



AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: DEBRA WOODS, DEPUTY CITY CLERK

DATE: AUGUST 16, 2022

RE: LIQUOR LICENSE TRANSFER OF OWNERSHIP – A request to approve the Transfer of Ownership on a Hotel and Restaurant Liquor License – Malt, Vinous and Spirituous from Strayhorn, LLC dba Strayhorn Grill to 4 K Enterprises, Inc. dba Strayhorn Grill located at 456 Kokopelli Blvd., #10

BACKGROUND

Mr. Aaron Smith, Corporate President/Owner of 4K Enterprises, Inc. dba Strayhorn Grill has submitted an application and paid the appropriate fees for a Transfer of Ownership of a Hotel and Restaurant Liquor License – Malt, Vinous, and Spirituous located at 456 Kokopelli Blvd. #10. A temporary liquor license has been issued to Mr. Smith with the consent of the previous owner, Sheryl Martin of Strayhorn, LLC pending the Transfer of Ownership.

In conducting the background checks, the Fruita Police Department, Grand Junction Police Department, Mesa County Sheriff's Office and the Colorado Bureau of Investigation reported that they have had no contact or issues with Aaron Smith and therefore, there is nothing in their records that would hinder the issuance of the Transfer of Ownership on the Hotel and Restaurant liquor license.

On March 16, 2021, the Fruita City Council adopted Ordinance 2021-12, which authorizes the City Clerk Office to refer a Transfer of Ownership application to the City Council for decision without holding a public hearing on the application.

The Colorado Liquor License Application, Preliminary Findings and Temporary Permit are attached.

The following information is provided as background on the issuance of the liquor license process:

12-47-303. TRANSFER OF OWNERSHIP

In determining whether to permit a transfer of ownership, the licensing authorities shall consider *only* the requirements of **Section 44-3-307, Persons prohibited as licensees – definition.**

44-3-307. Persons prohibited as licensees. (1) (a) No license provided by this article or article 46 or 48 of this title shall be issued to or held by:

- (I) Any person until the annual fee therefor has been paid;
- (II) Any person who is not of good moral character;
- (III) Any corporation, any of whose officers, directors, or stockholders holding ten percent or more of the outstanding and issued capital stock thereof are not of good moral character;
- (IV) Any partnership, association, or company, any of whose officers, or any of whose members holding ten percent or more interest therein, are not of good moral character;
- (V) Any person employing, assisted by, or financed in whole or in part by any other person who is not of good character and reputation satisfactory to the respective licensing authorities;
- (VI) Any person unless such person's character, record, and reputation are satisfactory to the respective licensing authority;
- (VII) Any natural person under twenty-one years of age.
- (b) (I) In making a determination as to character or when considering the conviction of a crime, a licensing authority shall be governed by the provisions of section 24-5-101, C.R.S.

FISCAL IMPACT

None

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City of Fruita is charged with protection of the public health, safety and welfare. The review and renewal of liquor licenses ensures that licensed establishments are operating by the rules and regulations adopted by the City and State concerning the sale or service of beer and alcoholic beverages.

OPTIONS AVAILABLE TO THE COUNCIL

1. Approve the Transfer of Ownership for a Hotel and Restaurant Liquor License – Malt, Vinous and Spirituous for 4K Enterprises, Inc. dba Strayhorn Grill.
2. Deny the Transfer of Ownership based on the moral character of the applicant.

RECOMMENDATION

It is the recommendation of staff that the Council move to:

APPROVE THE TRANSFER OF OWNERSHIP OF A HOTEL AND RESTAURANT LIQUOR LICENSE – MALT, VINOUS AND SPIRITUOUS FROM STRAYHORN, LLC DBA STRAYHORN GRILL TO 4K ENTERPRISES, INC. DBA STRAYHORN GRILL LOCATED AT 456 KOKOPELLI BLVD., #10