MINUTES OF THE MEETING OF THE UTAH

ALCOHOLIC BEVERAGE CONTROL COMMISSION

HELD TUESDAY, AUGUST 25, 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, August 24, 2020.]*

Chairman John T. Nielsen called the meeting to order at 10:00 a.m. and read his written determination (attached) as to why the meeting was held electronically without an anchor location.

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 Commission Meeting held on July 28, 2020 and the Special Commission Meeting held on August 10, 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, September 29, 2020

- Tuesday, October 27, 2020

b. Public Comments:

- Those wishing to comment on this meeting may email [hotline@utah.gov](mailto:hotline@utah.gov).

Comments will be addressed at the end of the meeting.

c. Holiday Closure:

- Monday, September 7, 2020 (Labor Day)

Liquor stores and the DABC administrative office and warehouse will

be closed.

PARENTS EMPOWERED UPDATE:

Doug Murakami updated the commission on the activities of the Parents Empowered Campaign. Mr. Murakami stated they are working on the annual report due October 1, 2020 and future campaign messaging. He also noted that he is participating with the Fetal Alcohol Workgroup which was created during the last legislative session.

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. \*SBI (BAR)

(2) Mariscos Las Islitas #2, West Valley \*SBI (RE)

City.

Sheila Page noted both items are complete and recommended approval of the consent calendar.

Mr. Jacobson moved to approve the items on the consent calendar. Ms. Orton seconded the motion which passed unanimously.

b. Hearing:

(1) ~~Cheers to You, Midvale~~. *STRIKE*

DELEGATION OF AUTHORITY TO APPROVE A CHANGE IN LOCATION FOR AN AIRPORT PUBLIC SERVICE PERMITTEE.

Ms. Micklos gave an overview of public service permits and their use at airports. Ms. Micklos explained that HB6006 passed during the recent special legislative session provides the commission power to approve, or delegate the authority to approve, a change of location for a public service permittee operating at an international airport to a newly approved location at an international airport. She added that the bill is awaiting the Governor’s signature.

Mr. Bateman made a motion that the commission give Chair John T. Nielsen the authority to approve a change in location for an airport public service permittee once HB6006 is signed by the Governor. Mr. Jacobson seconded the motion which passed unanimously.

INDUSTRIAL MANUFACTURING APPLICANT:

a. Buzzed Creamery, Vernal.

Abe Kader gave an overview of the industrial manufacturing special use permit application. Mr. Kader noted they will be making liquor flavored ice cream. The kitchen has been approved by the Utah Department of Agriculture and Food. The application is complete and staff recommends approval. The liquor flavored ice cream will not be sold to minors.

Mr. Jacobson moved to approve an industrial manufacturing special use permit for Buzzed Creamery in Vernal. 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 gave an overview of the lists and recommended approval of the completed and conditional applications.

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

EXTENDED CLOSURE REQUEST:

a. ~~Lespri Cellars Prime Steak & Spirits, Park City~~. *STRIKE*

LICENSE APPLICATIONS:

a. License Transfer Applications:

**51% or more ownership change:**

(1) Hog Wallow Pub, Salt Lake City, DBA – Hog Wallow Pub, Salt

Lake City.

**Full License Transfer Applications:**

(1) Roberts Food Service, Inc., DBA Roberts Restaurant & Deli, Salt

Lake City; To: On Point Peter, DBA: Roberts Restaurant & Deli,

Salt Lake City. *(Conditional)*

Margaret Hardie gave an overview of the license transfer applications noting Roberts Restaurant & Deli is conditional. Staff recommends approval.

Mr. Jacobson moved to approve a 51% or more ownership license transfer to #1 Hog Wallow Pub in Salt Lake City; and a conditional full license transfer to #1 Roberts Restaurant & Deli in Salt Lake City. Ms. Orton seconded the motion which passed unanimously.

b. Bar Establishment Applicants:

*Previous Applicants***:**

(1) Calavera Cantina, Salt Lake City. (Summer

seasonal requesting full bar license).

(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. *(Conditional)*

(10) The Cache Venue, Logan.

*New Applicant:*

(1) ~~Rye, Salt Lake City~~. *STRIKE*

Mr. Nielsen noted one license is available today for ten applicants. New applicant #1 Rye was stricken from the agenda.

The commissioners and Rob Hansen discussed the applicants that are ready to go, those able to operate under other licenses, and the applicants with a violation history. Representatives from the applicants ready to go were invited to address the commission. Representatives from #1 Calavera Cantina, #4 Unspoken, #5 Balcony One, #7 Aces High and #10 The Cache Venue addressed the commission.

Mr. Jacobson moved to grant a conditional bar establishment license to #5 Balcony One in Virgin. Ms. Orton seconded the motion which passed unanimously.

