

**LICENSE HEARING MINUTES**  
**Alchemy 365 LLC, 747 Cleveland Avenue South**  
**Thursday, August 17, 2017, 10:00 a.m.**  
**Room 330 City Hall, 15 Kellogg Boulevard West**  
**Nhia Vang, Deputy Legislative Hearing Officer**

The hearing was called to order at 10:00 a.m.

Staff Present: Jeff Fischbach, Department of Safety and Inspections (DSI)

Applicant: Mike Jones and Molly Hanten, Applicants/Owners

Others Present: Frank Clark, Developer

Alchemy 365 LLC - Health/Sport Club license

Ms. Vang stated that this was an informal legislative hearing for a class N license application. This particular license requires neighborhood notification which allows impacted residents to voice their concerns. The City received letters of concern/objections which triggered the hearing. Objections were received from: Judy Guiliani, 2087 Pinehurst Avenue; and John Mueller, 2111 Pinehurst Avenue (*said letters/emails were made a part of the record*). It should be noted that neither party was present at the hearing. An email was received from John Mueller citing his continued objection and acknowledging his inability to attend the hearing.

At today's hearing, Ms. Vang will ask DSI staff to explain their review of the application and state their recommendation. She will then ask the applicant to discuss their business plan and invite interested parties to testify whether they were in opposition or support of the issuance of the license application.

There were three possible results from this hearing: 1) recommend the City Council issue this license without any conditions; 2) recommend the City Council issue this license with agreed upon conditions; or 3) recommend 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.

At the end of the hearing, she will make a recommendation for the City Council to consider. Her recommendation will be on the Consent Agenda; the City Council is the final authority on whether the license is approved or denied. The applicant will also be required to sign a Conditions Affidavit demonstrating the understanding of the conditions.

Mr. Fischbach reviewed the license conditions:

1. At least one employee or manager, trained and qualified in first aid and CPR according to standards established by rule by the Department of Safety and Inspections shall be on duty at all times that the licensed premises are in operation or open to members of the public. Such standards shall be in conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes.

2. Licensee shall take appropriate actions to ensure that any noise and/or vibration generated by activities associated with the operations of the business do not adversely affect neighboring property owners and/or tenants of the building.

Mr. Fischbach noted that the building permits were still in process; environmental health review was still in process; zoning recommended approval and licensing was recommending approval with conditions of the license application. The Highland District Council also submitted a resolution in support of the license application with some suggested conditions.

Ms. Vang asked Mr. Mike Jones whether he understood the conditions placed on this license application and Mr. Jones acknowledged that he understood and was agreeable to the conditions. He was asked to discuss his history/background, business plan, hours of operation, number of employees, response to the contested letters/emails, etc. Mr. Jones explained that it was his opinion that all the other businesses in the area have less parking and have never had any complaints. He, himself, is a local resident and understands the concerns raised and works hard to help reduce the traffic congestion while minimizing the business foot traffic. Their model is based around community involvement. Hours would not conflict with other retail peak hours. The business hours would be from Monday to Friday, 5:30 a.m. to 8:30 p.m., with weekend hours being from 7:30 a.m. to 5:30 p.m. Mr. Jones started this line of business with his first CrossFit gym in 2009 at 470 Cleveland Avenue and another CrossFit gym in Minneapolis. He also owns two other Alchemy-model businesses in the city of Minneapolis, one in Edina and one in Saint Paul on St. Anthony. With the opening at 747 Cleveland, it would be his fourth Alchemy gym location. The Alchemy gym is like the CrossFit gym but with a different feel. Alchemy offers up to twelve group fitness classes per day lasting 30-50 minutes with no membership. Instead, clients may pay by class, or purchase a 10-pack pass or unlimited pack classes (The max class size is thirty-five (35) students per class). Mr. Jones intends to hire about five full time staff with a max of 2 employees on site per time. Even though the site plan has two large rooms, only one class will be conducted at any one time. Consumable beverages, i.e., smoothies, will be available onsite, including space available for sales of wearable merchandise. Video surveillance is not currently installed. Mr. Jones is looking to have installation for the merchandise area but not necessarily for the gym now; he may consider once the gym is open.

Ms. Vang asked whether additional parking and noise levels have been considered. Mr. Fischbach responded that under the zoning code, no additional parking was required. Mr. Jones noted that employees will consider alternative transportation to work (i.e., walk, bike, or skate board to work) and a bike rack will also be installed. In terms of seeking agreement with other business parking, Mr. Jones is in discussion, however, the agreement is not final. He also stated that he has regular communications with his clients via emails and social media, knows his clients well and does not believe parking would be a problem since many of his clients are residents.

The developer, Mr. Frank Clark, addressed the issues of noise and parking. He believes the issues to not be new to this application. He experienced similar issues when the building was being constructed for a mixed-use site for residential and retail. He oversaw the design in a way to address noise and parking concerns. He stated that they have gone above and beyond the requirements of noise concerns to ensure that the tenants living above the business would not have issues with

sound--these were all considered into the design and construction of the building. Mr. Clark also noted that parking is above requirements with about 90 parking spaces being required; however, they ended up allotting about 108 parking spaces for both commercial and residential tenants. He concluded that the hours for Alchemy would not conflict with other retail peak hours.

Ms. Vang then asked Mr. Jones about the status of building and environmental health permits. He indicated building permits for the area where consumable beverages would be served was nearing completion and that an environmental health walkthrough is scheduled for Sept 6<sup>th</sup>. He is anticipating an opening date of September 9, 2017. Discussion ensued regarding the timeline for when his license application would appear on the City Council agenda, including what he can and cannot do on September 9, 2017 if the license application was not approved by then. It was made clear that if the business was opened on September 9, 2017, he may show potential clients around the gym and to sign them up for classes. The gym cannot be open for classes; otherwise, his license application would automatically be denied.

Ms. Vang read other received emails and letters in support of the license application: Kara Lynum, 413 Wacouta Street, Suite 440; Robert Wales and Amanda Willis, 1727 Race Street; Michael Sonn, 1458 Wellesley Avenue; Heidi Schallberg, 706 Mississippi River Blvd S #204. The Highland Business Association also sent an email with a resolution in support of the license application (*all are attached and made a part of the record*).

Ms. Vang stated that after reviewing the records and testimony presented, she will recommend to the City Council that they approve the license with the agreed upon license conditions:

1. At least one employee or manager, trained and qualified in first aid and CPR according to standards established by rule by the Department of Safety and Inspections shall be on duty at all times that the licensed premises are in operation or open to members of the public. Such standards shall be in conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes.
2. Licensee shall take appropriate actions to ensure that any noise and/or vibration generated by activities associate with the operations of the business do not adversely affect neighboring property owners and/or tenants of the building.

The hearing adjourned at 10:30 a.m.

The Conditions Affidavit was signed and submitted on August 17, 2017.