license for Ogden River Brewing Company in Ogden. Mr. Bateman seconded the motion which passed unanimously.

MANUFACTURE WINERY APPLICANTS:

a. Bold & Delaney Winery, Dammeron Valley.

b. Etta Place Cider, Torrey.

Dan Oberg gave an overview of the applications noting staff recommends approval.

Mr. Parrish moved to approve manufacture brewery licenses for Bold & Delaney Winery in Dammeron Valley and Etta Place Cider in Torrey. Ms. DiCaro seconded the motion which passed unanimously.

OFF-PREMISE BEER RETAILER APPLICANTS:

a. Completed Applications. *(list attached)*

b. Conditional Applications. *(list attached)*

Stephne Hanson asked the commissioners to strike #6 Courtyard on the conditional applications and recommended approval of the balance of the completed and conditional applications.

Mr. Jacobson moved to strike conditional application #6 Courtyard and approve the balance of the completed and conditional off-premise beer retailer applications as contained on the lists. Ms. Orton seconded the motion which passed unanimously.

CHANGE OF LOCATION REQUESTS:

a. Il Viaggio/California Pizza Kitchen, Salt Lake City.

From: SLC International Airport, Terminal 2

 To: SLC International Airport, Concourse A, Space CAW 202

b. Market Street Grill Main, Salt Lake City.

From: SLC International Airport, Terminal 2-C

 To: SLC International Airport, Concourse A, Space CACP-2-003/4

Abe Kader gave an overview of the requests noting staff recommends approval.

Mr. Bateman moved to approve location changes for Il Viaggio/California Pizza Kitchen and Market Street Grill Main at the SLC International Airport. Ms. DiCaro seconded the motion which passed unanimously.

REQUEST FOR EXTENSION OF CONDITIONAL LICENSE:

a. ~~Fat Jack’s, Ogden~~. *STRIKE*

LICENSE APPLICATIONS:

a. License Transfer Applications:

 **51% or more ownership change:**

 (1) Moab Brewery, Moab. (MB)

 (2) Moab Distillery, Moab. (MD)

 **Full License Transfer Applications:**

 (1) St. Helen’s of Washington, Washington; To: St Helen’s

 Restaurant & Sports Bar, Washington. *(Conditional)* (RE)

 (2) Toadz, Cedar City; To: Warehouse Bar & Kitchen, Cedar

 City. *(Conditional)* (BAR)

Margaret Hardie gave an overview of the applications noting those that are conditional. Staff recommends approval.

Ms. Orton moved to approve 51% or more ownership license transfers to #1 Moab Brewery in Moab, #2 Moab Distillery in Moab; and conditional full license transfers to #1 St. Helen’s Restaurant & Sports Bar in Washington, and #2 Warehouse Bar & Kitchen in Cedar City. Mr. Bateman seconded the motion which passed unanimously.

b. Bar Establishment Applicants:

 *Previous Applicants***:**

 (1) Calavera Cantina, Salt Lake City.

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

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

 (4) Unspoken, Ogden.

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

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

 *seasonal requesting full bar license)*

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

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

 (9) ~~Park City Brewery, Park City~~. *STRIKE*

 *New Applicant:*

(1) The Cache Venue, Logan.

Rob Hansen noted a full year license and a summer seasonal license are available today. He also noted the next full license (by population) will be available in October. Ms. Orton gave an overview of the compliance subcommittee considerations and the video presentations distributed to the commissioners.

The commissioners and Mr. Hansen discussed the applicants that are ready to go, those able to operate under other licenses, and the applicants with a violation history.

Mr. Jacobson moved to not issue the full bar establishment license today and to hold it until the August meeting. Mr. Parrish seconded the motion. Ms. DiCaro asked if not issuing a license will cause harm to any of the businesses. The commissioners and staff again reviewed the status of the applicants. Mr. Nielsen called for a vote. The motion passed unanimously.

The commissioners discussed the availability of the summer seasonal license which will expire on October 31, 2020. Mr. Hansen listed the applicants that are interested in the summer seasonal.

