



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
December 3, 2020

Members Present: Troy L. Campbell – Chair, Walter W. Jahn – Vice Chair, Michael N. Widener, and Lynn Shulman

Members Absent: None

Counsel Present: Michael Raine, Assistant Attorney General

Staff Present: Denise Bale, Board Administrator
Arlene Moreno, Interim Board Administrator

A. Call to Order

The hearing of the Arizona State Liquor Board was called to order on December 3, 2020, at 10:02 a.m. with Mr. Campbell presiding. Google Meet was utilized for facilitating the meeting. Board members, staff, and all parties participated telephonically.

Roll Call

All members were present.

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

Mr. Campbell called Agenda item 2 first.

2. Restaurant Liquor License, Application No. 84257 - Original Application

Tawny Lyn Costa, Agent
DSK II LLC
Parma Italian Roots
3623 E. Indian School Road
Phoenix, AZ 85018

This matter was continued from the November Board meeting. This matter is set for hearing because the Department of Liquor Licenses and Control (“Department”) is protesting the application. Camila Alarcon appeared on behalf of the Applicant, DSK II LLC, and its Agent, Tawny Lyn Costa. Assistant Attorney General Michael Raine appeared on behalf of the Department. Assistant Attorney General Roberto Pulver was present to provide independent legal advice to the Board.

Mr. Raine addressed the Board. The Applicant and the Department reached an agreement to resolve the pending investigation. The Applicant had intended to withdraw its application no later than the January

Board meeting, with the intention of closing the restaurant. The Applicant recently closed the restaurant. The Applicant still intends to withdraw the application; however, the application withdrawal form has not been submitted. In discussion with counsel, one option was to have the Board provisionally accept a withdrawal that is filed and in proper form in this meeting, just to avoid the need to bring it back to the Board in January to do the same thing. There is no objection from the Department for the Applicant withdrawing. When it is clear that there is no longer a need for a hearing before the Board, the Board has voted to remand it back to the Department for processing or closing. Mr. Raine asked the Board consider that in one motion to provisionally accept the Applicant's withdrawal form if it is filed in an appropriate form, and to also vote to remand the matter back to the Department for closing. There is an interim permit in place and upon receiving the withdrawal form, the Department would cancel the interim permit.

Mr. Campbell made a motion that the Board provisionally accept the withdrawal form with the understanding that it is filed in an appropriate form, additionally, to remand this case back to the Department for processing and closing.

Motion to provisionally accept withdrawal of application and to remand the matter to the Department -	Campbell
Seconded -	Widener
Yay -	Campbell, Widener, Shulman, Jahn
Nay -	None
Abstained -	None
Disposition -	Provisionally accepted the application withdrawal and remanded the matter back to the Department for processing and closing

1. Microbrewery Liquor License, Application No. 110353 - Original Application

Jordan Ham, Agent
Roses by the Stairs Brewing LLC
509 West McDowell Road, Unit A
Phoenix, AZ 85003

The Applicant, Roses by the Stairs Brewing LLC, and its Agent, Jordan Ham, appeared at the hearing and were represented by Peter Schelstraete. Jordan Ham, Allie Russell, and William Hampton testified in support of the Applicant. Assistant City Prosecutor Minai Samartineau appeared on behalf of the City of Phoenix. Public protestors Katherine Kunberger and Patricia Zermeno, who had withdrawn their protests prior to the hearing, were present and Ms. Kunberger was available for providing testimony.

Mr. Samartineau addressed the Board. The City Council's recommendation of disapproval was based on concerns of inadequate parking, presence of neighborhood children in area, and outdoor noise. These concerns were mainly based on protest letters from neighbors abutting the property that were presented at the September City Council Meeting. Mr. Samartineau noted that some of the circumstances have changed and that he is here to present the City's disapproval at the September City Council Meeting.

