

PUBLIC HEARING

Wednesday, January 14, 2026, 5:30 p.m.

***Liquor Hearing for Sursy Del Norte, LLC d/b/a Mellow Moon Lodge, The Lunar Lounge, Rodeo Mercantile
1160 Grand Avenue, Del Norte, Colorado***

Roll Call: Town Board present: Trustee Leigh Anne Lobato, Trustee Louie Velasquez, Mayor Shelly Burnett, Mayor Pro tem Brenton Williams, Trustee Bob Muncy attending by zoom, and Trustee Andrew Velasquez absent. Mayor Shelly Burnett declared a quorum present.

Mayor Shelly Burnett turned public hearing over to Hearing Officer Eugene Farish

State of Purpose: Changing class of license from of Lodging Liquor License to Hotel and Restaurant Liquor License- Sursy Del Norte, LLC, d/b/a Mellow Moon, The Lunar Lounge, Rodeo Mercantile is applying for a hotel and restaurant liquor license at 1160 Grand Avenue, Del Norte. Applicants are Lauren Coleman.

Opening Statements:

Hearing Officer Eugene Farish officially addressed that this is a continuation of public hearing from December 10, 2025, applicant was not present, applicant is here today. The application is a change of class of license from a lodging and entertainment license which authorizes the sale of alcohol beverages by the drink only to the customers for on-premises consumption. Lodging liquor license can be issued to a lodging facility defined as the primary business of which is to provide the public with sleeping rooms and meeting facilities or entertainment facility defined as primary business and supports entertainment activities. License holders shall have sandwiches and light snacks available for consumption on the premises during business hours but need not have meals available. The applicant is to change this to a hotel and restaurant license which authorizes the sale of malt, vinous or spirituous with liquors, for on-premises consumption. It must regularly serve meals, and the sale of food must provide at least twenty-five percent of its gross income. So, the food situation is one of the keys between the two types of licenses. Hotel and restaurant shall serve meals between 8 a.m. and 8 p.m. And meals if the restaurant is open, and serving alcohol, meals must be provided. If it remains open after 8 p.m. and must at least continue serving light snacks and sandwiches.

The applicant's name, Sursy Del Norte, LLC. Trade names are Mellow Moon Lodge, the Lunar Lodge, and Rodeo Mercantile. The address of the premises is 1160 Grand Avenue. We have the individual history record. The name of the business, applicant full name is Lauren Elizabeth Coleman. Mailing address being 1160 Grand Avenue, Del Norte. In the file is the articles of organization, and we have the layout of the lunar lodge, the building, small kitchen, canteen, lobby shop, and covered patio. Diagram shows property frontage, front entry, motel lobby, rodeo mercantile, and covered patio. In the file is application, individual history, copy of driver license, operating agreement, articles of incorporation, managing members identification, and site map of 1160 Grand Avenue.

A quorum of the Del Norte Town board is present. Town Board operates as a local liquor licensing authority. The matter has been called for public hearing. We have the identification here of Lauren Coleman. Copy of the driver's license, sales tax license, and sales tax authorizations. Do we have any comments from staff concerning the license application at all?

Town Administrator Martinez, that she did have a conversation with Police Chief Frank Archuleta concerning the diagram that was submitted. Her diagram shows in the canteen area, under the proposed hotel restaurant license, this room will include a self-service sale of sealed canned alcohol generated for on-premises consumption by registered guests only. This area is unstaffed, which imposes a problem, who is checking ID, it only states that it will be monitored by continuous video surveillance, and compliance signage will be posted outlining age restrictions and liquor code regulations.

Chief Archuleta gave his input on the video- all the video surveillance in the world is not going to card a kid. What I am saying is that if it happens, but if it does happen, like I could just foresee a kid being in there and us having to respond because the kid got into the alcohol there, we are coming with an ambulance and then parents are doing things like parents do, they don't always stick around. I know that this is a violation of the law, you cannot have a self-service alcohol vending machine. Chief also mentioned that he is not only trying to do this to protect the town, but also, he didn't want her to have any issues with her liquor license. This is a big concern for me also, honestly, to worry about having an underage individual having access. No amount of surveillance work in the world would sit there and tell the kid, don't do that, but even here no one 18 years of age is allowed in a bar. If cited, you could be charged with contributing to delinquency of minor. She could be putting herself at a huge risk. He also stated that he had nothing against making money for this town and would like to see the money kept local, but in the same aspect, I have an obligation as the Chief of Police to the people in this community, including your visitors that come to the motel, is their safety. He asked Lauren if she was willing to take on that liability, but the overall approval to make the decisions is the Town Board. Chief's final comment was that this was a huge liability.