Ms. DiCaro moved to grant the summer seasonal bar establishment license to #4 Unspoken in Ogden. Mr. Jacobson seconded the motion.

Ms. Orton asked for further discussion and stated that she leans toward giving the summer seasonal license to Calavera Cantina.

Ms. Orton made a substitute motion to grant the summer seasonal bar establishment license to #1 Calavera Cantina in Salt Lake City. Ms. DiCaro seconded the motion. Ms. Orton, Ms. DiCaro, Mr. Bateman, and Mr. Nielsen voted yea. Mr. Jacobson and Mr. Parrish voted nay. The substitute motion passed.

c. Full Service Restaurant Applicants:

 *New Applicants:*

(1) The Bull’s Head, Logan. *(Conditional)*

 (2) Ogden River Brewing, Ogden. *(Conditional)*

 (3) Red Lotus Bistro, Salt Lake City.

 (4) Hook and Reel Cajun Seafood & Bar, Salt Lake City.

Mike Bishop gave an overview of the applications noting those that are conditional. Staff recommends approval.

Mr. Jacobson moved to approve full service restaurant licenses for #3 Red Lotus Bistro in Salt Lake City and #4 Hook and Reel Cajun Seafood & Bar in Salt Lake City; and conditional full service restaurant licenses for #1 The Bull’s Head in Logan and #2 Ogden River Brewing in Ogden. Ms. DiCaro seconded the motion which passed unanimously.

d. Limited Service Restaurant Applicant:

 *New Applicant:*

(1) Heber Valley Pizza Company, Heber City. *(Conditional)*

 (2) Oishi Sushi Bar & Grill, Park City.

 (3) Arempas, Salt Lake City. *(Conditional)*

 (4) Squatters and Wasatch Craft Café, Salt Lake City*. (Conditional)*

*(violation history)*

 (5) Ninja Ramen Bar, Tooele. *(Conditional)*

Miraz Rasoul gave an overview of the applications noting those that are conditional. She also noted that #4 Squatters and Wasatch Craft Cafe has a violation history.

Mr. Jacobson moved to approve a limited service restaurant license for #2 Oishi Sushi Bar & Grill in Park City; and conditional limited service restaurant licenses for #1 Heber Valley Pizza Company in Heber, #3 Arempas in Salt Lake City, and #5 Ninja Ramen Bar in Tooele. Ms. Orton seconded the motion which passed unanimously.

Ms. Page gave an overview of the event leading to the violation connected to #4 Squatters and Wasatch Craft Cafe. The event was for the Brewer’s Guild and attendees were allowed to bring own beer to share which is outside the scope their restaurant license.

Joe Lambert and Monae Madson from Salt Lake Brewing Company/Squatters and Wasatch Craft Café addressed the commission to apologize and give an overview of the actions taken to address the situation and to prevent future violations. They also noted they have training with DABC staff scheduled for the new location.

Mr. Parrish moved to approve a conditional limited service restaurant license for #4 Squatters and Wasatch Craft Cafe in Salt Lake City with the stipulation that Ms. Rasoul report back to the commission that the conditions outlined have been met. Mr. Jacobson seconded the motion. Ms. Orton stated she is opposed to the motion as the violation was egregious and against staff direction. Compliance officer, Erin Hinkel, confirmed that staff had discussed the event with the licensee and provided direction opposing the event. Ms. Hinkel asked where the communication breakdown occurred and if an updated RASP plan had been submitted. Ms. Madson confirmed the updated RASP was submitted. Mr. Jacobson expressed concern that an experienced group is explaining a violation as an oversight. Ms. Rasoul added that the event wasn’t a private party, it was visible across social media.

Tanner Lenart briefly addressed the commission regarding her role in the event that resulted in the violation.

Mr. Jacobson made a substitute motion to table the limited service license application from #4 Squatters and Wasatch Craft Cafe in Salt Lake City until the August meeting and asked Ms. Rasoul to provide the commission with an updated report at that meeting. Ms. Orton seconded the motion which passed unanimously.

e. On-Premise Beer Recreational Amenity Applicants:

 *New Applicants:*

 (1) ~~4 Brothers Pizza, Roosevelt~~. *STRIKE*

 (2) Links Grill @ The Barn, Ogden.

