

JANUARY 29, 2018

MEMORANDUM TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS
THROUGH: BRYANT POWELL, CITY MANAGER
FROM: KATHLEEN CONNELLY, CITY CLERK
SUBJECT: RECONSIDERATION OF COUNCIL ACTION – PIZZA HUT
#07110056

At your meeting of January 16, 2018, you unanimously voted to recommend denial of an Acquisition of Control liquor license application for Pizza Hut, 240 S. Phelps Drive, Theresa Morse (applicant).

Your recommendation was based on a December 11, 2017 memo from John Suniga, Deputy Fire Marshal, who indicated that the district's inspection of the premises revealed "major violations found". Mr. Suniga has since revised his memo and has issued a replacement, also dated December 11, 2017, indicating that there were "no major violations found".

Since the statutory deadline for a recommendation on this license was February 2, 2018, I requested and received an extension from the Arizona Department of Liquor Licenses and Control to go beyond this deadline and give you time to reconsider the item and revise your recommendation.

These are the steps should you wish to reconsider your January 16 recommendation:

1. Discuss the reason for the possible reconsideration.
2. Hold a public hearing on the possible reconsideration.
3. Close the public hearing and vote first on if you want to reconsider the item; have a second vote on the date and location for the reconsideration.
I would recommend that you select the city council meeting of February 20, 2018.

Please let me know if you have any questions.



Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

NOTIFICATION TO LOCAL GOVERNING BODY

AGENT CHANGE

☐

ACQUISITION OF CONTROL AND AGENT CHANGE

☐

ACQUISITION OF CONTROL

☒

LIQUOR LICENSE NO: 07110056

APPLICATION ACCEPTED BY: AP

DATE PROCESSED: 12-4-17

→ 60TH DAY: Feb 2, 2018

A.R.S. § 4-203.F

If a person other than those persons originally licensed acquires control over a license or licensee, the person shall file notice of the acquisition with the Director within fifteen business days after such acquisition of control and a list of officers, directors or other controlling persons on a form prescribed by the Director. All officers, directors or other controlling persons shall meet the qualifications for licensure as prescribed by this title. On request, the director shall conduct a pre-investigation prior to the assignment, sale or transfer of control of a license or licensee, the reasonable costs of which, not to exceed one thousand dollars, shall be borne by the applicant. The pre-investigation shall determine whether the qualifications for licensure as prescribed by this title are met. On receipt of notice of an acquisition of control or request of a pre-investigation, the Director shall forward the notice within fifteen days to the local governing body of the city or town, if the licensed premises is in an incorporated area, or the county, if the licensed premises is in an unincorporated area. **The Local Governing Body of the city, town or county may protest the acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control. If the Director does not receive any protests, the Director may protest the acquisition of control or approve the acquisition of control based on the capability, reliability and qualification of the person acquiring control.** Any protest shall be set for a hearing before the Board. Any transfer shall be approved or disapproved within one hundred five days of the filing of the notice of acquisition and control. The person who has acquired control of a license or licensee has the burden of an original application at the hearing, and the board shall make its determination pursuant to section 4-202 and this section with respect to capability, reliability and qualification.



State of Arizona
Department of Liquor Licenses and Control
800 W. Washington 5th Floor
Phoenix, AZ 85007
(602) 542-5141

DLIC USE ONLY

Date Processed:	12-4-17
CSR:	AP
60 th Day:	Feb, 2, 18

DEC 04 2017
AZ DLIC

APPLICATION FOR AGENT CHANGE – ACQUISITION OF CONTROL – RESTRUCTURE

NOTE: 1) The fee for an agent change MUST be submitted with this application: \$100.00 for the first application and \$50.00 for each additional application, not to exceed \$1,000.00. (A.R.S. 4-209.H) NOTE 2) the \$100.00 fee for restructure/acquisition of control MUST be submitted with this application. (A.R.S. 4-209.A)

