

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

License Number: L210-50298

Police File Number: 13872

Date of Application: August 9, 2016

Inspector: Michele Harvet, 612-673-5484

Applicant/Legal Entity: Sage Client 265, LLC

DBA/Trade Name: AC Hotel Minneapolis Downtown

Complete Address: 401 Hennepin Avenue, Minneapolis, MN 55402

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

Current License at Location: None

License History of Location: This location has previously held a parking lot license since at least 1992.

Purpose of Application: To obtain a new On-Sale Liquor with Sunday Sales, Class B license.

Responsible person within 75 miles of Minneapolis City Hall: Andrea Zimmer

Public Hearing Required: Required

Neighborhood/Ward: Downtown West / 3

Zoning: B4-2/DP - This is a permitted use in the Downtown Business and Downtown Parking Overlay Districts.

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.

Hotel Seating: 390 Seats total in the lounge, restaurant and meeting rooms which are located on the 1st and 2nd floors of the hotel.

Number of Rooms: 245 Hotel Rooms **Total Hotel Fire Occupancy:** tbd

Hours of operation proposed: Hotel: 24 hours daily

Lounge: Monday to Saturday 2:00pm to midnight, Sunday 2:00pm to 10:00pm

Restaurant: Monday to Friday 6:00am to 2:00pm, 5:00pm to 10:00pm, Saturday 7:00am to 2:00pm, 5:00pm to 10:00pm, Sunday 7:00am to 1:00pm

Food Service Requirement: This establishment meets the minimum food service requirements set forth in MCO 360.65.

Alcohol Server Training: Training will be provided by Sage Human Resources.

Metropolitan Council Service Availability Charges: In a SAC determination letter dated May 27, 2015, it was determined that 134 SAC units are required for this project. This has already been paid under BINB-2003527.

Applicant

The applicant is Sage Client 265, LLC, a Colorado limited liability company authorized to transact business in Minnesota on February 2, 2016, under Chapter 322C (File Number 870467700032), having the required restriction on the transfer of shares, and has the following owners:

<u>Name</u>	<u>Title</u>	<u>Shares</u>
Sage Hospitality Resources, LLC	Owner	100%
Christopher White	Assistant Secretary	0%

Sage Hospitality Resources, LLC

Sage Investment Holdings, LLC	Owner	54.92%
The Walter Isenberg Family Registered LLP	Owner	24.78%
The Neumeyer Family Registered LLP	Owner	6.96%
Kenneth Geister	Owner	5.84%
Karpinski Family LLC	Owner	4.87%
Peter Karpinski	Owner	2.63%

Sage Investment Holdings, LLC

The Walter Isenberg Family Registered LLP	Owner	75%
The Neumeyer Family Registered LLP	Owner	25%

The Walter Isenberg Family Registered LLP

Walter Isenberg	Owner	56.54%
Christina Isenberg	Owner	43.46%

The Neumeyer Family Registered LLP

Zach Neumeyer	Owner	58.82%
Amy Newmeyer	Owner	43.18%

Sage Hospitality manages more than 75 hotels across the country with 30 years of experience in the hotel industry. The applicants meet all minimum requirements including criminal background check.

Manager

The General Manager will be Andrea Zimmer. Ms. Zimmer has been working and managing in the food and alcohol service industry, for several hotels, for the last 11 years.

Premises

The AC Hotel Minneapolis Downtown is located in the space of a former parking lot at the corner of 4th Street North and Hennepin Avenue. There is a total of 129,000 square feet in the hotel. There are nine stories. There are lounge area, restaurant area and meeting rooms located on the first floor. There are meeting rooms, hotel rooms, and a fitness center located on the second floor. There are a total of 245 guest suites occupying part of the second floor and floors three through nine. There is no outdoor area.

Business Plan/Operations

All food and beverage staff will be trained by Human Resources before starting alcohol service. All of the alcohol servers are regularly monitored to ensure compliance with their training. Negative results could end in discipline or termination. All bar patrons that appear to be under the age of 30 are carded.

Room service for beverage alcohol will be available during all legally-permitted hours. This hotel will have a permit to operate until 2:00am, when necessary.

There will be dedicated on-site security personnel making rounds of the interior of the building to include the parking garage areas as well as the outside front entrance area of the hotel. As a general matter, staff will be cross-trained on recognizing security matters and the proper course of action to take to minimize any situations. The lobby and meeting room area will be the only public access areas of the hotel. Access to the guestroom floors will be monitored by hotel-room-card access 24 hours a day via the elevator.

Entertainment will be provided in the form of prerecorded background music unless there is a special event (wedding, private party, retirement party, etc.) that requires up to Class B entertainment.

Although noise is not anticipated to be a problem because of their business model, all noise complaints will be followed up by management immediately.

They will contract valet parking services.

Menu items include, snacks, salads, risotto, salmon and chicken dishes ranging in price from \$3 to \$11.

Litter will be removed at all hours they are open on a daily basis on and within 100 feet of the premises.

The applicant indicates that it will not sponsor sports teams, offer charitable gambling or offer amusement devices on the premises.

License Conditions

None at this time.

Public Hearing Summary

A public hearing is required for this license application. Notices were mailed to residents and property owners within 450 feet of the premises. A public hearing notice was emailed to Council Member Frey, the Downtown Minneapolis Neighborhood Association and the Warehouse District Business Association on August 29, 2016. The public hearing will be held on September 13, 2016 at the Community Development & Regulatory Services Committee meeting.

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 criminal background check. The applicant is also undergoing a security review with the First Precinct of the Minneapolis Police Department.

Recommendation

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