CITY OF MINNEAPOLIS
CITY COUNCIL
PUBLIC SAFETY & REGULATORY SERVICES COMMITTEE

In the Matter of the
Class A On-Sale Liquor License
with Sunday Sales Held by
Heaven & Earth, Inc.
d/b/a The Quest Nightclub

STIPULATION AND RECOMMENDATIONS

This matter came on for a Technical Advisory Committee (TAC) Hearing on December 13, 2004 to discuss issues related to the operation of Heaven & Earth, Inc. d/b/a The Quest Nightclub (The Quest), located at 100 5th Street North, Minneapolis, Minnesota. Gilbert Davison and Tony Harris, the Owner and Chief Operating Officer of the The Quest, respectively, were present and represented by their attorney, Andrew L. Marshall of BASSFORD REMELE, A Professional Association. Also present at the TAC hearing were the following representatives of the City of Minneapolis: Sgt. Kent Warnberg, Lieutenant Tony Diaz, Lieutenant Michael Kjos, Crime Prevention Specialist Luther Krueger, Deputy Director of Licenses Ricardo Cervantes, and Assistant City Attorney, Joel Fussy (hereinafter also referred to as "the Committee").

Based upon information presented at the hearing, the parties have agreed and stipulated to settle this matter according to the finding of fact, conclusions and recommendations contained herein.

FINDINGS OF FACT

1. Heaven & Earth, Inc. d/b/a The Quest Club (The Quest), located at 110 5th Street North, Minneapolis, Minnesota, has at all times relevant to this matter possessed an on-sale class A

liquor license granted by the City of Minneapolis pursuant to Minneapolis Code of Ordinances (MCO) § 362.30.

2. The City of Minneapolis identified of a number of incidents that have occurred at The Quest Nightclub that are of a concern to the City, including the following:

a. On or about July 14, 2004 The Quest hosted a concert. The gang unit of the Minneapolis Police Department assigned officers to work a saturation detail outside of The Quest based on information that local gang members would be in attendance at the concert. An officer observed a male exit the rear door of The Quest with a stab wound to the abdomen. A separate officer observed Quest security bring two other stab wound victims out of the front entrance of the club. The victims had sustained wounds to the left side of the chest and the right hand respectively. The victims refused to identify the perpetrators of the stabbings and no arrests were made.

b. On or about November 20, 2004 Minneapolis Police responded to the sidewalk area in front of The Quest. They found a woman who had sustained a laceration to the side of her face inside The Quest. The woman was transported to Hennepin County Medical Center where she registered a 0.22 blood alcohol content. No arrests were made.

c. On or about November 21, 2004 Minneapolis Police Officers responded to a multiple stabbing incident that occurred inside The Quest. Officers observed two stab wound victims exit The Quest and assisted a third stab wound victim who reported that he had been stabbed inside of the club. The victims provided officers with a detailed description of the perpetrator. Officers apprehended the suspect who was arrested and positively identified by the victims. A lock blade knife was taken off the perpetrator. The perpetrator was charged with felony assault with a dangerous weapon in the second degree in violation of Minn. Stat. § 609.222 and felony controlled substance crime in violation of Minn. Stat. § 152.02.

d. On or about November 12, 2004 Minneapolis Police Officers responded to a report of an assault at The Quest. A male victim alleged to have been assaulted by a security guard outside of the rear exit of The Quest. The bouncer alleged to have committed the assault denied the allegations. The bouncer was issued a citation for misdemeanor assault in violation of Minn. Stat. § 609.224. The bouncer was subsequently terminated from his employment with The Quest Nightclub.

e. On or about November 28, 2004 a high school aged male patron attended an all ages concert at The Quest. He had with him a 35mm camera belonging to the school district. The camera was seized by The Quest security pursuant to a posted

policy that cameras were not permitted at the concert. The patron was instructed to retrieve the camera from security after the concert. Following the concert, security was unable to locate the camera. Requests to replace the camera were initially denied by The Quest because the camera could not be found, but The Quest subsequently agreed to replace the camera. At the time of the incident, The Quest did not have a clear policy regarding the storage and return of seized property. The Quest has now instituted a policy where patrons are given a claim ticket when a camera is checked in and the cameras are kept in the coat check area until they are reclaimed by their owners.

f. During 2003 and 2004, The Quest experienced an increase in calls for police service. Although the raw numbers for calls for police service is not dispositive of the degree of security and quality of management of a licensed liquor establishment, the City of Minneapolis takes the position that the number of serious calls for fights, assaults, disorderly conduct and other such disturbances can be indicative of trends. The Quest admits that it has undergone multiple changes in security based upon performance issues. The Quest owner, Gilbert Davison, has recently become more active and plans to remain more active in the daily operations of the club. In the years 1998 through 2002, calls for police services related to The Quest were significantly reduced by proactive management of the club and, in fact, The Quest was held out as an example of a well managed club by the Minneapolis Police and the downtown entertainment and bar district.

