

September 28, 2021

Ana Maritza Johnson
"El Recreo Room" Project
c/o Gypsy Ramon Sanchez, Agent
506 W. Avenue 28th
Los Angeles, CA 90065
(818) 795-5070
g.ramon.sanz@gmail.com
losamigos2642@gmail.com

Department of Alcoholic Beverage Control
Attn: Darling Miramontes, Licensing Representative
LA/Metro District Office
888 S. Figueroa St., Suite 320
Los Angeles, CA 90017
(213) 833-6043
Darling.Almonte@abc.ca.gov

Re: Letter of Public Necessity or Convenience

Dear Ms. Miramontes:

Concerning ABC application file No. 40-622212 for "El Recreo Room" project under Ana Maritza Johnson ("Owner") regarding the recent development with the in-action from the City of Los Angeles we summarize as follows:

Summary

1. On or about November 13, 2020 Ms. Ana Maritza Johnson submitted an application with the ABC for the transfer of a certain Alcohol Beverage License type 40 for the sale of Beer & Wine.
2. After review from the ABC, the ABC department issued request for corrections for deficiencies found within the application. Ms. Johnson corrected most of the deficiencies and provided additional documentation as requested.
3. On or about March 16, 2021, Ms. Johnson retained the services of the business consultant, Gypsy Ramon Sanchez ("Agent"), in order to facilitate, communicate or otherwise aid in the completion of the application process and its requirements.
4. After a few discussions between Agent and you, Darling Miramontes ("Licensing Rep"), it was concluded that only one requirement was pending for full review for denial or approval of the license was to be a PCN permit to be issued by the City of Los Angeles.
5. After several communications and attempts by Agent to reach the City of Los Angeles, Agent was informed by City Officials that a PCN application had to be submitted with the Los Angeles City Clerk ("City Clerk") in order for the Los Angeles City Council to have a hearing and vote on the matter.
6. The Agent submitted an application to the City Clerk on or about April 19, 2021. The City Clerk requested additional documentation which was subsequently provided to the City via email.
7. After submission, the City Clerk scheduled the matter for hearing originally on July 30, 2021. The unreasonable amount of time from submission to scheduling was due to the fact that the City

Council was on vacation and would not be back until the end of July. On July 30, 2021 at the commencement of the Los Angeles Council Meeting, the Council decided to table the matter of "El Recreo Room" PCN application and continue it on September 3, 2021.

8. On September 3, 2021 the Agent discovered that the hearing had been cancelled. No explanation or advance notice was ever given by the City Clerk about the cancellation of the September 3, 2021 hearing.
9. The Agent then discovered that a "Memorandum to File" had been added to the City Clerk's PCN application public website page. The Memorandum was also subsequently sent to the ABC. The Memorandum simply stated that the City had failed to address the matter and/or take action on deciding on the matter within statutory time limits and therefore as a matter of statutory compliance the City could no longer issue a decision on the matter and that the ABC department had now full authority to approve or denied the PCN.
10. On or about September 9, 2021, the Agent and the Licensing Rep conducted a telephone discussion in regards to the City's Memorandum and the subsequent steps to be taken by the applicant. During said conversation the Licensing Rep advised that applicant needed to submit a "Letter of Public Necessity or Convenience" to the ABC, in essence a self-PCN, detailing the measures that the applicant is taking, putting in place or otherwise adopting in order to address the normal concerns related to a PCN permit.
11. As a result of that last telephone conversation with the ABC Licensing Rep, the applicant hereby and herein submits the "Letter of Public Necessity" attached hereunder.

Other Facts/Factors

Notwithstanding the above, in between the important event detailed above, the applicant and Agent have been working diligently and making efforts for compliance and to support this process and to keep the project alive such as:

1. Agent sought communication with the LAPD vice department to address the department's concerns in regards to the project. No response was ever given to Agent after numerous attempts.
2. LAPD did visit the project premises after the PCN application was filed and conducted an inspection as well as an interview with the Owner.
3. After the City's Memorandum the Agent has tried to reach the officers who conducted the inspection in order to procure the inspection report, a letter of support or a letter of non-opposition. Sgt. Louie Reyes did respond to Agent's request for a separate Letter of Support from him personally however Sgt. Reyes Stated that the vice department typically issues those letters however if the vice department was to be "ok" with Sgt. Reyes issuing such a Letter, by him personally, than he would issue said Letter on behalf of applicant.
4. Sgt. Roselena Mejia, the other officer involved in the inspection, did not respond to Agent's voicemail message however she did send an email to applicant saying that there was to be "No Report" as such of the inspection or findings, rather she would issue a letter of opinion to the City. Since the City no longer has authority over the matter Agent and applicant have been trying to reach Sgt. Mejia in an effort to have her forward such "LAPD Opinion Letter" directly to the ABC.
5. The Lincoln Heights Neighborhood Council issued an "Impact Statement" in favor of applicant.
6. The Greater Cypress Park Neighborhood Council ("GCPNC) Advisory Board held an informal hearing to talk about the "El Recreo Room" project. During said "zoom" meeting the owner of the project premises ("Landlord") issued public comment in support of applicant and further went to explain the difference between the old tenant (former license) and the new tenant. She

was and is highly supportive of this project. Additionally Sgt. Louie Reyes, previously mentioned, participated in the call and spoke in favor of applicant. Sgt. Reyes explained how he used to operate undercover in the area, where business is located, in the past and he further stated the kinds of problems that he experienced with the former licensee. He further stated his impressions of the new improved premises, the character of the new owner (applicant) and the favorable inspection they had conducted. He stated that the matter should be supported by the GCPNC via a positive "Impact Statement" and that the PCN and subsequently ABC license should be granted.

7. Applicant has secured a Seller's permit and has applied for an "Al Fresco" permit. Although it is not the intention of the applicant to be mainly a food establishment at this moment, applicant feels that: 1.) The sales of "street vendor" type food would improve and elevate the atmosphere of the establishment and 2.) It would allow the applicant to generate revenue in order to mitigate the already expansive investment and losses.
8. Unfortunately the applicant suffered from several untimely events, and although the events in themselves do not release the applicant from any obligations, requirements and compliance, applicant does feel that said events illustrate applicant's good faith disposition to comply, endure and ultimately contribute to the community. Some untimely event are:
 - a. COVID-19. Just as everyone applicant suffered from the effects of the pandemic but mainly as follows:
 - i. Closure of business;
 - ii. Inability to reopen;
 - iii. Closure or delays on government agencies and processes needed to fulfill requirements;
 - iv. Financial loss since applicant has been paying timely rent for the location premises since the initial closure of businesses and never once did applicant invoked rent protections during the pandemic.
 - v. Further financial investment since applicant decided to remodel the premises to improve the location while waiting for the City's approval of the PCN.

Despite the setbacks and losses mentioned above, applicant has endured, persevered and has continued to work diligently on reaching the community and by attempting to meet any and all requirements to secure the license, where other would have cut their losses and give up.

Applicant does not expect to fully take the above information and use it to weight on the approval of the license, however it is applicant's hope that the ABC does take the facts above into consideration when deciding on the PCN matter, as it speaks, we believe, to the good character of applicant, due diligence, efforts to comply, untimely out of applicant's control circumstances and dedication to the project and community.

Letter of Public Necessity or Convenience

Pursuant Section 23958 of the Business and Professions Code the applicant, Ana Maritza Johnson, submits the hereunder in good faith and without malice this Letter of Public Necessity or Convenience to the Alcohol Beverage Control for consideration of approval of the PCN permit.

Applicant wishes to address the following points of concern and provide proposed plans of policy and measures as follows:

Undue Concentration due to High Crime:

The location of the premises for the project are located in a high crime area and applicant understands the City's and State's concerns for the safety of the community regarding approving an additional Alcohol license in a high crime area. Certainly most of elements of the present crime activity are beyond applicant control however the issue at hand is how does applicant plan to not indirectly contribute to the already existing crime rate by serving alcohol if approved?

