

LICENSE HEARING MINUTES
Amazed Group LLC, dba Cups & Cheers, 1624 & 1626 White Bear Ave N
Thursday, May 29, 2:00 PM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 2:03 PM

Staff Present: Tom Ferrara, Department of Safety and Inspections (DSI) Licensing Inspector; Ashley Skarda, DSI Licensing Inspector; Frances Birch, DSI Zoning Inspector (remote participation); Greg Weiner, Executive Assistant

Licensee: Nufue Chang, Applicant/Co-Owner; Hli Tsaab, Manager; Vaabtshausn Tsaab; Co-Owner; Leeyon Yang, Co-Owner spouse

License Application: Adding a Liquor On Sale 2 AM Closing license to the existing Liquor On Sale – 291 or more seats, Liquor On Sale – Sunday, Entertainment (A), and Gambling Location 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:

Tom Ferrara, Department of Safety and Inspections (DSI) - Licensing, gave a staff report for licensee Amazed Group LLC, (License ID# 20190001176), d/b/a Cups & Cheers, located at 1624 & 1626 White Bear Ave N. The application is for adding a Liquor On Sale 2 AM Closing license to the existing Liquor On Sale – 291 or more seats, Liquor On Sale – Sunday,

Entertainment (A), and Gambling Location licenses. DSI is recommending approval with the removal of the following license conditions:

- Licensee agrees to operate the establishment in compliance with Section 409.02 of the City of Saint Paul Legislative Code as a "Restaurant".
- 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.

DSI is also recommending that the following existing license conditions remain:

1. Per City of Saint Paul Legislative Code 411.02, the definition of Entertainment A is, "Amplified or nonamplified music and/or singing by performers without limitation as to number, and group singing participated in by patrons of the establishment." (includes karaoke). Entertainment A license does not allow for patron and/or performance dances.
2. License holder will create a video surveillance camera and lighting placement plan (Video Surveillance Plan) for the interior and exterior of the licensed premises. License holder will submit the video surveillance plan to the Saint Paul Police Department (SPPD) liaison with the Department of Safety and Inspections (DSI) for review and approval. In accordance with the approved video surveillance plan, license holder will ensure that video surveillance camera system is in good working order, ensure it is recording 24 hours per day, ensure it can produce recorded surveillance video in a commonly used, up-to-date format, and ensure that accurate date and time of day are visible on all recorded video. License holder will retain recorded surveillance video for a minimum of thirty (30) days. If an incident is deemed serious by SPPD, license holder shall make surveillance video immediately available for viewing by SPPD. If a copy of the surveillance video for a serious incident is requested by SPPD, license holder shall have the technology, materials and staff available to immediately make the copy. In all other cases, license holder shall provide a copy of the surveillance video to the requestor within 48 hours.
3. Licensee agrees to not employ any person or persons previously employed by either and/or both of the previous two licensees and/or lessees of 1626 White Bear A venue N01ih.
4. Licensee shall take appropriate action to ensure the back door (near the restrooms) is limited to emergency use and deliveries only, it shall not be used by customer/patrons as an entrance to the establishment.
5. Licensee acknowledges that a Gambling Location license only permits an authorized charitable organization to conduct lawful charitable gambling in a manner approved by the State of Minnesota Gambling Control Board once the charitable organization has obtained a State of Minnesota Gambling Control Board Premise Permit.

The District 2 Greater East Side Community Council has been informed of the application. Building conditions, N/A; License approved with conditions; and Zoning approved.

Ferrara: There was one condition included in the Class N Notice that read as follows:

“Licensee agrees that the sale, service, consumption, and/or display of alcohol is limited to the seating area identified in the application materials and does not include the 33' x 37' room located on the eastern portion of the submitted floor plan.”

This condition was included in error. It was initially believed that the referenced room was not part of the owners' business plan, and that the restriction had been requested by them. After the notice was issued, we learned this was not the case. The restriction does not currently exist on the license and would represent a new condition. DSI is not recommending it, and the owners have not requested it.

Hearing Officer Vang: Is that correct? Do you have any questions about the conditions?

