

LICENSE HEARING MINUTES
Ron's Bar, 879 Rice Street
Thursday, August 18, 2011, 10:00 a.m.
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: Christine Rozek and Kris Schweinler, Department of Safety and Inspections (DSI)

Applicant: Shannon Isaac, owner

Others Present: Jeff Rauschnot, husband of applicant; and Kerry Antrim, District 6 Community Council

Ron's Bar: Request to modify the existing license condition(s) to permit Jeff Rauschnot to be employed at the establishment for a business with the following existing licenses: Liquor On Sale – 100 Seats or less, Liquor On Sale – Sunday, Gambling Location, and Restaurant (3) 13-50 seats for Ron's Bar LLC, doing business as Ron's Bar (ID #20100002655) at 879 Rice Street.

Ms. Isaac presented a petition signed by the bar patrons of Ron's Bar in support of the license modification to allow Jeff Rauschnot to be employed at the bar.

Ms. Vang stated that this was an informal legislative hearing for a license application. This particular license required a Class N notification which means the neighborhood was notified and people had the chance to voice their concerns. The City received one (1) letter of concern from the district council which triggered the hearing. There were three possible results from this hearing: 1) she 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 applicant will be required to sign a Conditions Affidavit demonstrating the understanding of the conditions.

DSI staff will explain their review of the application and state their recommendation. Ms. Vang will then ask the applicant to discuss their business plan. 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.

Ms. Schweinler stated that the existing license conditions were as follows:

1. The liquor service area is restricted to the first floor only. No service, sale, and/or consumption of liquor is permitted on the second floor area.
2. The licensee agrees to obtain prior written approval from the Department of Safety and Inspections (DSI) before any occupancy and/or use of the second floor is established.
3. The licensee shall maintain a lease for exclusive use of the parking spaces on the parcels of land with property identification numbers 252923410133, 252923410152, and 252923410151 at all times the business is in operation.

4. Jeff Rauschnot cannot be employed or have any managerial responsibilities associated with the business and/or its operation, nor have any financial interest in the corporation holding the liquor license.
5. The license holder shall provide and maintain video surveillance cameras inside and outside on the premises in accordance with Saint Paul Police Department (SPPD) recommendations (cameral placement and quality must be approved by SPPD). The video recordings shall be kept by the license holder for at least thirty (30) days and shall be available for viewing by the Saint Paul Police Department (SPPD) immediately upon request. In addition, if the SPPD responds to a call at the licensed premises, and due to the crime, requests that a copy of the surveillance footage be immediately provided, the license holder shall have technology available to make the copy at the time of the request and shall have it for the police without delay. In other cases, if the SPPD or the Department of Safety and Inspections (DSI) requests copies of the surveillance tapes, licensee shall have a 48-hour period in which to provide such copies.
6. The licensee shall provide DSI the name and applicable contact information (i.e., home address, date of birth, etc.) for the on-site manager of the establishment when Shannon Isaac is not present. This information shall be kept current and up-to-date with DSI at all times this business is in operation.
7. The establishment shall close no later than 1:00 a.m. each night of the week, with last call service given no later than 12:30 a.m. It shall be the responsibility of the licensee to ensure that all customers and/or patrons have vacated the premises (both inside and outside) by no later than 1:30 a.m.
8. The licensee shall obtain prior written approval from DSI - Environmental Health prior to providing and/or allowing any type of food service in the establishment.
9. The licensee shall schedule a meeting with the District 6 Planning Council on or before April 1, 2011, to provide a forum to discuss any neighborhood issues regarding this establishment.

This license was originally issued on September 29, 2010. In April of 2011, Shannon Isaac contacted DSI regarding a modification to license condition #4. On May 4, 2011, Ms. Isaac submitted a request to change license condition #4 to allow Jeff Rauschnot to be employed at the establishment. New condition #4 would state as follows:

4. Jeff Rauschnot cannot ~~be employed or~~ have any managerial responsibilities associated with the business and/or its operation (e.g., hiring/firing employees, issuing orders to employees, ordering product, etc.), nor have any financial interest in the corporation holding the liquor license. Jeff Rauschnot may be employed Monday thru Sunday between the hours of 7:00 a.m. to 3:00 p.m. as a cleaner, bartender, or in a similar type of occupation.