First and foremost, the applicant plans to hire and retain stated certified and bonded security services in order to safeguard patron's safety and the neighborhood (please see Security Plan section). Second, applicant will establish clear procedures in order to prevent over-serving and disorderly conduct by training its staff to monitor patrons, servings and conduct (please see Bar Issues section). Third the applicant will additionally employ a separate security guard for purposes of the parking and has stated to institute other security measures such as "no loitering" signage, security cameras, lighting and closing procedures.

Additionally, the community and communities around are changing like Highland Park and Lincoln Heights and a different kind of community members have been surfacing and moving into these communities. The "Gentrification" of these neighborhoods, as negative as it sounds to some depending on the context, it is also adding positively to the community by upgrading businesses, increase income average and increasing the number of people with more access to higher education. The upgrades to the premises not only serve to make the location more presentable but also to attract these newer members of the community who also tend to take a more active role within the community and demand higher levels of standards.

A few members of the community have reached out to the owner and expressed interest in having community events at the location, even Ask Kramer, member of the Greater Cypress Park Neighborhood Council, suggested to having "Karaoke Night" for the community. By teaming up with community members and hosting special/community events, it is our belief that the type of patron we are to attract would contribute to a more orderly and civil atmosphere and therefore decreasing the chances problems being caused and not attracting undesirables.

LAPD has already conducted an inspection of the premises, the inspection was conducted by Sgt. Louie Reyes and Sgt. Roselena Mejia and according to Sgt. Reyes the initial impressions are positive. Applicant is following any and all recommendations mentioned by the LAPD during the inspection. The contact information for the officers above is being attached to this Letter of Public Necessity or Convenience.

Intended Operation:

The hours of operation shall be **Tuesday – Sunday from 12 p.m. to 12 a.m.** Applicant does not plan to operate beyond 12 a.m. and is very set on the closing schedule. Any employee found to violate this schedule, in the unlikely event that manager and/or owner is not present to execute closing procedures, is to be fired immediately for violation of policy. More detail procedures of operations are address within the following sections described hereunder. Notwithstanding the foregoing, Applicant is willing to have the opening schedule occur at a later time if so deemed necessary by ABC, LAPD or any other agency concerned, inclusive of the Neighborhood Council.

Benefit to the Community:

The Owner currently operates another business within the community (less than a block away) "The Good Neighbor Antique Store". The Owner is already benefiting the community with another business however the question here is how will the approval of an alcohol license and sales of alcohol benefit the community?

Apart from the obvious, where the Owner is afforded the opportunity to generate revenue and therefore income that benefits the Owner personally (Owner herself being a member of the community as she lives in within the community), the benefits are in our opinion divided into three categories as follows:

1. Larger Community Benefits:
 - a. State Sales Tax generated from the sales in the establishment;
 - b. Local Taxes generate from sales in the establishment.
 - c. Generation of Rent revenue for Landlord and therefore rent taxes for the City.
2. Local Community Financial Benefits:
 - a. Creation of Jobs: security, bartenders and servers;
 - b. Use of local vendors for repairs and upgrades.
*Local vendors have already benefited by the remodeling of the premises.
3. Social Benefits:
 - a. Landmark status retention. Although the past history of the premises was not always positive, the premises, however, has become to be known as a unofficial Landmark in the community (also mentioned as landmark in the Lincoln Heights Neighborhood Council Impact Statement). Landmarks tend to provide a sense of identity and unity within the community. It is our hope that we are creating an upgraded landmark with much stronger security measures and safety for the community. Upon applying for the transfer of license the Owner could have chosen a different name for the operation of the establishment however a decision was made to keep the original name due to the landmark identifiability of the location.
 - b. Safe location for Mature & Adult Leisure. Responsible drinking is a very personal decision and interpretation short of using actual scientific data/measures of alcohol level within the body however it is our intention to provide a comfortable atmosphere where adult mature and responsible members of the community have a place for leisure where they can come and unwind or relax. We are not in favor of creating a place where people just come and get "drunk". Slowly we want to move from just a tavern that offers some "street vendor" type food, to a food establishment that offers beer & wine. Unfortunately converting the location into a full food establishment is not feasible at this moment.
 - c. Events for the community. We are discussing with a few community members the possibilities to have "El Recreo Room" be a place where they/we can host community type events. As mentioned before, one community members commented on her liking the idea to have a place to have a beer and enjoy a "Karaoke Night", another member mentioned being a member of a billiard association, which run a series of pool tournaments for its members, and him being interested in the "El Recreo Room" be a place where some tournaments can happen.
 - d. Access Convenience. Not everyone is looking to go out and get "drunk" in fact most people don't. A lot of people however do like to have a beer here and there as a means to unwind or relax after a long day of work or simply for leisure. The other licenses within the tract do not seem to offer this convenient access easily. One bar is a full

