



Spanish- Atención. Si desea recibir asistencia gratuita para traducir esta información, llama 612-673-2700
Somali- Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la' aan wac 612-673-3500
Hmong-Ceeb toom. Yog koj xav tau kev pab bhais cov xov no rau koj dawb, hu 612-673-2800
English- Attention. If you need this material in an alternate format, have questions, are deaf or hard-of-hearing, please call 612-673-3000.
 TTY: 612-673-2626 or 612-673-2157

**FINDINGS OF FACT,
 CONCLUSIONS, AND
 RECOMMENDATIONS**

In the Matter of License No. L180 37382 BLUE NILE
 for LIQ ON-SALE B W/SS SERIES 1000

Held by:
KATABAYS CORPORATION
ATTN: FAHMI KATABAY
2027 FRANKLIN AVE E
MINNEAPOLIS, MN 55404

14-1077856

This matter came before a license settlement conference on December 10, 2014. Appearing for the City of Minneapolis were Licenses and Consumer Services Manager Grant Wilson, Lead License Inspector Julie Casey, License Inspector Mohamed Ismail, and District Supervisor Pat Hilden. Appearing for Minneapolis Police were Lt Amelia Huffman, Officer David Menter, and CPS Shun Tillman. Appearing for Council Member Warsame's office was Marcela Sotela Odor. Appearing for Katabays Corporation were Fahmi Katabay and Mohamed Osman. Based on the evidence presented at the hearing the department presents the following findings of fact.

FINDINGS OF FACT

1. In January 2014, a license settlement conference was held with Katabays Corporation, dba The Blue Nile, to discuss concerns over the security in their restaurant business after a patron was murdered in the parking lot after a fight in the restaurant. The owner of the Blue Nile presented their security plan and explained that the incident was beyond their control since they had shut down the restaurant following the fight inside the restaurant. They believed that this type of incident would not happen again.
2. In September 2014, Lead License Inspector Julie Casey became aware of the

following police response calls to the Blue Nile.

- a. May 27, 2014- Assault with a dangerous weapon. This incident occurred on the sidewalk in front of the Blue Nile.
 - b. June 14, 2014-Fight call. In this incident, Minneapolis Police used use of force to stop a fight in the Blue Nile's parking lot.
 - c. September 7, 2014-A cell phone was stolen from a Blue Nile patron while they were standing on the front sidewalk.
 - d. September 10, 2014- Shots fired. Minneapolis Police responded to the Blue Nile after a group removed from the Blue Nile, fired shots in the parking lot. A violation notice was sent to the Blue Nile on October 1, 2014 for allowing criminal activity on the premises. The violation notice required the Blue Nile to create a new security plan, especially for outdoor areas, and submit the security plan to the Minneapolis 3rd Precinct staff for review. The violation order was due on October 14, 2014. The Blue Nile did not respond to this request.
3. On October 19, 2014, Minneapolis Police responded to a new incident in which a patron of the Blue Nile was assaulted by several people on the parking area of the Blue Nile.
 4. Inspector Casey reviewed police reports at the Blue Nile. Police reports revealed that the majority of recent police reports showed the victims or perpetrators were described as drunk or intoxicated.
 5. A review of the business plan in their 1997 request to upgrade their entertainment from a Class C-2 to a Class B license stated that "Music will be presented in two areas of the establishment: The lower area will feature bands and dancing and the dining area will feature African music as background to the dining experience." Recent inspections of the Blue Nile found the establishment operating with a disc jockey on the first floor. The upper level dining room has been modified by removing a large amount of the dining tables and chairs, and in that space a stage has been built where disc jockey's play music on a regular basis. District Supervisor Pat Hilden and License Inspector conducted an inspection on Friday, December 5, 2014 at approximately 11:15 p.m. Their observations were as follows:
 - a. Several people were loitering in the parking area and on the sidewalk in front of the Blue Nile. A the inspectors left, the same people loitering approximately 30 minutes earlier were still present.
 - b. A disc jockey was playing in the dining room.
 - c. There was food present at only two seats in the entire 1st floor.
 - d. The main dining room was closed.
 - E. Mohamed Osman was the manager on duty. When questioned by inspectors, he stated that security checks the parking areas every two hours.
 6. A license settlement conference was held on December 10, 2014. The above information was presented to the owners of the Blue Nile. The owners testified that they believe that the incidents with intoxicated or drunk people happened early in the evening as a result of their security calling for police assistance to remove these people from the premises. A review of the actual Police calls for service found that most police calls occurred between midnight and 3:00 a.m. They also admitted that they overlooked the violation order sent from the Licenses and Consumer Services Division on October 1, 2014. The owners also testified that they believe that their business is a cultural center for the African community and it would be difficult to change their format. They were not aware of the license approval for the dining room

with background music. The security plan for Katabay's Corporation did not contemplate change a change in business operations in its current form and did not address security for the exterior of the premises. Grant Wilson gave several options for the future of their business including a downgrade of the license, food service restoration, license withdrawal, etc. They said they would consider those options.

CONCLUSIONS

1. Minneapolis City Ordinance 362.120 requires that changes to the business plan be approved by the Minneapolis City Council. Katabays Corporation failed to report a changing their operations from a restaurant with background music on the first floor to full entertainment with a disc jockey.
2. Katabays Corporation's current security plan and interventions do not sufficiently address criminal activity on the premises, including the parking area, in violation of MCO 259.250(3).

RECOMMENDATIONS

1. Katabays Corporation agrees to reduce their level of entertainment from a Class B license to a Class E license within 30 days of signing this agreement in connection with an overhaul of the security plan and security procedures at the Blue Nile Restaurant.
2. Katabays Corporation agrees to draft a new security plan with enhanced security for the parking lots and sidewalks in front of the business. The security plan is to be submitted to the 3rd Precinct for input and approval within two weeks of signing this agreement. The security plan shall contain an enhancement for the security for the parking lot and front sidewalk areas. Surveillance cameras shall be installed in the parking areas and the front of the restaurant and monitored by security at all times. A copy of the security plan shall be given to the License and Consumer Services Division within thirty days after comment is received from the 3rd Precinct.
3. Katabays Corporation shall restore the first floor of the premises to the previously approved business plan where dining was the principle activity.
4. Katabays Corporation shall conduct alcohol server training with all employees of the Blue Nile including security staff concerning over service of alcohol to patrons within thirty days of signing this agreement.
5. Katabays Corporation shall participate in meetings with neighborhood residents on a quarterly basis, or as requested by the Seward Neighborhood Association.

Katabays Corporation understands that the holding of a business or liquor license in the City of Minneapolis is both a privilege and a responsibility. A minimum standard shall be met in order to hold such a license. One minimum standard is that a license holder is responsible to ensure that its business operates in compliance with all applicable laws, ordinances, and regulations. It is understood and agreed that any violation of the above Recommendations shall constitute just and proper cause for the immediate imposition of any 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 and understand 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:

Business

Blue Nile
By: [Signature]
(signature)

Its: President
(title)

Dated: 2/7/2015

For the City of Minneapolis:

[Signature]
Grant J. Wilson
Manager

Dated: 2-11, 2015