

CITY OF MINNEAPOLIS
CITY COUNCIL
PUBLIC SAFETY & REGULATORY SERVICE COMMITTEE

In the Matter of
HRS Enterprises Inc.
DBA: Red Sea Bar and Restaurant
320 Cedar Ave. S. Minneapolis, MN, 55454
License: On Sale Liquor, Class C-1, w/ Sun. Sales
L233-50002

Findings of Fact,
Conclusions and
Recommendation
Ward: 2

This matter came before an informal License Settlement Conference hearing on Thursday, November 1, 2012, at the behest of all parties attending, to discuss recent violence at the licensee's establishment and the resulting impact to the licensee's request for an upgrade of his liquor license. Appearing for the licensee were Russom Solomon and Sennait Yohannes, part owners of The Red Sea Bar and Restaurant. Appearing for the City were Grant Wilson, Manager of Licenses and Consumer Services; Minneapolis Police 1st Precinct Commander Eddie Frizell; Minneapolis Police Lieutenant Chris Hildreth, Licensing Division; District Supervisor Linda Roberts; and License Inspector Leanne Selander. Based on the evidence presented at the hearing, the following findings of fact are asserted:

FINDINGS OF FACT

1. On December 20, 2002, HRS Enterprises Inc., d/b/a Red Sea Bar and Restaurant was granted an On Sale, Class C-1 license, the same license type the previous owner held for 10 years. In 2002 a C-1 license permitted live bands and disc jockeys but not dancing. A Class B license permitted dancing.
2. On October 23, 2006, and December 6, 2006, the licensee was issued an order to cease operating outside his class of entertainment for allowing dancing in the establishment. He was also issued a \$200 citation. In addition to paying the fine, the licensee signed a Conditions letter stating he would apply for a Class B license. Licensing records do not show that this took place.
3. In 2009 the liquor code was amended. Entertainment provided by a disc jockey now required a Class B license. No grandfather rights were retained. Public notice was sent to all liquor licensees.
4. On November 10, 2010, the licensee was issued a written order to immediately cease the use of a disc jockey and dancing which were outside his class of entertainment.

5. On April 20, 2012, two License inspectors conducted an inspection of the Red Sea and spoke with the licensee about operating within his license class. The licensee denied that he was operating outside of his class and stated that, although the Red Sea contained an open dance floor, no dancing took place. The owner was advised to apply for a Class B license if he wanted this type of entertainment, and was told that a future violation would result in a citation.
6. On June 8, 2012, a large fight occurred inside the Red Sea, which then spilled outside leading to assaults with injuries and damage to a motor vehicle. According to MPD police report, MP-12-174504; these occurrences were a direct result of a fight involving disc jockeys.
7. On June 14, 2012, Licensing conducted an inspection and inspectors observed a DJ performing. The licensee was issued a \$500 citation for operating outside his class of entertainment.
8. On June 15, 2012, Licensing conducted an inspection and inspectors observed a DJ performing and patrons dancing. The licensee was issued a citation for operating outside his class of entertainment. The citations issued on the 14th and 15th stated that if the licensee failed to comply with the ordinance, then additional citations may be issued and fines may double daily. The citations were appealed.
9. On August 22, 2012, Licensing met with the owner to discuss the citations. An agreement was reached to dismiss the citations if the licensee submitted an application “without delay” for an upgrade to a Class B license.
10. On September 26, 2012, the licensee submitted an application for a Class B license.
11. On October 27, 2012, prior to the public hearing for the Class B license, a quadruple shooting occurred near the Red Sea during an event in which the entertainment was a DJ.

CONCLUSIONS

1. That on October 27, 2012, the licensee violated Minneapolis Code of Ordinances Chapter 362.30 for engaging in activities defined under Class B Entertainment without a license.
2. That on October 27, 2012, the licensee failed to comply with all applicable laws and ordinances in violation of Minneapolis Code of Ordinances 259.250(2) governing Business License Management Responsibilities.

