

**CITY OF MINNEAPOLIS
CITY COUNCIL
PUBLIC SAFETY & REGULATORY SERVICES COMMITTEE**

In the Matter of the Off-Sale Liquor License,
Held by Meka Inc.
d/b/a Minnehaha Liquor

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATIONS**

This matter came on for a Technical Advisory Committee (“TAC”) meeting on Monday March 27, 2006 at 12:00 p.m. in Room 1 of City Hall, 350 South Fifth Street, Minneapolis, MN 55415. The TAC meeting was held to discuss issues related to the operation of Meka Inc., d/b/a Minnehaha Liquor, located at 2613 East Lake Street, Minneapolis, Minnesota 55406 pursuant to a Notice to Appear, dated March 15, 2006. Present at the TAC meeting was the following representative of Minnehaha Liquor: Mr. Steve Krause (Owner). Also present were the following representatives of the City of Minneapolis: Lieutenant Robert Skomra (Commander of the Minneapolis Police License Investigation Division), Sergeant Travis Glampe (Minneapolis Police License Investigation Division), Grant Wilson (Manager of Licenses and Consumer Services), and Joel Fussy (assistant City Attorney).

Based upon the agreement between the parties and all files and records contained herein, the Committee makes the following recommendation:

FINDINGS OF FACT

1. The Minneapolis Police Department License Investigation Division conducts youth alcohol compliance checks in an effort to assure liquor license holders are not serving alcohol to persons under the age of 21.

2. On March 12, 2005 the Minneapolis Police License Investigation Division conducted a youth alcohol compliance check at Minnehaha Liquor. Two 19 year old female decoys were sent into the store at which point they presented a 4 pack of wine coolers for purchase to the clerk at the front counter. The clerk completed the sale of the wine coolers to the underage decoys without asking for identification. This constituted Minnehaha Liquor's first alcohol compliance failure. As a result of the failure, an administrative citation was issued to Minnehaha Liquor in the amount of \$500.00 for sale of alcohol to a minor-1st offense as detailed in a City Council resolution. Minnehaha Liquor paid the \$500.00 fine on March 31, 2005.

3. On March 9, 2006 the Minneapolis Police License Investigation Division conducted a youth alcohol compliance check at Minnehaha Liquor. A 19 year old male decoy and a 19 year old female decoy were sent into the store. The decoys presented a bottle of E&J Brandy for purchase to the Minnehaha Liquor employee behind the front counter. Without checking the decoy's identification, the employee sold the brandy. This constituted Minnehaha Liquor's second alcohol compliance failure. As a result of the failure, an administrative citation was issued to Minnehaha Liquor in the amount of \$1,000.00 for sale of alcohol to a minor-2nd offense. On March 27, 2006 Minnehaha Liquor paid the fine.

4. One of the two alcohol compliance violations have resulted in criminal convictions of the applicable Minnehaha Liquor sales clerks for the sale of alcoholic beverages to an underage person. Criminal charges are pending as a result of the March 9, 2006 failure.

CONCLUSIONS

1. On two separate occasions employees of Minnehaha Liquor sold alcohol to persons under the age of 21, in violation of Minneapolis City Ordinance 370.10, Minnesota Statute 340A.503 subd. 2(1), and the established compliance check policy and procedures of the City of Minneapolis. These compliance failures all occurred in a period of less than twelve months.

RECOMMENDATIONS

That the Off-Sale Liquor License, issued to Minnehaha Liquor be subject to adverse license action up to and including revocation, with the commencement of such adverse license action stayed through and including March 12, 2007 subject to full compliance with the following conditions:

1. Minnehaha Liquor will require all customers to produce identification as listed in Minnesota State Statute 340A.503 Subdivision 6. This includes each and every customer, inclusive of known customers and those of obvious legal age to purchase alcohol. A known customer or a customer of apparent or even obvious legal age must be refused service should they be unable to present valid and legal identification for each and every purchase of alcohol. Should the Licensee faithfully and successfully comply with all provisions of this Agreement including maintaining a record of no underage alcohol sale infractions through and including March 12, 2007 this requirement shall expire effective March 13, 2007 as it applies to known customers of legal age and those of obvious legal age. It shall remain the responsibility and duty of the Licensee to prevent sales of alcohol to underage customers and to comply with all related ordinances, statutes and regulations.
2. Minnehaha Liquor will purchase, install and begin utilizing an electronic identification card reader for all sales within two weeks of the effective date of this Agreement. Should

the purchase or delivery of such a card reader system be delayed beyond two weeks based on legitimate reasons out of the reasonable control of the licensee, the Commander of the Police License Investigation Division may grant an extension of this deadline if promptly requested. Minnehaha Liquor will scan/swipe all U.S. state-government issued driver's licenses or identification cards, or Canadian provincial-government issued driver's licenses or identification cards that are presented as proof of age.

