

**MINUTES FOR  
LIQUOR AUTHORITY MEETING**

**CITY OF WHEAT RIDGE, COLORADO  
7500 West 29<sup>th</sup> Avenue, Municipal Building**

**May 28, 2015**

Vice Chair Davia called the Liquor Authority Meeting to order at 9:00 a.m.

Liquor Authority Members present:

Robert Alldredge  
Paul Shaver  
Claudia Worth  
Carolyn Peterson  
Elizabeth Nazareus  
Bruce McIntyre  
Anthony Davia

Liquor Authority Members absent:

John Miks

Also present: Deputy City Clerk Kelly Stevens; City Attorney Carmen Beery; staff; interested citizens.

**APPROVAL OF MINUTES OF April 23, 2015**

**Motion** by Carolyn Peterson to approve the minutes of April 23, 2015: seconded by Paul Shaver; carried 6-0-1, Robert Alldredge abstained.

**Item 1.**       Item 1. Application for Transfer of Ownership – Daggwoods LLC, 4990 Ward Road, Wheat Ridge, CO 80033

Deputy Stevens introduced the item and the applicants, Shannon Medina and Kelly Blake. She also introduced Mr. Robert Brown, owner of Water Hole #2.

Vice Chair Davia swore in Ms. Medina, Ms. Blake, and Mr. Brown

Robert Alldredge asked Mr. Brown about the purchase and why he decided to sell to a different person from the original plan.

Mr. Brown explained that he was originally going to sell to the current applicants' father, Allen Blake. Due to Mr. Blake's record of DUI offenses, he withdrew his application for a Transfer of Ownership. Mr. Brown is now selling to Mr. Blake's daughter, Shannon

Medina. Brown stated he was given \$70,000 down and the remaining \$40,000 was paid 2 weeks ago. He has the receipt for this.

Caroline Peterson asked if the price had changed from the original purchase price.

Mr. Brown stated the original price was \$125,000, but he reduced the price to sell it fast. All money due has been paid to him.

Ms. Peterson asked how involved the applicants' father will be in the business.

Mr. Brown stated the original applicant, Mr. Blake, had intended to purchase the business as an investment for his daughters. Since he was unable to get a liquor license, he loaned his daughter the money to purchase the property instead. He will not be involved in the running of the business at all.

Ms. Medina confirmed that her father loaned her the money to purchase the business.

Anthony Davia asked if the applicant had put any of own money into the business.

Ms. Medina replied that her father loaned her all of the purchase price.

Mr. Davia asked Ms. Blake what type of bar experience she has.

Ms. Blake responded she has worked in bars since 1988 and has extensive management experience working in liquor establishments.

Mr. Davia asked the applicants what assurances the applicants can give that their father will not be involved in the operation of the bar.

Ms. Medina stated her father has a roofing business where he works full time. This purchase is intended to be a family investment. She works full time at Kaiser and intends to keep her job. Her sister, Kelly Blake, will be the one on site every day.

Ms. Blake stated she was the full time manager and would be there most of the time the business was open.

Ms. Peterson asked why Ms. Medina received the loan and not Ms. Blake.

Ms. Medina stated she was in a better financial position to repay the loan.

Claudia Worth asked about Ms. Blake's driving record. Is it all cleared up now?

Ms. Blake responded that she has it all cleared up and actually uses her past as an example to tell others what not to do.

Mr. Davia asked Mr. Brown why he was selling.

Mr. Brown stated he was tired and wanted to retire. He plans to move to Arizona. He had a Realtor working on the sale for a year with no response, so he lowered the price.

Ms. Peterson asked how big the staff will be.

Ms. Blake responded that there were currently 3 employees and they want to expand to 5 soon.

Ms. Peterson asked Mr. Brown if he was still involved in the business.

Mr. Brown stated he was still responsible for the liquor license and so he is still involved in the business.

Ms. Peterson asked the applicants how they will ensure that no minors are served alcohol.

Ms. Blake stated she wanted to become TIPS recertified and she has extensive bar experience. She's there all of the time and wants to have her staff TIPS trained.

Mr. Davia asked if they were going to make any major changes or were they going to keep the business a neighborhood bar.

Ms. Blake stated they want to keep the same neighborhood style. Ms. Medina stated they would like to host some charity poker runs, etc. in the future.

Mr. Davia stated the situation seems a little sketchy to him.

Mr. Alldredge commented that, according to the Deputy Clerk's report, the Police Department initially recommended the applicants' applications and then later changed their minds because of concerns about shadow ownership. The Liquor Authority is concerned about Mr. Blake being secretly involved in the administration of the bar.

