

LICENSE HEARING MINUTES
Dilla Sport Bar and Restaurant Inc, dba same, 1625 University Avenue W
Thursday, May 30, 2:00 PM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 2:00 PM

Staff Present: Jeff Fischbach, Department of Safety and Inspections (DSI) Licensing Inspector; Frances Birch, DSI Zoning Inspector (remote participation)

Licensee: Beko Tufa, applicant; Teshita Wako, interpreter; Wondwossen Tilahun, co-owner and manager; Kedir Kurfessa, Director of Lending for African Economic Development Solutions (AEDS); Ermias Mekonnen, building contractor; Tsegaye Gelgelu, Director of Operations for AEDS

License Application: Liquor On Sale - 101-180 Seats, Liquor On Sale- Sunday, Entertainment (B), and Gambling Location licenses

Also in attendance: Dawn Einwalter, 1396 Lafond Avenue

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 during the notification period, which triggered this hearing.

The hearing will proceed as follows: DSI Licensing and Zoning 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:

Teshita Wako testified that he will be interpreting for the applicant, Beko Tufa.

Hearing Officer Vang asked if there were any questions before the hearing start.

Beko Tufa: No.

Jeff Fischbach, Department of Safety and Inspections (DSI) - Licensing, gave a staff report for licensee Dilla Sport Bar And Restaurant Inc, d/b/a same (License ID# 20240000267), located at 1625 University Avenue W. The application is for Liquor On Sale - 101-180 Seats, Liquor On Sale- Sunday, Entertainment (B), and Gambling Location licenses. DSI is recommending approval with the following 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.

The District 11 Hamline Midway Coalition submitted an email acknowledging receipt of the application. Building: pending review by DSI Plan Examiner Division; License: approved with conditions; and Zoning: approved.

Hearing Officer Vang asked if the applicant understood and agreed to the conditions listed on the Class N Notification.

Ms. Tufa responded that she would comply with the conditions. She has been working in Minneapolis for a long time.

Fischbach stated that this licensed type would be the first time this location would have a liquor license.

Hearing Officer Vang asked about the Zoning review.

Frances Birch, Department of Safety and Inspections (DSI) - Zoning, gave a staff report. The area is zoned T4 – Traditional Neighborhood. A restaurant is a permitted use. There are no additional parking requirements associated with this application. There are no overlay districts either. Zoning recommends approval.

Hearing Officer Vang asked if Ms. Tufa had any questions of zoning review.

Ms. Tufa: No.

Fischbach: For the Building Review, a permit was submitted for work, but the plans submitted for work did not match up with those submitted with the license application. The building permit showed less than 12 seats, in a setup that looked like a deli with a grocery store taking up much of the space. With them now fully building to be a restaurant, the plan examiner said they needed revised plans and needed to make a new Sewer Availability Charge (SAC) determination. The plan in the packet for this hearing is the one included with the license application and reflects

their current plan. To avoid confusion, only one plan was included for today's discussion which is the plan they want to go with that includes about 99 seats.

Hearing Officer Vang asked if there would be an issue with changing the license application should the number of seats change.

Fischbach: No. There is just a discrepancy between the building permit application and their license application. The service area remains unchanged.

Ermias Mekonnen stated that he is the building contractor. He is working with Ms. Tufa to change the plans. The seating area was originally going to be a grocery, but the plan changed to a full restaurant and bar.

Hearing Officer Vang asked whether there will be an updated plan submitted for the plan examiner to review.

Mekonnen: Not yet.

Hearing Officer Vang: How long will that take?

Mekonnen: They will have it soon.

Fischbach: There is no issue with the liquor service area.

Hearing Officer Vang: Could the seating change?

Fischbach: It could decrease. I doubt it would increase. It wouldn't affect the license application because the service area wouldn't change. They may need more than the 100 seats or less license though if it increases. That would just be an increased fee.

Hearing Officer Vang: Would that trigger a new notification period?

Fischbach: No, so long as there is no service area change.

Hearing Officer Vang: Is this business using both floors of the building?

Mekonnen: Business will only be conducted on the first floor. The basement will be used for storage. The renovation of the restaurant is almost done and is set to open next month.

Hearing Officer Vang: It sounds like your building permit was approved as deli and grocery area.

Mekonnen: Initially, yes. We swapped the shelving to a seating area.

Hearing Officer Vang: I see a demarcation on the site plan. Is that a stage?

Mekonnen: No. It's nothing permanent. We will have entertainment there, but it will just be tables when there's no entertainment.

Hearing Officer Vang: Does the entertainment space need to be permanent?

Fischbach: No. There are some entertainment requirements under the definition of a restaurant that a liquor inspector will review with them when they go over the liquor manual.

