CITY OF MINNEAPOLIS
CITY COUNCIL
PUBLIC SAFETY & REGULATORY SERVICE COMMITTEE

In the Matter of the On-Sale Liquor License, Held by 331 Club, Inc. Dba: 331 Club	**FINDINGS OF FACT CONCLUSION AND RECOMMENDATIONS**

This matter came on for a License Settlement Conference ("LSC") meeting on Thursday June 7th, 2007 at 11:00 a.m. in Room 1 of City Hall, 350 South Fifth Street, Minneapolis, MN 55415. The LSC meeting was held to discuss issues related to the operation of the 331 Club, located at 331 13th Avenue NE, Minneapolis, Minnesota 55413 pursuant to a Notice to Appear, dated May 20th, 2007. Present at the LSC meeting was the following representative of 331 Club: Jon Oulman, license holder, Jarret Oulman, General Manager, and Alisha Walden, server. Also present were the following representatives of the City of Minneapolis: Manager of Licenses and Consumer Services Grant Wilson, Lieutenant Steven Kincaid, Commander of the Minneapolis Police License Investigation Division, Sergeant Kent B. Warnberg of the Minneapolis Police License Investigation Division, and liquor inspector, Linda Roberts.

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 retail-alcohol license holders are not serving alcohol to persons under the age of 21.

2. On June 8th, 2005 the Minneapolis Police License Investigation Division conducted a youth alcohol compliance check at the 331 Club. An 18 year old male was sent into the business. The shopper ordered one bottle of beer from the server, and the server then served him one bottle of beer, without asking him for any identification. The server did not look nor ask for any identification before serving the shopper. The sale was completed and the business was considered to have failed the compliance check. As a result of the compliance failure, an administrative citation was issued to the 331 Club in the amount of $500 as detailed in a City Council resolution. The 31 Club then paid the $500 administrative fine.

3. On April 19th, 2007 the Minneapolis Police License Investigation Division conducted a youth alcohol compliance check at the 331 Club. Two twenty year olds females were sent into the business. Both of the shoppers sat at a table, and were waited on by a female server. They each ordered a beer, and the server asked to see their identification. They each produced their MN driver's license. The server looked at both of the driver's license, and refused service to one of the shoppers. Both of the shoppers are 20 years of age, and both of their driver's license states "Under 21" on it. The server then served one of the shoppers a bottle of Bud Light beer. This constituted the 331 Clubs second youth alcohol compliance failure. As a result of the compliance failure, an administrative citation was issued to the 331 Club in the amount of $1,000 as detailed in a City Council resolution. The 331 Club paid the $1,000 administrative fine.

4. From the first alcohol sales, the server was charged out with Sales of Alcohol to a Minor, and the server pled guilty. The guilty plea entered was for the sale of

alcoholic beverages to an underage person. Criminal charges are pending as a result of the April 19th, 2007 failure.

CONCLUSIONS

1. On two separate occasions, employees of the 331 Club 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 twenty four months.

RECOMMENDATIONS

That the On-Sale Liquor License, issued to the 331 Club Stop shall be subject to adverse license action up to and including revocation, with the commencement of such adverse license action stayed through and including June 20, 2008 subject to full compliance with the following conditions:

1. 331 Club, Inc. will pay $2,000 ($1,250.00 stayed if no same or similar within one year of signed agreement) in cost recovery to the City by Wednesday, June 13, 2007 at 12:00 p.m. by delivering payment to room 1 of City Hall, 350 Fifth Street South, Minneapolis, Minnesota.
2. 331 Club, Inc. will submit a business and security plan that will address under age alcohol service.
3. 331 Club, Inc. will purchase an additional ID scanner by June 13, 2007 bringing the total of scanners to 2 scanners utilized in the establishment.
4. 331 Club, Inc. will hire additional door staff for the weekends and for specials events.

5. 331 Club, Inc. has recently provided training that better serves the staff. 331 Club, Inc. will continue to provide training to staff and will at a minimum provided training to new staff within 30 days of hire.
6. This Agreement does not alter or preclude any previously imposed license conditions that may exist regarding any other licenses held by 331 Club, Inc.
7. This Agreement shall not preclude any other adverse license action for subsequent violations of this Agreement, or for subsequent violations or subsequently-discovered violations of any federal, state or local laws, ordinances, or regulations.
8. Term of Agreement. This Agreement shall remain in effect through and including June 20, 2008. It is understood between the parties that this Agreement shall bind only the present licensee and will not bind any subsequent, unrelated person or persons should the business be sold and a new license approved.
9. "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.

