

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

License Number: L200-50164 **Police File Number:** 13694

Date of Application: May 22, 2015

Inspector: Michele Harvet, 612-673-5484

Applicant/Legal Entity: Lee's Liquor Lounge, LLC

DBA/Trade Name: Lee's Liquor Lounge/Bar

Complete Address: 101-103 Glenwood Avenue North, Minneapolis, MN 55403

Responsible person within 75 miles of Minneapolis City Hall: Luis Felipe Londono

Public Hearing Required: No

License Conditions: None at this time.

License Requested: On-Sale Liquor with Sunday Sales, Class B

Most Recent License Approved at this Location: On-Sale Liquor with Sunday Sales, Class B

Purpose of Application: To obtain an On-Sale Liquor with Sunday Sales, Class B for a new proprietor

Neighborhood/Ward: Northloop / 5

Zoning: C3A/DP – This is a permitted use in the Community Activity Center/Downtown Parking Overlay District

7 acre requirement: Met.

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

Seating: Inside: 130 Seats Outside: 0

Maximum Capacity: Inside: 203 Maximum Capacity Outside: 0

Food Service Requirement: This establishment does not need to meet the minimum food service requirements set forth in MCO 360.65 because they have been operating continuously since prior to 1995.

Alcohol Server Training: Training will be provided by Alcohol Compliance Services.

Hours of operation proposed: 11:00 A.M. to 2:00 A.M. Daily

Metropolitan Council Service Availability Charges: A new SAC determination is not required for this existing use.

HISTORY OF LOCATION

This location has operated with an On-Sale Liquor license since at least 1977. Sunday sales and Class B were added in the 1980's.

APPLICANT

The applicant is Lee's Liquor Lounge, LLC, a Minnesota corporation formed on February 18, 2015, under Chapter 322B (File Number 812509900021), having the required restriction on the transfer of shares and has the following shareholder and officer:

<u>Name</u>	<u>DOB</u>	<u>Title</u>	<u>Shares</u>
Kruckeberg Industries		Sole Member	100%
Craig Kruckeberg	8/5/65	Sole Governor, CEO, Chief Manager of Kruckeberg Industries	

Mr. Kruckeberg has worked in a number of hospitality businesses, including a restaurant and lounge business owned by his parents. He worked for the Marriott Corp. and then Sage Corporation and managed a food and beverage business for a private institution.

MANAGER

The general manager at Lee's will be Luis Londono. Mr. Londono has worked in the food/alcoholic beverage/retail industry for at least seven years and is also an attorney.

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 First Precinct of the Minneapolis Police Department has discussed security issues with the applicant.

PREMISES

The licensed premises are on street level with approximately 3350 square feet. There is seating for approximately 130 people which includes a bar with seating for 35 people. There is a stage and a small dance floor. There is an office and restrooms on the main floor. There is a basement level with about 3000 square feet for general storage, more restrooms, coolers and liquor storage. This space is compact and contiguous. There are no undefined spaces.

BUSINESS PLAN/OPERATIONS

Initial Training

Lee's has contracted with Alcohol Compliance Services (ACS) to conduct the initial alcohol compliance training for staff; they anticipate offering the training either preopening, or if not

logistically feasible, within 30 days of opening of Lee's Liquor Lounge/Bar.

Ongoing & Regular Training

Alcohol compliance training will be offered to pertinent employees on at least an annual basis by a qualified, outside training provider, ACS. Company training materials will consist of memos, emails, handouts, company policy handbooks, outside professional providers and vendor's seminars/lectures, and ongoing verbal training via management and ownership.

All new employees handling alcohol who present evidence of completion of an acceptable alcohol compliance training program within the last year will be trained by management staff using the materials given during on-site training and internal company training materials. New employees who cannot demonstrate acceptable alcohol compliance training within the last year will be required to attend such training offered by ACS.

Carding Policy & Use of Electronic ID Devices

Guests will be carded at the point of entry after 9 pm on busy evenings and at all times when charging an entry fee and will be required to show proper identification to gain entrance if they appear to be under 40 years of age in the judgment of security personnel; guests not at least 21 years of age, who are intoxicated, or are of questionable character will be denied entrance. Once guests become recognized or regular customers, formal ID may not be required. When no entry fee is being charged all servers and bartenders will be responsible for carding guests, and they will be thoroughly trained to card anyone that appears to be under 40 years of age. No one under the age of 21 will be served alcohol, nor will anyone be served any alcohol that appears to be intoxicated.

Lee's does not intend to utilize electronic ID devices at this time, but may consider utilizing such at a future point. It is their longstanding policy that while many tools are available to assist in verifying the age of guests, they expect the servers/bartenders to be proficient at carding. It is their position that employees' professional knowledge and expertise on carding is both critical and irreplaceable.