RECOMMENDATIONS

1. The licensee shall remit to Licensing and Consumer Services within one week of signage of this document the sum of \$2000 (a doubling of the last citation issued) for engaging in activities on October 27th, 2012 defined under Class B Entertainment without the benefit of a license and after being ordered to cease and after being cited twice previously for the same offense. *\$1000 of this citation penalty will be stayed for a period of one year if there are no repeat violations.*
2. The Red Sea shall, in addition to meeting the security conditions included within, take all necessary and prudent steps to avoid violent incidents from occurring at their events by assessing the reasonably foreseeable risks associated with the nature of the event, the history of the performer, and the number of anticipated attendees. Such necessary and prudent steps shall include, at a minimum:
 - A. Employing uniformed, armed officers or security for the event.
 - B. Not holding the event.
3. When employing uniformed, armed officers or security for an event, glass bottles will not be served to patrons.
4. When employing uniformed, armed officers or security for an event, no one under the age of 21 will be allowed to enter the premises.
5. The licensee shall email their event schedule and advertisements to the Minneapolis Police 1st Precinct and Business Licensing every two weeks for one year following approval of this agreement.
6. To assist in the prevention of reoccurring disturbances by known persons, the licensee shall compile, maintain and share with the 1st Precinct a "Do Not Admit" list of persons who have been trespassed and/or refused service per Minnesota Administrative Rule 7515.0590.Subp.3.
7. The licensee must utilize an ID scanner to verify the age of all persons seeking to gain entrance to the establishment.
8. The licensee will be responsible for the confiscation of falsified identification cards and the timely remittance of these cards to the 1st Precinct.
9. A staff person shall be assigned as the "controller" with the duties to oversee the amount of alcohol being served to reduce the potential of over serving.
10. Dedicated security staff will monitor the activity in the establishment and if any criminal activity is observed, security must escort the customer(s) from the premises. Staff will request Minneapolis Police assistance for any violent event or injury.
11. Dedicated security staff shall not allow customers or passersby to loiter near the establishment during business hours. Patrons smoking outside will not be considered a violation of this condition.

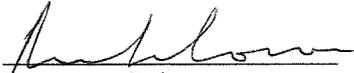
12. The licensee shall utilize the closing procedure as detailed in the business plan and security plan.
13. Dedicated security staff shall assist in crowd dispersal for at least one half hour after closing of the establishment to prevent loitering.
14. The licensee will not distribute hand-bills advertising promotions to anyone walking on city sidewalks, streets, or alleys; nor place advertising on parked motor vehicles, or any public space or building, or private building without written consent of the owner.
15. The licensee shall develop and utilize a promoter contract for any event in which a promoter is used, and provide a copy of the contract to the Licensing office. The contract will contain language stating that no promoter shall post any materials (snipe advertising) in violation of Minneapolis Ordinances.
16. The licensee shall send a representative to the monthly LINC meetings.
17. The licensee shall contact the 1st Precinct SAFE team to request an outside security lighting assessment and implement their suggestions to the establishment prior to February 28, 2013.
18. The licensee shall operate and maintain surveillance cameras in accordance with Minneapolis City Ordinance 259.230 for all areas accessible to the public.
19. The licensee shall submit an amended and enhanced business and security plan.
20. Upon the signing of the aforementioned conditions, Licenses and Consumer Services shall recommend to the City Council that the Red Sea Bar and Restaurant be granted an upgrade to a Class B On-Sale Liquor license.

HRS Enterprises Inc. understands that the holding of a business license in the City of Minneapolis is both a privilege and a responsibility, and, as such, it is understood that there is a minimum standard that shall be met in order to hold such a license. Furthermore, it is understood that a license holder is responsible to ensure that its business operates in compliance with all applicable laws, ordinances and regulations. As such, it is understood and agreed that any violation of the above Recommendations shall constitute just and proper cause for the immediate imposition of any agreed upon or stayed penalties. It is further understood that compliance with the above Recommendations is a requirement for continuing to hold a license and that failure to comply with any of these conditions may result in additional adverse license action.

I have read the above findings of fact, conclusions, and recommendations. I agree with their contents and I agree with the above noted Recommendations. I understand that the failure of my business to adhere to this agreement may be cause for further suspension, revocation, or denial of my license. I understand that this report must be accepted and approved by the Minneapolis City Council and Mayor.

Based upon the foregoing, this agreement is FREELY & VOLUNTARILY ENTERED INTO IN GOOD FAITH:

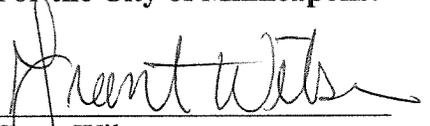
For HRS Enterprises Inc.

By: 
Russom Solomon

Its: co-owner GM
(title)

Dated: 12/6, 2012.

For the City of Minneapolis:


Grant Wilson
Manager, Licenses and Consumer
Services

Dated: 12-6, 2012.