LICENSE HEARING MINUTES
Bar Cart Lounge & Restaurant, 1571 Grand Avenue
Monday, November 7, 10:00 AM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Deputy Legislative Hearing Officer

The hearing was called to order at 10:03 AM

Staff Present: Ross Haddow, Department of Safety and Inspections (DSI), YaYa Diatta, DSI Zoning Manager (remote participation)

Licensee: Mrs. Masooda Sherzad, Applicant/Co-Owner, Emil Sherzad, Applicant/Co-Owner, Ralena Young, Applicant/Co-Owner, Brian Riess, Operations Manager

License Application: Liquor On Sale - 100 seats or less, Liquor On Sale - Sunday, and Entertainment (A) licenses

Legislative Hearing Officer Nhia Vang made introductory comments about the hearing process: This is an informal legislative hearing for a license application. This license application required a Class N notification to inform neighbors and the District Council about the application and provide them with an opportunity to submit comments. The City received correspondence of concern/objection, which triggered this hearing.

The hearing will proceed as follows: DSI staff will explain their review of the application and state their recommendation. The applicant will be asked to discuss their business plan. Members of the community will be invited to testify as to whether they object to or support the license application. At the end of the hearing, the Legislative Hearing Officer will develop a recommendation for the City Council to consider. The recommendation will come before the City Council as a resolution on the Consent Agenda; the City Council is the final authority on whether the license is approved or denied.

There are three possible results from this hearing: 1) a recommendation that the City Council issue this license without any conditions; 2) a recommendation that the City Council issue this license with agreed upon conditions; or 3) a recommendation that the City Council not issue this license but refer it to the city attorney's office to take an adverse action on the application, which could involve review by an administrative law judge.

Minutes:
Ross Haddow, Department of Safety and Inspections (DSI) gave a staff report for licensee Masooda Enterprises Inc. (License ID# 20220001568), d/b/a Bar Cart Lounge & Restaurant, located at 1571 Grand Ave Avenue. The application is for Liquor On Sale 100 seats or less, Liquor On Sale - Sunday, and Entertainment (A) licenses.

DSI is recommending approval with two license conditions:
1. Licensee agrees to operate the establishment in compliance with Section 409.02 of the City of Saint Paul Legislative Code as a "Restaurant".

2. Licensee agrees to close the establishment at 12:00 a.m. midnight. All patron/customers shall vacate the premises by 12:30 a.m. each day of the week as per Section 409.02 of the City of Saint Paul Legislative Code.

Letter of Support has been received by the Macalester Groveland Community Council. Building condition/approval not applicable; License approved with conditions; and Zoning approved.

Ms. Vang asked if the applicants agreed to the conditions and have signed a conditions affidavit.

Ms. Ralena Young stated yes.

Ms. Vang asked Mr. Diatta to discuss the Zoning review.

Mr. Diatta stated that the only concern was regarding signage.

Ms. Young said they were just putting in a new awning. Not changing the sign and using the existing framing. They are just changing the cloth to have the change in business name. The size will be below the 18-inch font.

Mr. Diatta advised the applicants to check with Zoning on the sign just to be sure before installation.

Ms. Vang asked the applicants to talk about the business: history, hours of operation, number of employees, etc.

Mr. Emil Sherzad: We operated Khyber Pass Café for 37 years, the last 21 at this location, open Monday through Saturday with Sundays off. We've had a beer and wine license, but we wanted to bring some new blood into the operation. We will maintain ownership but take a back seat. This is a name change, new partnership, and rebranding. We were doing authentic food from Afghanistan, but now we're a bit tired and turn over the concept to the new partners.

