

LICENSE HEARING MINUTES
The Salt Cellar, 173 Western Avenue North
Thursday, September 4, 2014, 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: Kris Schweinler and Larry Zangs, Department of Safety and Inspections (DSI)

Applicant: Joseph Kasel, Owner/Applicant; Daniel Scott, attorney representing the applicant

Others Present: Jeffrey Austin, 151 Western Avenue N; Richard Carlbom, 305 Dayton Avenue; Chuck Kanski, Solo Vino, 517 Selby Avenue; Dr. Eric Ruhland, St. Paul Pet Hospital, 790 Summit Avenue; Kenn Rockler, 454 Ashland Avenue; Kevin O'Brien, 385 Laurel Avenue; John Rupp, W. A. Frost, 366 Summit Avenue; Marina Liberman, Moscow on the Hill, 371 Selby Avenue; Eugene Liberman, Moscow on the Hill, 323 Goodrich Avenue; Bob Crew, W. A. Frost, 374 Selby Avenue; Charles Senkler, Fabulous Ferns, 400 Selby Avenue; Antonio Tettamanizi, La Grolla, 452 Selby Avenue; Andy Blessing, Cathedral Hill Montessori School, 325 Dayton Avenue; Ken Dallman, Property Manager for Ted Glasrud and Associates, 400 Selby Avenue; and Bob Helman, Apple Valley

The Salt Cellar: Liquor On Sale – 101-180 Seats, and Liquor On Sale - Sunday

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 letters of concern/objection which triggered the hearing. 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 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 said she 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.

Mr. Zangs reviewed the proposed license conditions:

1. Per Section 409.03 of the City of Saint Paul Legislative Code, a new liquor on-sale license shall only be issued to a restaurant as defined under Chapter 409 of the City Code. Licensee agrees to operate the establishment in compliance with the definition of a restaurant as defined under Chapter 409 of the City's Code, acknowledges having been given a copy of this definition, and understands this definition.
2. Licensee agrees to close the establishment and have all customers/patrons vacate the premises by 12:00 a.m. (midnight) each day of the week as per City Zoning Code parking requirements.

No correspondence was received from the district council.

Mr. Scott stated that he was an attorney hired to represent the business owners, Joseph Kasel and Kevin Giesen, who currently own the Eagle Street Grille. He presented the business plan for the new establishment and said that the official name of the new restaurant is The Salt Cellar (*said document is made a part of this record*). His clients were good neighbors, were currently running a successful business, and, he believed, had gone above and beyond what would be required from any new business by holding neighborhood meetings to discuss their plans. As outlined in the business plan, the restaurant would be open from 4 p.m. to 11 p.m. Sunday through Thursday and 4 p.m. to midnight on Friday and Saturday. He noted that they would not be open for lunch. They planned to hire 10 full-time staff and approximately 30 part-time staff; they were interested in hiring people who lived in the neighborhood. The current plans for seating would accommodate 150 to 160 patrons; the basement of the building would only be used for storage. Mr. Scott said he believed the only issue of contention was parking, even though his clients had met all of the requirements for parking under the zoning code. His clients understood the need for additional parking and had a verbal agreement with the Boy Scouts to pay to use their parking lot which was located approximately three blocks from the restaurant. They would have access to approximately 40 parking stalls during the week and approximately 86 parking stalls on weekends. They also planned to hire Uptown Valet, a professional valet service, to park customers' cars.

Ms. Vang reviewed the site plan and asked how many parking spots the building had in their lot. Mr. Zangs responded that there were 13 parking stalls. Ms. Vang said it was difficult to identify in the site plan and asked that the conditions include language that the 13 parking stalls in the lot be maintained for parking.

Ms. Vang asked Mr. Kasel where his employees were going to park. She also asked if he intended to hire a full-time manager who the neighbors could contact with any issues. Mr. Kasel responded that they planned to hire a manager and this person would be the main contact for any concerns regarding the restaurant. They had already hired a chef who had moved into the neighborhood and was within walking distance from the restaurant. It was their intention to hire people who lived in the neighborhood and were within walking distance or could use public transportation to and from work.

Ms. Vang asked about trash service and how often they would pick up litter around the premises. Mr. Kasel responded that they would pick up litter/trash around the building and parking lot on a daily basis. As far as trash hauling service, they planned to have the same pick up time as the Red Cow with service likely twice a week.

Ms. Vang asked when they planned to open their restaurant. Mr. Kasel responded that he would like to be opened by the end of October but more likely it would be the beginning of November.

Ms. Vang invited members of the audience to testify.

