



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

TROY L. CAMPBELL
Board Chair

JOHN COCCA
Director

Arizona State Liquor Board Hearing Minutes
June 13, 2019

Members Present: Troy L. Campbell – Chair, Walter W. Jahn – Vice Chair, Jeffrey K. Oravits, and Michael N. Widener (telephonically).

Members Absent: None

Counsel Present: Mary D. Williams, 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 13, 2019, at 10:00 a.m. with Mr. Campbell presiding.

Roll Call

All members were present (Mr. Widener telephonically).
Mr. Campbell announced that he had designated a panel of three members to preside over the Board's June 6, 2019 meeting, however, all members were present for this meeting.

B. Recognition of departing Board Member.

Mr. Campbell proceeded to agenda item 1.

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

1. In-State Farm Winery Liquor License, No. 55065 - Original Application

Charles Frank LaDue, Agent
Integrated Systems Engineering Solutions, LLC
10000 East El Poso Trail
Tucson, AZ 85749

This matter is set for hearing because the City of Tucson recommended disapproval. Subsequent to this matter being set for hearing, the Applicant filed an application withdrawal with the Board. The Applicant, Integrated Systems Engineering Solutions, LLC, and its Agent, Charles Frank LaDue, appeared telephonically at the hearing. Senior Assistant City Attorney Jacinta Figueroa appeared telephonically on behalf of the City of Tucson. There were no objections to the Applicant's request to withdraw its application.

Mr. Widener made a motion to accept the applicant's request on the basis that it concurs with the Department's position that the farm winery license is not the correct designation for the planned activities and therefore it is not the right series of license. Mr. Campbell asked for a roll call vote.

Motion to accept application withdrawal -	Widener
Seconded -	Jahn
Yay -	Widener, Jahn, Oravits, Campbell
Nay -	None
Abstained -	None
Disposition -	Application withdrawal accepted

2. Beer and Wine Store Liquor License, No. 47444 – Original Application

Alejandro Cabello, Agent
Quick Market LLC
Quick Market
710 E. Turney Avenue
Phoenix, AZ 85014

This matter is set for hearing because the City of Phoenix recommended disapproval. The Applicant, Quick Market LLC, and its Agent, Alejandro Cabello, appeared at the hearing and were not represented by counsel. Assistant City Prosecutor Noel E. Rascon appeared on behalf of the City of Phoenix. Detective Gabriella Westfall was sworn and testified in support of the City of Phoenix. Mr. Rascon presented an opening statement. He discussed the Police Department's investigation, the proximity of the proposed location to a daycare facility and school for autistic individuals, and that 19 members of the public are protesting the application.

Mr. Cabello addressed the Board. He stated that some of the City's concerns were his lack of business experience with a liquor license. Mr. Cabello has hired a consulting firm to assist him with his business practices and he has completed the required liquor law training. Mr. Rascon questioned Mr. Cabello about security cameras and outdoor lighting. Mr. Cabello stated that he had not met with the neighbors. Board members questioned Mr. Cabello about his other business experience and the amount of time that he will be working at the store.

Mr. Rascon called his first witness, Detective Gabriella Westfall. Detective Westfall has been with the Phoenix Police Department for 20 years and has been in the position of Liquor Liaison with the Mountain View Precinct for the last 5 years. Detective Westfall described her investigation of the neighborhood, the concerns of the neighborhood associations, and the history of calls for service on the block where the store is located.

There were Board questions about the previous liquor license at the location. That license was issued in 2010 and expired December 31, 2018.

Motion to convene in executive session for the purpose of receiving legal advice -	Campbell
Seconded -	Oravits
Yay -	Campbell, Oravits, Widener, Jahn
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 10:36 a.m. and reconvened in open session at 10:45 a.m.

Mr. Jahn made a motion regarding liquor license number 47444. Although the area has changed in the last eight to nine years, and there has been some domestic disturbance within the area, Mr. Cabello has completed all the training and is just looking to run a business in the area. I move that we find the Applicant is capable, and qualified, and reliable by A.R.S. section 4-203, based upon the following facts that he has completed the training. Although the location is an area where we are trying to improve mental health, I do not think that we should take away from the business.

Motion to grant the license -	Jahn
Seconded -	Oravits
Yay -	Jahn, Oravits,
Nay -	Widener, Campbell
Abstained -	None
Disposition -	Motion does not carry

Mr. Widener stated that he agrees with the motion maker about the capability, qualifications and reliability of the Applicant. His problem is with the location. He thinks that the evidence does overcome the presumption that the location is appropriate. He described the close proximity to the Veterans hospital and Steele Indian School park. Mr. Widener continued, while he does not have any problem finding that Mr. Cabello is capable, qualified and reliable, he finds the presumption of the suitability of the location has been rebutted and therefore, he cannot support the motion by the motion maker.