Ms. Young: There's also a bit of family history here. The Sherzads are kind of my in-laws. Their daughter is my partner. I've been fortunate enough to eat family dinner on Sundays with them. But currently I am a beverage project manager for a group called Eyes Wide Hospitality Group. My experience is from everything beverage related, so I'm very much aware of the responsibility behind alcohol sales. I've been there 7 years, and have experience with opening, hiring, training and everything forward. This pre-opening work is new to me, but I am experienced as the person who comes in right after everything's been agreed upon to do everything that comes after. The Sherzads and I were talking not long ago and their desire to sell. After thinking on that, I asked if they would want to partner and pass on the business. I've also known Brian Riess here for 25 years, who will be the operations manager. He is currently the bar manager for Volstad House in Eagan. We've been each other's boss off and on for years. For myself, I grew up on Grand Avenue, across the street from Kowalski's, which is like 4 blocks from this location. I went to Randolph Heights and graduated from Highland Park High School. There's not a part of Grand Avenue that I don't know. We sat with the district council and got a unanimous vote for a 45-day waiver during the notification period, and have talked with Art Punyko (the objector), who just

wanted to be clear on hours with us not being open until 2 am. We had a great conversation and he signed off on the waiver. Food will be American style with lighter fare and drinks which will be craft cocktails, overall we hope this will minimize unhealthy drinking habits. I very much want to be respectful to the neighborhood. Most of the places nearby are open for lunch, and we don't want to compete with them so we will be looking to serve starting around early dinner time.

Ms. Vang asked Mr. Haddow if the City had a 12 am liquor license for the city.

Mr. Haddow: Essentially, we do. Back in 2015, we changed up our liquor licenses in our definition for restaurant. The new definition for restaurant requires the establishment to close by midnight with all patrons out by 12:30 am. Now, if you are inside a development district which the main development district is downtown, then you have the capability of getting a liquor license that will stay open until 1 am or 2 am if you get the additional license. But that must be done within a development district, which this business is not in. A restaurant could close earlier, but we just set the maximum. The business will not be beholden to the 11 pm or 10 pm closing time and can adjust their hours going forward without needing approval from us.

Ms. Vang: Is there an instance where we would require a restaurant to be closed earlier?

Mr. Haddow: There was a bar that has recently gone through that. We've had conditions on to close at 10 o'clock 7 days a week for the first year of their license. This was due to a very long stream of previous incidents at this location. That's the only time where I can think of that.

Ms. Vang asked about hours.

Ms. Young: Our hours will be 3 pm – 11 pm weekdays, with may stay open until midnight on Friday and Saturday if we get enough business.

Ms. Vang asked about roles.

Ms. Young: Mr. Riess and I will be the main operators on site. The Sherzads will be on as consultants in the background. I'm buying in shares from them and then we're going to operate together. If a neighbor has an issue, they can come to me or Brian directly.

Ms. Vang asked about staffing

Ms. Young: We plan on having 18-24 full time staffers starting at a $15/hour minimum wage. We're also doing set schedules to make it more equitable. Brian is also really known for training, so we're also going to reach out to the community and help pass on our knowledge as a sort of internship for people who want to work in this industry. We also want people to have a path to different place in our business whether it's bartending or moving from the back of the business to the front.

Ms. Vang referenced the floor plan and asked Ms. Young to walk her through the plan: placement pf the table and chairs with a few tables and chairs being removed in the waiting space, the bar area, restrooms, and other locations. Overall, the space seats about 47-48.

Ms. Vang asked why there might be different staffing levels

Ms. Young: We wanted to wait and make sure we had a liquor license before moving forward with a higher level of staffing. We are hoping to do a soft opening the week of Thanksgiving as an opportunity to train.

Ms. Vang: It may be difficult to meet the Thanksgiving timeline given that the hearing is today which will take time to prepare the file for Council consideration. The Council meets on Wednesday and the agenda is published the Thursday of the week before. The City Council next meets on Wednesday, November 16, and then not again until December 7 (November 23 is a holiday; November 30 is a fifth Wednesday and Council does not meet.) So in order for this item to be ready for November 16, it must be completed by this Thursday which may not be doable, but we will try our best. Perhaps the waiver of the 45-day notice that the district council submitted may be prepared in order for the soft launch to take place; however, it can't be guaranteed also.

Mr. Haddow: We could try to get that done. It did get district council approval but was never entered into Legistar. It's likely because once the letter of concern came in, our attention went toward getting other things done. It still is possible to get it written up and have it ready by Thursday, but I can't make promises.

