

LICENSE HEARING MINUTES
Hi Hi LLC, d/b/a same, 1079 Rice Street
Thursday, May 18, 2023 at 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: Jeffrey Fischbach, Department of Safety and Inspections (DSI) Licensing Inspector; Farhan Omar, DSI Zoning Inspector

Licensee: Toua Xiong, Applicant/Owner; Nou Vang, Applicant/Owner

License Application: Liquor On Sale 101-180 seats, Liquor On Sale - Sunday, Liquor On Sale 2AM Closing, Liquor Outdoor Service Area (Patio) and Entertainment (B) 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. Also received was an email of support from the district council.

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:

Jeffrey Fischbach, Department of Safety and Inspections (DSI) gave a staff report for licensee Hi Hi LLC License ID#20230000426), d/b/a same, located at 1079 Rice Street. The application is for Liquor On Sale 101-180 seats, Liquor On Sale - Sunday, Liquor On Sale 2AM Closing, Liquor Outdoor Service Area (Patio) and Entertainment (B) licenses. DSI is recommending approval with the following license condition:

1. License holder will continually comply with all State, County and Local regulations that govern the facilities and operation of Adult Day Care and On-Sale Liquor establishments.

The District Council 6 - North End Neighborhood Organization submitted a letter of support. Building is N/A; License is approved with conditions; and Zoning is approved.

Ms. Vang asked for clarification on the condition.

Mr. Fischbach: My understand is the adult daycare is during the day and then nights is liquor on sale.

Ms. Vang asked Mr. Xiong if he understand the condition and agreed to it.

Mr. Xiong: Yes. We operate the daycare and liquor services at different times.

Mr. Vang asked Mr. Omar for details on the zoning review.

Mr. Omar: Both the adult daycare and the event center are permitted uses.

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

Mr. Xiong: We bought this in October 2020. We wanted to make it an event center since that was what it used to be. It already had a lot of the space we needed. We wanted it for weddings, graduations, and other things. The pandemic changed our potential calculation on what the new normal might be, so we invested into also making this an adult daycare to add to our revenue stream. We put in a sprinkler system, elevator, and accessible bathroom for the elderly. After we completed construction in October of 2022, we got our certificate of occupancy for an adult daycare. It will operate as an adult daycare from 9 am in the morning to 3pm Monday – Friday with the event center opening after that time to 2 am. The weekend is for Saturday and Sunday to operate the event center. We will also open at 9 am in the morning to 2am. These liquor and entertainment licenses allow us to accomplish this, and the patio fits into this as well. The patio will close at 9 pm at the latest or maybe 10 pm in the summer. We don't want to serve out there past those times. I have been in the business community for a long time in the Frogtown community, right now running the Hmongtown Marketplace. I have operated restaurants, but never operated a club by myself. I previously owned a restaurant named Asian Cuisine, which is nearby. I have also built a good relationship with police over the years to keep my businesses safe and keep people from hanging around the building. Police have helped us by parking near our lot, helping with visibility by advising us to cut the bushes, and keeping unsafe people away.

Ms. Vang referred to the site plan and asked how they would be used.

Mr. Xiong: Adult daycare would be on both floors. Dining and kitchen are on the first floor and the top floor is for the stage and dancing and drink service. Both floors can hold 150 people comfortably. The liquor license will apply to both floors. For dancing on the top floor, the tables will be shifted further back. Liquor service will not be as a bar or club. It will only be on weekends for private parties. There will always be security for liquor events to check for IDs and bad actors. All employees will be at least 21 years old. More specifically, no security will be

there for events without drinking under 100 people. Otherwise, there will be 1 security guard for liquor events under 100 people, and an additional one for each subsequent 100.

Ms. Vang asked about the patio.

Mr. Xiong: The area is fenced in. Only access is through the building.

Ms. Vang asked about managing this business along with other businesses.

Mr. Xiong: I will be putting myself into a more supervisory position with this business. It is good for me to be there. We have been here 38 years and for the past 28 years we have focused on our business. My wife Nou Vang will be here as well.

Ms. Vang asked about the number of employees.

Mr. Xiong: A small night might just be the 2 of us. For a larger event with music and dancing it could be 4 of us along with security, servers, and cleaners.

Ms. Vang asked about monitoring cars coming in and out.

Mr. Xiong: there are entrances/exits at either end of the parking lot. The back exit is into an alley.

Ms. Vang: Are you open yet?

Mr. Xiong: We are open for small events right now, but we are waiting for the liquor license to do bigger events. We have not seen traffic issues so far. We have learned from our mistakes in the past and will learn from them in the future.

Ms. Vang asked about lighting.

Mr. Xiong: There is a light in the front that can be turned off and 2 in the parking lot that are always on.

Ms. Vang asked about cameras for security.

Mr. Xiong: We will, but we need to come up with the money first. We have been talking to Nighthawk and they have been helpful. They are expensive though.

Ms. Vang next read into the record the letter from Liban Mohamed (121 Magnolia Ave W), which voiced concerns about safety. She then gave the applicant the opportunity to respond.

Mr. Xiong: I appreciate them voicing their opinion, and I understand wanting to protect their family. We are an event center, not a bar or club. That reduces the scale of drunk driving. Not all our events are drinking events. Many of them do not. We do not make drinking the focus. We are only serving on the weekend, but many Hmong parties only book events on Saturdays. We like

to be available but that is typically what happens. The Clubhouse had this license before. They may not have played music, but they did have liquor service.

Mr. Fischbach: Their licenses were similar.

Mr. Xiong: We have invested over \$1 million into this project, and to make this a business we cannot get rid of the liquor service. Having this property stand vacant hurts the economy, and the community. This building functioning helps everyone. Not having it will create more vandalism and make it a worse neighborhood. It is better for the community to have this business be successful and operating. We do our best to maintain the property. We want events to run smoothly so we don't get shut down. I know that we are not in the best neighborhood though, so we might still run into issues. We will work closely with the police to keep things running smoothly.

Mr. Fischbach: If a complaint comes in, DSI would investigate them. They would go through the adverse action process if necessary.

Ms. Vang next read into the record the letter from the North End Community Council, which voiced support. She then gave the applicant the opportunity to respond.

Mr. Xiong: We appreciate their support.

Ms. Vang asked if the adult day care was open.

Mr. Xiong: It is not open yet. There will be 108 people maximum.

Mr. Omar: I do also want to add regarding lighting, that the city has lighting requirements to require outside lighting to be pointed down so as not to disturb neighbors.

Mr. Xiong: I do also own the resident property next door.

Ms. Vang: What will the parking be like for the day care?

Mr. Xiong: Only my staff of 6 – 8 people will be using the parking lot. Visitors will be dropped off.

Ms. Vang asked about trash pickup.

Mr. Xiong: We will have a trash container there all the time. It is outside. Bottles will not be emptied outside at night. They would get emptied at the patio or kitchen area and then taken out the next morning. Adult day care doesn't take up much trash, and so we only have pickup once a week.

Mr. Fischbach: He does have to go through the liquor manual with DSI Inspector Ross Haddow still.

Mr. Xiong then signed the conditions affidavit.

Mr. Fischbach: I don't know about the status of their liquor insurance either, but we don't need that until license issuance.

Ms. Vang stated that after reviewing the records and testimonies from all parties, she will recommend to the City Council that they approve the license with the following conditions:

1. License holder will continually comply with all State, County and Local regulations that govern the facilities and operation of Adult Day Care and On-Sale Liquor establishments.

The hearing adjourned at 2:47 PM.

The conditions affidavit was signed and submitted on May 18, 2023.