Mr. Petilos reminded the commission and those listening that the department must receive payment by August 31, 2020 from bar establishment licensees that opted to defer payment for their renewals. If they do not renew, there may be additional licenses available. Mr. Jacobson suggested a special commission meeting be called to award the non-renewed licenses.

c. Full Service Restaurant Applicants:

*New Applicants:*

(1) Mandarin Cuisine, Cedar City.

(2) La Hacienda, South Jordan. *(Conditional) (violation history)*

Mike Bishop gave an overview of the applications noting # 2 La Hacienda has a violation history and is conditional.

Mr. Jacobson moved to approve a full service restaurant license for #1 Mandarin cuisine in Cedar City. Ms. DiCaro seconded the motion which passed unanimously.

Ernesto Garibay from La Hacienda addressed the commission. Mr. Garibay outlined the actions they are taking to avoid future violations and answered questions from the commissioners regarding server actions leading to the violation.

Ms. Orton moved to approve a conditional full service restaurant license for #2 La Hacienda in South Jordan. Ms. DiCaro seconded the motion which passed unanimously.

d. Limited Service Restaurant Applicant:

*New Applicant:*

(1) Squatters and Wasatch Craft Café, Salt Lake City*. (violation history)*

Miraz Rasoul reminded the commission that this application was tabled during the July meeting. She noted staff subsequently worked with the applicant and now recommends approval. Mr. Nielsen asked Erin Hinkel for an update. Ms. Hinkel explained staff conducted three trainings and the applicant submitted an updated RASP.

The commissioners expressed concern over the seriousness of the violation. Monae Madson from Salt Lake Brewing Company/Squatters and Wasatch Craft Café addressed the commission to outline the actions taken and trainings conducted after the July meeting.

In response to Mr. Bateman’s question asking if, given the long history of Squatters, the root cause of the violation was systemic or an individual incidence, Ms. Madson reassured the commission that management understands the gravity of the situation and will continue to focus on preventing further violations. Mr. Jacobson also expressed concern given his experiences at one of their restaurants and stressed the importance of supporting DABC staff’s role in assisting the commission and applicants.

Mr. Bateman moved to approve a limited service license application from #1 Squatters and Wasatch Craft Cafe in Salt Lake City with special recognition of the conversation today about the commission’s intent to monitor closely the important partnership between DABC and this applicant. Ms. Orton seconded the motion which passed unanimously.

e. On-Premise Beer Only Restaurant Applicants:

*New Applicant:*

(1) ~~Lee’s Smokin Hot BBQ, Blanding~~. *STRIKE*

f. Package Agency Applicants:

*New Applicants:*

(1) Bewilder Brewing Co., Salt Lake City. (Type 5)

(2) Loose Wheels Service, Duck Creek Village. (Type 1)

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

Mr. Jacobson moved to grant a Type 5 package agency license to #1 Bewilder Brewing Co. in Salt Lake City; and a Type 1 package agency license to #2 Loose Wheels Service in Duck Creek Village. Mr. Bateman seconded the motion which passed unanimously.

g. 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) Gourmandise, Salt Lake City. *(Conditional)*

Abe Kader gave an overview of #1 Wasatch Airport Pub and #2 Squatters Airport Pub noting they are conditional. Staff recommends approval.

Mr. Bateman moved to approve conditional airport lounge licenses for #1 Wasatch Airport Pub in Salt Lake City and #2 Squatters Airport Pub in Salt Lake City. Mr. Jacobson seconded the motion which passed unanimously.

Mr. Kader gave an overview of #3 Gourmandise noting it is conditional and staff recommends approval.

Ms. Orton moved to approve a conditional airport lounge license for #3 Gourmandise in Salt Lake City. Mr. Jacobson seconded the motion which passed unanimously.

OPERATIONS UPDATE:

Mr. Petilos noted the department is increasing inventory in preparation for the holiday season. Two new stores – Farmington and Saratoga Springs – are scheduled to be open in November

Mr. Bateman updated the full commission on the Operations Subcommittee meeting. He explained that the subcommittee meeting participants from the department are receptive and commission members are actively involved in department operations. He noted that today the subcommittee addressed the steps made to improve the training program and the warehouse turnover rate.

Mr. Bateman, Mr. Parrish, and Mr. Nielsen also thanked Man Diep and the finance team; as well as Traci Santillanes for strengthening the audit functions of the department.

PACKAGE AGENCY UPDATE:

Jeff Colvin noted that there were ten Type 5 and six Type 3 package agencies audited and found to be in compliance. He also reported that the new POS system has been successfully installed in five package agencies to date.

FINANCIAL UPDATE:

Man Diep reported that as of the end of July 2020, YTD bottle sales decreased 12.46% (523,357 bottles) compared to last year. The decrease is due to the change in beer laws. YTD retail sales increased $3,661,447 (9.8% increase).

COMMENTS FROM COMMISSIONERS AND PUBLIC:

None.

There being no further business, the meeting adjourned at 11:05 a.m.

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Chairman