CITY OF MINNEAPOLIS
CITY COUNCIL
PUBLIC SAFETY AND REGULATORY SERVICE COMMITTEE

In the Matter of the Class A On-Sale Liquor License with Sunday Sales, Held by Escape Entertainment, Inc.	**FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATIONS**

This matter came on for a Technical Advisory Committee ("TAC") meeting on Wednesday June 16, 2004, at 10:30 a.m. in Room 241 of City Hall, 350 South Fifth Street, Minneapolis, Minnesota 55415. The TAC meeting was held to discuss issues related to the operation of Escape Entertainment, Inc. ("Escape"), located at 600 Hennepin Avenue South, Minneapolis, Minnesota 55403, pursuant to a Notice to Appear, dated May 20, 2004. Present at the TAC meeting were the following representatives of Escape: David Koch (Chief Executive Officer), Kam Talebi (Chief Financial Officer), Chuck Gilbert (Vice President), Nicholas Grue (Manager) and their counsel Lloyd W. Grooms and David M. Aafedt of the law firm of Winthrop and Weinstine P.A. Also present were the following representatives of the City of Minneapolis: Lieutenant Phil Hafvenstein, Sergeant Kent Warnberg, Sergeant Travis Glampe, Officer Andy Schmitt, and CPS Luther Kruger of the Minneapolis Police Department, as well as Assistant Minneapolis City Attorney Steven Heng.

At the TAC meeting, representatives from the City of Minneapolis presented evidence that they believe indicated that Escape violated the minimum standards and conditions for holding a liquor license. Representatives for Escape denied that the events

demonstrated by the evidence presented by the City of Minneapolis occurred. Escape further denied that they violated the minimum standards and conditions for holding a liquor license. Since the TAC meeting, it appears that Escape has conducted its business in a manner that is consistent with the terms of this agreement.

Based upon the parties' discussion at the TAC meeting and Escape's current operations, the parties have agreed to settle this matter in an effort to avoid the unnecessary time and expense associated with litigating the issues raised in the Notice to Appear. Based upon the agreement between the parties and all of the files and records contained herein, it is hereby recommended that the Committee make the following Recommendation:

RECOMMENDATION

That Escape's Class A On Sale Liquor License with Sunday Sales be allowed to operate without restriction, subject to compliance with the following:

1. Escape will pay the City of Minneapolis $4,000.00 as reimbursement for the administrative and investigative costs involved with the TAC meeting process. Said payment will be made within 30 days after the effective date of this Agreement.

2. Consistent with its existing obligations under applicable law, Escape will continue to use its best efforts to ensure that it does not serve any alcohol to minors, as set forth in Minn. Stat. § 340A.503, subd. 2(1) (2004) and Minneapolis City Code § 370.10, or serve alcohol to any individual who is obviously intoxicated, as set forth in Minn. Stat. § 340A.502 (2004) and Minneapolis City Code § 364.30. In the event that Escape violates the prohibitions set forth in this paragraph, before the expiration of two

(2) months following the date that the Minneapolis City Council approves this recommendation, its license shall be suspended for a period of two (2) days. For purposes of this paragraph, a violation may only be proven by a criminal conviction or administrative adjudication establishing a violation of the statutes or ordinances referenced in this paragraph, upheld after appellate review, if any, of the same. In addition, Escape reserves the right to assert any and all affirmative defenses to any violation of the statutes or ordinances referenced in this paragraph, as provided for under applicable law.

3. Escape agrees to maintain its current policy of structured orientation for its management, security personnel, and servers at the time of hiring, as well as ongoing training for management and employees in over-serving, management of alcohol consumption by patrons, and sales to underage persons, at least quarterly thereafter.

4. Escape agrees to maintain its current policy of keeping underage individuals from gaining access to the area where alcohol is served by erecting a wall-to-wall glass partition and an additional age and identification check at the entrance to said area on those nights where individuals eighteen (18) years and older are allowed into Escape.

5. Escape has implemented and agrees to maintain its electronic system to verify customers' age and identity at the main entrance to the premises. This electronic verification system will further assist Escape, its agents and employees in detecting underage individuals who attempt to gain access to the premises.

6. Escape agrees to maintain its current "do not admit" list to track those individuals who have caused problems on the premises and to share said list with the City upon request and reasonable notice.

7. Escape has implement and agrees to maintain its training for all of its management and security personnel at least quarterly regarding effective communications, recognizing the signs of impairment, dealing with impaired persons, use of force, and effective crowd control during all hours of operation, and at closing time.

8. Escape has made a presentation to the Bar and Restaurant Downtown Safety Council regarding over-serving and its impact on the Warehouse District hospitality industry.

9. In order to supplement Escape's existing training requirements, Escape and Lieutenant Phil Hafvenstein or another employee of the Minneapolis Police Department has spoken to Escape's staff on the topic of responsible service of alcohol to patrons.

The parties have read the foregoing Findings of Fact, Conclusions, and Recommendation, and agree to the terms outlined above. The parties understand that the foregoing Findings of Fact, Conclusions, and Recommendation must be accepted by the City Council and signed by the Mayor.

Escape Entertainment, Inc.

2-24-05
Date

Lieutenant Phil Hafvenstein, retired
On Behalf of the June 16, 2004,
TAC Meeting Committee

2-25-05
Date

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