

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

**FILE:** 13130  
**WARD:** 2  
**NEIGHBORHOOD:** Prospect Park

**APPLICANT:** Cupcake, Inc.  
**DBA:** Cupcake  
**ADDRESS OF ESTABLISHMENT:** 3338 University Avenue  
**CURRENT LICENSE TYPE:** Restaurant  
**LICENSE APPLICATION:** Charter On-Sale Wine/Strong Beer, Class D  
**DATE OF APPLICATION:** May 18, 2011  
**INSPECTOR:** Michele Olds

**BASIC LICENSE INFORMATION**

**7 acre requirement:** Not met. Must be charter wine.

**Zoning District:** C1 Commercial

**Off-Street Parking:** Net parking requirement is zero

**Seating:** 55 seats inside, 52 seats outside

**Capacity:** The maximum occupancy on the inside will be 55 people and the maximum capacity on the sidewalk cafe will be 52.

**The premises does not have the requisite 7 acres of commercial zoning, and must operate as a Charter Wine restaurant subject to the 70/30 ratio of food to alcohol sales. (No more than 30% of gross sales may be from alcohol.) There are no qualifying churches or schools within 300 feet of the proposed premises. This establishment is within 500 feet from residentially zoned area.**

**Hours of operation proposed:** Monday 7:00 a.m. to 7:00 p.m., Tuesday – Friday 7:00 a.m. to 11:00 p.m., Saturday 8:00 a.m. to 11:00 p.m., and Sunday 8:00 a.m. to 7:00 p.m.

**Lease:** The lease commenced October 1, 2010 and is between The Tower Hill Building, LLC and the applicant. The lease is for a term of five years with a renewal option at the end of the initial term. Applicant has exclusive rights to the premises. Other clauses of the lease are common to documents of this kind.

**Responsible person within 75 miles of Minneapolis City Hall:** Kevin Van Deraa

**Public Hearing requirement:** Required. 109 notices were mailed to residents within 600 feet of the premises on July 13, 2011. The public hearing is scheduled to be held on July 25, 2011 at the Regulatory, Energy and Environment Committee.

**SAC:** The Metropolitan Council has issued a determination letter showing the applicant owes charges for seven SAC units. Because outdoor SAC charges are based on

square footage rather than seat numbers, the applicant has agreed to sign license conditions limiting the outdoor seating to 52, which would reduce the charges to five SAC units.

### **HISTORY OF LOCATION**

The applicant has operated a restaurant at the location since 2004.

### **APPLICANT**

The applicant is Cupcake, Inc., a Minnesota company organized and registered with the MN Secretary of State's office since 2004, Charter # 875173-2. The applicant names the following principals:

<u>Name</u>	<u>Title</u>	<u>Share</u>
Kevin Van Deraa	President/CEO	80%
Mark Addick	VP/Secretary	20%

The applicants meet all minimum requirements including criminal background check.

### **APPLICANT EXPENSES AND SOURCE OF FUNDS**

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.

### **MANAGER**

Cupcake will continue to be managed by applicant Kevin Van Deraa, as well as general manager Rebecca Brents, formerly of Wilde Roast Café and Rudolphs BBQ in Minneapolis and Billiard Street Café in Fridley. Also, general manager Courtney Chapman.

### **PREMISES**

The establishment a single street level space fronting University Ave. S.E. It has 1670 gross sq. ft. and has interior seating for 46 patrons at tables and 9 patrons at two small counters, neither of which qualify as a 'bar'. There are two outdoor areas: a previously approved sidewalk café on University Ave which seats 14 patrons at 7 tables, and an outdoor area on one side which seats 38 patrons at 14 tables.

### **BUSINESS PLAN / OPERATIONS**

The applicant plans to add wine and beer to their existing menu, which contains several breakfast items as well as hot and cold sandwiches and salads. The open hours will be Monday 7:00 a.m. to 7:00 p.m., Tuesday – Friday 7:00 a.m. to 11:00 p.m., Saturday 8:00 a.m. to 11:00 p.m., and Sunday 8:00 a.m. to 7:00 p.m.

The applicant states all staff members will participate in alcohol-server training through Best Beverage. Owner Kevin Van Deraa has supplied a certificate showing he has already completed the class himself.

The 'Class D' license permits non-amplified music by one (1) musician, group singing participated in by patrons of the establishment, live solo comedians, and one ethnic dancer. The use of radio, television, electronically reproduced music, karaoke and jukebox are also permitted. The applicant states entertainment will consist of

background music or an occasional single live entertainer playing acoustic music. The applicant indicates that it sponsors a staff softball team, and that it has sponsored softball teams in the past. They will not have any charitable gambling activities.

**POLICE REVIEW**

Sgt. Markstrom completed background and financial reviews on May 19, 2011 and has recommended approval of the application.

Michele Olds, Inspector  
Licenses and Consumer Services