LICENSE HEARING MINUTES

Jekai's Scratch Kitchen LLC, dba Chips Clubhouse, 272 Snelling Avenue S, Unit #200

Thursday, January 9, 2:00 PM Room 330 City Hall, 15 Kellogg Boulevard West Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 1:58 PM

<u>Staff Present</u>: Jeff Fischbach, Department of Safety and Inspections (DSI) Licensing Inspector; Frances Birch, DSI Zoning Inspector (remote participation)

Licensee: Nikolas Donaker, Applicant/Owner

<u>License Application</u>: Liquor On Sale - 100 seats or less, Liquor On Sale - Sunday, and Liquor-Outdoor Service Area (Sidewalk) licenses

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's office 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) - Licensing, gave a staff report for licensee Jekai's Scratch Kitchen LLC, (License ID# 20240002005), d/b/a Chips Clubhouse, located at 272 Snelling Avenue S, Unit #200. The application is for Liquor On Sale - 100 seats or less, Liquor On Sale - Sunday, and Liquor-Outdoor Service Area (Sidewalk) licenses. DSI is recommending approval with the following 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 to limit the placement of table(s)/chair(s) on the public sidewalk to the area and number of seats shown on the approved sidewalk seating plan on file with the Department of Safety and Inspections (DSI) and Public Works.

4. Each year prior to the placement of table(s) and/or chair(s) in the public right-of-way (i.e., sidewalk), the licensee agrees to obtain a new Obstruction Permit from the Department of Public Works. Licensee agrees to maintain the sidewalk café in accordance with the conditions placed on an approved Obstruction Permit, acknowledges that an Obstruction Permit is effective on April 1 and expires on October 31 of each year, that table(s) and/or chair(s) may not be placed in the public right-of-way before or after the effective/expiration dates, and that a failure to comply with this condition will result in adverse action being taken against all of their licenses.

The District 14 Macalester Groveland Community Council submitted an email acknowledging receipt of the application. Building conditions, N/A; License approved with conditions; and Zoning approved.

Hearing Officer Vang asked whether this is a new license or a change in ownership.

Fischbach: This is a change in ownership; a restaurant with liquor service has been in operation at this location since at least 2019. The only new license being added is the Liquor-Outdoor Service Area (Sidewalk).

Frances Birch, Department of Safety and Inspections (DSI) - Zoning, gave a staff report. She reported that the area is zoned T2 – Traditional Neighborhood, which is a permitted use. There is no parking minimum requirement that must be met. If parking is changed, it would require further review with DSI Zoning staff.

Hearing Officer Vang: Is there an existing parking lot?

Birch: There is a shared parking lot located in the back of the building, which serves tenants and customers.

Hearing Officer Vang asked if the applicant understood and agreed to the conditions listed on the Class N Notification letter.

Nikolas Donaker: I agree to the conditions listed.

Hearing Officer Vang: Do you understand what agreeing to the conditions means?

Donaker: I assume it means if I violate them, I lose the license.

Hearing Officer Vang: Not necessarily, but it could result in adverse action if violations are found.

Fischbach: These most often involve monetary penalties.

Hearing Officer Vang: Regarding Condition 3, is there a sidewalk seating plan?

Fischbach: No, the sidewalk license is new, and the seating plan still needs to be submitted. That did not exist with the previous licensee.

Hearing Officer Vang: (referring to Donaker) Could you tell me about the shared parking lot?

Donaker: (discussed the parking situation and how the shared lot is managed.) It's a shared lot off Snelling Avenue for tenants and customers. We don't have any spots reserved for our unit specifically. I am in touch with the towing company and have asked them to check things out in the evening to make sure people aren't improperly parking there. There are signs saying it is only for 272 Snelling Avenue S.

The evenings have more space for us since the other tenants close earlier. This works out since evenings are our busier times.

Hearing Officer Vang asked the applicant to talk about the business: history, hours of operation, number of employees, etc.

Donaker: I've been studying food since 1987. I've been cooking professionally for 22 years and have been in restaurant management for the last 20. My duties have included includes staff management, ordering, and inventory. I'm familiar with the duties of owning a restaurant, though I have never owned one myself. We currently have 12 staff, including me. Most are part time, but the 3 of us in the kitchen are all fulltime.

Hearing Officer Vang: Did the other businesses you worked in served liquor?

Donaker: Yes. I've never been the license holder, but I have handled liquor service. Staff will go through Training for Intervention Procedures (TIPS) liquor training.

Hearing Officer Vang: Are you currently operating?

Donaker: Yes. Until this goes through, I am just operating under a management agreement. We're using the previous liquor license since we can't serve liquor yet if the business were to be in my name.

Hearing Officer Vang: Have you started the food licensing process?

Donaker: The application is completed but I have not yet submitted it. Our management agreement states that my purchase of the business will be null and void if this liquor approval does not go through.

Hearing Officer Vang: How long is your lease?

Donaker: 5 years.

Hearing Officer Vang: What is your responsibility and what is the property owner's responsibility?

