

LICENSE HEARING MINUTES
Gazta & Enhancements, 928 7th Street W., #106
Monday, October 15, 2018, 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 10:03 a.m.

Staff Present: Kristina Schweinler, Department of Safety and Inspections (DSI)

Licensee: Haley Fritz and Anthony Fritz, Applicants/Co-Owners

License Application: Liquor On Sale – 100 seats or less, Liquor On Sale - Sunday

Legislative Hearing Officer Nhia Vang gave the following information about the hearing: 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 a letter of concern/objection, which triggered this hearing. The City also received correspondence from the district council supporting a waiver of the 45-day notification period for the application. She said the City Council had approved the 45-day waiver to issue Liquor On Sale 100 seats or less and Liquor On Sale-Sunday licenses with conditions to Gazta And Enhancements on September 15, 2018 and the outcome of this hearing would be to either support the application with no changes to conditions or a recommendation to support approval with agreed-upon additional conditions.

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, Ms. Vang will develop a recommendation for the City Council to consider.

Minutes:

Kristina Schweinler, Department of Safety and Inspections (DSI) gave a staff report. She said it was reviewed and approved by building, licensing and zoning; licensing and zoning recommended conditions that had been agreed to and signed off on.

Recommended conditions:

1. All sales, display and/or consumption of alcohol under this license shall remain within the licensed service area, which is the separately defined indoor seating area and kitchen space supporting this use that shall be compact and contiguous with each other, as shown on the approved floorplan submitted with the license application and on file with the Department of Safety and Inspections (DSI).
2. Licensee shall maintain an approved barrier that physically separates and defines the licensed service area to ensure the sale, display and/or consumption of alcohol remains within the approved area.
3. Licensee agrees to close the establishment at 12:00 a.m. midnight each day of the week. All patron/customers shall vacate the premises by 12:30 a.m. each day of the week as per City Zoning Code (parking requirement).

Ms. Vang asked co-owners Haley and Anthony Fritz to provide some background on their business.

Ms. Fritz said they were a cheese-based business, and sold cheese plates in the restaurant area with the addition of being able to have a drink with the cheese plate. She said they hired one or two bartenders. She said they were open from 11:00 a.m. to around 9:00 p.m., depending on the last person; typically, it was in the 8:30 p.m. to 10:00 p.m. range.

Mr. Fritz said the liquor was an add-on and not the focus. He said it was about the wine, and about the craft cocktails, and creating a full, immersive experience around it with drink as part of that. He said they were not an “and” bar, and not doing gin and tonics or whiskey and coke, but scratch made cocktails, which were at a higher price. He said with their bartenders are trained to check id and they were not finding that people were getting out of control, which went into the idea that it was supposed to be an additive and not the reason people were coming into our establishment. He said they also had small plates, with French and Spanish influence from the Basque region, and would be doing more large plates, as they learned the flow of Keg and Case Market. He said they would be adding to their menu as the staff feels more comfortable.

In response to a question from Ms. Vang, Mr. and Ms. Fritz described Keg and Case Market.

Ms. Vang referred to the conditions and noted that the applicants had agreed to and signed them. She noted the separation on the site plan and asked whether they owned both spots. Mr. Fritz said they did. Ms. Fritz said the license covered only the seating area. Mr. Fritz said the other was a retail section. In response to additional questions from Ms. Vang, they described the layout and separation of the spaces.

Ms. Vang asked about their hours of operation. Mr. Fritz said they opened with the market at 10:00 a.m., and the food section opened at 11:00 a.m., allowing an extra hour of prep. He said their on-line said they stayed open until 10:00 p.m., but they were finding that the whole market really died when the interior hours ended at 8:00 p.m. He said staff typically started to clean and prep for closing at 10:00 p.m. He said 10:00 p.m. was what they had slated as the closing time, and then 11:00 p.m. on Friday and Saturday.

Ms. Vang said they received their recommendation for approval in September and inquired about how business has been operating since then. She asked which days were the busiest nights. Ms. Fritz said Friday, Saturday, Sunday were the busiest. Ms. Vang asked whether they were reaching that 10:00 p.m. threshold. Ms. Fritz said 50% of the time they reached it. She said even on a Saturday night, they’d only hit 10:30 p.m. a couple of times.

Ms. Vang asked how Mr. and Ms. Fritz managed the business, in addition to the one or two bartenders present. Mr. Fritz said they had a general manager as well, and were in pretty much every day.

Ms. Vang asked whether they had managed this kind of business before.

Ms. Fritz said she managed two bars in Grand Forks, ND and did additional marketing for a third. She said she had worked in the bar industry for about seven years. Mr. Fritz said he had about five years of bartending experience, and they owned other businesses as well.

Ms. Vang asked them whether they had seen the letter of opposition and whether they would like to respond to the concern raised.

In reference, Mr. Fritz said they were not open late every day, and it depended on the Market. He said it was 10:00 p.m., or 11:00 p.m. at the latest, and some days they closed as early as 6:00 p.m. or 7:00 p.m. because the Market just died at 6:00 p.m. He said they didn't foresee pushing that midnight boundary. He emphasized that they were not a bar but were a food establishment with liquor.

Ms. Vang asked whether the other businesses in the area had similar hours. Ms. Fritz said Revival was the other one and had been closing right along with them. She said In Bloom did late seating but was very different from them. Mr. Fritz said they (In Bloom) were very closed off with everything funneled into one little section.

Ms. Vang asked whether all parking was shared. Mr. Fritz said the whole parking lot was for customers as a group.

Ms. Vang asked whether trash service was shared. Mr. and Ms. Fritz said it was.

Ms. Vang asked whether there was security in the building. Mr. and Ms. Fritz said late night security is there until 2:00 a.m. when the building was locked. They said security was shared, but they thought the brewery had a few security staff of their own.

Ms. Vang said the applicants had addressed the issues raised in the correspondence of objection. She accepted the letter from Mr. Busko, which was received on August 30, 2018, into the record, and said the concerns expressed had to do with late-night hours. She confirmed with Mr. and Ms. Fritz that they understood the conditions placed on the license and the consequences for violations.

Mr. Fritz said they were not aware of the consequences for violations. Ms. Schweinler said if a complaint came in, there would be an inspection to see whether the complaint was valid, and it would go through its own process.

Ms. Vang said she would recommend approval of the license application with no modifications or additional conditions. She said it would go on the Council Consent Agenda and would not require a public hearing or Mr. and Ms. Fritz's input at that point.

The hearing adjourned at 10:18 a.m.

The Conditions Affidavit was signed and submitted on August 22, 2018.