Mr. Brown assured the Authority that Allen Blake is not involved in the bar at all. He wanted to do this as an investment for his daughters. Mr. Blake lives in Coal Creek Canyon and he doesn't see him at all.

Mr. Davia stated he was willing to vote to approve the application but he wanted the applicants to know that the board will keep an eye on the bar.

Claudia Worth asked Ms. Medina if she had a written contract with her father for the money loaned. She also asked Mr. Brown if he had any liquor violations in the last year.

Ms. Medina stated she did have a loan agreement. Mr. Brown stated he has had no liquor violations recently. He knows the liquor laws and has done his best to run a clean business.

Paul Shaver asked City Attorney Beery about the statement on page 2 of the loan agreement under default. If Ms. Medina defaults on the loan, will Mr. Blake own the business?

City Attorney Beery responded that Mr. Blake would have a security interest, but he would not be able to operate bar. He would be the technical owner in case of default, but with no liquor license, there will be no operation of the bar.

**Motion** by Robert Alldredge to approve the application for Transfer of Ownership from Water Hole #2 to Daggwoods LLC, 4990 Ward Road, Wheat Ridge, CO 80033, for the following reasons:

1. All applications and fees required by statute have been filed and paid.
2. The applicant is entitled to occupancy of the premises at 7000 W. 38th Avenue, Wheat Ridge by virtue of a Lease dated February 9, 2015.
3. Shannon Medina has passed background checks by the Wheat Ridge Police Department and the Colorado Bureau of Investigation.
4. Kelly Blake has passed a background check by the Wheat Ridge Police Department.

Mr. Alldredge also moved that the applicant be issued a temporary Tavern liquor license.

Seconded by Claudia Worth; carried 7-0.

### **CITY CLERK'S MATTERS**

Deputy Clerk Stevens asked the Authority if they had any questions or comments about the memo regarding Special Events Permits that was in the packet.

The Authority had no questions.

### **CITY ATTORNEY'S MATTERS**

City Attorney Beery explained to the Authority that there is an issue with the way the City of Wheat Ridge is handling Transfers of Ownership applicants that have also applied for a Temporary Liquor License. Attorneys representing some corporations with Master File letters are disputing our process. Currently, our process is incorrect according to state statute. The law requires that temporary licenses be issued within 5 days of application, not after background checks, etc. The law wants temporary licenses issued quickly for continuity of the businesses. We have been very slow in this process, which goes against the intent of the law.

Attorney Beery stated the Liquor Authority had some options. First, the Authority should determine if they want to issue temporary permits at all. A few cities, such as Broomfield, do not issue temporary liquor licenses. If the Authority wants to continue issuing temporary permits, then they have 3 options:

1. The Liquor Authority keeps the current process of approval, but they will have to have meetings very quickly to accommodate the 5 day turn around required by the statute.
2. Delegate to the City Clerk's Office the authority to process transfers of ownership and issue temporary permits with the understanding that any transfer applications that seem to have issues according to the Clerk's Office or the Police Department will be brought to the Liquor Authority for approval. The City Clerk's Office will need to keep the Authority informed about transfers processed in house.
3. Delegate to the City Clerk's Office only the authority to issue temporary liquor licenses. Transfers of Ownership will continue to be handled by the Liquor Authority.

After some discussion, the consensus of the Liquor Authority was to choose option #2 and delegate to the City Clerks' Office the authority to process transfers of ownership and issue temporary permits with the understanding that any transfer applications that seem to have issues according to the Clerk's Office or the Police Department will be brought to the Liquor Authority for approval.

**Motion** by Claudia Worth to approve the delegation of the City Clerks' Office the authority to process transfers of ownership and issue temporary permits with the understanding that any transfer applications that seem to have issues according to the Clerk's Office or the Police Department will be brought to the Liquor Authority for approval; Elizabeth Nazareus seconded; carried 7-0

Attorney Beery stated that the Clerk's Office will be allowed to issue temporary liquor licenses effective today, but the authority to process transfers of ownership will not be granted until the Authority approves her new memo that will be ready for the June 11<sup>th</sup> meeting.

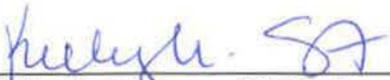
#### **POLICE DEPARTMENT MATTERS**

None

#### **LIQUOR AUTHORITY MEMBERS MATTERS**

None

Meeting adjourned at 9:50 a.m.

  
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Kelly K. Stevens, CMC, Deputy City Clerk

APPROVED BY LIQUOR AUTHORITY ON JUNE 11, 2015 BY A VOTE OF 7 TO  
0 / ABSTENTION

  
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John Miks, Chair