

**LIQUOR AND BEER MEETING
LOCAL LICENSING AUTHORITY
CITY OF GRAND JUNCTION, COLORADO
CITY/COUNTY AUDITORIUM, 520 ROOD AVENUE**

M I N U T E S

WEDNESDAY, FEBRUARY 4, 1998, 8:00 A.M.

I. **CALL TO ORDER** - The meeting was convened at 8:05 a.m. Those present were Hearing Officer Phil Coebergh, Assistant City Attorney John Shaver and Acting City Clerk Christine English.

II. APPLICATIONS TO RENEW LIQUOR AND BEER LICENSES

1. JANRUS Inc., dba Cahoots Crossin, 490 28 1/4 Road, Tavern

Janet Boyd, president, was present. The City Clerk's office received a copy of the Findings and Order from the State on violation of C.R.S. 12-47-901(a) which happened on August 21, 1997. Hearing Officer Coebergh questioned Ms. Boyd as to the status of this. Ms. Boyd stated an employee meeting was held where they were educated on checking ID's and on over service. She stated there have been four (4) instances where false ID's have been confiscated. The State Liquor Enforcement officers have been in contact with the establishment several times to reinforce the training.

Assistant City Attorney Shaver stated he only became aware of the situation after the fact. He has not seen any police reports that would indicate there have been any confirmed problems since that time. Mr. Shaver found no legal cause not renew at this time.

Mr. Coebergh stated the Authority did not like to see problems of this nature and was curious as to why the local authority was not made aware of the situation but that the State stepped in and took care of it? He admonished the licensee to not let these situations come up in the future. The application was in order and approved.

2. Metro Oil Inc., dba Total No. 2300, 599 29 1/2 Road, 3.2% Beer

The application was in order and approved.

3. Harley and Caryl Rudofsky dba The Crystal Cafe & Bake Shop, 314 Main Street, Hotel-Restaurant

The application was in order and approved.

III. HEARING FOR RENEWAL WITH DECISION ON CAUSE FOR LATE FILING

1. The Pinon Grill Inc., dba Pinon Grill at Tiara Rado, 2063 South Broadway, Hotel-Restaurant and 3.2 Beer, Annexed into City - March 9, 1997

Steve Hoefer, secretary/treasurer, and Pat Kennedy, president, were present. The Fire Department upon inspection noted three (3) critical violations. The management was made aware of these and a reinspection will be conducted in March, 1998.

Hearing Officer Coebergh questioned the applicants as to the nature of the fire violations? Mr. Hoefer stated one of the violations will be addressed this month. He stated this is a City owned building and the system maintenance is the responsibility of the City to maintain and repair. The alarm system is tied to the whole building including the Pro Shop.

Hearing Officer Coebergh questioned the applicants as to the letter on cause for late filing? Mr. Hoefer stated the letter was written in haste in order to file the renewal as quickly as possible. There were no excuses but Mr. Hoefer did explain they had been annexed into the City in March of 1997. Before this, they had been licensed through Mesa County. They currently hold a hotel-restaurant with optional premises license for the restaurant and a 3.2% beer license for the golf course. They had wanted to pursue consolidating the licenses into an all encompassing hotel-restaurant license. They contacted the City Clerk's office and spoke to City Clerk Stephanie Nye. Mr. Hoefer stated they were told to wait and not do anything until the Clerk's office had had a chance to look into this with the City Attorney's office. When they received the renewal applications in early November, 1997, they waited to hear back from the Clerk's office and/or the City Attorney's office. There was no further communication and the renewals got pushed aside. Mr. Hoefer stated he was new in the business and he has been overwhelmed with the amount of book work necessary in operating a small business. Also, the assistant manager died on December 29, 1997 which set them back on taking care of the necessary paperwork. Mr. Hoefer was not offering this information as an excuse but as an explanation for the late filing. Mr. Hoefer apologized to the Authority.

Mr. Shaver stated the letter in and of itself was insufficient, but based upon the supplementary testimony, especially the death of the assistant manager, this rises to the level of good cause. Mr. Shaver asked when the renewal had been filed and what representations may have been made to the applicants? Mr. Shaver stated he had not been in contact with either applicant, but he had spoken to Ms. English regarding this situation.

Ms. English stated the renewal had been date stamped on January 16, 1998. The letter of explanation submitted was dated January 15, 1998. As to the communication between the applicants and Ms. Nye, she could not speak on that, but it was Ms. English's understanding that due to City ordinance, the optional premises license on the hotel-restaurant license could not be renewed and that there was communication taking place on consolidating the three (3) separate licenses.

Mr. Shaver stated Ms. Nye had contacted him and made him aware of the optional premises license. It is not a City ordinance problem as much as it is a lease problem. The concessionaire agreement between the City and the applicants provides specifically for the existence of the 3.2% beer license on the golf course. The question of optional premises did come up. It was determined that it was the lease provision that would be controlling. Based upon the representations made this morning, it is Mr. Shaver's recommendation that good cause be found and the late renewal application be accepted as filed.