Reward & Discipline Policy for Serving/Selling Alcohol to Underage Persons

At this time, they are considering an incentive system consisting of a variety of prizes for passing a compliance check or catching an underage attempt to purchase alcohol. An incentive program of this nature may encourage staff to be compliant with internal policies and the pertinent statutes and ordinances with respect to underage sales/service; however, it is the case that their company philosophy views adhering to the law as an essential and integral part of the job requirement of wait staff and alcohol-related sales positions in this industry and as such, no reward should be necessarily expected.

The first violation for an employee failing a compliance check or discovered willfully, or by means of carelessness/negligence, selling/serving to an underage person will result in the employee's immediate termination of employment.

Self Audits

At this time, they don't anticipate the need for self-audits. However, they will consider conducting such audits in the event they feel there is need or suspect a problem with the staff selling/serving alcohol to underage persons.

Staffing Model

Lee's Liquor Lounge/Bar will employ a total staff of approximately 15-20 employees working in the following areas: managers/assistant managers, floor supervisor, wait staff/servers, bartenders, bar-backs / help and security personnel. On a typical Friday or Saturday evening, they intend to staff approximately 8 employees all cognizant of and cross trained for security matters, with at least 2 staff personnel dedicated to security and security-related matters.

Security Plan

Management and staff are trained in the basic principles of establishment security and their expected protocols for handling security-related issues. They have a philosophy of respectful enforcement; unruly and disruptive guests will be asked to leave the premises and when necessary, physically escorted off the premises.

Security at Lee's Liquor Lounge/Bar will consist primarily of their employees. One employee will be designated head of security, as well as an assistant head of security; one of these employees will be on premises at all times that live entertainment is offered to the public. It is the duty of the on-site head of security/assistant head to keep an accurate count of all guests in order to avoid over occupancy. Once at capacity, additional guests will be denied entrance into the premises. All staff will be trained not to admit or serve intoxicated persons.

Dedicated security personnel will be stationed at the main entrance and cycling through the licensed premises including the outdoor patio area. Typical security duties on the premises include: assisting customers, deescalating situations, walking their assigned areas, communicating with management-level staff and employees on the floor on negative behavior or potentially difficult or escalating situations. They will have security present until all customers are out of the building and off the licensed premises.

All of Lee's employees will be identifiable by means of a required uniform consisting of a specialized shirt with the name "Lee's Liquor Lounge/Bar". Typically, they will have at least 1-2 employees dedicated to security at the main entrances after 9 pm on busy evenings and when charging a cover/entrance fee. All exits and entrances accessible by guests and the adjacent outdoor areas will be under the continual review/surveillance by Lee's staff. All guests are required to enter Lee's through the main entrance on Glenwood Avenue; admission to the rear patio will be through the main entrance only.

All employees dedicated to security will have radio communication devices to stay informed and aware of the entire venue at times when we expect to be at or near capacity. Security cameras will be located inside and immediately outside the main doors and outdoor area with in excess of 10 cameras covering all bars, stage, main dance and gathering areas, outdoor area, exits and entrances. Cameras are monitored by management level staff in the main office.

Their closing and exit strategies incorporates defined tools utilized by staff to ensure orderly and peaceable exiting from the building and surrounding outdoor area. Beverage alcohol service ends no later than 2:00 a.m. with last call generally announced no later than 1:45 a.m. Once they stop serving alcohol, customers receive verbal notice from security personnel, any live entertainment ceases, announcements are made, and lights begin to come up. Security personnel will talk to patrons to encourage them to finish their drinks. They will also begin directing customers to the door by approximately 2:10 a.m. in order to achieve a gradual emptying of Lee's by no later than 2:30 a.m.

Staff will also assist with ensuring that guests and other people do not loiter on the public sidewalk outside the premises and employ techniques to move them along, encouraging departure from the area. Security staff will assist with clearing the sidewalk area and commit to a security presence for at least 30 after the time of closing; in the case of a special event or a situation warranting additional attention, our security staff will remain for additional time. Security will regularly inform exiting guests to have a safe evening and to respect the surrounding area and neighborhood. Security will work with Minneapolis Police to escort potentially problematic guests away from the area. Lee's will maintain a "do not admit list".

Staff will practice an emergency evacuation plan and will cooperate with the Minneapolis Police Department when told to evacuate the premises. Staff will also be trained to call for police, fire or emergency medical services response if any employee or guest is severely injured, needs medical services, or when any injury is the result of a criminal act.

Communication with staff reviewing security measures and recent incidents will take place when they are hired, during routine staff meetings held at a minimum on a quarterly-basis, and during routine security meetings held at a minimum every other month. Generally, security staff meetings are held more often, sometimes taking place before the night is to begin, or after work is over and patrons have left the premises. Staff and security meetings are also held on an as-needed basis. Staff will always be available to meet with representatives of the City of Minneapolis to address any security concerns. Lee's will also provide any available video surveillance utilized on the premises to the Minneapolis Police Department upon request.

