

MARSHALLTOWN

— I O W A —

City Administrator's Office

Joel Greer, Mayor
Jessica Kinser, Administrator
Alicia Hunter, Clerk
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5799
Fax - (641) 754-5717

To: Mayor Greer and the City Council
From: Jessica Kinser, City Administrator
Date: February 9, 2022
RE: Ay Caramba Liquor License

Policy Issue: Council is required to approve all new liquor license applications

Recommendation: To deny the local approval of the application

Background: Ay Caramba is a restaurant located at 12 North 1st Street. The owner, Jorge Oscar Sanchez, has applied for a liquor license through the Iowa Alcohol Beverages Division (ABD), which has the ultimate approval authority, but does require the review by the local governing authority. ABD also has very detailed requirements about when and to whom a license should be issued:

"In order to be eligible to hold a liquor, wine or beer license, the law requires the applicant to meet the standards of good moral character. Under Iowa law, applicants are considered to be of good moral character if they:

- Are a U.S. citizen and an Iowa resident, or incorporated to do business in the state. The corporation must be registered and in good standing with the Iowa Secretary of State's office.
- Have not been convicted of a felony during the past five years.
- Have not had any financial interest in an Iowa liquor, wine or beer license which was revoked during the past two years.
- Have "good financial standing" and a "good reputation" to indicate that the applicant will comply with all laws and rules governing the license.

Note: If the applicant has a felony conviction, the applicant is not eligible to hold an Iowa alcoholic beverages license, unless the felony conviction is more than five years old and the applicant's rights of citizenship have been restored.

In evaluating the applicant's "financial standing," the local authority and the Division may consider verified sources of financial support and adequate operating capital for the applicant's business, record of prompt payment of state and local taxes, fees and charges for municipal utilities and municipal services, etc.

In evaluating the applicant's "moral character," the local authority and the Division may consider pattern and practice of disregard of the law including convictions for sales to intoxicated persons, operating a motor vehicle while under the influence of alcohol or drugs, etc. Requirements apply to all officers, directors and shareholders of a corporation and general partners in a partnership.

City Council

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Jeff Schneider, Gary Thompson, Dex Walker



Staff is recommending the Council not approve the liquor license request based upon the totality of the following circumstances which demonstrate a practice of disregard of the law by Mr. Sanchez and bear negatively upon his financial standing and moral character:

- Mr. Sanchez has repeated misdemeanor convictions for driving while a barred habitual offender with a conviction in 2010, two convictions in 2011, and another conviction in 2016;
- Mr. Sanchez had a deferred judgment entered against him for felony fraudulent practices in the 3rd degree in 2021 (subject to expungement or about September 2, 2021, upon satisfactory completion of all terms of probation and payment in full of all associated financial obligations);
- Mr. Sanchez failed to pay real estate taxes for assessment year 2017 with respect to a property he owned at 102-104 West Main Street resulting in the issuance of a tax sale certificate on June 17, 2019, which was not redeemed;
- Mr. Sanchez has unsatisfied civil judgments against him entered in 2012 for \$4,500 and in 2018 for \$56,707.28;
- Mr. Sanchez has multiple tax liens from the Iowa Department of Revenue filed on February 9, 2021, totaling \$39,393.39;
- Mr. Sanchez had an unpaid water and sewer bill for 102-104 West Main Street totaling \$886.88;

The Iowa ABD has advised that the City does not have the final say on this matter, and it is up to them to make final determinations on the license application.

Budget Impact: None

Attachment: None

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