Jason Gunn asked the commissioners to strike #1 4 Brothers Pizza and gave an overview of the application from Links Grill noting staff recommends approval.

Mr. Bateman moved to grant an on-premise beer recreational amenity license to #2 Links Grill @ The Barn in Ogden. Ms. DiCaro seconded the motion which passed unanimously.

f. On-Premise Beer Only Restaurant Applicants:

 *New Applicant:*

 (1) Las Lupitas Mexican Restaurant, Hurricane. *(Conditional)*

 (2) Done to Your Taste Catering, Kamas.

Jason Gunn gave an overview of #1 Las Lupitas Mexican Restaurant noting it is conditional and staff recommends approval.

Ms. DiCaro moved to grant a conditional on-premise beer only restaurant license to #1 Las Lupitas Mexicana Restaurant in Hurricane. Mr. Jacobson seconded the motion which passed unanimously.

Mr. Gunn gave an overview of #2 Done to Your Taste Catering noting it only offers outside dining. Staff is split on a recommendation as it may set a precedent for future restaurants. The commissioners, Mr. Petilos, Ms. Micklos and staff discussed statute requirements. Mr. Jacobson noted that due to the pandemic a number of Park City restaurants have moved to outside dining.

Mr. Jacobson moved to grant an on-premise beer only restaurant license to #2 Done to Your Taste Catering in Kamas. Mr. Parrish seconded the motion which passed unanimously.

g. Package Agency Applicants:

 *New Applicants:*

 (1) Yonder Escalante, Escalante. (Type 1)

 (2) Etta Place Cider, Torrey. (Type 5)

 (3) Bold & Delaney Winery, Dammeron Valley. (Type 5)

 (4) Ogden River Brewing, Ogden. (Type 5)

Ms. Micklos gave an overview of the applications noting they are complete and staff recommends approval.

Ms. Orton moved to grant a Type 1 package agency license to #1 Yonder Escalante in Escalante; and Type 5 package agency licenses to #2 Etta Place Cider in Torrey, #3 Bold & Delaney Winery in Dammeron Valley, and #4 Ogden River Brewing in Ogden. Ms. DiCaro seconded the motion which passed unanimously.

h. Airport Lounge Applications:

 *New Applicants:*

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

 (2) Squatters Airport Pub, Salt Lake City. *(Conditional) (violation history)*

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

Abe Kader gave an overview of the applications noting #1 Wasatch and #2 Squatters share the violation history discussed earlier in the meeting.

Mr. Jacobson moved to continue #1 Wasatch Airport Pub in Salt Lake City and #2 Squatters Airport Pub in Salt Lake City to the August 25, 2020 commission meeting. Mr. Parrish seconded the motion which passed unanimously.

Ms. Orton moved to grant an airport lounge license to #3 Uinta Brewing Company in Salt Lake City. Ms. DiCaro seconded the motion which passed unanimously.

OPERATIONS UPDATE:

Mr. Meier noted that the stores, warehouses and office continue to operate under the executive order from the Governor requiring all employees and patrons to wear face masks. Store house continue to be 11:00 a.m. to 7:00 p.m. Mr. Meier also thanked employees and patrons for their patience as DABC continues to make adjustments in order to follow the health guidelines.

Mr. Petilos added that several stores have closed temporarily due to positive COVID tests. Under the direction of the local and state health departments, the employees are quarantined and tested when appropriate. The stores are cleaned per health department guidelines.

FINANCIAL UPDATE:

Man Diep reported that as of the end of June 2020, YTD bottle sales decreased 6.81% (3,535,160 bottles) compared to last year. The decrease is due to the change in beer laws. YTD retail sales increased $21,003,083 (4.38% increase).

COMMENTS FROM COMMISSIONERS AND PUBLIC:

None.

There being no further business, the meeting adjourned at 11:50 a.m.

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Chairman