

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

License Number: L200-50781

Police File Number: F.13814

Date of Application: March 9, 2016

Inspector: Greg Buenning

Applicant/Legal Entity: Historic Machine Shop, LLC

DBA/Trade Name: Historic Machine Shop Restaurant & Event Center

Complete Address: 300 2nd Street Southeast, #100
Minneapolis, MN 55414

License(s) Requested: On-Sale Liquor with Sunday Sales Class "B"

Current License at Location: None

License History of Location: This address had been used by Pillsbury for many years

Purpose of Application: To obtain a new On-Sale Liquor w/Sunday Sales Class "B" license with event center

Responsible person within 75 miles of Minneapolis City Hall: Jessica Barrett

Public Hearing Required: A public hearing is required

Neighborhood/Ward: Marcy-Holmes/Ward 3

Zoning: C3A/PO

7 Acre Requirement: Met

Off-Street Parking: The Minneapolis Zoning Department requires 231 off-street parking spaces. The business has met this requirement. They will have 26 on-site spaces and lease 380 spaces at the St. Anthony Parking Ramp.

Seating: Interior: 577 Exterior: No outdoor seating

Total Square feet: 19,035

Fire Occupancy: Interior: 921 Maximum Capacity of Exterior: N/A

Hours of Operation Proposed: Interior: 4:00 p.m.-12:00 a.m. Sunday-Thursday
4:00 p.m.-1:00 a.m. Friday-Saturday

Hours of Food Service: During all hours of operation
Reduced Menu Hours: During final two hours of operation

Food Service Requirement: Met
Health Risk: 1

Alcohol Server Training: All members of Historic Machine Shop staff will be trained by Laura Boyd of Alcohol Compliance Service. She will provide the initial training either preopening, or if not feasible, within 30 days of opening. Alcohol compliance training will be offered to all pertinent employees on at least a yearly basis. Training will consist of emails, handouts, policy handbooks, point of sale reminders, videos, and verbal training from management and ownership. The business will card all patrons who appear to be under the age of 35. Incentives will be given in the form of a variety of prizes for those employees who pass a compliance check. If an employee fails a compliance check, it will result in immediate termination. They will not conduct self-audits, but if it they see a need for it or suspect a problem they will begin that process. Guests who are obviously intoxicated or are of questionable character will be denied entrance. The policy will be strictly enforced.

Metropolitan Council Service Availability Charges: 12

Applicant

The applicant is Historic Machine Shop, LLC, a Minnesota company formed on January 15, 2015. They are registered under chapter 322B, File #806066100021 of the Minnesota statutes. The applicant has provided documentation showing adequate, legal, and traceable funding for this venture. They have the required stock restriction on the transfer of shares and have the following shareholders and officers:

Name	Title	Shares
Eugene C. Munster	Governor/President/Chief Manager/Treasurer	90%
Michael T. Olson	Governor/Vice-President/Secretary	5%
Martin M. Collins	Governor/Vice-President	5%

Manager

The manager of Historic Machine Shop Restaurant will be Jessica L. Barrett. Ms. Barrett has been in the hospitality industry since 2004. She has held positions such as Events Coordinator and Events Department Manager for the University of Minnesota Campus Club from 2004-2012, Director of Operations for Aria at the Jeune Lune in Minneapolis from 2012-2015, and has been the Executive Director of Historic Machine Shop since 2015. Her duties ranged from planning and implementation of events to formulation of policies, staffing, team building, overseeing building and maintenance operations, and human resources matters.

Premises

The premises will be located at 300 2nd Street SE. It is a two-story building. The business will operate in 19,035 square feet of space. The first floor will house Break Room at Historic Machine Shop, which will be open to the public. The restaurant will be open to the public initially about once a month. If it is received well they may open it on a more frequent basis. It will be a full-service restaurant which will accommodate 35 guests including 13 stand-up spaces at the service bar area. Entry to the restaurant will be from the 2nd Street SE side of the building. The core hours of operation for the restaurant will be 4:00 p.m. to 12:00 a.m. Monday

through Thursday and 4:00 p.m. to 1:00 a.m. Friday and Saturday. There will also be event space on the first floor adjacent to the restaurant with seating for 286 patrons. The second floor will be dedicated as event space. There will be 256 seats for patrons for a total of 577 seats for the entire facility.

