

KINGS TW 1277739
DITMAS BEER PALACE, INC.

756 MCDONALD AVENUE
BROOKLYN, NY 11218

Ditmas Beer Palace, Inc. ("Ditmas") seeks a license to sell wine and beer at retail for consumption on the premises for its establishment in Brooklyn. This is commonly referred to as a tavern wine license. The issuance of tavern wine licenses is governed by §81-a of the Alcoholic Beverage Control Law ("ABCL"). Subdivision one of that statute provides that the provisions of §64 (regarding on-premises liquor licenses) controls the granting of restaurant wine licenses. Subdivision one of §64 requires the approval of the application unless good cause is shown why the license should not be issued. This matter came before us at the June 20, 2014 Full Board meeting. For the reasons set forth below, the application is denied.

The sole principal of Ditmas is Walter Guerra. He has been employed as a carpet installer since 1996. Mr. Guerra has never held a license issued by the Authority and did not disclose any experience working at, or supervising, an establishment licensed to sell alcoholic beverages. He does intend to hire Luis Cordero to manage the business. Mr. Cordero previously held an on-premises license. That establishment did not have any disciplinary record with the Authority.

The proposed licensed premises would be located at 756 McDonald Avenue. The Authority issued an on-premises liquor license to Coronitas Bar, Inc ("Coronitas") for this location in December 2012. During the brief time that Coronitas operated at this location, it was the subject of four disciplinary proceedings alleging 19 violations of the ABCL or the rules of the Authority.

Included in those charges were numerous failures to comply with local, health and safety codes. In addition, Coronitas was operating the establishment as a dance club, rather than a tavern as approved by the Authority. Finally, Coronitas refused to appear before Authority investigators to discuss the problems at the licensed premises. The disciplinary matters were resolved with the cancellation of Coronitas' license in January 2014

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There is significant opposition to this application from local residents, the Community Board and elected officials. As demonstrated by its disciplinary history, Coronitas operated an establishment that created problems for those living around the premises and negatively impacted the residents' quality of life. Community members are concerned that issuing another license to this location would only lead to the recurrence of those problems.

Adding to the residents' concerns are facts that suggest that Mr. Guerra is merely acting on behalf of the owner of Coronitas. He is, the residents allege, a "straw man" to allow that individual to operate the establishment despite the loss of his license. The residents note that the prior owner has been seen at the location, supervising renovation work taking place there. They claim that the name of the business has not been changed and a sign has been posted stating that the business will be coming back.

Mr. Guerra denies that there is any involvement by the prior owner in his business. He also claims that he was unaware of the problems caused by the prior owner or the disciplinary history of the location. He claims that he was unaware that the Community Board and the residents had any objections to the issuance of another license at this location. If he had known, Mr. Guerra states that he would have met with the Community Board to resolve those issues.

Given the problems associated with this location, we are not convinced that another license should be issued unless there is an adequate plan in place to: provide proper supervision over the operation of the premises, and address the concerns of the community. The risk of recurrences of the same problems that arose under the prior licensee is too great without addressing those issues. At this time such a plan has not been presented to us. Therefore, we find good cause why this license should not be issued.

Accordingly, the application is denied with leave to be resubmitted if the applicant meets with the Community Board to resolve the issues discussed above.

Dated: August 7, 2014