SECTION 1

Check the appropriate boxes

<input type="checkbox"/> Agent Change Complete Sections 1,2,3,4,5 & 7	<input checked="" type="checkbox"/> Acquisition of Control Complete Sections 1,2, 3 & 7	<input type="checkbox"/> Restructure Complete Sections 1,2,3,6 & 7
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SECTION 2 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

- Name: MORSE THERESA JUNE 07110056
(EXISTING AGENT OR NEW AGENT) Last First Middle Liquor License #
- Owner Name: HOT PIZZAS, LLC Corp File #: L-16171749
(Exactly as it appears on Liquor License) (If applicable)
- Business Name: PIZZA HUT Email: TJMORSE1208@Q.COM
(Exactly as it appears on Liquor License)
- Business Location Address: 240 S PHELPS DR APACHE JUNCTION GILA 85120
(Do not use P.O. Box Number) City COUNTY Zip
- Is the Business located within the incorporated limits of the above City or Town? ☒ Yes ☐ No
- Does the Business location address have a street address for a City or Town but is actually in the boundaries of another City, Town or Tribal Reservation? ☐ Yes ☒ No If Yes, what City, Town or Tribal Reservation is this Business located in: _____
- Mailing Address: PO BOX 4179 KINGMAN ARIZONA 86403
City State Zip
- Business Phone: 480-982-1155 Daytime Contact Phone 480-353-8035
- Does this transaction involve the sale of any portion of the percentage of ownership or corporate stock? ☒ Yes ☐ No If yes, submit a certified copy of minutes.
- Has there been any change of Controlling Persons? ☒ Yes ☐ No If yes, submit a copy of the minutes, amended articles of organization and/or amended operating agreement showing change

SECTION 3 (COMPLETE THIS SECTION FOR AGENT CHANGE, ACQUISITION OF CONTROL OR RESTRUCTURE)

Each new person listed in section III must submit a questionnaire (form LIC0101) and a Department approved fingerprint card which may be obtained at the Department of Liquor. A Controlling Person already disclosed to the Department is not required to submit a questionnaire.

1. List all Controlling Persons to be disclosed, current and new.

New	Last	First	Middle	Title	Address	City	State	Zip
<input type="checkbox"/>	BURGE	KRYSTAL	KAY	MEMBER	PO BOX 4179	KINGMAN	ARIZONA	86402
<input type="checkbox"/>	PETERSON	MARK	TODD	MEMBER	PO BOX 4179	KINGMAN	ARIZONA	86402
<input checked="" type="checkbox"/>	SEE ATTACHED FLOW CHART			Co-Trustee	PO BOX 4179	KINGMAN	ARIZONA	86402
<input checked="" type="checkbox"/>	SEE ATTACHED FLOW CHART			Co-Trustee	PO BOX 4179	KINGMAN	ARIZONA	86402

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

2. List stockholders, percentage owners and/or Controlling Members owning 10% or more

New	Last	First	Middle	% Owned	Address	City	State	Zip
<input checked="" type="checkbox"/>	BURGE	KRYSTAL	KAY	10	PO BOX 4179	KINGMAN	ARIZONA	86402
<input checked="" type="checkbox"/>	PETERSON	MARK	TODD	10	PO BOX 4179	KINGMAN	ARIZONA	86402
<input checked="" type="checkbox"/>	SEE ATTACHED FLOW CHART			40	PO BOX 4179	KINGMAN	ARIZONA	86402
<input checked="" type="checkbox"/>	SEE ATTACHED FLOW CHART			40	PO BOX 4179	KINGMAN	ARIZONA	86402

(ATTACH ADDITIONAL SHEET(S) IF NECESSARY)

If the ownership is owned by another entity, ATTACH AN OWNERSHIP FLOWCHART SHOWING THE OFFICERS, MEMBERS, CONTROLLING PERSON AND 10% OR MORE OWNERS FOR THE ENTITIES. Attach additional sheets as necessary in order to disclose all persons.