Mekonnen: Zoning reviewed it too and allowed us to have entertainment until midnight.

Hearing Officer Vang: Will soundproofing materials be used?

Mekonnen: Yes. We are meeting all building code requirements with insulation. This hearing is not because of the building concerns though.

Hearing Officer Vang confirmed that building code concerns are a separate matter, but wanted to ascertain that work is being done to minimize noise.

Mekonnen: We have final inspections scheduled in the next couple of weeks.

Hearing Officer Vang: So, is the attached plan the final plan?

Mekonnen: Yes, the one in the record in front of you is our final plan.

Fischbach: Either way, this will not affect licensing.

Hearing Officer Vang asked if the applicant understand.

Ms. Tufa: Yes.

Fischbach: Since this location has never had a liquor license, and city code does have requirements for new businesses that provide off-street parking. If there is an adjacent residential use, the off-street parking must have a visual screen of 4.5 – 6.5 feet in height between the parking and the residential use. In this case, that use is across the alley. It doesn't have to be a fence. It can be plants or other materials. What's already there may meet that requirement. The department is reviewing that. The applicant may not have to do a fence, but that is yet to be determined. The intent of a visual screen is to prevent headlights from shining into buildings nearby. If there was no residential building back there, this requirement wouldn't apply.

Hearing Officer Vang: Would that affect the opening date?

Fischbach: We will have to review that. If the construction is done before and everything else is approved before the City Council approves the liquor license, they could open before then without serving liquor. It is only the liquor that would have to wait.

Hearing Officer Vang asked whether this information has been shared with the applicant as it may affect the delay in license issuance.

Fischbach: Yes, I don't think they are aware of this issue yet.

Ms. Tufa: It will be difficult to open without serving liquor. When I opened in Minneapolis, I started with just beer and wine. After 3 months I got a full liquor license.

Hearing Officer Vang: We have different requirements in St Paul, and it sounds like a decision on this is pending from the department.

Fischbach: We've already looked at the site. We just need to review the situation with the City Attorney's office.

Ms. Tufa: I've invested a lot, and it will be difficult to open without the liquor license in place.

Hearing Officer Vang informed the applicant that may not be an issue but wanted her to be aware.

Fischbach: Perhaps a condition could be added, saying they understand that if it's determined that a fence is required, the applicant agrees to install it within a period of time and keep it in good order and repair. Once it's done and the screen is there, the condition could be removed administratively.

Ms. Tufa: Thank you.

Hearing Officer Vang asked if Ms. Tufa understood that this solution may be in the form of a condition added to her license.

Ms. Tufa: Yes.

Hearing Officer Vang asked the applicant to talk about the business: history, hours of operation, number of employees, etc.

Ms. Tufa: I will defer to Kedir for this.

Kedir Kurfessa: I'm the Director of Lending at African Economic Development Solutions (AEDS). Ms. Tufa has been in this business for 12 years. My organization first lent her money to build an accessible restroom in her Minneapolis location. She paid that loan back through her hard work. We have other business in this area in St Paul called Little Africa. This will be a part of that. She is emotionally and financially invested. The financing for the renovation cost more than what it took to buy the space.

Hearing Officer Vang asked about the loan they gave to Ms. Tufa.

Kurfessa: We financed for the purchase, so she owns the property now.

Hearing Officer Vang: Does she own the Minneapolis location too?

Kurfessa: Yes, this will be a second location.

Hearing Officer Vang confirmed that African Economic Development Solutions is guiding Ms. Tufa and providing her with technical assistance.

Kurfessa: Yes

Hearing Officer Vang: With 2 locations, who will manage the St. Paul location?

Ms. Tufa: My son, who is here, helps manage in Minneapolis and will help manage here.

Hearing Officer Vang stated that it would be helpful to residents to know who will be managing the business if issues occur.

Ms. Tufa: Both of us are on site all the time.

Hearing Officer Vang: Does the Minneapolis location have entertainment, liquor, and gambling?

Ms. Tufa: Yes.

Hearing Officer Vang wanted to understand what issues Ms. Tufa has experienced while managing her Minneapolis business for the past 12 years in Minneapolis and how they were resolved.

Ms. Tufa: I learned a lot about compliance with restaurant operations and I will make sure to stay in compliance here. I know better now what it takes to run a restaurant.

Hearing Officer Vang stated that serving liquor can have a bigger impact on public safety than a restaurant without that liquor service. She wanted Ms. Tufa to be aware of potential safety issues impacting the community and to inform her to not her staff or patrons at risk. She also wanted to understand Ms. Tufa's security plan and how she will work with the police, especially around big events or concerning situations?

Ms. Tufa: I have a security plan and will always have a security presence. We will always have a line to the police. I have done the same in Minneapolis and have not had issues.