3. This electronic identification card reader will have the capability to do the following:
 - A. Recognize and read U.S. state-government issued driver's licenses or state-government issued identification cards that contain a magnetic strip.
 - B. The ability to show whether the above identification is valid.
 - C. The ability to differentiate between valid and counterfeit identification.
 - D. Display the age and date of birth, as should be displayed on the identification, for the purposes of assuring the identification has not been altered.
 - E. Ability to store gathered electronic data gathered by the card reader.
 - F. Ability to download the above data to a personal computer.
 - i. The software used to achieve the download must be compatible with the suite of Microsoft products such as Access, Excel, and/or Word.
 - ii. The above data will be open for examination by authorized representatives of the City of Minneapolis during regular business hours and without prior notification. Authorized representatives include, but are not limited to, Minneapolis Police Officers and City of Minneapolis Office of Licenses and Consumer Services employees.

- iii. The personal computer used to store the data will be equipped with a CD/DVD player that has the capability to record/download that data to a CD/R, CD/RW, DVD/R or DVD/RW disc.
- iv. The above data will not be purged without the authorization of the Deputy Director of Licenses and Consumer Services, the Commander of the Police License Investigations Division or supervisors of the above officials.

G. In the event that a customer presents legal identification that cannot be read by the card reader, i.e. a passport, Minnehaha Liquor will create a system to log each such sale and type of identification used. This log will record the name of the customer, the time and date of the transaction, and the type of identification presented and shall be open to the inspection described above.

- 4. Should the Licensee faithfully and successfully comply with all provisions of this Agreement including maintaining a record of no underage alcohol sale infractions through and including July 1, 2006, the City of Minneapolis will no longer require the licensee to maintain compliance with the above recommendations 1-3.
- 5. Minnehaha Liquor will pay \$2,000 in financial sanctions to the City.
 - A. This payment is due prior to 2:00 p.m. on April 21, 2006. This payment must be received in the Police License Investigation Division office, Room 1 of City Hall, 350 South Fifth Street, Minneapolis.
 - B. If Minnehaha Liquor is unable to faithfully and promptly comply with the above referenced payment schedule, they must contact the Deputy Director of Licenses and Consumer Services or the Commander of the Police License Investigations Division in order to request an extension prior to the applicable installment due

date. These two officials will have the final authority to grant or deny the requested extension for good cause.

6. The Off-Sale Liquor License of Minnehaha Liquor is suspended for a period of 30 days. Imposition of 28 days of suspension will be stayed and 2 days will be imposed. The 2 days of suspension have been chosen by Minnehaha Liquor and will include April 24, 2006 and April 25, 2006. Should the licensee violate any provision of this Agreement while it is in effect it shall be subject to additional adverse license action, including but not limited to the imposition of the remaining stayed license suspension period as well as the potential commencement of license revocation proceedings. Any sales of alcohol completed by the licensee occurring during a prescribed suspension period hereunder shall be considered unlicensed sales of alcohol in violation of state statute and Minneapolis ordinance.
7. All Minnehaha Liquor employees will attend professionally-presented alcohol server training. This training program must be approved by the City of Minneapolis Office of Licenses and Consumer Services. All managers and owners who participate in the day-to-day operations of the business will attend a retail alcohol management course. This training program must be approved by the City of Minneapolis Office of Licenses and Consumer Services. This training must be completed within 30 days of the date of the effective date of this Agreement. All employees, managers or owners hired or brought into the business after this initial training must attend an approved training class within 30 days of hire or approval as business owner.
8. A properly trained manager or owner must be on-site during business hours at all times.
9. This Agreement does not alter or preclude any previously imposed license conditions that may exist.

10. The licensee is aware that it will be subject to additional compliance checks during the term of this Agreement and further agrees that these compliance checks can and will be conducted by both minor-aged decoys as well as decoys of legal age. It shall be a violation of this Agreement for the licensee to sell alcohol to a legal-age decoy if that decoy is not required to present age identification to complete the sale of alcohol regardless of the actual age of the decoy, consistent with any limitations or stipulations as detailed in paragraph 1. As is the policy of the City of Minneapolis, the decoys will at all times respond truthfully to any questions asked of them by employees or sales clerks of the licensee and, if asked, will present their actual duly-issued age identification.
11. 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 for subsequent violations or subsequently-discovered violations of any federal, state or local laws, ordinances, or regulations.
12. Term of Agreement. This Agreement shall remain in effect through and including March 12, 2007.
13. "Date of Agreement" shall be defined as the date that the licensee signs or otherwise executes this Agreement. This Agreement is subject to approval by the Minneapolis City Council, however should such approval be obtained after the execution of this Agreement the approval shall be retroactive to the date of execution.
14. This document shall remain open for consideration until Monday April 17, 2006 at 12:00 p.m. At that time if the terms of this document have not been agreed to, the City of Minneapolis may deem the document null and void and Minnehaha Liquor's off sale liquor license will be presented to the City Council for consideration of action.

Minnehaha Liquor:

By: _____
Mr. Steve Krause
Owner

Date: _____

Minneapolis Police Department:

By: _____
Lt. Robert Skomra
Commander, License Division

Date: _____

**City of Minneapolis Office of Licenses
and Consumer Services:**

By: _____
Ricardo Cervantes
Deputy Director of License and Consumer
Services

Date: _____