Hli Tsaab: That is correct. We do not want that condition. We agree to the other conditions.

Hearing Officer Vang: Do we already have a signed conditions affidavit?

Ferrara: Yes, but that one has the error. A corrected one has not been signed, so we will need to redo the conditions affidavit.

Hearing Officer Vang asked for a revised conditions affidavit to address the changes based on the outcome of the hearing. She then next asked the applicant to talk about the business: history, hours of operation, number of employees, and types of gambling planned for the location.

Tsaab: I'm the General Manager of the business, so I can speak to this directly. We're a family-owned establishment that opened in 2019. Initially, our hours were 11 AM to 12 AM, seven days a week. However, we quickly found that lunch traffic was minimal due to a lack of nearby businesses along White Bear Avenue. Most of our customers are local residents who come in after work for dinner. After about year and a half, our revenue started to decline, so we adjusted our hours to 3 PM – 12 AM on weekdays, keeping the earlier 11 AM opening on weekends to try to capture more weekend traffic. Unfortunately, that didn't significantly improve the numbers. Then COVID hit. During the pandemic, we operated as takeout-only. After reopening, we still didn't see enough midday traffic, so we standardized our hours to 3 PM – 12 AM, seven days a week. That schedule has worked well for us. We saw a strong return in business as people were eager to get out again. However, other bars along White Bear Avenue have since reopened, and competition has increased. Last summer's construction on White Bear Avenue also impacted us heavily, with a 40% drop in revenue during an already slow season. In response, we reevaluated our business model and began exploring extended hours. In November, we were encouraged to pursue commercial development district to support that change. Other nearby establishments are open until 2 AM, and we want the opportunity to stay competitive. Our goal isn't necessarily to bring in new customers, but to retain our existing ones, many of whom currently leave at midnight to go elsewhere. We also plan to increase revenue through private room reservations for events like graduation parties. These will remain limited to 11:30 AM and will be by reservation only. After midnight, service will be restricted to the main area of the business.

Hearing Officer Vang: That early room closure is your decision, right? I don't think that's required now that we understand the service area application.

Ferrara: There is no requirement for the private rooms to close earlier. According to their business plan, the private rooms will remain open as scheduled. During an inspection, we

observed that the rooms are equipped with video cameras, and active security patrols are conducted when the rooms are in use. The owners have indicated in their business plan that after hours, all guests will be directed to the main service area.

Tsaab: We hope this opportunity will help improve our revenue. Some neighbors have asked why we don't open for lunch, and I've explained that we'd love to but without more businesses nearby to support it, it's not feasible. Unfortunately, that's beyond our control. If we don't take action now, I'm concerned we may have to raise prices or reduce staff among our 30 employees. Many residents in our working-class neighborhood simply can't afford \$25 entrees.

Frances Birch zoning staff report that the business is in a B2 Community Business. A bar is a permitted use. She asked about the floor area where liquor will be served from 12am – 2am.

Ferrara: This applies to the entire licensed premises.

Birch: Do we know the square footage?

Tsaab: 10,382 out of our total 14,000-or-so area is the liquor service area.

Birch: According to the Zoning Code, bars larger than 5,000 square feet in B2 districts require a Conditional Use Permit (CUP) to ensure that their design and size are compatible with the location. This requirement may apply only to newly constructed bars and not to existing ones, but I will confirm this with our Zoning Administrator. Additionally, the property is located within a special signage district, so any changes to signage will require zoning review and approval. Regarding parking, there are no minimum requirements; however, any modifications to the parking area would also need to undergo zoning review and approval.

Hearing Officer Vang: This business has been operating since 2019, and I have not seen a CUP on file for it. When you speak with the Zoning Administrator, could you please verify this?

Birch: There could be a CUP on file that includes no conditions other than requiring proper licensing and a fire certificate of occupancy. The Zoning Code defines a bar as an establishment that serves beer, wine, or intoxicating liquor for on-premises consumption anytime between 12 AM and 2 AM. Based on the history of this business, it's unclear if it has ever met that definition. Therefore, this issue might be relevant, as a bar may not be considered a legacy use in this context.

