

**LICENSES AND CONSUMER SERVICES
LICENSE INSPECTOR'S REPORT**

License Number(s): L206-50245 & L312-50003 **Police File Number:** F.13557

Date of Application: July 1, 2014

Inspector: Nicole Anderson

Applicant/Legal Entity: Fair State Brewing Cooperative

DBA/Trade Name: Fair State Brewing Cooperative

Complete Address: 2506 Central Avenue Northeast

Licenses Requested: On-Sale Liquor, Taproom, Class E and Off-Sale Malt Liquor, Growler

Current License: None

Responsible person within 75 miles of Minneapolis City Hall: Evan Sallee

Public Hearing Requirement: Required

Neighborhood/Ward: Holland / 01

License Conditions: None

Zoning: C1/PO – This is a permitted use in the Neighborhood Commercial/Pedestrian Oriented Overlay Districts

7 acre requirement: Met

Off-Street Parking: The Office of the Zoning Administrator has determined that three spaces are required to be provided on site.

Churches or schools within 300 feet of the proposed premises: No

Seating: Inside: 70 Seats Outside: N/A

Fire Occupancy: Inside: 90 Maximum Capacity Outside: N/A

Food Service Requirement: The applicant is exempt from providing minimum food service per MCO 360.65.

Hours of operation proposed: Taproom: 10:00 AM until 1:00 AM, seven days a week

Metropolitan Council Service Availability Charges: Six SAC charges; these SAC charges were paid on May 19, 2014.

HISTORY OF LOCATION

This location previously held a new retail furniture store and has not been licensed before.

APPLICANT

The applicant is Fair State Brewing Cooperative, DBA, Fair State Brewing Cooperative. Fair State Brewing is a registered cooperative association filed under Chapter 308B (File Number 642586600029) on May 19, 2014; as such they do not issue stock but each member has a share. The Board of Directors will change from time to time based on member votes; these changes will be reported to the City of Minneapolis prior to approval.

The applicant has provided documentation showing adequate, legal, and traceable funding for this venture. They have the required restriction on the transfer of shares and have the following managing officers:

<u>Name</u>	<u>Title</u>	<u>% Shares</u>
David "Evan" Sallee	CEO	21.33%
Nicholas Estabrook Hart Tonks	Head Brewer	17%
Matthew Hauk	Director of Operations	17%
Christopher "Read" Winkelman	Investor	12.94%
Elliot Ginsburg	Director of Operations	0.20%
*All other members have less than 10% share interest. See attached list		

MANAGER

Fair State Brewing Cooperative will be managed by Evan Sallee, CEO. Mr. Sallee worked at Yogi's Grill & Bar in Bloomington for approximately 2 years, intermittently.

POLICE REVIEW

Police Licensing and this Inspector have reviewed the expenses and source of funds reported in this application. The applicant has provided documentation showing adequate legal and traceable funding for this venture and has passed the criminal background check. The Second Precinct of the Minneapolis Police Department has discussed security issues with the applicant.

PREMISES

The entire beer brewing facility, on the first floor, consists of about 2,095 square feet; there is also cold storage in the basement level and clean keg storage on the mezzanine level consisting of approximately 510 total square feet. The taproom is about 1,250 square feet and has seating for 55 people at tables and benches including a bar area with seating for 15 people. There currently is no outdoor area but one is planned for the near future. The rest of the premises consist of the barrel room, cold house, storage, and restrooms.

BUSINESS PLAN/OPERATIONS

Fair State Brewing Cooperative's management will conduct alcohol server training upon hiring to include ID checking and familiarization with ID reading, recognizing fake IDs, and signs of intoxication. It will be their policy to have servers check an ID for each drink purchased, rather than just a person ordering a round. Managers will assure their staff remains up to date on all laws and regulations surrounding alcohol sales and service. Supplemental training will be provided to staff throughout the year. Servers who fail an underage sting will be given a warning; if a second sting is failed the employee will be terminated. Management will oversee that servers are following policies and procedures on a regular basis. During busy operation times they will hire door security staff to assure only people 21 years of age or older enter the establishment. Staff will also be trained by management on dealing with unruly patrons, criminal activity, and other conflict management skills to assure the safety of themselves and their customers. Fair State's philosophy is for all staff and management to be respectful at all times; if a patron becomes unruly at any point in time they will be asked to leave with the minimum amount of force necessary.

Fair State Brewing is located in a neighborhood commercial node with high density residential properties approximately eighty feet behind the establishment. There are no apartment spaces above the establishment. Fair State does not foresee noise being an issue as the environment of the brewery is for small conversations and for creating a community feel. If a patron becomes loud or disorderly inside or outside the establishment they will be asked to quiet their voice or asked to leave the premises. Fair State's employees and security staff, when on duty, will monitor noise and will take corrective action if noise exceeds a reasonable threshold. Security staffing the main front door will be responsible for assuring that no one is loitering around the business and will assure litter is picked up. They will not create a "no admittance" list unless repeat problem patrons become an issue. Security cameras will be installed during the first year of operations, however, they may not be in place on day one of operations.

Proposed hours of operation for the On-Sale Taproom will be 3:00pm to 1:00am Monday through Friday, and 10:00am to 1:00am on Saturdays and Sundays; however Fair State Brewing would like to be approved for 10:00am to 1:00am seven days a week to allow for flexibility in their brewing and taproom hours. The Off-Sale of Growlers will occur no later than 10:00pm on the days and times listed above, with no Off-Sale activity occurring on Sundays. No consumption of growlers will be allowed on the licensed premises.

Entertainment will consist of prerecorded background music with the volume low enough to encourage conversations at normal speaking levels inside the taproom. Sound dampening materials will be used to further reduce any noise into the surrounding area. Prior to the end of service a "last call" will be announced and lights turned up gradually and any background music will be turned off to indicate closing time. All staff will be responsible for assuring patrons leave the establishment in a respectful way. Any noise concerns from surrounding businesses or residents will be dealt with immediately.

Fair State Brewing will not sponsor any sports teams, conduct charitable gambling activities, and will not offer mechanical amusement devices.

PUBLIC HEARING SUMMARY

A public hearing is required for these license applications. 252 notices were mailed to residents and property owners within 600 feet of the premises on July 10, 2014 and emailed to Council Member Reich, the Holland Neighborhood Association and the Northeast Minneapolis Chamber of Commerce. Also, 15 multi-family buildings were posted. The public hearing will be held on July 22, 2014 at the Community Development & Regulatory Services Committee meeting.

RECOMMENDATION

The Licenses and Consumer Services Division recommends approving these applications for an On-Sale Liquor, Taproom, Class E license and an Off-Sale Malt Liquor, Growler license.

LICENSE CONDITIONS

None at this time.