

LICENSE HEARING MINUTES
Minal LLC, dba Midway Cafe & Grill, 1964 University Ave W
Monday, January 29, 10:00 AM
Room 330 City Hall, 15 Kellogg Boulevard West
Nhia Vang, Legislative Hearing Officer

The hearing was called to order at 10:01 AM

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

Licensee: Minal Oza, Applicant/Owner; Rakesh Oza, Manager

License Application: Liquor On Sale - 100 seats or less, Liquor On Sale - Sunday, 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:

Ross Haddow, Department of Safety and Inspections (DSI) - Licensing, gave a staff report for licensee Minal LLC (License ID# 20230002192), d/b/a Midway Cafe & Grill, located at 1964 University Ave W. The application is for Liquor On Sale - 100 seats or less, Liquor On Sale - Sunday, and Gambling Location 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.

There was no response from the District 13 Union Park District Council. Building conditions, not applicable; License approved with conditions; and Zoning approved.

Hearing Officer Vang asked if the applicant understood and agreed to the conditions.

Rakesh Oza: Yes. We plan to close at 10pm.

Haddow: They have signed the conditions affidavit.

Hearing Officer Vang asked about the Zoning review.

Haddow: This parcel is zoned I1 – Light Industrial. This is a permitted use. The City does not have minimum requirements for customer parking.

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

R. Oza: We bought the property in June. The restaurant was closed but had a good reputation as Tracks Bar & Grill. Hotel employees and customers asked us to open the restaurant. I have experience in fast food, so we decided to open the restaurant. Adding liquor is also about fitting into the location for a family restaurant. We have a small family and understand the risks of alcohol sales. This is something the neighborhood needs. It is not just about the financial aspect for us. It's about hotel guests not having to drive to get consume alcohol with their meal. Customers will benefit.

Hearing Officer Vang: You are both the property owner and business operator?

R. Oza: Yes.

Hearing Officer Vang: And the restaurant wasn't open when you bought the hotel?

R. Oza: The previous owner had opened it but then closed it. We reopened it without serving alcohol. We're renovating it from scratch. All the equipment is there but it's older than I am, so we are replacing it all. We discovered an automated alcohol dispensing system. It's expensive, but it's safe dispenses in a uniform way, and allows us to focus on checking IDs. We can send you photos of it.

Hearing Officer Vang: I would appreciate that. Is it self-serve?

R. Oza: No. It needs to be operated by staff. It just means that the server doesn't need extensive bartending experience. There will be a bartender, but we only would need one.

Hearing Officer Vang: I've never heard of that.

R. Oza: It's new to us too.

Minal Oza: It costs \$45,000.

Hearing Officer Vang: How many people fit at each table?

R. Oza: Some have 2. Some have 4.

Hearing Officer Vang: What is the status of your kitchen upgrades?

R. Oza: The kitchen is updated to 2015 city code. The fire marshal has inspected it.

Hearing Officer Vang asked about staffing.

R. Oza: I have a managing partner with experience in Olive Gardens and airport bars. I will be bringing him on board. We have 10-15 employees, full and part time. The format is seating first and then serving.

Hearing Officer Vang: What type of food?

R. Oza: Mostly American, but will have all types, with one or two popular items from certain cultures.

Hearing Officer Vang: Is the hotel open 24 hours?

R. Oza: Yes. It has 94 rooms. We usually operate at about 60% capacity. Good days are at about 87%. We've done lots of rehabilitation measures, such as fixing a gas leak and replacing gas lines. We don't want to patch things up. We want our solutions to be permanent. For the bar, we want to open it once and open it right.

Hearing Officer Vang: What are your hours?

R. Oza: 10am – 10pm. This is for safety of employees and customers. We know that staying open past a certain time can lead to problematic customers. The cutoff time for ordering is 9:30 pm. We want people out the door at 10:30pm at the latest.

Hearing Officer Vang: Have you gotten a chance to look at the police and other activity prior to you purchasing the property and the business?

R. Oza: Not yet. Regarding the incident yesterday, someone got injured outside and ran straight into the hotel for help, along with emergency services when they arrived. It had nothing to do with us.