If they feel they have underestimated their security needs, they will implement the necessary security improvements immediately. Security is a priority for them, and they commit to having in place the necessary and appropriate personnel and measures at all times. They commit to making reasonable adjustments to this security plan immediately as needed and to address potential future concerns.

Entertainment

The liquor license application for Lee's Liquor Lounge LLC is for a class B on-sale liquor license with Sunday sales. They intend to offer live entertainment in the form of: DJ services, live bands, dance floor, dance lessons, art events, prerecorded music, and TV/video as primary forms of entertainment. Other entertainment allowed under a class B license may be offered. All live entertainment will cease no later than 2:00 a.m. or, in the event the City amends its ordinance to allow for later entertainment hours, at the time dictated by such a future license code amendment.

Entertainment offered at Lee's is directed at a wide, yet sophisticated music fan, from a range of demographics, typically the 21 - 60 year old fan who loves live music and the iconic atmosphere at Lee's. Their target market remains essentially the same as Lee's is today; music aficionados with an appreciation for an eclectic blend of music genres ranging from country western, rock & roll to jazz/swing. They intend to market to private parties and corporate events as well.

Community Impact Plan

Effect of Business on Area Safety & Welfare

It is their belief that Lee's brings a much-appreciated and valued concept with correspondingly generally well-mannered patronage to the Downtown West/North Loop area. Lee's contributes to, and in fact anchors, an active business presence along this otherwise more industrial/office/retail corridor

that helps to deter potential criminal activity, offers security and an active eye for pedestrians in the late evening, and lends towards safer streets in the area in general.

They commit to providing a positive hospitality and entertainment experience with minimal negative impact upon the surrounding area, as has been the case for many decades with the current owner of Lee's.

Noise Management/Noise Abatement Plan

Due to the placement of their business at the border of the downtown central commercial district, the industrial/commercial nature of the area, the placement of the business at a major arterial street/intersection, their typical and expected clientele, the absence of residential buildings and uses in the vicinity, the solid block wall construction of the building, they anticipate noise concerns will be minimal. Regardless, staff of Lee's will regularly monitor noise emanating beyond the interior premises as well as noise generated from patrons immediately outside the premises.

Security personnel and employees will ask and remind patrons to leave quietly and respectfully depart from the premises.

Employees will monitor the adjacent sidewalk area regularly to ensure guests are not becoming boisterous and respectfully depart from the premises.

They will have speakers outdoors operating at reduced levels for customer enjoyment. The speakers will be mounted on the building adjacent to the patio and oriented inwards towards the patio with the volume control located inside the office; access to volume control is reserved to management level personnel.

They will train employees to address: loud or unruly behavior from any patron, removal procedures for unruly or disruptive patrons, and the importance of minimizing unwanted noise in the outdoor area. They commit to managing any wait lines and to remove any person exhibiting undesirable behavior or who is obviously intoxicated from such a wait line.

They commit to responding promptly to any concerns with improper or unacceptable noise levels. All noise-related complaints and concerns will be handled by the general manager or manager / supervisor on duty. It is the intent of Lee's to comply with all noise-related ordinances and to be a good neighbor to the surrounding community.

Litter Removal Plan

Staff is thoroughly trained to properly sort and dispose of trash. They have a dedicated, enclosed trash area at the rear of the building. They will assign one dedicated employee to daily patrol the 100' perimeter of the venue, to sweep the area directly in front of entrances where smoking may occur and the patio area, and to remove any and all litter found thereon. Security is additionally expected to walk the nearby areas, at least 100 feet outside of the premises perimeter, and additionally collect trash and dispose of it. Litter patrol will be concentrated prior to opening of Lee's and during final patrols made prior to employees' leaving after closing.

Team Sponsorship

At the present time, they have no immediate intent to sponsor competitive sports teams.

Hours of Operation

The anticipated initial hours of operation for Lee's will be from 11 am to 2:30 am daily. All beverage alcohol sales/service will cease no later than 2:00 a.m. Hours are subject to change depending upon customer demand, including the seasonality of demand, but in no case will exceed the maximum hours without the appropriate, approved pertinent license/permit.

Food Service /Menu

There is no separate kitchen on premises. Food items generally consist of: bagged snacks, frozen precooked hamburgers and frozen pizzas.

Charitable Gambling Activities

They may offer charitable gambling on the premises. At this time, they are considering offering pull tabs operated by a local charity. The local charity will comply with all local and State laws pertaining to charitable gambling.

PUBLIC HEARING SUMMARY

A public hearing is not required for this license application.

RECOMMENDATION

The Licenses and Consumer Services Division recommends approving this application for an On-Sale Liquor with Sunday Sales, Class B license for Lee's Liquor Lounge/Bar.

LICENSE CONDITIONS

None at this time.