Hearing Officer asked for testimony for applicant Lauren Coleman
Testimony:

Lauren Elizabeth Coleman, owner of Mellow Moon Lodge, Rodeo Mercantile, and the Lunar Lounge, owns all it's one property. She stated that she has no staff there ever past 8 p.m. She doesn't keep staff full-time there because we would go out of business if she tried to staff our front desk around the clock. She stated that when someone does book a room, they book through our booking software, which is cloud beds. She is looking into an option that would force people when booking a room to upload a form of ID. So, a photo like copy that I have there, they would have to upload is a form of ID when they're booking to prove that they're 25 and up. She stated that her facility is family friendly. Her understanding, the whole reason she's upgrading her liquor license is because her attorney told her that if she wanted to have events, now that she has a kitchen, it is appropriate to change class of license, so this is what started it to change her liquor license. She started looking for creative ways to help herself increase her revenue. She stated that she already has a self-service room. There's no booze in there. She did mention a State Liquor inspector came in and did audit of her establishment. She was not present and did give him the code and they went in. She assumed she was fine because she wasn't in jail. Her goal is to add a revenue line that's why she's here tonight. But the goal is to be able to allow booze in cans, canned cocktails, canned wine, canned spirits that people would be able to access and then buy and it gets charged to the room. She would like to eventually offer bottled water, toiletries, snacks and other drinks in this room. Her goal is to help add a revenue line that doesn't have to be staffed twenty-four seven. She stated again she would have significant signage, that it would state by entering you agree that you're 21 and up and would be posted on the outside of the door and on the inside of the door. She stated that she knows it is a gray area, but it's legal according to liquor attorneys. There are other hotels that do it. She is happy to send the Board how other Colorado hotel on look at this, she would have this instead of an in-room minibar. She is not interested in that at all, and she thinks that having a self-dispensing vending machine controls it better, in her opinion, better than putting something in a hotel room that underage individuals have access to 24/7. She does understand the concerns.

Hearing Officers asked if they're as any questions from the Town Board, and Trustee Micah Reynolds stated that it's her business, and if she wants to take the risk, then let her take the risk. If she gets a violation, then she will have to address it, but to let her do what she wants to do with it.

Trustee Louie Velasquez did have some reservations for allowing her to do this but didn't state any at this time or apply any conditions of allowing the change of liquor license.

Mayor Pro tem Brenton Williams stated from the local licensing board standpoint, it's easy to say we put the risk on you, but we have an obligation not to create a system that's going to be a become a problem at the same time. Chief and his officers must routinely do compliance checks and may end up having to do a revocation of your license. Mayor Pro tem also stated if self-dispensing alcohol vending machines are popping up new and we if don't have a policy in place for it. I completely agree with Chief. I'm going to go by what Chief says first because I'm not the one going out there if the police come in. But again, I must agree with Trustee Micah Reynolds, it's also the business owner's decision. So, if we are going to have to address this this and we now know this is an issue. So, we might need to make a policy for it. But it shouldn't be on her to have to wait until Town Board decides.

Lauren also mentioned that her establishment currently is open the lounge, the canteen is now 24/7, it is open 24/7. If someone walks in there at 1 a.m. to get water ice, snacks and drinks. It can be restricted if need to be. Her hours are in the morning, 6:30 a.m. to 11 a.m., she has no staff after 8 p.m.

Hearing Officer asked if there was any more testimony that you wanted to present yourself, Lauren stated that she didn't think so. Hearing Officer stated that since the Town Board does have a schedule on the Town Board meeting agenda, he advised that this should be taken under advisement rather than decide right now. He thanked Lauren for coming in.

Mayor Shelly Burnett has asked if they could go ahead and approve the license and Lauren doesn't do the self-serve until; we take this under advisement so that she doesn't have to wait. Lauren stated that she can still operate her establishment and sell alcohol under her lodging liquor license, until a decision is made.

Lauren invited the Town Board to come by and walk around and see her current set-up and provide feedback. She also stated that you can walk around, the timing of the decision doesn't matter if she's good under her current license.

Trustee Micah Reynolds stated that the item is on the regular town board agenda and can be voted on this evening.

There was no one in the audience against the change of class of license for Sursy Del Norte, LLC.

Hearing Officer closed the public hearing/

Submitted: February 9, 2026