3. Some of the information provided by the City of Minneapolis to The Quest at the December 13, 2004 TAC hearing was new information to The Quest and had not previously been reviewed. Nevertheless, The Quest does recognize that it would be beneficial for both the City and The Quest to make certain changes in the operation of The Quest Nightclub.

CONCLUSIONS

1. The incidents of violence identified by the City at the December 13, 2004 TAC hearing involved serious bodily injury and the expenditure of a substantial proportion of police resources. If this matter were not resolved by stipulation, the parties agree that the City would allege that some of these incidents violated the business license management responsibilities outlined in MCO § 259.250.

2. Both The Quest and the Committee agree that security inside and outside of establishment could be improved. The City of Minneapolis recognizes that The Quest has recently made significant security, personnel, and technological upgrades, is in the process of additional upgrades and that the establishment's owners and management are dedicated to operating a safe and exemplary club and to exhibiting full and mutually beneficial cooperation with the Minneapolis Police Department.

RECOMMENDATIONS

Accordingly, The Quest and the Committee stipulate and agree to the following recommendations:

That the class A on-sale liquor license, with Sunday sales, held by Heaven & Earth, Inc., d/b/a the Quest be suspended for ten days, and that five days of the suspension be stayed for a period of six months from the effective date of this agreement on the following conditions:

1. That two of the five days of the executed license suspension be served on days of the licensee's choosing, but no later than March 31, 2005. The licensee shall notify Sergeant Kent Warnberg of the Minneapolis Police Licensing Division (612-673-3803) at least one week prior to the service of any suspension days.

2. That the remaining three days of the executed license suspension be served on three contiguous days, from a Thursday through and including a Saturday. The licensee has expressed the desire to serve this portion of the suspension from Thursday, December 23, 2004 through Saturday, December 25, 2004. The licensee and the licensee's legal counsel have been specifically advised that this Agreement will not have been formally approved and ratified by the Minneapolis City Council by that time. They have also been specifically advised that they assume the sole risk that this agreement may not be ratified by the City Council. However, it has

been agreed between the parties that should the licensee serve the three suspension days on December 23-25, 2004 that such days will count as a credit towards any resolution of this TAC hearing or adverse license process that differs from this proposed Agreement.

3. That the licensee pay a fine of $15,000.00 within 60 days of the effective date of this Agreement.

4. That for a period of six months from the effective date of this Agreement the Quest will not exceed a 1000-person occupancy after midnight on any business day without the express written authorization of the Minneapolis Police Licensing Division. The Quest shall at all times maintain an accurate occupancy count and immediately share such figures upon the request of any official or officer of the City of Minneapolis.

5. That the Quest continue with its purchase and implementation of equipment utilizing electronic age-band identification of patrons including the maintenance of and strict adherence to a list of patrons banned from the establishment for any reason whatsoever, including acts of violence, fighting, over-intoxication or disorderly conduct. The Quest shall grant access to the list of banned patrons to the City of Minneapolis upon request.

6. That the Quest purchase and implement use of AlcoBlow® or equivalent technology to assist in the screening of patrons under the age of 21 for prior alcohol consumption. Any patron under the age of 21 with any detectable presence of alcohol in their system shall be refused entry into the establishment.

7. That for a period of six months from the effective date of this Agreement the Quest provide, upon reasonable notice, a senior manager or owner to be present at any and all meetings as requested by any official of the City of Minneapolis to discuss the operation of the licensed premises—whether such meetings occur on a periodic basis or are called in response to

individual incidents or concerns. Additionally, at least one representative of the Quest shall attend each regularly scheduled meeting of the Minneapolis Downtown Entertainment and Bar District, as coordinated by the Minneapolis Police First Precinct and Civilian Crime Specialist Luther Krueger.

8. That the Quest continue to be operated in compliance with all licensing and liquor code requirements.

9. That the Quest continue to be operated in compliance with all other federal, state and local laws and ordinances.

10. This agreement shall not preclude any other adverse license action, including but not limited to suspension or revocation, for subsequent violations of this agreement, or of any federal, state or local laws, ordinances, or regulations. It is the intention of all parties to this agreement that—to the extent practical and to the extent the licensee complies with this agreement and its legally imposed management responsibilities—any issues dealing with the operation of the licensee be first dealt with in an informal cooperative manner prior to further adverse license action.

The parties hereto freely and knowingly enter into the foregoing agreement,

Heaven & Earth, Inc.
d/b/a The Quest Club

By: _____
Its: President/Owner

Date: 12-23-04

Minneapolis Police Department

By: _____
Lt. Janee Harteau
Commander, License Division

Date: