

LICENSE HEARING MINUTES
The Nook, 492 Hamline Avenue South
Thursday, December 2, 2010, 2:00 p.m.
330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Deputy Legislative Hearing Officer

The hearing was called to order at 2:05 p.m.

Staff Present: Christine Rozek, Department of Safety and Inspections (DSI), and Larry Zangs, DSI

Applicant(s): Thomas (Ted) Casper, Jenessa Casper, and Michael Runyon, owners

Others Present: Mary Karalus, 1312 Juno Avenue; and Joe Rafferty, 1337 Juno Avenue

The Nook: To add a Bowling Center license and extend the On Sale Wine and On Sale Malt (Strong) (i.e., beer) service area into the existing bowling alley space, which is located in the basement of the building, for an existing business currently having the following licenses: Restaurant (4) – 51-150 Seats, Wine On Sale, Malt On Sale (Strong), liquor On Sale – 2 AM Closing, and Malt Off Sale. (NOTE: The previously licensed business for the bowling alley space had a Bowling Center, Restaurant, and Malt On Sale (3.2) licenses.)

Ms. Vang stated that this was an informal legislative hearing for a license application. This particular license requires a Class N notification which means the neighborhood was notified and people had the chance to voice their concerns. The City received one letter of concern and one letter of support from the district council to this license. There were three possible results from this hearing: 1) Ms. Vang may recommend that the City Council issue this license without any conditions; 2) she may recommend that the City Council issue this license with agreed upon conditions; or 3) she may recommend that the City Council not issue this license but refer it to the city attorney to take an adverse action on the application, which could involve review by an administrative law judge. The applicants will be required to sign a Conditions' Affidavit demonstrating that they understand the conditions.

DSI staff will explain their review of the application and state their recommendation. Next, Ms. Vang will ask the applicant to talk about the business plan. Then, she will hear from people in support of the issuance of the license and those with concerns about the issuance of the license. 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.

Mr. Zangs stated that DSI received a request to extend the wine and malt service license for the existing bowling alley, which had been operated independently as a separate business entity, for The Nook. The district council had sent a letter supporting a waiver of the 45-day license notification waiting period and the license was issued by DSI. Since an objection was received, it necessitated the need for a hearing (NOTE: The City Council has approved the expansion of the wine and malt service into the bowling alley space prior to the completion of the notification review process.). The following were the standard proposed conditions to the license application:

1. Per City of Saint Paul Legislative Code 409.15(a)(2), on-sale wine license shall mean a license authorizing the sale of wine not exceeding fourteen (14) percent alcohol by

volume, for consumption on the licensed premises only in conjunction with the sale and service of food (menu item only). The sale of Malt (Strong) will also take place only in conjunction with the sale and service of food.

2. Per City of Saint Paul Legislative Code 409.15(d), licensee must be able to show that gross receipts are at least sixty (60) percent attributable to the sale of food.
3. Licensee will submit to DSI annual gross receipts for food and liquor for each year the license is renewed.

Zoning administration reviewed the license application and concluded that there was no requirement to provide additional parking as this was simply an extension of the existing license. He agreed that on-street parking in the neighborhood was a problem; however, the businesses had existed for a very long time and the requirement to provide additional parking was considered “grandfathered” in.

Mr. Runyon stated that they were presented with the option to take over operation of the Rahn-Ham Bowling Alley, which was located in the basement of their restaurant, so they applied for a license to extend their service of food, beer and wine. To accommodate the operation of the bowling alley, they had taken out a door from the restaurant to the basement, installed a fire-rated exit door and planned to have sprinklers installed in the basement in the spring. He acknowledged that parking was a problem in the neighborhood; however, they had not created this problem as the businesses had been in existence in this neighborhood for some 90 plus years. He had talked to the owner of Korte’s Super Market on Randolph who agreed to let them use their parking lot for parking after 7:30 pm when their business closed for the day. He was aware that the gas station on the corner had been out of business for the past 18 months which he believed could be converted into a parking lot once the tanks were removed and any soil contamination had been cleaned up. It was his information; however, that the owner of the station was in bankruptcy and the sale of the property was being held up in bankruptcy proceedings. Since they were only tenants and not the owner of the property, they were unwilling to purchase the gas station but believed that if the City were to take ownership of the parcel and turn it into a parking lot, it would help alleviate the parking issues for the businesses and the entire neighborhood.

Mr. Zangs stated that the gas station was zoned B2 which was for commercial use. The major issue would be pollution which could encumber the use of the land.

Mr. Rafferty stated that he lived directly across the street from The Nook and had owned his property for approximately 36 years. He said that he personally liked the owners and that his daughter was an employee; however, parking was a major issue which would get worse with The Nook taking over the operation of the bowling alley. He said there was permit parking on his street which was only enforced up to 4 p.m. and was initiated because of parking problems created by Cretin High School students. He believed turning the abandoned gas station into a parking lot was a good solution to the parking problem.

Ms. Karalus presented a letter, signed by some of her neighbors, expressing concern over increased parking in the neighborhood. She had two adult children and when they came to visit, there was no place for them to park on her block. The property owners on her block were mostly elderly who needed to be able to park in front of their own residences. She said the previous tenant of the bowling alley had very limited hours of operation and hosted mostly private parties and winter leagues. She was concerned that there would be increased use of the bowling alley under the

management of The Nook. She also complained about patrons' drunkenness and on one occasion when her brother came to visit her, he provided a ride home to a drunken person who had just left the bar.

Mr. Runyon responded that the bowling parties which had booked thus far had been for 8 pm. Since Korte's closed at 7:30 pm, most of the patrons would use the super market's parking lot for parking. Ms. Casper stated that their customer base was a family restaurant serving only beer and wine. All of their 30 plus employees attended alcohol awareness training every year so if any customer appeared intoxicated, staff would not serve that person any alcohol.

Ms. Vang stated that since there was no change of use of the business, zoning did not require any additional parking. She read the following letters into the record: two letters from the Highland District Council supporting the issuance of the license; one email communication from Ms. Karalus expressing concern over parking; and one letter of concern regarding parking signed by the following: Lorraine Powers, 1316 Juno Ave; Nancy and Dennis Denning, 1308 Juno Ave.; Pat and Robert Steingruebl, 1324 Juno Ave, and Char and Eric Sneve, 1304 Juno Ave.

Ms. Vang took a five minute recess to review the record and consult with staff. When Ms. Vang returned, she told the owners that they ran a good business, would make no additional conditions to the license application, and recommended approval of the license with the conditions proposed by DSI staff. She encouraged the owners to continue to work with the neighborhood regarding the parking issue.

The hearing adjourned at 3:00 p.m.

The Conditions Affidavit was on October 4, 2010.

Submitted by:
Vicki Sheffer