



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
September 5, 2019

Members Present: Troy L. Campbell – Chair, Walter W. Jahn – Vice Chair, and Jeffrey K. Oravits
Members Absent: Michael N. Widener
Counsel Present: Michael Raine, 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 September 5, 2019, at 10:17 a.m. with Mr. Campbell presiding.

Roll Call

Mr. Campbell had designated a three-person panel consisting of himself, Vice Chair Jahn, and Mr. Oravits to preside over the meeting.

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

1. Beer and Wine Store Liquor License, Application No. 52402 – Original Application

Sayel Jeries Radadi, Agent
Medlock Market & Deli LLC
Medlock Market & Deli
5127 N. 43rd Avenue
Phoenix, AZ 85019

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, Medlock Market & Deli LLC, and its Agent, Sayel Jeries Radadi, appeared at the hearing and were represented by Harvey M. Yee. Assistant City Prosecutor Nathan J. Watts appeared on behalf of the City of Phoenix. Lawrrie Fitzhugh, spokesperson for public protestor Sevilla Neighborhood Association, appeared and testified. Becky Powers appeared in support of the City of Phoenix.

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

The Board convened in executive session at 10:21 a.m. and reconvened in open session at 10:30 a.m.

Mr. Yee stated the Applicant's position is that they must prove location qualification and person qualification. Mr. Watts presented a series of mistakes that took place after Circle K closed the location on October 12, 2017. The license was not surrendered at the time Circle K closed. Paradise Food Market applied for a series 10 at the location and then withdrew the application two months later. The Department facilitated the surrender of the license in October 2018. At some point, Circle K renewed the license through 2018. The location has been boarded and empty for over a year. No business has been conducted there since October 12, 2017. The City's position is that the presumption under A.R.S. § 4-203(A) that the public convenience and best interest of the community were established at the time the location was previously licensed, does not apply.

Mr. Yee did not dispute the City's position and proceeded with his opening statement. Mr. Watts waived the City's opening statement until after arguments. Ms. Fitzhugh stated in her opening statement that Sevilla Neighborhood Association will argue person, location, and saturation of liquor licenses within the area surrounding the location.

Mr. Yee called his witness, Sayel Jeries Radadi. Mr. Radadi testified that if he is granted the liquor license, the store will sell craft beer, sandwiches, fresh fruits and vegetables, frozen produce, and household items serving the surrounding neighborhood and motorists on 43rd Avenue. Mr. Radadi stated that tobacco products would be sold but no paraphernalia such as bongos. Mr. Radadi responded to questions regarding his U.S. citizenship, Arizona state residency, completion of Title 4 liquor law training, and having no criminal convictions in the past five years. Mr. Radadi is employed by Sound Image as a sales manager. His brother is an owner of Sound Image that is located at 4146 W. Camelback Road, not far from the location for Medlock Market & Deli. Mr. Radadi added that Sound Image has been at its location 20 years and has not had any incidents requiring calls for police service. Mr. Radadi testified that he filed his application for a liquor license in February and met with Ms. Fitzhugh for the first time in April. He stated that Sevilla Neighborhood Association was the only protest of his application. Mr. Radadi described his meeting with sworn officers of the Phoenix Police Department and the Department of Liquor. Mr. Radadi testified that he intends to be a "hands on" owner/operator and will comply with all laws and regulations.

There were Board questions about hours of operation, store management, and employees. The store is currently closed and will not have a drive-up window. Mr. Watts questioned Mr. Radadi about the relatives and friends who will work at the store; the floor plan; percentage of alcohol sales to total sales; market research of the neighborhood; and the sum of money invested in the business to date. Mr. Watts drew the Board's attention to the supplemental exhibits including photographs of the building. Mr. Yee redirected with Mr. Radadi's testimony that it would take 60 to 90 days to complete the store remodeling. Mr. Watts argued that the Applicant lacks the capability, qualifications and reliability to hold a liquor license.

Mr. Watts called his first witness, Lawrrie Fitzhugh. Ms. Fitzhugh testified that the Sevilla Neighborhood is in a high crime area. Ms. Fitzhugh described the nature of a formal business plan interview that she and other association members conduct with prospective liquor licensees. She testified that there are 87 liquor licenses within a 2-mile radius, concentrated between 35th and 43rd Avenues along Grand Avenue. Ms. Fitzhugh described the history of criminal activity at the proposed location and surrounding neighborhood. Mr. Yee questioned Ms. Fitzhugh and there were questions from the Board.

Ms. Fitzhugh presented additional information about traffic and nearby schools that were not included in her testimony. There were questions for Ms. Fitzhugh from the Board, Mr. Yee, and Mr. Watts. Mr. Yee made a closing statement. Mr. Watts made a closing statement. Ms. Fitzhugh made a closing statement.

The Board recessed at 12:19 p.m. and reconvened at 12:24 p.m.

There was Board discussion. Mr. Jahn made a motion regarding application number 52402. I move that we find the Applicant is capable, qualified and reliable as required by A.R.S. section 4-203(A) based upon the following facts. He has completed his training. He has cooperated with the Department of Liquor and the Phoenix PD on recommendations on how to open up his business. He plans to be a hands on operator as well. Although that area is high crime ridden, this gentleman is just trying to open a business. I find that the public convenience requires and the best interest of the community will be served as required by A.R.S. section 4-203(A) by granting the liquor license. Mr. Oravits seconded the motion. Mr. Campbell offered an amendment adding the hours of operation will probably be from 8:00 a.m. to 10:00 p.m. and that will cut off late night and early morning crime. He has met with community members. There will not be a drive-up window. Mr. Oravits seconded the modification.

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

C. Board Training: (a) Changes to Title 4 and (b) Conflict of Interest Disclosure

Mr. Raine began with conflict of interest disclosure. He explained the difference between a statutory conflict and the appearance of a conflict. He provided each member a copy of Chapter 8 Conflict of Interest from the Agency Handbook published by the Attorney General's Office. Mr. Raine drew the Board's attention to the sample form that members will be required to complete when they recuse from a matter.

Mr. Raine distributed a slide presentation and discussed 2019 legislation including acts of violence (A.R.S. § 4-101(1)); biometric identity verification device (A.R.S. § 4-241); revoking Title 4 trainers (A.R.S. § 4-112(G)); retail delivery (A.R.S. § 4-203(J)); off-sale sampling (A.R.S. § 4-203(L)); joint premises (A.R.S. § 4-207.02); and a three-year pilot program for regional shopping centers of at least 400,000 square feet.

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

The next meeting is scheduled for October 3, 2019.

E. Call to the Public

None.

Motion to adjourn -
Seconded -
Yay -
Nay -
Abstained -
Disposition -

Jahn
Oravits
Jahn, Oravits, Campbell
None
None
Board adjourned at 1:22 p.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board

10/3/19

Date