liquor bar geared more towards full drinking and with more of a club atmosphere, typically with loud music. The other is a rental hall which is impractical, we believe, for adult community members who just wish to unwind. Other establishments that may offer what we are trying to offer are too far and therefore impractical. Again we are not geared towards creating a “drinking place” rather a community hospitality place where you can have a drink. We believe that some of the community members would find it convenient to have a place to relax and have a drink that is safe and relatively close by.

Procedures not to Aggravate existing Law Enforcement Issues:

1. POS/ID Checking: Applicant hereby states that Applicant will procure and secure a POS alcohol integrated system in order to better track alcohol inventory and an alcohol sales system. Concerning the checking of ID’s, Applicant will train the staff using the ABC recommended FLAG system for checking ID’s. Furthermore the Applicant will invest in ID scanners for use by the security personnel.
2. Security Plan: Applicant has already taken quite a few measures for its security plan, some of which was suggested by the LAPD inspection officer(s). The security plan includes:
 - a. CCTV installation of HD cameras around the premises (executed); and
 - b. Retention of Security personnel. Applicant will contract with a state certified and bonded security company to provide security personnel. Applicant is seeking recommendations for a security company from Sgt. Reyes from LAPD. The plan is to have two security guards on site. One security guard at all times at the Tavern entrance and another security guard at the parking lot as described on the Parking section; and,
 - c. The Applicant has also installed a security alarm system in order to safeguard the premises and storage of alcohol; and,
 - d. Additionally the Applicant has installed a new lighting system in and all around the premises; and,
 - e. The Applicant has already secured signage for posting around and within the premises , such as “No Loitering”, “Right to Refuse Service”, “No Illicit Activities”, “21 and Over Only” and the like in order to provide clear policy “Zero Tolerance” message to patrons; and,
 - f. Gates are to be promptly closed and secured upon closing time. Clear posting of signage for vehicles left at the parking lot after closing to be towed at owner’s expense; and,
 - g. Waste bin shall be locked and secured upon closing in order to deter vagrants and the like from trespassing into the premises to access the waste.
3. Parking: The premise has a Certificate of Occupancy for a 30 person capacity and six (6) parking spaces within the location. Personnel is going to be asked to use off street parking in order to leave the available parking spaces for customer use. The Applicant is also the Owner of “The Good Neighbor Antique Store” which business is located across the street from the Project Location. The Antique Store has 10 parking spaces. Applicant as Owner of the Antique Store will allow El Recreo Room to use eight (8) parking spaces starting at 4 pm and an additional two (2) after 7 p.m. A security guard will be posted and present at the Antique Store parking lot as part of the security plan. Lastly, the Applicant is exploring the option of the use of a Valet Parking service in order to accommodate patrons and unburden the community from parking issues.
4. Outdoor/Indoor Lighting: The Applicant has already installed new and improved Outdoor and Indoor lighting. Both the outdoor and indoor lighting was installed as to work in conjunction with the CCTV HD camera system. The indoor lighting levels, although appropriate for the ambiance of the establishment, shall not be too low as to interfere with the performance of cameras’ clarity and recording.