Business Plan/Operations

Historic Machine Shop will be housed in the old Pillsbury Company machine shop, hence the name. They will function as a restaurant as well as an event center for lavish weddings, galas, and other private events, and occasional public ticketed events. The event center will honor the historic and industrial nature of the building, but will elevate that with unique and glamorous details. Their restaurant, Break Room at the Machine Shop will be an upscale and historically significant restaurant. It will serve a variety of small plate dishes, including lettuce wraps, firecracker shrimp, sliders, flatbread, lobster rolls, sandwiches, a selection of wraps, and desserts. Historic Machine Shop has requested hours of operation to run from 4:00 p.m. to 1:00 a.m. daily. Their core closing times will be 12:00 a.m. Sunday to Thursday, and 1:00 a.m. Friday and Saturday. It is anticipated that many events/occasions will end by approximately 11:30 p.m. Sunday through Thursday, and 12:30 a.m. Friday and Saturday. During times of maximum hours beverage alcohol service will end no later than 1:00 a.m., with last call announced at 12:45 a.m. Beginning at 12:50 a.m. customers will receive verbal notice from staff. At 1:00 a.m. the lights will be turned up and live entertainment will cease and customers will be told to finish their drinks. Customers will be told to exit by 1:15 a.m. to achieve total exiting by 1:30 a.m. Security at events will consist of the staff and EPG Security Group. The ratio of guards per guest will be 1 guard for every 100-150 guests for normal events. During large scale events security will be posted at the front door and throughout the premises. Top-tier management will be present during all events. The staff of Historic Machine Shop will be trained to observe all types of behavior. They will expect their clientele to be civil, mature, and generally well-mannered. Unruly and disruptive patrons will be asked to leave the business, and if necessary physically escorted off premises. The on-duty manager will be responsible for occupancy levels to avoid overcrowding issues. The exit strategy will be that last call will be 15 minutes prior to closing. At closing staff will ensure that guests and other people do not loiter on sidewalks and the premises. Their presence will be for at least 30 minutes after closing. Surveillance cameras will be utilized both inside the business and outside the business. The cameras can be monitored remotely by management and owner. Video will be available for Minneapolis Business Licensing and the Minneapolis Police Department. All amplified music performed at Historic Machine Shop will be held at a medium range level to mitigate noise leaving the premises. Ownership anticipates any noise will be absorbed by the internal features, such as wood floors, upholstery, and soft seating.

Public Hearing Summary

On April 1, 2016, 174 notices were mailed to residents and property owners within 600 feet of the premises. An electronic hearing notice was e-mailed to Council Member Jacob Frey, The Marcy-Holmes Neighborhood Association, and the Northeast Minneapolis River District. A public hearing for this license application was held on April 20, 2016, at Marcy Open School 415 4th Avenue Southeast. 13 people attended the public hearing, nine of which are residents of the Phoenix Condominium building, which is directly across the street from Historic Machine Shop. The Phoenix Condominium has 78 residents. Of the nine attending, six live on the east side of the complex directly across the street from the HMS. Four people voiced their concerns, saying the internal noise would be a problem, but was not as big of a problem as the external noise when people would be leaving events. Some also felt that the area should be re-zoned so places like Historic Machine Shop could not be allowed to operate in that area. Business Licensing received two written responses to the public hearing notices. One was in favor and the other opposed citing that too many events so close to their condo would have a negative impact.

Police review

The Minneapolis Police Licensing Division has reviewed the applicant's financial and criminal history. They have determined the application meets the necessary requirements.

Recommendation

Licenses and Consumer Services Division recommends the approval of an On-Sale Liquor with Sunday Sales, Class "B" license and event center.

Diagram on next page