M. Oza: Homeless issues are also a problem. We can't control that. We have staff diffuse situations and if someone needs us to call 911, we call for them. That's why emergency services came in.

Hearing Officer Vang: Have you hired security?

R. Oza: Yes. We have 6-11 people on staff. 1 extra person is at the front desk, and we have an additional person walking around the property who patrols the parking lot as well. When we open the bar, we plan on having 1 additional security person at the door to the restaurant from 8pm until closing.

Hearing Officer Vang: Do security know to call the police as a first point of contact?

R. Oza: Yes.

M. Oza: We have other properties and ask police to be around. It keeps things safer.

R. Oza: We own properties in Bismarck, North Dakota and Detroit Lakes, Minnesota.

Hearing Officer Vang: Do you have video surveillance?

R. Oza: Yes.

Hearing Officer Vang: I encourage you to consult St. Paul Police on your camera plan.

R. Oza: Do you have a contact for that? We invite them to come look.

Haddow: I'll give you contact for our officer who consults on camera plans.

R. Oza: We would appreciate that.

Hearing Officer Vang: Is security going to be helping control patron exiting?

R. Oza: Yes.

Hearing Officer Vang asked about waste disposal.

R. Oza: Beer will be draft and bottles. We will order 1 additional recycling container for the glass and such. Waste disposal is comingled with the hotel. We have some illegal dumping, which we throw away ourselves. I wouldn't mind if they just dumped it in the proper place.

Hearing Officer Vang: How often do staff check the parking lot for trash?

R. Oza: 2-3 times per day. We have porters in the morning and evening shifts, whose job is to do that.

Hearing Officer Vang: How often is your trash picked up?

R. Oza: Twice a week. We keep it in an enclosed and fenced area. We still get dumping though and do our best to prevent it.

M. Oza: One of us will always be here. We commute from here to North Dakota because our son still lives there, but one of us will always be present.

R. Oza: If there ever is an absence, one of our two managers will always be there. Inspector Haddow will have the whole plan about who is responsible and when.

Hearing Officer Vang: Would you let City staff or police to look at police video footage upon request?

R. Oza: Absolutely.

Hearing Officer Vang: Are all staff over age 18?

R. Oza: All are over age 21, to be safe with alcohol service. Alcohol will always be served, but service is lower earlier in the day.

Hearing Officer Vang asked about lighting.

R. Oza: Lighting is always on because the parking lot is always open and well-lit. The light points outwards.

Hearing Officer Vang: You're in an industrial zone so that's not as much of an issue. I encourage you to adjust it though if it becomes a neighborhood nuisance.

R. Oza: Absolutely. We just want everything to be visible should anything happen at night.

Hearing Officer Vang: Does the parking lot have a gate?

R. Oza: No.

Hearing Officer Vang: Have you looked at the objection?

R. Oza: Yes. I understand the concerns. We always tell the front desk to call the police if someone isn't going to pay, and so sometimes a police car is sitting there because we don't want to put our staff at risk in getting someone out of the building. Sometimes there is internal conflict between guests. We control what we can. No rooms are rented to people below age 21. We have rejected guests for being below age 21. We contacted the franchise to update that online for our location.

Hearing Officer Vang next invited Steve Golias from Habitat for Humanity, 1954 University Avenue W, to testify.

Golias: I've been with Habitat for Humanity for 5 years. I'm the facility safety and security manager. My boss asked me to be here. Our complaint isn't against the applicant. We're excited about your restaurant. I didn't know you only owned the establishment since June, so that does affect things for us. There are 4 pages of police calls in the last year. Since we moved in in 2014, there has been a lot of activity. We do also share footage with DSI and police. I see proactive police visits here, which is good. One of our issues is that our work is to get people into safe affordable housing. Financial counseling is a part of that. It's challenging when there's another opportunity towards distracting them from that financial accountability with alcohol and gambling. Our biggest concern though is police activity at the site. Regarding trash, I pick it up daily, and I'm there 6 days per week. I don't know what's happened since June, but I know that when Quality Inn took over from Days Inn, people I would see every day were gone almost instantly. Weeds then came up and garbage was everywhere and would blow into our lot.