Hearing Officer Vang next asked about the business' hours?

Ms. Tufa: 7 days a week, 9am – midnight.

Hearing Officer Vang also asked for a description of the planned entertainment.

Ms. Tufa: It will only be offered 2 days a month or so for live performances from musicians. It won't be offered often. Uniformed security will always be there, and police will be notified of big events.

Wondwossen Tilahun: I am Tufa's son and a co-owner of the business. I'm helping manage this location along with the one Minneapolis. I will be leading management at the new location with security.

Hearing Officer Vang next asked whether there will be video surveillance installation.

Ms. Tufa: Yes.

Tilahun: We plan to do that.

Ms. Tufa: There might be 16 cameras or so.

Hearing Officer Vang encouraged her to work with DSI via the police department on camera placement recommendation.

Mekonnen: We have a security firm that gives us an allotment. They provide us with alarms and cameras. I think we already have 32 cameras installed. There are cameras everywhere though. There are a lot of private and city cameras around. I'm not sure why the neighbor objects, since the building was vacant for years before Tufa came. For the parking space, we do plan to put a fence there to keep this space safe from nearby vacant buildings. That's what she wants. For parking, she isn't required to provide parking, but the building has some anyway.

Hearing Officer Vang stated that she understands there are video surveillance cameras in the area; however, she would like to understand whether the business plans to provide their own security cameras for the protection of their business, patrons, and staff.

Mekonnen: She will be doing that.

Hearing Officer Vang next asked about staffing.

Ms. Tufa: We will have 12 staff total.

Hearing Officer Vang also asked whether staff would be doing alcohol awareness training, in addition to the liquor manual training from DSI.

Ms. Tufa: We will be doing that.

Hearing Officer Vang asked about trash pickup and disposal.

Ms. Tufa: We take it out every day.

Hearing Officer Vang asked about lighting.

Mekonnen: We installed it. It was one of the first things we did. It shouldn't be a nuisance, there are already City lights in the alley.

Hearing Officer Vang next read into the record the letter of objection from Wayne Swanson, owner of 1635 Sherburne Avenue, who resides in Minnetonka. The letter voiced concerns about parking, noise, and nuisance activities. She then gave the applicant the opportunity to respond.

Ms. Tufa: I am here to add to the neighborhood and not to add negativity. I am investing in the city and the neighborhood. For parking, there are a lot of businesses in the area, and I plan to comply with City requirements.

Hearing Officer Vang asked how much parking space she has and whether the space will be used by her patrons or staff.

Ms. Tufa: There are 30 spots in the back of the building. Regarding bad behaviors, I'm not concerned about it because I will be responsible and work with police as needed.

Hearing Officer Vang asked about the gambling location charitable partner Ms. Tufa is considering.

Tilahun: I just know gambling things are available and wanted to add the license for things like pull tabs. We don't know who we will be working with yet.

Hearing Officer Vang stated that when they know who the charitable partner is to share that information with the city. She also wanted them to be aware of gambling location license requirements, such as making pull tab machines viewable from the bar to their staff.

Ms. Tufa: Regarding the rest of the letter's concerns, I am here to contribute, and I don't think the complaint has merit.

Hearing Officer Vang acknowledged Ms. Tufa's statement but indicated that the process allows opportunities for affected parties to raise concerns. She next read into the record the letter of support from Dawn Einwalter, resident of 1396 Lafond Avenue and member of the Hamline Midway Coalition District Council. She acknowledged that Ms. Einwalter was present and invited her and other attendees to testify.

Dawn Einwalter: I'm not here representing the district council, but we have had informal conversations and there is a lot of excitement about the business bringing activity to an empty building. My letter mentioned some concerns. The nearby empty CVS is a problem with vagrancy and trash, and many residents take it upon themselves to clean things up. Also, because of the access in the back, I still want the University Avenue entrance to be lit and open and welcoming. People may want to enter in the back, but we would like to have the University Avenue side look good and be welcoming as well. I know the Hamline Midway Coalition would love to support you.

Hearing Officer Vang asked Ms. Tufa about signage for entry and exiting into the restaurant from the parking lot.

Ms. Tufa: Entry and exit will be on both sides.

Hearing Officer Vang asked about changes made to the storefront.

Mekonnen: The renovation is done and now we are working on decoration. Lighting will also be in the front and the back.

Einwalter: The district council also has an upcoming meeting with DSI about the vacant CVS and we would love to have you there.

Mr. Mekonnen next testified. He stated that he is not just the contractor; he added that the business will be a good addition to the community. This has been a 2-year process. The change from a deli and grocery to a restaurant would fit better with stadium patrons and he'd like to support her in that effort.

