

JP23 Hospitality Company, Inc.'s
Appeal of Business License
Application No. BU22114159

Administrative Hearing Before Hearing Officer Jonathan C. Navarro

- Commenced on May 25, 2022
- 14 Witnesses were heard over 5 days
- 78 Exhibits from JP23
- 113 Exhibits from the City, including 41 Video Exhibits
- Closing Briefs submitted on June 22, 2023

JP23 Proved It Is Entitled to its Business License

When receiving an application for a business license, Financial Management must

“refer such application to the appropriate departments of the City in order that it may be ascertained whether the business proposed to be conducted or the premises in which it is proposed to locate such business will comply with applicable fire, building safety, zoning, health and other laws and regulations.” (LBMC 3.80.421.1).

Financial Management referred JP23's application to the Departments of Fire, Planning, Building, and Health

The Departments of Fire, Planning, Building, and Health **APPROVED** JP23's application

But Financial Management did not issue the License, as they were required to under the Municipal Code

From: Tara Mortensen
Sent: Tuesday, October 19, 2021 4:01 PM
To: Gene Rodriguez
Cc: Brian Tuliau
Subject: Re: JP23 just called

Do not release it.

We are going to do a review and it will have to be approved by the FM Director and CM.

Tara (Yeats) Mortensen, MCPP
Bureau Manager

Department of Financial Management | Business Services Bureau
411 W. Ocean Blvd, 6th Floor | Long Beach, CA 90802
Office: 562-570-6340



From: Gene Rodriguez <Gene.Rodriguez@longbeach.gov>
Sent: Tuesday, October 19, 2021 3:44 PM
To: Tara Mortensen <Tara.Mortensen@longbeach.gov>
Cc: Brian Tuliau <Brian.Tuliau@longbeach.gov>
Subject: Fw: JP23 just called

Health is approved.

Tara, your ok is the only thing holding up the license at this point. Do you want to release it? I don't see anything outstanding that we need at the moment for this license. Let me know, thank you.

Gene Rodriguez, License Inspector II
City of Long Beach, Business License Dept
Business Relations Bureau
Offc: 562.570.5771
Fax: 562.499.1097

Instead of issuing the license as they were supposed to, Financial Management:

- Ignored JP23's pleas for guidance on their business license
- Issued an unauthorized "conditional" business license AFTER JP23 already received the necessary approvals
- Told JP23 they were ineligible for a temporary entertainment permit for a reason not found anywhere in the Municipal Code
- Organized a task force to "build a case" against JP23 in order to eventually deny the business license

Why? Because of unfounded hearsay allegations.

Financial Management's Role in the Business License Process is Not Regulatory

“This Chapter is enacted solely for the purpose of raising revenue for general municipal purposes and for the usual current expenses of the City. ***It is not intended to be regulatory.***” (LBMC 3.80.110) (Emphasis Added).

Financial Management's role is to receive the application, send it the relevant departments for review, collect the business license tax, and if the departments approve, perform the ministerial function of issuing the license.

Financial Management was required to issue the license once they received approvals from the Departments of Fire, Building, Planning, and Health

The Hearing Officer Agreed in this Case, Financial Management Should Have Issued the Business License

- The Hearing Officer found that once the Departments of Fire, Building, Planning, and Health:

“complete their investigation and determine that an applicant’s business ‘will comply’ with applicable laws and regulations, Financial Management has the ministerial duty to issue the license. This Hearing Officer agrees. In this case, Financial Management’s role pursuant to Chapter 3.80 of the Municipal Code is ministerial, and not regulatory in nature. Upon approval by all concerned departments of the Application as reflected in INFOR on October 19, 2021, Financial Management had a ministerial duty to issue the business license to Applicant.”

Hearing Officer’s Findings and Recommendations, p. 23, ll. 5 – 13.

Financial Management's Recommendation is to REJECT the Hearing Officer's Recommendation

- You are being asked to reject the findings and decision of a neutral hearing officer appointed pursuant to the Long Beach Municipal Code, who:
 - Presided over the administrative hearing
 - Assessed the credibility of witnesses
 - Considered the evidence
 - Considered the law

The Hearing Officer Explicitly Limited the Scope of His Decision to JP23's Application

- “This Hearing Officer’s recommendation is limited to the sole issue regarding the denial of Appellant’s Business License Application and outside the scope regarding the issue of the City’s enforcement and police powers regarding Appellant’s violations and citations.”

Hearing Officer’s Findings and Recommendation, p. 24, FN 4

- The Hearing Officer’s Decision does NOT implicate the City’s broader regulatory powers. In THIS case, Financial Management was required to follow the Municipal Code and issue JP23’s business license.

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- Vote NO to Financial Management's recommendation
 - Vote to adopt the neutral hearing officer's recommendation
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