R. Oza: Those were issues when we took over.

M. Oza: We don't like that. We are clearing it out, but it takes time.

R. Oza: In the previous owner's defense, she went through stage 4 cancer and was out 2.5 years. She was never there. When we took over, there were a lot of political issues among staff. We watched things for 15 days and cleaned house of bad actors. Right now, everyone does their job. You can keep watching the cameras, and you will see a porter whose sole job is keeping areas like the parking lot clean of trash. Regarding alcohol, that's an individual's choice on whether to consume it.

Golias: I understand the individual choice aspect, but it is an added challenge. One thing I pick up daily are the small alcohol bottles.

R. Oza: Those are probably from the liquor store. We deal with that too. We don't sell alcohol off sale.

Golias: About a year ago, I went over to your lobby to give you a package that accidentally got delivered to us and was treated horribly.

R. Oza: That person is gone. Ms. Kim has been there for 17 years and is great. It was probably the other guy, who had issues with bad customer service.

Hearing Officer Vang: I encourage you to exchange contact info after this hearing.

R. Oza: You can call any time.

M. Oza: Any issue, we will handle it.

Golias: I think it has been better since last June. I know last winter; the City would plow the sidewalks because the hotel wasn't doing it.

R. Oza: We contract for it now. It's a gamble because we don't know how much it will snow, and probably lost that gamble this year, but we wanted it addressed. Nothing slips our mind.

Golias: We contract for that too.

Hearing Officer Vang: Who is your charitable gambling partner?

R. Oza: Mr. Russ, my manager, will answer that when he arrives on January 31. I'm new to it, but he said it would complement the bar well.

Hearing Officer Vang: Do you know if it's raffles or pull tabs?

R. Oza: Pull tabs, by the bar.

Hearing Officer Vang: Will staff be trained on it?

R. Oza: Yes.

Hearing Officer Vang: Once we approve, how soon does this go to the state for the gambling location license?

Haddow: It has to be applied for to the state in the month prior to the starting of gambling. The earliest pull tabs could go into the location now would be March.

Hearing Officer Vang: When do you plan on opening the gambling location license?

R. Oza: The restaurant will open in the 1st or 2nd week of March. We are doing some internal changes.

Hearing Officer Vang: The STAMP report has a long history of issues at the property. I encourage you to read it all, along with the police activity report, to help you understand the issues surrounding the property. There's a lot of inherited negative behaviors here, but you also have a good neighbor here in Mr. Golias.

R. Oza: When we talk to police about cameras, we plan on asking them for additional drive-bys to help deter bad behavior. We sometimes have cars parked in our parking lot that aren't guests. We had a woman trespassing trying to find cigarette butts and when I tried to stop her, she became hostile. I didn't know whether to intervene or walk away. Having a squad car go by helps with that so much.

Hearing Officer Vang: Please don't put your people at risk. If these unwarranted guests don't leave your property upon asking, call the police.

R. Oza: If I put up more "No Trespassing signs," it makes the place look worse.

Haddow: The Police liaison can help increase your proactive visits. They are usually able to come by when not already on calls.

Hearing Officer Vang: I do want you to also know what happens when your license conditions are violated.

Haddow: We have a standard penalty matrix for violations. First violation is a \$500 fine. A second one within 12 months is \$1,000. A third within 18 months could be an 18-day suspension and a \$2,000 fine. A fourth could mean revocation of the license, meaning no one can use that license at this location for 15 years. You will never be caught off guard by adverse action. If there's a complaint that comes through our office, we will reach out and verify it, figure out what's going on, and then based on that information, we will either close it out or proceed with next steps.

R. Oza: These deal with loud music outside and other nuisance behaviors?

Haddow: They also deal with underage service, lapse of insurance, or loud music from your establishment itself.

Hearing Officer Vang stated that after reviewing the records and considering the evidence and 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".
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.

The hearing adjourned at 10:53 AM.

The Conditions Affidavit was signed and submitted on February 13, 2024.