City of Apache Junction

Home of the Superstition Mountains

January 22, 2018

Aizee Pama
Customer Service Representative
Department of Liquor Licenses and Control
800 W. Washington Street, 5th Floor
Phoenix, AZ 85007

RE: Request for Extension of time; Pizza Hut #07110056 – Theresa Morse Applicant

Dear Aizee:

As outlined in your January 18, 2018 email, the City of Apache Junction is requesting an extension of time to provide a recommendation on the above captioned license. The city council originally held a public hearing and voted to make a recommendation of denial at their January 16, 2018 meeting but was given incorrect information by a member of the Superstition Fire and Medical District staff. I expect the city council to make a final revised recommendation at their February 20, 2018 meeting.

Please contact me at kconnelly@ajcity.net or 480-474-5061 if you have any questions. Thank you for your assistance in getting this matter resolved.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Connelly".

Kathleen Connelly, City Clerk

Kathy Connelly

From: Venidici Pama <Venidici.Pama@azliquor.gov>
Sent: Thursday, January 25, 2018 1:33 PM
To: Kathy Connelly
Subject: RE: Request for Extension of Time

Kathy,

Thank you, I got it approved by my manager.

***I would also like to inform you that we are now required to send intent to halt if the following information is not received after 7 days of sending the request.

Aizee Pama

CUSTOMER SERVICE REPRESENTATIVE
800 W. WASHINGTON ST. 5TH FLOOR
PHOENIX, AZ 85007
TELEPHONE: 602-542-9056
FAX: 602-542-5707
EMAIL: VENIDICIPAMA@AZLIQUOR.GOV

From: Kathy Connelly [<mailto:kconnelly@ajcity.net>]
Sent: Thursday, January 25, 2018 11:39 AM
To: Venidici Pama <Venidici.Pama@azliquor.gov>
Subject: FW: Request for Extension of Time

Good morning. Have you had the opportunity to look at our request for an extension on the Pizza Hut license? I am preparing a memo for the mayor and council and would like to tell them that our request has been confirmed. Thank you.

Kathy Connelly, City Clerk
City of Apache Junction
300 E. Superstition Boulevard
Apache Junction, AZ 85119
kconnelly@ajcity.net
480-474-5061
Monday-Thursday 7am-6pm
Closed Fridays and holidays

From: Heather Pedersen
Sent: Monday, January 22, 2018 3:27 PM
To: venidici.pama@azliquor.gov
Cc: Kathy Connelly
Subject: Request for Extension of Time

Hello,

Please see attached.

Thank you.
Kind regards,

Heather Pedersen

Office Support Specialist
City of Apache Junction – City Clerk
300 E Superstition Boulevard
Apache Junction, AZ 85119
(480) 474-5050



Service **O**ver and **A**bove the **R**est

Office hours are Monday-Thursday, 7:00 am-6:00 pm, closed Fridays.

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Kathy Connelly

From: John Suniga <john.suniga@sfmd.az.gov>
Sent: Wednesday, January 17, 2018 5:07 PM
To: Kathy Connelly; Bryant Powell; Matt Busby; Joel Stern; Larry Kirch; Dave Zellner; Rudy Esquivias
Subject: RE: pizza hut liquor license

Good afternoon,

I have just reviewed my recommendation comments, it appears that I made a mistake and missed one major word, "no".

I have no concerns with this request.

Kathy if you could forward me any contact information for Theresa Morse, I would be more than happy to contact her.

Thank you



John Suniga | Deputy Fire Marshal

Office | (480) 982-1299 ext. 105

Mobile | (480) 318-2484

Office Hours | Monday-Thursday from 7am-6pm



Connect with us!