Mr. Campbell agrees with Mr. Widener that the problem is with the location. Mr. Oravits pointed out that the area has changed, but the store was there before the group homes and school moved in. He noted that the only protestor present is the City of Phoenix.

Motion to convene in executive session for the purpose of receiving legal advice -	Campbell
Seconded -	Oravits
Yay -	Campbell, Oravits, Widener, Jahn
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 11:00 a.m. and reconvened in open session at 11:05 a.m.

Mr. Jahn made a motion regarding liquor license number 47444, that the Board find the applicant is capable, qualified and reliable as required by section 4-203 based upon that he has gone through training. Although the area has changed, the location is acceptable. Mr. Oravits seconded the motion.

Mr. Campbell offered an amendment that the location had been previously licensed, that the location that had previously been licensed had these businesses in the neighborhood, and the businesses who oppose this application had an opportunity to appear today and did not appear. Mr. Jahn accepted the amendment and Mr. Oravits seconded the amendment. Mr. Campbell asked for a roll call vote.

Motion to grant license -	Jahn
Seconded -	Oravits
Yay -	Jahn, Oravits, Campbell
Nay -	Widener
Abstained -	None
Disposition -	License granted

3. Beer and Wine Store Liquor License, No. 49787 - Original Application

Simon Boutros Khoury, Agent
Khoury Entreprise LLC
Smokes R Us
3400 E. Thomas Road
Phoenix, AZ 85018

This matter is set for hearing because the City of Phoenix recommended disapproval. This matter is also set for hearing because of public protest.

The Applicant, Khoury Entreprise LLC, and its Agent, Simon Boutros Khoury, appeared at the hearing and were not represented by counsel. Assistant City Prosecutor Noel E. Rascon appeared on behalf of the City of Phoenix. Protestor Thomas Sell and Protestor Roger Sensing did not appear at the hearing. Mr. H. J. Lewkowitz appeared on behalf of the protestors. Robert Pasmino, Christie Scott and David Wilson appeared in support of the protestors.

Mr. Rascon addressed the Board. The City's concern is the location and having a beer and wine store so close to an existing liquor store. The City received a petition signed by 56 individuals. Applicant does not have a certificate of occupancy and does not have a use permit for packaged liquor or a use permit for tobacco sales. Mr. Lewkowitz addressed the Board. The Protestors are opposed to the pending application because it is not in the best interest of the community and it does not meet the public convenience at the proposed location.

Mr. Khoury made an opening statement. He purchased the store 14 months ago. Without the liquor license, Mr. Khoury is not certain that he can continue to operate his business. Mr. Rascon questioned the Applicant about the missing permits and his business experience with convenience stores. Mr. Lewkowitz questioned the Applicant about the protestors' position and whether Mr. Khoury obtained letters of support. There were questions from the Board about security cameras, past experience, and police calls for service.

Mr. Campbell called for witnesses. The qualified protestors were not present at the hearing. Mr. Campbell called a break.

The Board recessed from 11:32 a.m. to 11:46 a.m.

Ms. Williams explained that Mr. Sell is on the telephone and available for testimony or questions, if there are no objections to his participation telephonically. Mr. Widener disclosed that Mr. Sell is a former client of his law firm, and he recused himself from further participation in the matter. Mr. Widener made a motion to continue the hearing to the August 1, 2019 Board meeting when a panel will be designated to hear this matter.

Motion to continue hearing -	Widener
Seconded -	Oravits
Yay -	Widener, Oravits, Jahn, Campbell
Nay -	None
Abstained -	None
Disposition -	Hearing continued to August 1, 2019

Chair Campbell designated a three-person panel consisting of Board members Walter Jahn, Jeffrey Oravits and himself, pursuant to A.R.S. § 4-111(D). Mr. Campbell proceeded to agenda item B.

B. Recognition of Departing Board Member

Michael Troyan was appointed by Governor Doug Ducey to serve as the retail representative on the State Liquor Board in October 2015. Mr. Troyan was elected Vice Chair in August 2016 and was elected Chair in May 2017. Mr. Troyan served two years as the Board Chair. We appreciate his valuable service and wish him well in all his future endeavors.

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

The next meeting will be July 11, 2019. Mr. Oravits announced that he will participate telephonically.

E. Call to the Public

None.

The Board adjourned at 11:55 a.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date