



City of Saint Paul

Signature Copy

Resolution: RES 24-1700

City Hall and Court
House
15 West Kellogg
Boulevard
Phone: 651-266-8560

File Number: RES 24-1700

Directing the Department of Safety and Inspections to proceed with the \$500 matrix penalty and license suspension adverse action against The Neighborhood Café Inc. d/b/a The Neighborhood Cafe, (License ID #20120000960) for the premises located at 1570 Selby Ave.

WHEREAS, the Wine on Sale, Malt on Sale (Strong), Liquor Outdoor Service Area (Patio) and Liquor Outdoor Service Area (Sidewalk) license ("License") held by The Neighborhood Café Inc. d/b/a The Neighborhood Cafe under License ID #20120000960 for the premises located at 1570 Selby Ave., in Saint Paul ("Licensed Premises"), which is owned by Kristina Masanz was the subject of adverse action pursuant to an October 8, 2024, Notice of Violation and Request for Imposition of \$500 Matrix Penalty and License Suspension (Notice") in which the Department of Safety and Inspections ("Department") provided notice to the Licensee of its intent to suspend license until licensee provides required information, fee payment to renewal license, and respond to delinquent letter of August 6, 2024, and move forward with adverse action supported by Saint Paul Legislative Code §310.03; and

WHEREAS, on August 6, 2024, Licensee received a letter from DSI Licensing Manager, Eric Hudak requesting that you complete a renewal of your license by August 27, 2024. Licensee was also informed to submit delinquent/expired license to the City Attorney's office for adverse action, and provided with a copy of the renewal invoice.

WHEREAS, on August 6, 2024, an email was sent to the Licensee at krismasanz@gmail.com <<mailto:krismasanz@gmail.com>> by DSI Inspector, Jeffrey Fischbach, providing a copy of the letter, renewal invoice, and paperwork informing the Licensee that the license is delinquent. A deadline of August 17, 2024, to provide the required information to DSI.

WHEREAS, the Notice laid out the basis for adverse action and the Legislative Code upon which the Department was relying as follows:

Saint Paul Legislative Code §310.01, defines Adverse Action as: "the revocation or suspension of a license, the imposition of conditions upon a license, the denial of an application of the grant, issuance or renewal of a license, the imposition of a fine, the assessment of the costs of a contested hearing, and any other disciplinary or unfavorable action taken with respect to a license, Licensee or applicant for a license. "Adverse action" includes any of the foregoing directed at one (1) or more licenses held by a Licensee at any location in the city. "Adverse action" also includes disapproval of licenses issued by the state under statutory provisions which permit the governing body to disapprove the issuance of the license.

Saint Paul Legislative Code §310.02 (2)(e)(3) states: "*Revocation or suspension*. If the director determines that the application for renewal does not meet all of the requirements of law or that there exist no grounds for revocation or suspension of a Class N License, the director must follow the hearing procedures as outlined in Saint Paul Legislative Code §310.03."

Saint Paul Legislative Code §310.03 states: "In any case where the council may or intends to

consider any adverse action, including the revocation or suspension of a license, the imposition of conditions upon a license, or the denial of an application for the grant, issuance or renewal of a license, of the disapproval of a license issues by the State of Minnesota, the applicant or licensee must be given notice and an opportunity to be heard herein. The council may consider such adverse actions when recommended by the director, by the director of any executive department established pursuant to Chapter 9 of the Charter, by the city attorney or on its own initiative.”

Saint Paul Legislative Code §310.03(m) states: a presumptive penalty of \$500 for a first-time violation of a provision of the legislative code related to the licensed activity.

Saint Paul Legislative Code §310.03 (m)2(10) states: the first time violation for “Failure to make application for license renewal prior to license expiration date,” is a \$500.00 dollar fine.

Saint Paul Legislative Code §310.03 (m)2(12) states: the first time violation for “Failure to comply with statutory, and ordinance requirements for liability insurance,” is a 10-day suspension.

Saint Paul Legislative Code §310.04(b)(14) states: “The licensee has failed to pay license fees within sixty (60) days of the date the fees are due. Licensee must pay any outstanding fees and delinquent fees in total. Failure to do so within sixty (60) days of the due date may result in revocation of the license.”

Saint Paul Legislative Code § 409.05(a) states: “*Term.* All licenses for the sale of intoxicating liquor are be for a term of one (1) year from the date of issuance or renewal, except as provided herein. The date shall be determined by the inspector and entered upon the license.”