Mr. Schelstraete called his first witness. Jordan Ham is the sole member of Roses by the Stairs Brewing LLC. Mr. Ham received his Bachelor's degree from Purdue University in Electrical Engineering. His first job was with APS (Phoenix) where he worked for four years and he later worked two years in San Francisco. He wanted to pursue his passion of owning his own business so he worked freelance as a data analyst while he worked on his business plan for the brewery. Mr. Ham's business model starts with 1% of revenues given to environmental charities. Pink beer will be on tap at all times and proceeds will be given to local breast cancer charities. Mr. Ham and his wife, Allie Russell, chose this location because they wanted to be part of a neighborhood where people could walk and bike to the brewery. They are focused on selling directly from the tap room to its local customers. The location has history in once being a beloved

costume shop. There are thousands of potential customers who can walk or bike to the brewery. There are several improvements on the property. Mr. Ham partnered with a local, award winning architecture firm in Scottsdale to repurpose the warehouse into a microbrewery that would fit in with the surrounding neighborhood. A small patio was moved from the back to the front of the building and fully screened to address the noise and visibility concerns of the neighbors. Mr. Ham testified that he regularly picks up garbage, paints over graffiti, and has asked people who sleep and loiter in the vacant parking area to leave the area. A security camera system will be installed just for the alley and outdoor lighting will be installed to improve safety. On the interior, half of the building will be filled with brewing equipment and half will be a cozy family and date night gathering place. Other improvements are updated restrooms, floors, insulation for sound, air conditioning, and lighting to create a warm and welcoming atmosphere.

To work with the concerns of the neighbors, Mr. Ham met with neighbors in a socially distanced meeting on July 25, 2020. He attended two zoom calls with over three hours collaboration; and since September, he has communicated in over 100 emails regarding the brewery process and plans, involving over 10 hours of research, collaboration and discussion. He met with the neighbor behind the brewery for 1-1/2 hours. He organized and participated in a 1-1/2 hours site walk with the landlord, the brewer, their spouses, and the neighbors to open the lines of communication. Ms. Russell had a 2 hour conversation with a neighbor and a representative of City Planning to discuss stipulations. She also had a 3 hour zoom discussion with the Regional Airline Association (RAA) Board. Both Mr. Ham and Ms. Russell spoke at two RAA monthly meetings. Mr. Ham has given his cell phone number and email address, Ms. Russell's cell phone number, and the landlord's cell phone number to the neighbors. Mr. Schelstraete questioned and Mr. Ham confirmed that he had submitted the stipulations with the neighborhood to the Board of Adjustments.

Mr. Samartineau asked Mr. Ham to discuss the parking situation. Mr. Ham stated there are 24 parking spots on the lot. Employees will park in dedicated spots behind the building. Maximum occupancy for the building is 50-75. Mr. Ham noted that one advantage of having a downtown location is the various modes of transportation available to customers.

There were Board questions about the issues raised at the City Council hearing: parking for other businesses at the location, vagrancy in the alley, outdoor noise on the patio, and security of neighborhood children in the shopping area. Mr. Ham explained that Roses by the Stairs Brewing is the only business at the location at this time. The hours of service to the public will be noon to 10:00 p.m. on weeknights and closing at midnight on the weekend. Mr. Ham discussed one neighborhood concern that was not raised at the City Council hearing. The neighbors were concerned about the smell from the brewing. During the brewing process, a cookie or bread smell is emitted. Although they would be brewing once or twice a week, they purchased different equipment that does not vent any smells into the atmosphere and mitigates odor.

There were Board questions about use permits and training. They have received three use permits: (1) to have the microbrewery, (2) to have the patio, and (3) to be able to serve to-go beer. Mr. Ham has completed the required liquor law training.

Mr. Schelstrate called his next witness, William Hampton. Mr. Hampton graduated from Maricopa Community College and worked ten years as a paralegal in the Phoenix metro area. He decided to turn his hobby of home brewing into a business. Mr. Hampton had brewed for several years, won several awards, and made several good friends and contacts in the industry. In 2013, he opened as the head brewer for Mother Bunch Brewing. After 2-1/2 years, he transitioned over to Uncle Bear's Brewing and worked there until July 2019 when he went into brewery consulting. At Uncle Bear's Brewing, his responsibilities included running the lab, running their packaging line, brewing beer, creating recipes, and serving on the technical committee for the Brewers Guild from Arizona. During that time, they won seven awards at the World Beer Cup. Mr. Hampton explained the state-of-the-art brewing equipment that he sourced for Roses

by the Stairs Brewery after the neighbors raised concerns. Ingredients will be fresh local ingredients that support local farmers. Mr. Hampton also explained how spent grain and by-products of the brewing will be disposed. Production is projected for 400-450 barrels a year.