From: Kathy Connelly [<mailto:kconnelly@ajcity.net>]

Sent: Wednesday, January 17, 2018 4:06 PM

To: Bryant Powell; Matt Busby; Joel Stern; Larry Kirch; Dave Zellner; Rudy Esquivias; John Suniga

Subject: pizza hut liquor license

Theresa Morse, the person who applied for acquisition of control for the Pizza Hut liquor license, called and spoke with Jan today. She is the person who completed the application and is representing a group of 4 different LLC trustees with Kingman addresses. She wasn't able to attend last night's council meeting because she had liquor licenses on 3 city council agendas at the same time. She said she was not aware that the fire district had concerns about Pizza Hut. She had not been contacted by John Suniga nor had anyone at the business told her that there were problems. She said she has been unsuccessful in reaching him to find out the issues. She asked if the liquor license could be reheard by the council at their next meeting. In order for that to happen we would first have to get an extension from the Department of Liquor Licenses and Control to go beyond the February 2 deadline. If they

allow it, the February 6th meeting would be used to ask the council if they want to reconsider their action. If so, they would have to first vote to do so and then select a date for the reconsideration. The earliest date for the reconsideration would be their February 20th meeting. Taking into consideration Joel's comments from last night that DLLC could approve the license regardless of the council's recommendation for denial, I told Jan to tell her that the council would not rehear the license at the February 6th meeting. Not knowing the extent of the major violations identified by the fire district or the time frame for resolving them, Mrs. Morse may have a quicker response from DLLC than waiting for the February 20th council meeting with no guarantee that the council would change their decision.

kc

The Superstition Fire and Medical District formerly the Apache Junction Fire District has changed email addresses. The email address format is now firstname.lastname@sfmd.az.gov please make this change in your address book.

Kathy Connelly

From: John Suniga <john.suniga@sfmd.az.gov>
Sent: Wednesday, January 17, 2018 5:18 PM
To: Kathy Connelly
Cc: Janet Mason; tjmorse1208@q.com
Subject: Pizza Hut Liquor Acquisition
Attachments: Pizza Hut Liquor Acquisition.doc

Please see the attached, I apologize for the misunderstanding, the fire district has no violations for this address, and would recommend approval of application.

Thank you

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Initial Memo



Superstition Fire & Medical District

3700 E. 16th Avenue, Apache Junction, AZ 85119

Phone (480) 982-1299, Fax (480) 982-3268

www.sfmd.az.gov



MEMORANDUM

TO: Jan Mason, Deputy City Clerk
City of Apache Junction
300 E. Superstition Blvd.
Apache Jct., AZ. 85219

FROM: John Suniga, Deputy Fire Marshal *JSS*

DATE: December 11, 2017

SUBJECT: Application for a Liquor acquisition for 240 S. Phelps (Pizza Hut Restaurant)

The Superstition Fire/Medical District has reviewed the application as noted above regarding the facility at 240 S. Phelps Dr., (Pizza Hut Restaurant). We have recently completed an annual fire and life safety inspection with major violations found. We therefore would not recommend approval of this application at this time.

Thank you for your notification on this matter.

If you have any further questions regarding this inspection, please feel free to contact my office at 982-4440.
Thank You.

JOS

ATTN: Application



Superstition Fire & Medical District

3700 E. 16th Avenue, Apache Junction, AZ 85119

Phone (480) 982-1299, Fax (480) 982-3268

www.sfmd.az.gov



Revised Memo

MEMORANDUM

TO: Jan Mason, Deputy City Clerk
City of Apache Junction
300 E. Superstition Blvd.
Apache Jct., AZ. 85219

FROM: John Suniga, Deputy Fire Marshal *JOS*

DATE: December 11, 2017

SUBJECT: **Application for a Liquor acquisition for 240 S. Phelps (Pizza Hut Restaurant)**

The Superstition Fire/Medical District has reviewed the application as noted above regarding the facility at 240 S. Phelps Dr., (Pizza Hut Restaurant). We have recently completed an annual fire and life safety inspection with no major violations found. We therefore would recommend approval of this application at this time.

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If you have any further questions regarding this inspection, please feel free to contact my office at 982-4440.
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JOS

ATTN: Application