Donaker: I'm only responsible for repairs that affect the restaurant. If one of the windows is leaking from the outside, I'm responsible for having it sealed. I do clean up trash in the parking lot, but it's not written that I must do that.

Hearing Officer Vang: What is the status of the sidewalk seating application? Have you spoken to the Department of Public Works?

Donaker: I completed the application but am also waiting to submit it.

Fischbach: If he reaches out to public works, they will probably push it out because the person who reviews sidewalk seating plans also does vehicle tagging and gets busy during the snow season.

Hearing Officer Vang: How big is the sidewalk area and what is the seating?

Donaker: There are just three round tables that can only hold two people each, for a maximum of 6 people.

Hearing Officer Vang: Can patrons and staff see out to the sidewalk?

Donaker: Yes. It's all glass. We can monitor people consuming liquor out there.

Hearing Officer Vang: How will seating be done outside?

Donaker: People will need to go inside to be seated.

Hearing Officer Vang: Are hours the same inside as outside?

Donaker: We will probably close the sidewalk at 8pm at the latest, which would be an hour before closing. Are hours are:

Monday, 11am – 9pm Tuesday, closed Wednesday – Saturday, 11am – 9pm Sunday, 11am – 8pm

Hearing Officer Vang: What is your restaurant concept?

Donaker: This restaurant will be a high-end pub blending fine dining with black Korean influences.

Hearing Officer Vang: Is lighting on the sidewalk coming from the street or the building?

Donaker: Each unit has exterior lighting that turns on when the sun goes down.

Hearing Officer Vang: Where are the tables outside?

Donaker: Right now, there are only two tables. They are up next to the windows.

Hearing Officer Vang: Is there a back entrance?

Donaker: Yes. One back entry is for customers, and one is for the kitchen. It's clear which one is which.

Hearing Officer Vang: What does indoor seating look like?

Donaker: We have 16 tables and 8 bar chairs.

Hearing Officer Vang: Is it an open or closed kitchen?

Donaker: Closed kitchen. Takes up about one-third of the space.

Hearing Officer Vang: What are your staff ages? Do they all know to check IDs?

Donaker: Everyone is over 21 and checks IDs for liquor service.

Hearing Officer Vang: How is garbage handled?

Donaker: It's an enclosed shared space for the tenants.

Hearing Officer Vang next read into the record the letters of objection from Juliana Tillema, 274 Brimhall St, St Paul, 55105. She expressed concerns about parking and safety, particularly regarding street parking on Brimhall Street. She then gave the applicant the opportunity to respond.

Donaker: She lives one block over. At this location, there are 11 total businesses. Our building is the only one that provides parking. Additionally, we have a fence that prevents people from accessing our parking lot through the alley. To the point raised in the letter, if people park on Brimhall Street, that would be a long walk to our business. I think it's unreasonable for people to park there and come to our restaurant. I also went down that street and I didn't see signs for resident parking only. We also get a lot of foot traffic, which mitigates parking concerns.

Hearing Officer Vang: Do staff drive in?

Donaker: 6 of us have cars. There would be 3-4 employee cars parked at one time at most.

Hearing Officer Vang: Is the alley traffic two way?

Donaker: I'm not sure about what's allowed, but only wide enough for one car.

Hearing Officer Vang: How do you handle deliveries?

Donaker: We use a specific service for our liquor and food vendors. The regular deliveries use a box truck and do not block traffic. They are not the large semis. The box truck allows them to access our parking lot and park right next to our back door. They take up a few spaces, but it's only between 8am or 9am so it's not an issue. They never park on the street or block traffic. Deliveries are twice a week between liquor and food. We have special deliveries sometimes, like linen. That was just done in a car that parked in the lot normally.

Hearing Officer Vang: How long have you been operating under a management agreement?

Donaker: Since November 1, 2024.

Hearing Officer Vang: Have there been any issues you've noticed since then? Is there anything you're looking to change?

Donaker: The general manager is currently the only one who is TIPs certified. I want everyone to be TIPS certified.

Hearing Officer Vang: Are you keeping the same staff?

Donaker: Yes.

Hearing Officer Vang: Have you reached out to the Macalester Groveland District Council? I encourage to build relationship with them if you have not yet introduced yourself.

Donaker: We reached out and they responded. They welcomed us to the neighborhood and were familiar with the business. They talked about supporting small businesses and talked about meeting at some point.

Hearing Officer Vang: Will you be changing your signage?

Donaker: I want a sign. We're the only tenant in that building that doesn't have one. The current owner operates in more of a speakeasy style. I want to make it more welcoming and maybe add better lighting too to brighten things up.

Hearing Officer Vang indicated that before Donaker obtain a sign that he works with DSI Zoning staff regarding plans to change signage or lighting since there may be other requirements. She then asked about security cameras.

Donaker: Yes. Every door is covered by cameras, and I will be adding one to cover our liquor cabinet.

Hearing Officer Vang stated that after reviewing the records and considering the testimonies from all parties, she will recommend to the City Council that they approve the license with the following agreed-upon 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".
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The hearing adjourned at 2:26 PM.

The Conditions Affidavit was signed and submitted on January 9, 2025.