

LICENSE HEARING MINUTES
D.X LLC, dba Rite Liquor, 645 Snelling Avenue S
Monday, December 16, 10:00 AM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 10:03 AM

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

Licensee: Dennis Xiong, Applicant/Owner; Yer Vang, Applicant's Spouse

License Application: Liquor Off Sale and Tobacco Shop 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 D.X LLC, (License ID# 20240001917), d/b/a Rite Liquor, located at 645 Snelling Avenue S. The application is for change in ownership of Liquor Off Sale and Tobacco Shop licenses. DSI is recommending approval with the following license conditions:

1. Licensee acknowledges that the only items permitted to be sold on the premises are those specifically authorized for an exclusive liquor store under Minnesota Statute 340A.412 Subd. 14

2. The sale of tobacco products requires an active Tobacco Shop license issued by the City of St Paul.

The District 15 Highland District Council submitted an email acknowledging receipt of the application. Building conditions, N/A; License approved with conditions; and Zoning approved.

Hearing Officer Nhia Vang asked about the Zoning review.

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. This area is not defined as allowing Tobacco Product Shop licenses, which are more expansive than Tobacco Shop licenses.

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

Dennis Xiong: I understand and have no questions.

Hearing Officer Vang: What is the distinction between a Tobacco Shop and Tobacco Product Shop licenses?

Fischbach: As I had stated before, there is no change in license types at this location. It's just a change of ownership and they've applied for the exact same licenses. A Tobacco Product Shop is the one that gets almost all their revenue from tobacco or tobacco-related item sales. That license also allows the sale of flavored products. A Tobacco Shop license holder can't sell flavored products. Most of the time, they're just selling cigarettes. It's usually a license that's issued as an accessory to another main business activity, like a gas station or liquor store. Most revenue is usually not from tobacco sales.

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

Xiong: I am purchasing this business and have no plans to change it.

Yer Vang: I am Dennis's wife. We are just purchasing the licenses the owner currently has.

Hearing Officer Vang: Are you leasing or buying the property?

Xiong: Leasing.

Hearing Officer Vang: Who will be managing the business?

Xiong: I will be the main manager.

Hearing Officer Vang: How many employees will you have?

Xiong: Probably two part-time staff.

Hearing Officer Vang: What will your hours be?

Xiong: 10am – 10pm Monday – Saturday, 11am – 6pm Sunday.

Hearing Officer Vang: How is tobacco accessed?

Xiong: Only at the counter.

Hearing Officer Vang: I see two entrances. Is one only for deliveries?

Xiong: Yes.

Y. Vang: I think it's locked, and people can't enter from outside. It won't be used by the public.

Hearing Officer Vang: Deliveries will use the parking lot, then?

Xiong: Correct.

Hearing Officer Vang: How often are deliveries being made?

Xiong: Twice a week

Hearing Officer Vang: Is the parking lot open or gated?

Xiong: Open.

Hearing Officer Vang: Do you have security cameras?

Xiong: There are cameras on front and inside according to the current owner. The person behind us has cameras as well.

Hearing Officer Vang: Do other tenants use the parking lot?

Xiong: Yes.

Hearing Officer Vang: How is trash handled?

Xiong: There is a dumpster for the building in the back of the parking lot.

Y. Vang: We're not 100% sure if it's a shared trash bin but we think it is.

Hearing Officer Vang: How will you handle employee training?

Xiong: The current owner will train me for 6 weeks, though I have already been learning. This is my first business.

Hearing Officer Vang: Will your employees be of age to serve liquor?

Xiong: Yes.

Hearing Officer Vang: Do you have any planned renovations?

Xiong: No.

Hearing Officer Vang: Will you be doing any advertising in the windows or have signage outside?

Xiong: The front has windows we will use, as well as a sign.

Hearing Officer Vang: If you change signage, make sure to consult with City Zoning staff, so you conform with our sign ordinance. Will you put in any new lighting?

Xiong: No.

Y. Vang: No. We are keeping it the way it is.

Hearing Officer Vang: Attached to your packet is a STAMP activity report of the business. Please review so that you are aware of the property's history. It lists things like past complaints, such as trash and graffiti. I encourage you to familiarize yourself with it. A police incident report is attached as well.

Hearing Officer Vang next read into the record the letters of objection from Tom Howard, 1618 Bayard Avenue, which voiced concerns about tobacco use. She then gave the applicant the opportunity to respond.

Y. Vang: The current owner has this license, and we don't plan to widen the selection of products. Our focus will be on alcohol service. We don't plan to expand the sale of tobacco.

Hearing Officer Vang: Have you met with the Highland District Council?

Xiong: Yes. The meeting went well.

Y. Vang: They congratulated us and were welcoming.

Hearing Officer Vang: I encourage you to work with them going forward.

Fischbach: Just as a note, the business doesn't have a lease yet, which is why they may be vague on answers, like when you asked about trash. The business broker coordinating this sale suggested waiting on lease negotiation until Council review was done. The applicants will know more once they do the lease after this process moves forward.

Hearing Officer Vang: Is the lease for several years or just one?

Xiong: Several years.

Fischbach: The current owner is still operating the business.

Hearing Officer Vang: Make sure you share your lease with DSI once you have it.

Fischbach: That is a requirement to issue the license.

Hearing Officer Vang: What's the status of liquor insurance?

Fischbach: It won't be secured until we have a license issuance date, but they are shopping for it and getting quotes.

Hearing Officer Vang: This will likely go before Council in the second week of January.

Fischbach: We will let the business broker know if you recommend approval and they can start negotiating a lease before the council meeting, or they can wait until after.

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 acknowledges that the only items permitted to be sold on the premises are those specifically authorized for an exclusive liquor store under Minnesota Statute 340A.412 Subd. 14
2. The sale of tobacco products requires an active Tobacco Shop license issued by the City of St Paul.

The hearing adjourned at 10:25 AM.

The Conditions Affidavit was signed and submitted on November 25, 2024.