Mr. Schelstrate called his last witness, Allie Russell. Ms. Russell has an engineering degree from Harvey Mudd College and works full-time as manager of a data science team at a software company. She described her involvement in working with the neighbors.

Protestor Katherine Kunberger interrupted the meeting with concerns about her conditional protest withdrawal that was based on stipulations between the Applicant and the neighbors. Mr. Campbell confirmed that the Board members received a copy of the stipulations. Mr. Schelstraete confirmed that the three stipulations agreed upon by the Applicant and the neighbors were timely submitted to the Board of Adjustments as agreed. Ms. Kunberger had no further comments.

Mr. Schelstraete presented his closing statement. Mr. Samartineau presented his closing statement, noting that the recommendation for disapproval was not based on the Applicant's capability, qualifications and reliability.

There was Board discussion regarding working with the neighborhood, cleaning up the alley, moving the patio, odor mitigation, and stipulations with the neighbors. Ms. Shulman made a motion:

The Board finds that the Applicant's personal qualifications are not contested and that the record before the Board establishes that the Applicant is capable, qualified and reliable as required by A.R.S. Section 4-203 to hold a liquor license. Also, the Board finds that the public convenience does require, is in the best interest of the community, and will be served by granting a liquor license to this location by A.R.S. Section 4-203; and that the application be granted based upon Mr. Ham's willingness to work with the neighborhood, by obtaining his use permits and Title 4 and management classes, and also I would like to motion that we grant Application number 110353 for Roses by the Stairs Brewing LLC.

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

C. Minutes: Review, Consideration and Action

Motion to approve minutes of	
July 9, 2020 -	Campbell
Seconded -	Jahn
Yay -	Campbell, Jahn, Widener, Shulman
Nay -	None
Abstained -	None
Disposition -	Minutes approved

Motion to approve minutes of September 10, 2020 -	Shulman
Seconded -	Campbell
Yay -	Shulman, Campbell, Jahn
Nay -	None
Abstained -	Widener
Disposition -	Minutes approved

Motion to approve minutes of October 1, 2020 -	Widener
Seconded -	Shulman
Yay -	Widener, Shulman, Campbell
Nay -	None
Abstained -	Jahn
Disposition -	Minutes approved

Motion to approve minutes of November 5, 2020 -	Widener
Seconded -	Jahn
Yay -	Widener, Jahn, Campbell, Shulman
Nay -	None
Abstained -	None
Disposition -	Minutes approved

Motion to approve executive session minutes of November 5, 2020 -	Shulman
Seconded -	Jahn
Yay -	Shulman, Jahn, Widener, Campbell
Nay -	None
Abstained -	None
Disposition -	Executive session minutes approved

D. 2021 Hearing Schedule: Review, Consideration and Action

Mr. Campbell has a conflict with the February 4, 2021, meeting. If the other Members do not have a conflict, he proposed scheduling the meeting for one week later on February 11, 2021. There were no objections to the revised date. Mr. Widener made a motion for approval of the Arizona State Liquor Board 2021 Hearing Schedule as indicated on the exhibit that the Board has been considering with the following exception that the hearing originally scheduled for February 4th be moved back one week so that it will be on Thursday, February 11th.

Motion to approve 2021 Hearing Schedule -	Widener
Seconded -	Shulman
Yay -	Widener, Shulman, Campbell, Jahn
Nay -	None
Abstained -	None
Disposition -	2021 Hearing Schedule approved

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

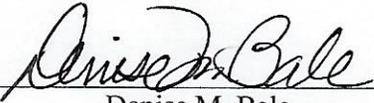
The next Board meeting is scheduled for January 7, 2021. There are two matters set for hearing. The Google Meet call-in number and PIN will be distributed prior to the meeting.

F. Call to the Public

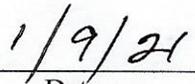
Director Cocca thanked all the Board Members for serving in this challenging year 2020, for doing a yeoman's job, and for their patience. He wished all happy holidays and a merry Christmas.

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

Widener
Shulman
Widener, Shulman, Campbell, Jahn
None
None
Meeting adjourned at 11:29 a.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date