The District 6 Planning Council submitted a letter recommending denial of the license modification request. Their letter stated being unable to understand why the applicant would originally claim Jeff Rauschnot would not be part of the business operation during the initial review of the application, then so soon after the license was issued, want to add Mr. Rauschnot to the business operation.

Ms. Schweinler explained that issues arose when Mr. Rauschnot was managing the Sports Break Bar on Rice Street and the condition to not allow him to be employed or have any managerial role in the operation of Ron's Bar was implemented based on the past relationship city staff had with him

Ms. Rozek further explained that she understood the business need for Ms. Isaac to employ Mr. Rauschnot to help with the daily operations of the bar; however, given the rocky relationship in cooperating with city staff in the past, she asked what would be different with Mr. Rauschnot now.

Mr. Rauschnot responded that there had never been any shootings, stabbings or any other violence at the Sports Break when he was managing it. He claimed he was friends with all the neighborhood “cops” who worked on Rice Street and that any previous problems were related to his sister, Deb Johnson, who owned the Sports Break and Diva's. He said he had been “in the pockets” of his sister and his family; however, this was no longer the case; he no longer had anything to do with members of his family, particularly his sister Deb.

Ms. Schweinler responded that there were issues outside of the bar in which the police were called on many occasions. There also had been problems with Mr. Rauschnot when he managed the Sports Break over liquor liability insurance coverage, payment of license fees, etc., which resulted in some very heated arguments with her. This was the basis for putting the condition on the license that Mr. Rauschnot not have any managerial role or be employed to work at Ron's Bar.

Ms. Isaac's stated that she had a full-time job working nights and her son managed the bar during the day in addition to when she couldn't be there. Her son was going away to school and she needed her husband, Mr. Rauschnot, to work bartending and cleaning while her son was away. She didn't believe she should have to pay an employee when she couldn't be there when her husband was available to work. She assured that her husband would not have any managerial role in the operations of the bar. She also pointed out that her husband owned the building.

Ms. Vang asked when the license had been issued and if there had been any problems. Ms. Schweinler responded that the license had been issued in October 2010 and there had not been any reported problems at this address.

Ms. Vang asked what the hours of operation were, how many days per week, and how many employees were employed. Ms. Isaacs responded that they were open seven-days a week and the hours were from 9 am to midnight. She currently employed her son and two part-time employees. Currently, her husband was present at the bar on a consistent basis but was not working for her in any capacity.

Ms. Antrim stated that she had worked with Ms. Isaac when she met with the police during the CPTED process and found her to be very cooperative and had already made the modifications suggested by the police. She explained that the first time the land use committee met to discuss the license application; they felt sympathetic to Ms. Isaac's economic plight and had recommended approval of the license modification. Upon further review at a more recent meeting, it was determined they had erred in recommending granting approval as it was not the role of the committee to look at the economics of a business. They then reversed their decision and recommended denying the license modification. It was unknown whether Mr. Rauschnot's employment at the bar would be a detriment to the operation of the establishment since there was no history other than his employment at Sport's Break.

Ms. Vang stated that it was unusual to have an individual named on a license with this type of condition. She asked what precipitated this condition. Ms. Schweinler responded that there had not been any issues with this particular establishment, Ron's Bar; however, there had been a history of issues with Mr. Rauschnot when he was managing Sport's Break which resulted in major

confrontations with her and city staff. She asked Mr. Rauschnot whether he was still drinking, whether he had attended anger management classes and whether he was in charge of operating the bar.

Mr. Rauschnot responded that he no longer drank, had attended anger management classes and that his wife, Shannon, was in charge of managing the bar and if he had any issues, he would call her for any decisions which would need to be made. If he had unruly or difficult customers, he would call the police for assistance.

Ms. Schweinler consulted with Ms. Rozek and suggested that rather than amending the license, staff would do a letter of understanding allowing Mr. Rauschnot to work in the bar from 8 am to 3 pm beginning September 1, 2011 through January 1, 2012. Ms. Rozek requested the hearing be continued to January 2012 to revisit the request to amend the license condition and if there were no problems or incidences between now and that time, they will then consider amending the license condition.

Ms. Antrim responded that the district council was in agreement. Ms. Vang recommended continuing the hearing to January 2012 with a new notification being distributed to the neighborhood.

The hearing adjourned at 10:35 a.m.

Submitted by:
Vicki Sheffer