Saint Paul Legislative Code § 409.05(b) states: “*License fees, on-sale; semiannual installments.* The fees required for licenses is be established by ordinance as specified in section 310.01 of the Legislative Code. Said sum must be paid in two (2) equal amounts, the first to be paid before the license is issued or renewed, the second payment to be made within six (6) months from the date of the issuance or renewal.”

Saint Paul Legislative Code § 409.05(e) states: “*Late fees.* Notwithstanding the provisions of section 310.01, an applicant for renewal of an on-sale liquor license must be charged a late fee in an amount of ten (10) percent of the installment due for such license for each thirty-day period or portion thereof which had elapsed after the expiration date of such license or semiannual period, and the late fee must not exceed fifty (50) percent of the annual fee.”

WHEREAS, the Licensee had failed to provide required information, the Department of Safety and Inspections will recommend a \$500 matrix penalty and license suspension of the Wine on Sale, Malt on Sale (Strong), Liquor Outdoor Service Area (Patio) and Liquor Outdoor Service Area (Sidewalk) license application based on violation to Saint Paul Legislative Code §310.02(e)(3), §310.03(m), §310.03 2(10)(12), §310.04(b)(14), and §409.05(a)(b)(e).

WHEREAS, the Department of Safety and Inspections recommended a \$500 matrix penalty and license suspension; and

WHEREAS, the Notice laid out options for the Licensee:

“You have four (4) options on how to proceed:

1. If you do not contest the imposition of the proposed adverse action, you may do nothing. If I have not heard from you by **October 18, 2024**, I will presume that you have chosen not to contest the proposed adverse action and the matter will be placed on the City Council

Consent agenda for imposition of the \$500 matrix penalty and suspension of your License.

2. You can complete the renewal process including payment of the renewal fee and vehicle inspections. If this is your choice, you should make payment directly to the Department of Safety and Inspections, at 375 Jackson Street, Ste. 220, St. Paul, Minnesota 55101-1806 no later than **October 18, 2024**. Please contact the Department immediately.
3. If you wish to admit the facts but you contest the \$500 matrix penalty and suspension of your License, you may have a hearing before the Saint Paul City Council. You will need to send me a letter with a statement admitting to the facts and requesting a Council hearing no later than **October 18, 2024**. The matter will then be scheduled before the City Council to determine whether to impose the \$500 matrix penalty and License suspension. You will have an opportunity to appear before the Council and make a statement on your own behalf.
4. If you dispute the facts outlined above, you may request a hearing before an Administrative Law Judge (ALJ). You will need to send me a letter disputing the facts and requesting an administrative hearing no later than **October 18, 2024**. At that hearing both you and the City will appear and present witnesses, evidence and cross-examine each other's witnesses. After receipt of the ALJ's report (usually within 30 days), a hearing will need to be scheduled. At that time, the City Council will decide whether to adopt, modify or reject the ALJ's report and recommendation.

WHEREAS, the Notice was sent to the licensee on October 8, 2024, providing that you respond by October 18, 2024, on whether you contest the proposed adverse action; and

WHEREAS, on October 23, 2024, the City Attorney's Office contacted the Department of Safety and Inspections to confirm whether the requested documents had been received and was informed that they have not heard from the Licensee/or received the requested documents.

WHEREAS, the Notice stated if the Licensee failed to contest to the denial of the license application, that the matter would be placed on the City Council Agenda to impose the recommended penalty; now, therefore, be it

RESOLVED, the Wine on Sale, Malt on Sale (Strong), Liquor Outdoor Service Area (Patio) and Liquor Outdoor Service Area (Sidewalk) license held by The Neighborhood Café Inc. d/b/a The Neighborhood Cafe, (License ID #20120000960) for the premises located at 1570 Selby Ave., Saint Paul, MN 55104 is hereby imposed to pay the \$500 penalty fee and suspension and provide required documents to the Department of Safety and Inspections in violation of Saint Paul Legislative Codes §310.01, §310.03, §310.04, and §409.05.

At a meeting of the City Council on 12/4/2024, this Resolution was Passed.

Yea: 5 Councilmember Noecker, Councilmember Jalali, Councilmember Kim, Councilmember Jost, and Councilmember Johnson

Nay: 0

Absent: 2 Councilmember Yang, and Councilmember Bowie

Vote Attested by
Council Secretary



Shari Moore

Date 12/4/2024

Approved by the Mayor



Melvin Carter III

Date 12/11/2024