Jeffrey Austin submitted a letter of objection prior to the hearing (*said letter is made a part of this record*). He was the owner of 151 Western Avenue, a 24-unit apartment building, which did not have any on-site parking. Mr. Austin addressed Mr. Kasel and Mr. Scott directly. He asked whether they would be willing to put in writing their hours of operation as a condition to the license. He also asked whether they would be willing to put a condition on their license to have a split of 60 percent food and 40 percent alcohol of all sales. Mr. Kasel responded that they would not be willing to put either suggestion as conditions to the license. Mr. Austin stated that he was pro-business and he loved the feeling of the neighborhood with the businesses and residential living. However, the parking situation

was totally unbearable and he wanted to know what was going to be done about the problem. He did not support granting the liquor license until a solution was found to resolve the parking issues.

Richard Carlbom stated that he lived in the neighborhood and previously worked in Mayor Coleman's Office. He lived in the neighborhood for the past three years and did not believe there was a major parking problem. He generally could find street parking within a block of his residence and found that the only time he had a problem finding parking was during the Crashed Ice event. He believed the new restaurant would be a major asset to the neighborhood. He personally knew the owners and found them to be great individuals who genuinely cared about their community.

Chuck Kanski, owner of Solo Vino, stated that he also lived in the neighborhood, within a couple blocks from his establishment, and was able to walk to work. He looked at the parking issue from a mathematical perspective given the number of parking spaces versus seating capacity of the restaurant. He did not see how the numbers could work given the number of seating, the number of parking spots and the number of turns in customers would be required nightly to make the business profitable. He estimated that parking was still sorely lacking even with utilizing the Boy Scout's parking lot. He said he had to obtain a parking variance for his business and he believed this license should also need a variance for parking.

Ms. Vang asked staff whether a parking variance was required for this new license application. Mr. Zangs responded that a variance was not required. Zoning determined that the number of parking spaces required for the College of Visual Arts was 33 parking spaces. In reviewing the new business use, as long as the business closed at midnight, a minimum of 31 parking spaces was necessary. The zoning code indicates that parking was to be "maintained" by not taking away any additional parking spaces in this case, 13 spaces need to be maintained.

Mr. Kanski asked about recent changes to the zoning code regarding parking requirements. Mr. Zangs responded that previously, parking requirements had been based on peak-time use which did not accurately reflect the actual number of spaces and generally resulted in excess available parking. This put a burden on businesses having to go through a variance process as they may not meet the minimum parking requirements. In some cases, businesses were deterred from locations because of the parking requirements. When the City Council and Planning Commission studied the issue of parking, particularly with restaurants, they realized that this could have a negative impact on some neighborhoods where parking may be limited.

Mr. Kanski stated that he believed there was an over-saturation of restaurants in this area of Selby Avenue and he feared people would stop frequenting the restaurants due to frustration over the lack of available parking. He believed a possible solution would be to use the parking lot at the YMCA. He believed there were 120 parking spaces and since the club closed early in the evening on Saturday and Sunday nights, he suggested this parking be available to the businesses in the area. Mr. Zangs responded that he was unsure on the ownership of the Y's parking lot. He believed parking was self-regulating through the businesses and the residents as being their responsibility to resolve issues by working together as a community.

Dr. Eric Ruhland, owner of St. Paul Pet Hospital and member of the area business association, stated that businesses in Cathedral Hill had grown exponentially and he believed parking needed to be self-regulating if people were going to continue patronizing the businesses in the neighborhood. Parking in front of his business was now permit-parking only which was extremely inconvenient for his

clients as they could not even park in front of his door. He had contacted the city to see about starting a task force with the Ramsey Hill Association and Cathedral Hill Business Association to explore options to the parking issues surrounding the neighborhood. He did not believe killing this business was the answer to the parking issues for the rest of the neighborhood.

Kenn Rockler stated that he was the executive director of the Tavern League and was a lobbyist; he also lived in the neighborhood. He was handicapped and had a difficult time frequenting any of the businesses in this particular area of Selby because of the lack of parking, including handicapped parking. He believed solutions to the parking problem needed to be explored as it was only going to become worse with the opening of this new restaurant.

John Rupp, owner of W.A. Frost, stated that he believed his restaurant had benefitted from all the other new businesses in the neighborhood. He had a lot of previous experience working with the city, he didn't trust the city, and had successfully sued the city several times. Parking was only allowed on one side of the streets and he couldn't understand why the city wouldn't give the streets back to the neighborhoods since parking was at such a deficit. He would only agree to support the business if the parking issues were resolved.

Kevin O'Brien submitted a letter of objection prior to the hearing (*said letter is made a part of this record*). He lived in the neighborhood and had to park a block or more away from his residence. The parking situation needed to be addressed and resolved. He also commented that he was offended that the council person for the area was not in attendance at the hearing to which Mai Chong Xiong interceded and said she was there on behalf of the council office.