331 Club

By: _____
Jon Oulman
Owner

Date: 6/12/2007

Minneapolis Police

By: _____
Lt. Steven Kincaid
Commander, License Division

Date: _____

City of Minneapolis Office of Licenses and Consumer Services

By:_____
Ricardo Cervantes
Deputy Director of Consumer Services

Date:_____

331club
Business Plan

Mission Statement
We are committed to community building through neighborhood involvement and arts programming with a high standard for lifestyle.

The Team
Jon Oulman – Owner, 331club
Minneapolis Salon Owner, Fine Art dealer of 25 years

Jarret Oulman – General Manager, Performing Arts Executive Curator 331club, currently pursuing MBA at The Carlson School of Management.

John Paine – Head Bartender/Shift Manager

Goals & Objectives
To obtain a Class A On Sale Liquor License and Maintain sustainable position as a Music/Performing Arts Venue by selling Beer, Wine, Liquor and Food.

Business Concept
The 331club's greatest asset is our team's entrenched position within Minneapolis' thriving arts community. We will utilize our creative networks along with our central location in the new Arts district to become the social center for the arts and artists. We intend to obtain a class A liquor license to allow for a varied and eclectic array of performances. Our target clientele are the artists, musicians and enthusiasts of Northeast Minneapolis.

Operations of Business
The 331club will sell beer, wine and liquor as our primary source of revenue. Food and merchandise will also be sold.
Wine, Beer and Liquor

Our Wine, Beer and Liquor selection is designed to reflect the varied interests of our cliental. We strive to offer a Beverage selection that is more varied than our competitors with many hard to find specialty and imported products.

Proper training will be conducted by a management member and employees will be required to perform at our expectations. Training will include service, attire, presentation, attitude and proper identification procedures. All new employees will be required to meet performance standards. It is essential that our employees have the desire and knowledge of how to create the experience that our customers expect.

Our menu is designed to be of high quality, our kitchen area is however quite small, so all menu items are to be prepared within our space restraints. Menu items include sandwiches, appetizers, and tacos. Bartenders will prepare all food to order. We do not offer entrees and thus will not allow patrons to leave with corked bottles of wine.

Community Relations

Our community and neighborhood is our target market. Because of this, our success relies upon the success of our community. We work continuously to grow alongside our community. We pride ourselves in being the neighborhood establishment of choice. We work closely with the Sherridan Neighborhood Organization to retain their trust and loyalty displayed when they named the 331club the 2006 business of the year. We will remain in close contact to the president and members of SNO to ensure that we receive input that may modify and improve our practices.

The 331club searches for opportunities to work alongside other businesses in our neighborhood to build a stronger business community as well as being an active member of the 13th Ave Merchants Association. Our management team goes to each of our residential neighbors twice per year to receive feedback that may modify and improve our practices as well as provide transparency with our community.

It is the objective of the 331club to provide our customers with adequate staffing and service. Ensuring that the levels of the staff are adequate will also help to ensure that the controls for preventing underage drinking, occupancy load are followed, ensuring the safety of our staff and cliental. The staffing levels will be subject to managements discretion based on the volume of business. These levels of scheduling will change throughout the year. The following will act as a guideline for 331club staffing.

Sunday

- 1 Bartender from 12-8pm
- 2 Bartenders (the second Bartender must also be a manager) from 8pm - 2am
- On call manager from 12-8pm

Monday - Thursday

- 1 Bartender from 2-8pm
- 2 Bartenders (the second Bartender must also be a manager) from 8pm - 2am
- On call manager from 2-8pm
- 1 Door Staff from 12:30am-2am

Friday - Saturday

- 1 bartender from 2-8pm
- 1 server from 9pm-2am
- 2 bartenders from 9:00pm until 2:00am
- On call Manager from 2pm-8pm
- 1 on site Manager (not designated as a bartender) from 9pm-2am
- Door Staff from 10pm-2am

Music and Entertainment Programming

The 331club will host bands and entertainment without a cover charge. The programming must always remain diverse to survive trends and fads in music and entertainment.

The 331club will program bands that will play a variety of music styles including but not limited to Bluegrass, Country, Ethnic, Rock, Classical, and Jazz. Patron dancing will occur.

The 331club will program DJ's and host patron dancing.

The 331club will program ethnic dance, performance dance, stage shows, visual arts (film, photography, paining and sketches) tap, cabaret and burlesque, flamenco, Pod-cast Skits, and Pub Trivia. We will not offer nudity, adult entertainment", or any activity that would classify the 331club as an adult entertainment center.

The 331club will host Cabaret and Burlesque shows that will include theatrical performances, and a variety of dances which include classic burlesque striptease. The classic burlesque striptease dancers hosted at the 331club will wear fully opaque clothing; they will not be allowed to wear thongs or any item of clothing that exposes the buttocks. The classic burlesque dancers at the 331club will not expose any part of the breast from the top of the areola to where the breast meets the chest. It is the purpose of the 331club to host this type of entertainment for its diversity and excitement, classic striptease is a part of this, but it is not in the interest of the 331club to host any act that could be construed as raunchy or of bad taste.