Hearing Officer Vang: They have never been open past midnight, so they would not have been subject to a CUP. Does the recent creation of a Commercial Development District (CDD) in this area change that? Although the Council approved it yesterday, it has not yet taken effect. You might want to ask the Zoning Administrator to look into this.

Ferrara: I would think the CDD would address that, but we can check.

Hearing Officer Vang: Please verify that.

Birch: An existing establishment may not require a CUP; however, since this business has never operated past midnight, it may not qualify as “existing” for the bar use. The recent CDD designation might also affect whether a CUP is needed. We will verify this.

Hearing Officer Vang: Thank you. I want to get that squared away. Tsaab, you mentioned having 30 employees; does that number include both front-of-house and back-of-house staff?

Tsaab: Yes.

Vang: If your license gets approval, would you be adding more staff?

Tsaab: Yes, we would need at least 5–6 additional staff. Our team currently includes wait staff, security personnel, cooks, and janitorial workers.

Hearing Officer Vang: Since 2019, have you experienced issues that would warrant police calls or neighbor complaints.

Tsaab: Police have requested our security camera footage in the past for incidents that occurred nearby but were unrelated to our business. As for our own operations, the only incident we've experienced was a break-in. I filed a police report at the time. The burglars entered by breaking through the wall from the vacant space next door and stole our safe. Aside from that, we haven't had any major safety issues.

Hearing Officer Vang: How often do you provide safety training?

Tsaab: We conduct training during our quarterly employee meetings. Security staff receive additional training twice a year, covering topics such as de-escalation techniques, use of our security system, and camera operations. We always have two security personnel on duty during weekends, one during the week, and three for large events. All security staff and the on-duty manager wear microphones and earpieces to ensure clear communication.

Hearing Officer Vang: Do you require alcohol awareness training?

Tsaab: We include this training as part of our quarterly staff sessions. All employees are trained on how to properly check IDs and operate our ID scanning machine. The scanning software stores license information, which allows us to cross-reference with security camera footage if needed such as to match a name to a person in a video. After 10 PM, all minors must leave the premises, and every guest is required to be scanned; service is refused to anyone who is not. For special events after 10 PM where minors are allowed, we issue wristbands to guests who are of legal drinking age.

Chang: Our bar manager and bartenders are certified and went to bartending school.

Hearing Officer Vang: Who manages daily?

Tsaab: One of us is always there. I'm there more often because I deal with operations and hiring.

Hearing Officer Vang: That's good. Sometimes people have issues but don't know how to find a manager.

Tsaab: We run into more issues of people asking for the owner when a manager tries to help them.

Hearing Officer Vang: Do you have a list of all patrons who misbehave?

Tsaab: Our software allows us to flag an ID and ban a patron for 30 days if we need to. The software also tells us where our patrons are coming from.

Hearing Officer Vang: Where are your cameras placed? Indoors and outdoors?

Tsaab: The entire area is covered.

Chang: The entire operation, yeah.

Tsaab: That's including the private rooms, which also have glass doors. These rooms are not used for confidential purposes. We monitor these rooms for safety. It's not a privacy situation comparable to something like a massage parlor.

Ferrara: Their camera plan was reviewed and approved by the Police Department. It has not changed at all from that assessment.

Chang: The space is all covered except for bathrooms.

Hearing Officer Vang: You have two cameras in the back. Is that for covering the trash area?

Tsaab: The cameras are in place to monitor the employee parking area for safety, theft, and deliveries. Despite having surveillance, we still experience a significant amount of illegal dumping. We're hoping that extending our hours will help reduce this issue, as the dumping typically occurs while we're closed. Unfortunately, the cameras alone haven't been an effective deterrent.

Chang: People often remove their license plates before coming to dump illegally.

Tsaab: No matter how we secure our bins, it doesn't help because people just leave their dumped items in the parking lot.

Hearing Officer Vang: Who handles trash responsibility?

Tsaab: Businesses are all responsible for their own trash.

Hearing Officer Vang: Who maintains the parking lot?

Chang: The property owner. They pay people to take care of snow and trash removal.

Tsaab: We still have to do sweeping, though.