Ms. Vang, Mr. Haddow, and Ms. Young discussed the two petition signoffs from the schools (Highland Park Montessori School and Laura Jeffrey Academy), which was needed to be able to serve liquor within 300 feet of the business. Ms. Vang stated that passage of the license may require 5/7 councilmembers voting in support, meaning that there would have to be at least 5 present that day if they all voted in favor.

Ms. Vang and Ms. Young talked about the location in proximity to the parking lot. There are three businesses going from the corner, then an ally, then their business next to the Dunn Brothers Coffee Shop. There is a shared parking lot that they pay a fee towards and a public free parking lot for customers. All agreed that the city no longer has parking requirements, but the available parking spaces will be beneficial.

Ms. Vang asked about potential outdoor seating.

Ms. Young: It really isn't doable. We only really have room for maybe two tables outside and it would be too much of a hassle to adjust our business model just for two tables. We don't want to have to deal with that.

Ms. Vang next reviewed the STAMP Activity Report and noted that there were not many issues except for graffiti at this address. She then went over possible graffiti removal options with the business owners.

Ms. Vang then asked about waste disposal.

Ms. Young: We have a shared dumpster and recycling with our neighboring businesses in the back.

Ms. Vang asked about lighting.

Ms. Young: We will not be changing the lighting fixtures other than to replace the light bulbs.

Ms. Vang asked about closing time and exit plans for patrons.

Ms. Young and Mr. Riess stated that they both plan to communicate to guests well in advance about closing, so as not to rush anyone to finish their liquor too quickly. They added that they both are well-versed in responsible alcohol service.

Mr. Haddow reviewed training.

Ms. Vang asked what the Entertainment (A) license would be used for.

Ms. Young: We may not even make use of it. We did it to carry on the legacy of the previous business, which had live jazz. We will likely just play soft overhead music.

Mr. Haddow reviewed the Entertainment (A) license, which allows for live bands and karaoke. He added that dancing was not allowed, as that would create a separate issue with fire code that would be needed for an Entertainment (B) license.

Ms. Vang next referred to the letter from Art Punyko (objector), 1463 Grand Avenue. Ms. Vang stated that Mr. Punyko indicated he was unable to attend and read from his objection letter. The objection voiced concerns the license allowing the business to stay open until midnight on weekdays.

Mr. Haddow stated that the license itself does not restrict hours beyond midnight. Noted his previous overview of how licenses put a maximum on hours, and restrictions of that typically only come after numerous issues being raised.

Ms. Young: We definitely plan on closing at 11 pm every night, though as I stated we may decide to expand to midnight on Fridays and Saturdays.

Ms. Vang asked if they had their state food service requirements completed with the Minnesota Department of Health.

Ms. Young: We only need one person who is ServSafe certified, and Masooda Sherzad is. Still, both Mr. Riess and I will be taking the classes to get certified as well. This will not impact our opening.

Ms. Vang next referred to the letters from the Macalester Groveland Community Council, which recommended approval and supported a 45-day waiver.

Ms. Vang then referenced the incident report and asked Mr. Haddow about the proactive visits.

Mr. Haddow: Proactive visits are not negative. Some businesses ask for these visits since police presence can be a crime deterrent. There has been no adverse action taken against this address, and the two recommended conditions are standard for new businesses. They are largely for inspectors or police, to easily point them to things like what the licensee's closing time is, be it midnight or later.

Ms. Vang stated that after reviewing the records and considering testimonies from all parties, she will recommend to the City Council that they approve the license with no new conditions other than the following previously agreed-upon conditions:

1. Licensee agrees to operate the establishment in compliance with Section 409.02 of the City of Saint Paul Legislative Code as a "Restaurant".
2. Licensee agrees to close the establishment at 12:00 a.m. midnight. All patron/customers shall vacate the premises by 12:30 a.m. each day of the week as per Section 409.02 of the City of Saint Paul Legislative Code.

The hearing adjourned at 11:01 AM

The Conditions Affidavit was signed and submitted on October 7, 2022.