5. Entertainment: The applicant does not plan to have any live entertainment. Entertainment shall be limited to in-house sound system, controlled and operated by business only, with reasonable volume levels. Noise pollution shall be avoided at all times. No live performances of any kind are planned at this moment with the exception to potentially hosting "Karaoke Night" which has not been finalized. There will be no dancing of any kind.
6. Trash: Applicant is committed to keep the premises clean and free of trash. Applicant will diligently monitor waste in, out and around the premises. Applicant is to implement a cleaning schedule for the main floor, parking lot, bathrooms, behind the bar and outside the premises on the street sidewalk and road immediately adjacent to the location. Applicant schedule for off-street cleaning shall occur at the commencement of daily business operations and at closing of daily business operations. Additionally, Waste bin monitoring shall be conducted daily and a policy shall be implemented to empty bin promptly, if necessary outside of regular scheduled empty procedures, in order to avoid overflow.
7. Bar Issues: Staff is to be trained in FLAG procedures in order to prevent bar issues. The establishment shall display clear signage ID requirements, Age requirements and Right to Refuse Service at any time. Applicant will also establish a zero tolerance banning system for belligerent or troublesome customers. Staff shall also be trained to identify intoxicated customers and prevent over-serving and clear procedures to refuse further sales thereto. Above all staff shall be directed to request ID for age checking and to take steps for preventing the entrance of minors and/or sales of alcohol to minors. Any staff found to intentionally violate this policy shall be immediately terminated and reported to the Police Department. Any employee found to inadvertently violate this policy shall be terminated immediately. Any customer found to have purchased alcohol for a minor will be permanently banned from business and reported to the LAPD.
8. RBS/Lead Training: Applicant will seek to employ and hire Responsible Beverage Service trained staff. Furthermore, Applicant, herself, and Manager or Managers thereof will enroll in RBSTP from an state approved provider in order to further attempt to safeguard the community from unintended effects of alcohol sales. Moreover, Applicant will require all personnel to enroll on the voluntary LEAD training offered by the ABC.
9. Shipping & Receiving: Shipping and Receiving for any and all deliveries shall be scheduled and occur preferably prior to opening time and/or early during opening, from 12 p.m. – 4 p.m. Applicant will not schedule or accept deliveries after 4 p.m. Exception to this delivery policy shall only occur for emergency deliveries that may need to occur due to an equipment malfunction and parts needed there to, but not for alcohol product. If business runs out of a particular alcohol product then business is to wait until the next business day to replenish its stock.
10. Closing Procedures: Closing procedures should generally be undertaken by a Manager. Manager shall supervise an established deadline for serving alcohol. Deadline to serve alcohol shall be set at 11:20 p.m. Customers are to be given a "Last Call" notice at 11:20 p.m. Additionally, Customers are to be given notice that all alcohol beverages and containers are to be removed by 11:45 p.m. Manager will further monitor and enforce removal of any and all alcohol containers by 11:45 p.m., regardless whether the containers are empty or not, no customer shall be found to be drinking past 11:50 p.m., as a matter of a reasonable grace period to finish consumption. Manager shall also monitor and coordinate with staff for cleaning, security personnel for parking clearance and insure that parking lot is empty by 12:00 a.m. and lock immediately thereafter. Additionally, Manager shall close the business' main doors, under lock, by 12:00 a.m. In the event of an emergency, whereby a Manager is not available for closing procedures, the establishment/Manager shall have previously designated a Lead Person/Supervisor previously trained in the specific closing procedures described and Manager shall verify strict adherence to

the established procedures thereafter. Given that the business will only serve beer and wine, a fully trained mixologist is not required, as a matter of opinion by the business, however Applicant is to ensure that only staff designated as "Bar Tenders" will be able to serve alcohol. A person designated as a Bar Tender shall be tending the bar at all times.