Tsegaye Gelgelu, Director of Operations for AEDS, spoke next. He mentioned that his organization has been working with Ms. Tufa since 2012. Her business brings jobs and activity to the neighborhood, and he is strongly in support of this application.

Mr. Krufessa testified next and said that as the AEDS Director of Lending, he strong supports this application. The restaurant will bring new life to the neighborhood and create 12 new jobs. It will add value to the city in terms of a tax base and add to the neighborhood to make the area safer than the property remaining a vacant building.

Mr. Wako also testified and said that he is not only the translator but supporter and is speaking in support of this application. The business is a great addition to the neighborhood. He used to work with the Neighborhood Development Center, and while there, he helped her with a loan to buy her Minneapolis property and now the St. Paul property. Ms. Tufa is and has always been responsive to concerns. This is a big investment with the renovation that she is taking on, and he knows she will be an asset to the community.

Abdi Tusa, East side resident and Rice Street business owner, testified last and said that he supports Ms. Tufa's application and encouraged Ms. Tufa to open a business in Saint Paul.

Hearing Officer Vang closed the public hearing and asked Ms. Tufa for closing thoughts.

Ms. Tufa: I am thankful for all the work the City has done.

Hearing Officer Vang next stated that there was the outstanding issue regarding the fence.

Fischbach: I have drafted the condition and it reads: "The licensee acknowledges that a visual screen may need to be constructed in according with section 409.08 (11) of the City of Saint Paul Legislative Code, separating the parking area from the residential use across the alley. Such

visual screen, if required, shall be construction by a date to be determined and maintained in good order and repair.” He will confer with his boss who is familiar with the situation and who also took the pictures and measurements.

Hearing Officer Vang asked whether he needed time to review with the City Attorney’s office before moving this matter forward.

Fischbach: We could move forward with this condition regardless, and then update everyone about that when we hear back.

Hearing Officer Vang asked how soon a fence could be installed.

Mekonnen: Ms. Tufa is interested in installing a fence to protect her business. The financing could be difficult. It might take 3-6 months.

Wako: It could be done within 6 months according to Ms. Tufa.

Hearing Officer Vang: That would put us in winter.

Fischbach: That would put us at realistically looking at next Spring to have it done.

Hearing Officer Vang: Perhaps a June 1 deadline, then.

Ms. Tufa: I just worry if this will limit the license issuance.

(Ms. Tufa and AEDS participants discussed the matter and resolved to understand that the condition regarding the fence would not delay issuance of the licenses she was seeking.)

Hearing Officer Vang stated that she understands Ms. Tufa’s concern and do not want to contribute to the delay in license issuance. DSI still needs to review whether a fence is necessary. If it’s not needed, there isn’t a problem by including the condition. If it is needed, Ms. Tufa will have until June 1, 2025, to have it installed. She would be able to have your license during that time. She asked Mr. Fischbach to explain the adverse action process.

Fischbach: If a condition is place on the license, someone will go out and inspect. If you were found to be in violation, we focus first on corrective action before proceeding to adverse action. For the fence, someone wouldn’t check on the fence until after June 1, 2025. We would then give you a new date for compliance, if it still isn’t done by then. If it still isn’t done after corrective action, we may proceed with adverse action, which could involve monetary penalties or potentially revocation after extreme and repetitive noncompliance. The review of the fence requirement would then not delay issuance of the liquor license.

Ms. Tufa: I understand.

Mr. Fischbach informed her to submit the fence design first to DSI Licensing before getting her building permit to ensure the fence fits the licensing requirement. This is to ensure that it fits the

parameters and avoid the cost of installing a new fence only to take it down and putting up a new one. For instance, chain link isn't a visual screen, and a building official might sign off on it, but it wouldn't meet the licensing requirement.

Hearing Officer Vang stated that when the draft conditions have been written up by DSI, she will send Ms. Tufa a new updated conditions affidavit for her to agree and sign it. She will need this affidavit to proceed forward.

Fischbach verified that he will draft the condition and share it with Hearing Officer Vang who will handle the next step.

Hearing Officer Vang stated that after reviewing the records, evidence and considering the testimonies from all parties, she will recommend to the City Council that they approve the license with the following 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.
3. Licensee acknowledges that compliance with Section 409.08 (11) of the City of St Paul Legislative Code is required, which could include that construction of a visual screen separating the parking area from the residential use across the alley be completed. Any required construction shall be completed by 06/01/2025 and maintained thereafter in good order and repair.

Before closing the hearing, Hearing Officer Vang informed Ms. Tufa to be aware of the stamp activities and police report to her a sense of the property's history and issues.

The hearing adjourned at 3:48 PM.

The Conditions Affidavit was signed and submitted on June 3, 2024.