

**LICENSE HEARING MINUTES**  
**Cups & Cheers, 1626 White Bear Avenue N.**  
**Monday, February 24, 2020, 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)

Licensee: Nufue Chang and Leeyou Yang, Applicant/Owners

License Application: Add a Gambling Location License to the existing Liquor On - Sale 101-180 seats, Liquor On Sale - Sunday, and Entertainment (A) licenses

Other(s) Present: Chuck Repke, District 2; Les Nelson, White Bear Avenue Business Association

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 to take an adverse action on the application, which could involve review by an administrative law judge.

Minutes:

Jeff Fischbach, Department of Safety and Inspections (DSI), gave a staff report. In response to a question from Ms. Vang, he clarified that this business had a change of ownership in 2019. Mr. Chang said the previous business was called Bamboo Hut.

Mr. Fischbach read the recommended additional license condition.

## Existing 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.
3. Licensee agrees that the sale, service, consumption, and/or display of alcohol is limited to the seating area documented in the lease and submitted with the application, which is the area having an address number of 1626. No sale, service, consumption, and/or display of alcohol is permitted in the space having an address number of 1624, which is immediately adjacent to and south of the 1626 numbered space.
4. Per City of Saint Paul Legislative Code 411.02, the definition of Entertainment A is, "Amplified or nonamplified music and/or singing by performers without limitation as to number, and group singing participated in by patrons of the establishment." (includes karaoke). Entertainment A license does not allow for patron and/or performance dances.
5. Licensee will create a video surveillance camera and lighting placement plan (Video Surveillance Plan) for the interior and exterior of the licensed premises. Licensee will submit the video surveillance plan to The Saint Paul Police Department (SPPD) liaison with DSI for review and approval. In accordance with the approved video surveillance plan, licensee will ensure that video surveillance camera system is in good working order, ensure it is recording 24 hours per day, ensure it can produce recorded surveillance video in a commonly used, up-to-date format, and ensure that accurate date and time of day are visible on all recorded video. Licensee will retain recorded surveillance video for a minimum of thirty (30) days. If an incident is deemed serious by SPPD, licensee shall make surveillance video immediately available for viewing by SPPD. If a copy of the surveillance video for a serious incident is requested by SPPD, Licensee shall have the technology, materials and staff available to immediately make the copy. In all other cases, licensee shall provide a copy of the surveillance video to the requestor within 48 hours.
6. Licensee agrees to not employ any person or persons previously employed by either and/or both of the previous two licensees and/or lessees of 1626 White Bear Avenue North.
7. The internal door between 1626 White Bear Avenue North and 1624 White Bear Avenue North will be fixed to prevent unauthorized use of 1624 by lessee of 1626 White Bear Avenue North (any fixes/changes will be in accordance with all State and City Codes/Laws).
8. Licensee shall take appropriate action to ensure the back door (near the restrooms) is limited to emergency use and deliveries only, it shall not be used by customer/patrons as an entrance to the establishment.

## Recommended Additional License Conditions

9. Licensee acknowledges that a Gambling Location license only permits an authorized charitable organization to conduct lawful charitable gambling in a manner approved by the State of Minnesota Gambling Control Board once the charitable organization has obtained a State of Minnesota Gambling Control Board Premise Permit.

Mr. Fischbach said DSI received a letter of support from the District 2 Community Council. Building was not applicable, License approved with conditions, Zoning approved with conditions, DSI recommended approval with conditions.

Ms. Vang asked whether there was an additional parking requirement associated with the Gambling Location license. Mr. Fischbach said there was no additional parking requirement.

Co-owners Nufue Chang and Leeyou Yang introduced themselves.

Ms. Vang asked about the business. Mr. Chang said they'd had a tough fight trying to open the location. They signed the lease in March of 2019, but what the previous owner did affected them so much they had to go through a lot just to open the restaurant. They used their savings and 401Ks and spent over \$200,000 to remodel and make it into a restaurant with an international sports bar theme. They had been open almost six months and it had been going great. Mr. Chang reviewed their daily menu specials. He said customers had requested pull tabs like other Asian bars. Pull tabs would provide an opportunity to give back to the East Side community. They did their research and chose White Bear Avenue Business Association (WBABA) as the provider. They had been open six months with no issues, and no police calls. They had security on Friday and Saturday nights, and made sure everybody left before security did. 80% of customers were between the ages of 30 and 45. So far, the business had been going well. Previously, there was no place on the East Side for Hmong people to watch soccer and football and have food they were familiar with. He and his business partner had planned this three years ago to fill that need.

Ms. Vang asked whether they had any restaurant experience. Mr. Chang said three years before he noticed Hmong people in Buffalo Wild Wings in Woodbury and decided to open a business to fill the need. They searched for two years before finding this location.

Ms. Vang asked how many staff members they had. Mr. Chang said they had 20 employees.

Ms. Vang asked the hours of operation. Mr. Chang said they were currently open 4:00 p.m. to midnight and planned to add lunch service in April. Those hours were seven days a week.