Security Plan

The 331 club will employ an adequate number of people to properly staff the venue. Every evening there is an on duty/on call manager who is responsible to be there during our busy times, and closing times, which are usually 9pm-230am. We staff a second bartender to work all evenings and on weekend evenings a third. Weekend evenings we also have table service and a door staff starting at 10pm. Jarret Oulman is the General Manager and Shift Manager on weekends. John Paine is the Head Bartender and Shift Manager currently Mondays through Fridays

Each service and door staff employee will undergo a mandatory alcohol server training session within 30 days of hiring and then again once yearly so as to be properly trained.

All larger events will require extra security staff as dictated by a 1 staff per 100 expected customer ratio.

require refusal of service. It is their duty to identify and proactively intervene to prevent any violent behavior by customers, illegal drug use (this includes parking lot area as well) and to periodically count the number of persons on the sidewalk café to make sure that it is under the capacity (42).

Requesting and Assisting Patrons to Leave

In the event a patron needs to be removed from 331club, the preferred procedure is as follows: Security will inform patron that someone at the front door is looking for them. Security will walk to front door with patron and once reaching the front door trust possession of said patron to another security member who will then inform patron they must leave the establishment.

OR

First, security is to politely ask the patron to leave; then, if patron does not cooperate, tell the patron that they must leave. If patron does not cooperate security will take any drink patron is in possession of and attempt to lead patron to front door. If patron does not cooperate security will inform patron that security will have to remove said patron from establishment. Security is to do whatever is necessary to remove patron from establishment while causing minimal disruption to the other patrons of 331club. In the case of a customer that is unruly and difficult, the local police will be called for assistance.

Door Staff of 331club are to use only such force as seems reasonable and necessary to safeguard their own personal safety or that of a customer. If a confrontation is deemed to threaten grave bodily harm to anyone, City police are to be notified via 911 call.

Internal Identification Compliance Checks

Management will conduct identification compliance check twice annually that will be organized and facilitated by an external organization. The point of conducting internal compliance checks is to give employees further reinforcement and consequence for focusing on doing their jobs with regard to identification compliance. Consequence for failing the internal identification check will result in a six week suspension starting the employees next scheduled shift. The Reward for passing the internal compliance check will be $250. Our program will use those compliance checks conducted by the Minneapolis police department as a model for consistency.

All on duty employee must be wearing a 331club shirt during shifts. The staff may manipulate or design their own shirts as long as the 331club logo is wider than 6" and plainly visible. No staff are permitted to wear open toed shoes while working. If door staff are working outside they are allowed to wear a jacket or sweater/sweatshirt over their security shirt, as well as hat and/or gloves.

Weekend Door Staff Responsibilities

The primary reason for Door Staff at is to insure proactive steps towards insuring the safety of the 331 club's customers, employees, and property. This responsibility includes assuring that NO ONE under the legal drinking age of 21 is allowed entrance after 10pm. It is The 331 club's policy that all customers who appear to be under the age of 50 be required to verify their age, regardless of time of day, when asking to purchase alcohol. Suitable identification must be in the form of:

- A valid driver's license or identification card issued by Minnesota, another state, or province of Canada, that includes a photograph and the date of birth of the licensed person; OR
- A valid military identification card issued by the United States Department of Defense; OR
- A valid passport issued by the United States; OR
- In the case of a foreign national, by a valid passport.

(Minnesota Statute 340A.503 Subdivision 6)

All presented identification will be passed through an identification scanner that has the following capabilities:

- Recognize and read U.S. state government issued driver's licenses or state government issued identification cards.
- The ability to indicate whether the above identification is valid.
- Display the age and date of birth, as should be on the identification, for the purposes of assuring the identification has not been altered.
- After the identification has been passed through the scanner, the photograph, weight, eye color and height will be matched to the person producing the identification for added verification. This is a mandatory procedure to ensure that the staff does not become solely reliant on the identification card reader.
- No patron who staff observes as visibly intoxicated will be allowed access or served at The 331 club regardless of age.

All Identification that is scan able will be passed through the identification scanner. While it is Door Staff's responsibility to perform this task after 10:00pm on weekends, it is the also the servers' and bartenders' responsibility because patrons can enter through the back door of the 331 club at all times of operation. Therefore the bar staff will have it's own Identification Scanner to ensure that every customer served will have provided a valid identification to be scanned.

Weekend Door Staff are responsible to monitor the sidewalk café and communicate with on site manager and take corrective action if there are any behavior indicators of visibly intoxicated customers, customers who may be of questionable character that may