Marina Liberman, owner of Moscow on the Hill, stated that she had owned her establishment for 20 years and did not have any on-site parking. They previously had an agreement with the YMCA to use their parking lot; however, that agreement was no longer in effect and the Y refused to negotiate to use their lot. Customers complained about the lack of parking and she feared that with a new restaurant opening, it would make parking even more restrictive which will drive away her customers.

Eugene Liberman, owner of Moscow on the Hill, asked Mr. Kasel how many days per week they planned to have valet service. Mr. Kasel responded service would be seven days a week. Mr. Liberman said it was his opinion that even with having valet parking using the Boy Scout's lot, it would still not be enough space to alleviate the parking situation in the neighborhood.

Robert Crew, Manager of W.A. Frost, stated that he had managed the restaurant for 27 years. He believed there had been a lack of parking in the neighborhood for at least the past 20 years. He asked Mr. Kasel whether the lower level was going to be available to rent for events as this would put an even bigger burden on parking. Mr. Kasel responded that the basement was only going to be used for storage and there were no future plans to develop the space. Mr. Zangs stated that when the parking calculations were determined, it included the basement area as finished space. If the applicants were going to utilize this space as part of their restaurant business, they would be required to go through the city's plan review and certificate of occupancy process for approval. Mr. Crew encouraged the license application be denied until the parking situation was resolved.

Charles Senkler, owner of Fabulous Fern's, stated that he had operated his restaurant at this location for the past 24 years. Concerning parking in the area, during the summer, the teacher's union had space in the Blair Arcade building and used approximately 60 to 80 parking spaces in the lot. This

left no room for customers to park in the lot. Since the city reconstructed Selby Avenue and put bump outs at the corners, during the winter months, the snow plow drivers could not adequately remove the snow which reduced available parking on the street. He had talked to Debbie Montgomery, who is on the board of directors for the YWCA, about the Y's parking lot and making it available for use by the surrounding businesses. The response he received was that parking was for the benefit of the health club members and the health club operation was what generated profits for the Y. The attraction for the members was the parking and the board would not negotiate for any other businesses to use their lot. He did not support granting the license application at this time because of the lack of parking.

Antonio Tettamanizi, owner of La Grolla, stated he operated a successful restaurant business, however, his clients complained about the lack of parking. He believed the applicants will have a difficult time becoming successful because of the parking situation in the neighborhood. He believed the other businesses in the area will also suffer as a result and would like for the city to build a parking lot/ramp.

Andy Blessing, owner of Cathedral Hill Montessori School and a B & B, asked why the hearing was being conducted in the first place if there was nothing that could be done about the parking especially since the applicants met the parking requirements. Parking was beyond the density of what the neighborhood could handle and he believed the city should find a solution to the parking situation.

Ken Dahlman, Commercial Property Manager of Hill Plaza Apartments and Blair Arcade, submitted a letter of objection prior to the hearing (*said letter is made a part of this record*). There were 90 apartments and 30 businesses located in the building and the parking lot provided access to the parking areas in the lot for La Grolla and the Curling Club. They were considering gating the parking and hiring an attendant to monitor guests permitted to park in the lot. There were approximately 180 surface parking spaces and there was underground parking for the apartment residents. They charged a rental fee for the underground parking which not all of the residents were willing to pay so they parked in the surface lot. Although he was not against the new business, he was opposed to granting the license until the parking issues were addressed.

Bob Helman stated that he was a restaurant business consultant and it was his opinion that this area of Selby Avenue had an extensive variety of good restaurants which attracted patrons. This area, however, was at maximum capacity and with the lack of available parking, he believed businesses were going to fail. He encouraged the city explore options to resolve the parking problems in the neighborhood.

Ms. Vang closed the public hearing and recessed the hearing from 4:05 p.m. to 4:40 p.m.

Ms. Vang stated that the only concern raised during the hearing process was the issue of parking. She suggested adding a condition to the license that the applicants provide an executed parking agreement. She believed this would show the neighborhood that the owners were making a good-faith effort to help alleviate the parking concerns in the neighborhood.

Mr. Scott responded that the applicants were in the process of negotiating an agreement with the Boy Scouts to utilize their lot for valet parking. He did not believe the applicants should be legally bound to include this as a condition. The participants who testified at the hearing were not opposed to the applicants and their new business; they emphasized the need for additional parking which he believed they should all be responsible for finding a solution and not just placing the burden on the applicants.

Ms. Vang countered that although the applicants had met the conditions under Chapters 409 and 60, she had the authority under Chapter 310 to add reasonable conditions to the license if she deemed they are warranted. Given the testimony, she believed it was reasonable to add the condition for the applicants to provide a signed parking agreement. She suggested continuing the hearing to allow time for Mr. Scott to discuss the proposal and possible options with his clients.

The hearing was recessed at 5:00 p.m. and was scheduled to reconvene on Monday, September 8, 2014 at 3:00 p.m.