Ms. Vang asked whether the WBABA would help with or manage the charitable gambling, and whether it would be available every day. Les Nelson, WBABA, said state statute allowed sale of electronic pull tabs from the time the business opened until the time it closed, and he could activate the machine to operate during business hours. Ms. Vang asked whether the WBABA would be staffing it. Mr. Chang said they were going to talk about that. Mr. Nelson said they would be doing the training, starting with management, and he or his assistant would be there at least twice a week to check paperwork and pick up deposits.

Ms. Vang asked whether the WBABA was associated with any other businesses. Mr. Nelson said Cherry Pit, Born's Bar, and they used to be in Maplewood Bowl. They had done it quite a few places and had been successful. What had really kicked it off was the electronic stuff. The amount they had put back into the community had tripled in the last five years because of electronics.

Ms. Vang referred to the floor plan and verified the location of the pull tab machine. Mr. Nelson said the electronic stuff was kept behind the bar where it was only accessible to staff.

Ms. Vang asked who determined how the money was spent. Mr. Nelson said the association decided.

Ms. Vang asked whether staffing would change with the addition of lunch hours. Mr. Chang said most employees were part time, and he should be able to handle everything with existing staff.

Ms. Vang asked whether it was a sports bar. Mr. Chang said it was a sports bar and restaurant. They had nightly specials along with a full menu including about 35 to 40 dishes.

Ms. Vang asked whether addition of pull tabs required any renovations. Mr. Chang said no; he said it was a big space.

Ms. Vang confirmed that Mr. Chang had seen the letters of objection. She read the letter of support from the district council.

Chuck Repke, District 2, said they were very supportive of the restaurant. One third of the population was Southeast Asian and there were just two Southeast Asian restaurants including this one. Charitable gambling would attract more people and extend the time people stayed. District 2 was one of the recipients of the funds from the business association, primarily the funds support the White Bear parade. Mr. Repke said there were references made to the previous owners. He said there had been problems with the previous business, and that may be what stimulated the concern in the letters received. The District Council had had no complaints about the current operation.

Ms. Vang read the letter of objection from Ms. Engebretson Bunde expressing concerns about lingering and loitering patrons who were loud, obscene, and intimidating. She asked Mr. Chang to respond. Mr. Chang said people loitered in the parking lot, but they were not all his patrons. There was a White Castle across the street and people walked through the parking lot all the time. He had security who made sure everyone went home before he went home. For six months they'd never had any problems. Occasionally people did get loud, but it was not like they were fighting, and he had it under control because he had security. Ms. Vang asked whether it was a shared parking lot. Mr. Chang said it was a shared lot with about 20 stores. Ms. Vang asked whether anyone else was open that late. Mr. Chang said just his business, and White Castle across the street. He said people walked through there all the time. Ms. Vang noted that it was residential behind the commercial strip.

Ms. Vang asked whether security patrolled outside. Mr. Chang said every twenty minutes they did a walk-around. Ms. Vang confirmed that it was just one security person and just for the weekend. Mr. Chang said that was correct.

Ms. Vang asked about trash pick-up. Mr. Chang said there was a janitor who worked five days a week, and in the morning, he swept up everything.

Ms. Vang asked about security cameras. Mr. Chang said he had 12 cameras – two facing the parking lot and 13 inside the restaurant. He said every inch of his restaurant was under surveillance because of the previous owner. Ms. Vang asked whether the installation was done in consultation with the police department. Mr. Chang said yes.

Ms. Vang cautioned against emptying garbage and bottles outside at night because of the close resident behind the business. Mr. Chang said it was dumped throughout the day.

Ms. Vang read the second letter of objection from Cheryl Hanzlik expressing concerns about gun violence, and noting it was primarily residential area, and there had been four assaults reported, and questioning whether this was bar or restaurant. Mr. Chang said there was a sign on the door banning guns. Ms. Vang read the incident reports, and asked Mr. Fischbach whether the report noted the specific establishment. Mr. Fischbach said no.

Mr. Chang said people from the car wash used the parking lot, and sometimes there were people there, just randomly, parking. He said he tried his best and had cameras and security.

Ms. Vang said she hoped Mr. Chang was working closely with their police department and district council representatives if anything rose to the level that he felt was problematic for the community, and that he may want to cultivate a relationship with the police department and district council. Mr. Chang said he would.

Ms. Vang asked if there was any other testimony.

Mr. Nelson said if the person felt gambling invited trouble, then we should shut down every establishment with alcohol and charitable gambling. He said there was no correlation between violence and gambling, based on his experience.

Ms. Vang asked whether DSI had taken any enforcement actions. Mr. Fischbach said DSI recommended approval with conditions.

Ms. Vang said she had no more questions and didn't see a need to add conditions to the license. She said the testimonies spoke positively to the way the business was going to be managed going forward. She encouraged them to develop a relationship with the district council and police department so they could be successful in their business. She said it was unfortunate that they had inherited the previous business owner's reputation, but she hoped they could turn it around and develop a better relationship with the neighborhood. She said she would be recommending approval with the agreed-upon conditions, and her recommendation would go before the Council under Consent.

The hearing was adjourned at 10:31 a.m.

The Conditions Affidavit was signed and submitted on January 17, 2020.