Mr. Coebergh asked for clarification on the licenses. Based on the lease agreement, can the applicants have a hotel-restaurant

and a 3.2% beer license? Mr. Shaver stated the problem is the extension of the hotel-restaurant license via the optional premises license for service of liquor expanded from the club house area. That was the issue that came up, whether there should be any service other than 3.2% malt beverage on the golf course. Apparently there was an optional agreement that was consistent with or in violation of the concession agreement did not come up. It simply was a matter of when the renewal was processed under the City's authority, whether there would be the availability of an optional premises license. It was Mr. Shaver's opinion that based upon the concessionaire agreement that it is explicit that 3.2% beer is the only service to be provided on the golf course. To the extent they are representing there was a question or a problem, that is accurate.

Hearing Officer Coebergh asked the applicants what their understanding was of what they were trying to achieve? Mr. Hoefer stated they wanted to renew both the 3.2% Beer license to serve beer on the golf course, and the hotel-restaurant license to serve in the restaurant but not to extend a full liquor license onto the golf course. Mr. Coebergh asked how the 3.2% beer and the hotel-restaurant concessions were separated? Mr. Kennedy stated the 3.2% beer was served in cans, all others were served in bottles. The 3.2% beer is served out of the beer cart or out of the snack bar. The other beer and liquor was served on the premises of the club house or the patio. During this time of the season, beer was also served out of the restaurant because the snack bar is not open. He stated they were very diligent in watching that people did not take bottles onto the golf course. Mr. Coebergh asked if there were signs posted so people would know the limitations? Mr. Kennedy stated they had been persuaded not to post signs. The golf course superintendent has discouraged them from doing this. Mr. Kennedy said they were caught in the middle of what Parks and Recreation want them to do and what they think they should be doing according to the Liquor Authority.

Mr. Coebergh asked Mr. Shaver if he was aware of any problems in serving the 3.2% beer from the area where the hotel-restaurant license exists? Mr. Shaver stated the service is not an issue, but the separation of the product for storage. There has to be a maintained and distinct inventory separation. Ideally, that should include the service area. Mr. Coebergh asked the applicants if they were doing this? Mr. Kennedy stated cans of beer and bottles of beer are in separate sections of the cooler. In the snack bar area, all that is sold is the 3.2% beer. The cooler separation is clearly defined.

Mr. Coebergh asked Mr. Shaver if this was sufficient? Mr. Shaver stated the applicants are attempting to be diligent. If they have any questions, he was willing to speak to them off the record or they could have the benefit of the State liquor inspector pay them a visit.

Mr. Coebergh stated this was a somewhat complicated situation for numerous reasons. The letter did not present good cause for the late filing, but based upon the representations today, he finds there is good cause. Mr. Coebergh was concerned with the apparent representation by the City Clerk's office to wait until there was a resolution that may have led the applicants to not file in a timely manner. Regardless, it is the licensee's responsibility to comply with the notice given which is stated right on the

application it self. The application was in order and the hotel-restaurant and the 3.2% beer licenses were approved. He admonished the licensees to keep the licenses separate.

Mr. Kennedy stated the two licenses were a point of confusion for their customers as well. They would prefer to have a full liquor license situation. It is something they are constantly struggling with as to where the customers will be taking the beverage. They would like to simplify matters. Mr. Coebergh suggested the posting of signs and he encouraged the licensees to work with the City Attorney's office to try and get any complication of allowing the full service to go out of the hotel-restaurant license area. If it is feasible within the law and in terms of the lease, he would have no problem with it. His concern would be with glass being taken onto the golf course.

IV. RENEWAL WITH REPORT OF CHANGE IN CORPORATE STRUCTURE

1. GMRI Inc., dba Red Lobster No. 685, 575 24 1/2 Road, Hotel-Restaurant

James D. Smith replaces Jeffrey J. O'Hara as President, Senior Vice-President, Finance and Director

The application was in order and approved.

V. REPORT OF CHANGE IN CORPORATE STRUCTURE

1. Chamai-Leon Productions LLC., dba The Chameleon Club, 234 Main Street, Tavern

President: Priscilla C. Inks replaces Jeffrey B. Inks

Priscilla Inks and Brad Junge, attorney, were present.

Mr. Shaver stated since this is only a change in corporate structure, the character of the applicant is the only issue. Since the police report affirmed there are no problems, that is the only consideration.

Mr. Coebergh was concerned that there had been some type of problem with the establishment and asked Mr. Shaver if that needed to be addressed? Mr. Shaver stated there had been a previous violation with Mr. Jeffrey B. Inks and a stipulation was entered into of a fine in lieu of suspension. At this time, there is a pending criminal investigation of Mr. Inks personally, but the events did not directly affect the licensed premises. Mr. Junge concurred with this. The criminal investigation has nothing to do with the business operations involving the club.

Mr. Coebergh asked Mr. Junge if Mr. Inks had any involvement in the operation of the club? Mr. Junge stated he does not at this time. That is the reason the change in corporate structure is taking place. Mr. William and Mrs. Priscilla Inks are the main financial backers of the club. It was determined it would be in the best interests of everyone involved if they took over ownership and management of the club at this time to protect their financial interests and to maintain the status of the club pending the outcome of the criminal investigation. Jeffrey Inks is the son of Priscilla and William Inks.

The application was in order and approved.

VI. ADJOURNMENT - The meeting was adjourned at 8:27 a.m.

NEXT REGULAR MEETING - February 18, 1998