

LICENSE HEARING MINUTES
Blue Moxy Wellness LLC, dba Discover Strength, 747 Cleveland Ave S
Monday, August 25, 10:00 AM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 10:00 AM

Staff Present: Ashley Skarda, Department of Safety and Inspections (DSI) Licensing Inspector; Frances Birch, DSI Zoning Inspector (remote participation)

Licensee: Mathew Xiong, Applicant/Owner

License Application: Health/Sport Club license

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:

Ashley Skarda, Department of Safety and Inspections (DSI) - Licensing, gave a staff report for licensee Blue Moxy Wellness LLC, (License ID# 20250001071), d/b/a Discover Strength, located at 747 Cleveland Ave S. The application is for a Health/Sport Club license. DSI is recommending approval with the following license condition:

1. At least one employee or manager, trained and qualified in first aid and CPR according to standards established by rule by the Department of Safety and Inspections shall be on duty at all times that the licensed premises are in operation or open to members of the public. Such standards shall be in conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes.

The District 15 Highland District Council was informed of the application by the applicant and has sent a letter of support. Building conditions, N/A; Licensing approved with conditions; Zoning approved.

Vang: Is that a standard condition for these types of licenses?

Skarda: Yes. Is this in the former salon space or the former Alchemy 365 space?

Xiong: Part of the Alchemy space. We're using less than half of the former business's square footage.

Vang: Why is the building still under review?

Skarda: This is standard for situations like this. They're doing some work to divide one space into two, and I think they're nearing approval.

Xiong: We made the necessary changes asked for by DSI and it's under review.

Vang: Will the license be issued before the building approval is finalized?

Skarda: We wait until building review is approved before issuing a license.

Frances Birch, Department of Safety and Inspections (DSI) - Zoning, gave a staff report. The area is zoned T2 – Traditional Neighborhood. This is a permitted use and meets our definition of a health/sport club. Zoning has no conditions attached to that use. There are no parking minimum requirements for this application. Any creation of a parking plan will require zoning approval.

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

Xiong: I want to talk about how we will fit into the neighborhood and address the parking and traffic concerns. This is not like the previous gym with large classes. We do 30-minute one-on-one sessions and 45-minute group sessions. We also do virtual training, which means that people won't necessarily need to come in to work out with us. We will always know exactly how many people are in the studio ahead of time and never have unplanned crowds. Our schedule also reduces strain on parking because we open as early as 5:30am. On weekends we close at 3pm to avoid conflict with restaurant traffic. Parking was a factor in choosing this location. The garage has more than 30 retail spaces, there's a lot across the street we can use, there's street parking on Cleveland Ave, and there's bike parking. The space is previously tested by a much larger operation, and we are using less than half of their square footage with a smaller operation. We also hope to bring value to the neighborhood as a healthy space in a walkable community.

Vang: Are walk-ins accepted?

Xiong: No. We sit with them and work on scheduling a future appointment.

Vang: Alchemy is no longer there. Can the other space be used for something else?

Skarda: Yes, it could be something else.

Vang: So, the building work is just to reduce space. Is there soundproofing being installed?

Xiong: It's more of a clinical setting with lower music and no loud workouts. We will be spraying a sound dampener on the ceiling and then also have sound clouds, which are panels to reduce noise. Behind us is a concrete wall as well.

Vang: Are the 33 parking spaces in the basement and known by customers?

Xiong: Yes, there are signs. Some is reserved for Edina Realty from 8am – 5pm, but our peak hours from 5 – 8pm so those spots will be accessible for our customers much of the time.

Vang: Do residents of the apartment above you have their own parking?

Xiong: Yes, they have their own underground parking. The entrance to all the parking is on Pinchurst Ave and the exit is on Highland Pkwy.

Vang: What is lighting like?

Xiong: The interior is well-lit. We are not allowed to add any external lighting besides a lit sign.

Vang: How long is your lease?

Xiong: 10 years.

Vang: Will you be managing or having staff?

Xiong: I'll be managing. Right now, it's just me but I'll be hiring staff who will also be CPR certified.

Vang: What are group sizes?

Xiong: 3 clients maximum per trainer. It's about safety. Lower ratios deliver better results.

Vang: Do people need to be members for virtual training?

Xiong: Yes. They still need to do an introductory workout with us.

Vang: What percentage of your customers are virtual?

Xiong: 20%

Vang: What are your hours?

Xiong: We are open every day, except for being closed on Christmas and July 4. Hours Monday – Friday are 5:30am – 8pm, Saturday – Sunday are 7:30am – 3pm.

Vang: Do you have history working in this industry?

Xiong: I've been doing this for 7 years. I've managed a location before, and ownership was the next step for me to take.

Vang: What issues have you faced in the past, as a manager?

Xiong: Managing employees is always the hardest part. The business has been around for 22 years and the blueprint we operate from helps us figure out any issues.

Vang: You are CPR trained, correct?

Xiong: Yes. It needs to be renewed every 2 years. We also require all staff to be certified as an Exercise Physiologist with the American College of Sports Medicine and have at least a 4-year degree in an exercise-related field.

Vang: Do we have a signed Conditions Affidavit?

Xiong: I don't think I've signed anything like that, but I can do it today.

Vang: Do you have an appointment with Barb McMonigal-St Dennis from DSI about your environmental health review, as it relates to the building?

Xiong: I've been trying but it's hard to get in touch with her. I've sent emails but don't have an appointment yet. I resubmitted everything based on her feedback to both her and Jeff Fischbach

Vang: Is that the only thing holding up the building review?

Xiong: Yes.

Vang: Is she the only person we have doing environmental health review?

Skarda: Yes

Vang: Can you follow-up with her?

Skarda: Yes. Was she looking for this updated site plan you submitted?

Xiong: Yes.

Skarda: The changes were just need for things to comply with the City's environmental health code. For instance, a second bathroom has been added. I assume she will go out once the space is built. I can also talk to my manager on your behalf if you're not getting a response.

Xiong: If I get in touch with her, when does she give final approval?

Skarda: She usually goes out on inspections before opening and gives it after that point.

Xiong: I don't want to have to build and then tear down.

Skarda: That's what the plan review phase is for. She looks for things like paint that can be cleaned easily and low pile carpet.

Xiong: She has all that. I reached out on August 7 with the changes she asked for.

Vang: When are you opening?

Xiong: December 1, 2025.

Vang: Will you be doing a soft opening?

Xiong: Yes. We will likely invite people from the district council.

Vang: Is the floor plan we have now is the one waiting for approval?

Xiong: Yes.

Vang: Where is the entrance?

Xiong: On Cleveland Ave at street level.

Hearing Officer Vang next read into the record the letter of objection from Jack Mueller, which raised concerns about traffic and parking.

Xiong: It's two-sided parking on Pinehurst and has been like that for a while.

Skarda: It's still doable to have cars pass each other. They just have to slow down.

Vang: People most likely won't use street parking, right?

Xiong: Correct.

Hearing Officer Vang next read into the record the letter of support from the Highland District Council, which also asked for mindfulness of sound and parking concerns.

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 removal of the following condition:

1. At least one employee or manager, trained and qualified in first aid and CPR according to standards established by rule by the Department of Safety and Inspections shall be on duty at all times that the licensed premises are in operation or open to members of the public. Such standards shall be in conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes.

The hearing adjourned at 10:34 AM.

The conditions affidavit was signed and submitted on August 25, 2025.