Hearing Officer Vang: Do you handle parking lot lighting?

Tsaab: We have been told not to mess with the lighting.

Chang: We have no control of that. Lights turn on at 8pm or 9pm. It's handled by the property owner

Hearing Officer Vang: How often are rooms reserved for events?

Tsaab: They're slow during the week but gets busier on the weekend.

Hearing Officer Vang: How frequent are deliveries being made?

Tsaab: We have 6 vendors, each delivering once a week.

Hearing Officer Vang: Is the back delivery door locked during the day?

Tsaab: The opener has keys, and it's always locked during the day. We also have an alarm when the door opens.

Hearing Officer Vang: Are your hours changing beyond just opening until 2am?

Tsaab: We will be opening at 4pm instead of 3pm. Hours will be 4pm – 2am, 7 days a week. We may close earlier as needed, which we expect to do on weekdays. The kitchen's last call is at 1:30am. Legislative staff sometimes order late during the week.

Hearing Officer Vang: What kind of gambling will be done? Will the gambling stop earlier than closing time?

Tsaab: Our charitable partner runs that, so I'm not sure. We just do what they say.

Ferrara: There is no law stating that you have to.

Tsaab: All other locations seem to have their gambling open until 2am along with the bar.

Ferrara: There have been no illegal gambling concerns thus far.

Hearing Officer Vang: I also want to bring your attention to the STAMP Activity Report included in your hearing packet. This report tracks any past issues associated with the property. It appears there have been no enforcement actions or negative findings related to your business. Additionally, there is a police incident report linked to the address, but not necessarily to your

establishment. It seems to involve an assault that occurred near the intersection, with no clear connection to your business. I just want to make sure you're aware of both reports.

Hearing Officer Vang next read into the record the voicemail of objection from Perry Boutchee, which raised concerns about safety, trash, and street racing. She then gave the applicant the opportunity to respond.

Chang: I know the individual. They live about a block and a half away. We don't have fights at our establishment, so it's possible they're associating us with nearby businesses or the homeless population in the area. When it comes to trash, we do our best. We have employees dedicated full-time to keeping the property clean, and any illegally dumped items are typically removed within two days. This individual doesn't come into our business and doesn't have knowledge of how we operate.

Tsaab: I checked, and they have never come in.

Chang: We also take safety very seriously. Our security staff are always the last to leave the premises. I would welcome the objector to visit our business and see firsthand how committed we are to safety and to supporting our community.

Tsaab: We can only control our business. I know others nearby have had issues.

Hearing Officer Vang: Do security staff wear uniforms?

Chang: Yes, it is very noticeable

Tsaab: You can't miss them.

Hearing Officer Vang: With the trash issues you've had, I just want to encourage you to keep a good handle on that. Are there issues with the property being owned by Madison Equities?

Ferrara: There has been no notice of intended sale or receivership. Receivership normally allows businesses to keep operating, but that's not even the case here.

Hearing Officer Vang: How long is your contract for the property?

Chang: 15 years total. It's 5 years and then can be extended for three total terms.

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 two 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.

Hearing Officer Vang will also recommend to the City Council that the following existing license conditions remain:

1. Per City of Saint Paul Legislative Code 411.02, the definition of Entertainment A is, "Amplified or nonamplified music and/or singing by performers without limitation as to number, and group singing participated in by patrons of the establishment." (includes karaoke). Entertainment A license does not allow for patron and/or performance dances.
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5. Licensee acknowledges that a Gambling Location license only permits an authorized charitable organization to conduct lawful charitable gambling in a manner approved by the State of Minnesota Gambling Control Board once the charitable organization has obtained a State of Minnesota Gambling Control Board Premise Permit.

Ferrara: We will not issue the license until the CDD takes effect and the zoning CUP concern is resolved.

Greg Weiner: I will send you an email when we get the CDD ordinance published in the paper and confirm the effective date

Tsaab: Advanced notice will help plan for employee hours.

Chang: We can't start right away anyway. We need lead-up time.

The hearing adjourned at 2:57 PM.

The conditions affidavit was signed and submitted on July 8, 2025.