11. Problem Customers: Staff shall be trained in de-escalation procedures in order to handle problem customers. First and foremost, if a customer is found to have entered the premises already under significant influence of alcohol, then staff shall immediately refuse service and respectfully advise client of refusal to serve under "right". The staff will then proceed to ask the customer to leave the premises and promptly communicate to security that a particular customer is leaving and cannot re-enter the business for the remainder of the day. Security shall discreetly monitor exiting customer and customer's distancing from the surrounding area. In the event that a customer becomes agitated, belligerent or otherwise problematic the staff should be required to assess the level of "agitation" and personnel shall attempt to de-escalate the situation by calmly and respectfully addressing the customer. If resolution is not obtained with de-escalation efforts then a Manager shall be immediately notified/called and Manager shall take over negotiation with customer. Security shall be notified but not immediately involved unless customer is clearly unreasonable or "out of control". Servers and Bartenders shall be required and trained to monitor consumption of alcohol in order to attempt to prevent customers becoming problematic. Customers found to be clearly disrespecting other customers and/or the staff (inclusive of and especially any indication of sexual harassment) shall be asked to immediately leave the premises and security is to be involved in escorting the customer out. The customer shall be given notice of banning from the establishment. Any customer found to be conducting any type of illegal or illicit activity (inclusive of physical violence) shall be banned permanently from the business and reported to the Police Department. The business and its staff shall make every attempt to: 1.) Address the problem, complaint and/or concern calmly, and 2.) Attempt to resolve the problem promptly if applicable, then 3.) Attempt to de-escalate, calm or mitigate the customer, then if needed 4.) Respectfully, ask the customer to leave, subsequently if necessary 5.) Involve security personnel if necessary and then, only after all steps and resources have been exhausted or if the situation merits immediate action, 6.) Reporting the Police Department, only then will the business resolve to involve law enforcement. The Applicant, and Business by extension, is highly committed to prevent customer problems, safeguard the community and attempt not to burden law enforcement.
12. Additional Calls to Police Department: Applicant is cognizant that alcohol sales tend to be linked with increased calls to the police department due possibly influenced "rowdy" behavior from persons who have consumed alcohol and although the business cannot directly and literally control person's reactions to consuming alcohol, we understand that the burden of proof is on us and that we have a clear obligation to mitigate and/or attempt to prevent adverse behavior effects from our alcohol sales. The business is committed to execute whatever steps deemed necessary to safeguard the community and attempt not to further burden the police department. Applicant believes that by establishing clear and solid security procedures, clear and strict control of the premises, visible notices, parking monitoring and control, adequate staff training and community involvement, not only will we be pre-mitigating additional calls for complaints to the police department but also attempting to form a new and better environment for adult mature leisure and hospitality activities for the community whereby the establishment could potentially become a cherished business in the community. The business shall have clear unequivocal policies of "zero tolerance" for problematic customers, gang affiliation activities, illicit activities, serving minors and policies for the cleanliness of the location in order to deter vagrancy activities and any other potential adverse effect towards the community.

It is our hope that the above Summary, Fact and Letter of Public Necessity or Convenience has been clearly and satisfactorily addresses and stated and that we have firmly established our honest intention to operate a safe and clean business with a welcoming environment.

Shall there be any further concerns, additional requirements, additional documentation and or questions, please do not hesitate to contact us. We are very eager to commence operations and abide by any and all compliance requirements.

For you convenience we are including the following additional documents:

1. Copy of Seller's Permit; and,
2. Copy of "Al Fresco" Application; and,
3. Copy of Health Department Inspections; and,
4. Photos of business location (illustrating the stated upgrades)
5. Lincoln Heights Neighborhood Council Impact Statement in favor of Applicant; and,
6. LAPD's Sgt. Louie Reyes and Sgt. Roselena Mejia contact information.

The above stated is being submitted to the California Alcohol Beverage Control department truthfully, in good faith, with no malice and in full civil cooperation and disposition in an attempt to comply with any and all lawful requirements by the department, the state and any other concerning agency/agencies. In the event that any errors and/or omissions are to be found, Applicant (Affiant) hereby states that such errors and/or omissions to be unintentional.

I thank you beforehand for your time and consideration to this matter and look forward your prompt, and hopefully favorable, response.

Respectfully,

Ana Maritza Johnson, Owner
"El Recreo Room" project
losamigos2642@gmail.com
c/o Gypsy Ramon Sanchez, Agent
(818) 795-5070
g.ramon.sanz@gmail.com