

**LICENSES AND CONSUMER SERVICES
LICENSE INSPECTOR'S REPORT**

License Number(s): L189-50001 & L311-50001 **Police File Number:** F.13534

Date of Application: May 16, 2014

Inspector: Nicole Anderson

Applicant/Legal Entity: Bauhaus Brew Labs, LLC

DBA/Trade Name: Bauhaus Brew Labs

Complete Address: 1315 Tyler Street Northeast
Minneapolis, MN 55413

Licenses Requested: On-Sale Liquor, Taproom, Class B and Off-Sale Malt
Liquor, Growler

Current License: None

Responsible person within 75 miles of Minneapolis City Hall: Matthew Schwandt

Public Hearing Requirement: Required

Neighborhood/Ward: Northeast Park / 01

License Conditions: None

Zoning: I2/IL – This is a permitted use in the Medium
Industrial District/Industrial Living Overlay District.

7 acre requirement: Met

Off-Street Parking: The Office of the Zoning Administrator has
determined that fifteen spaces are required to be
provided on site.

Churches or schools within 300 feet of the proposed premises: No

Seating: Inside: 100 Seats Outside: 64 seats

Fire Occupancy: Inside: 197 Maximum Capacity Outside: 154

Food Service Requirement: The applicant is exempt from providing minimum food
service per MCO 360.65.

Hours of operation proposed: Inside/Outside Taproom:
 3:00pm to 11:00pm Wednesday - Friday
 12:00 noon to 11:00pm Saturday

Off-Sale Malt Liquor, Growler:
 3:00pm to 10:00pm Wednesday - Friday
 12:00 noon to 10:00pm Saturday

Metropolitan Council Service Availability Charges: Eleven SAC charges; these SAC charges have been paid in full. The initial SAC charges did not include an outdoor area; and additional four SAC charges are due for the outdoor patio and will be paid prior to license approval.

HISTORY OF LOCATION

This location previously held Guided Salvage, a licensed antique dealer, from 1998 until 2007. The space has been vacant since then.

APPLICANT

The applicant is Bauhaus Brew Labs, LLC, DBA, Bauhaus Brew Labs. It was incorporated under Chapter 322B (File Number 631055600020) on December 6, 2012. The applicant has provided documentation showing adequate, legal, and traceable funding for this venture. They have the required restriction on the transfer of shares and have the following shareholders and officers:

<u>Name</u>	<u>Title</u>	<u>Ownership</u>
Matthew D. Schwandt	President, Managing Member	15.85%
Lydia F. Haines	Vice President, Managing Member	15.85%
Howard J. Haines	Managing Member	7.32%
Michael S. Schwandt	Managing Member	4.88%
Maura K. Hagerty Schwandt	Managing Member	4.88%
Joseph N. Klein	Non-Managing Member	3.41%
Dan & Jackie Millea	Non-Managing Member	2.41%
Sandy M. Younger	Non-Managing Member	2.22%
Kathryn Haines	Non-Managing Member	2.20%
Peter A. Baggenstos	Non-Managing Member	1.71%
Brian M.T. Burke	Non-Managing Member	1.71%
Matthew R. & Julie D. McBride	Non-Managing Member	1.71%
Christopher R. Stone	Non-Managing Member	1.71%
Nexus Direct IRA FBO Stuart R. Fritz	Non-Managing Member	1.71%
Adam Gislason & Paula Pazos	Non-Managing Member	1.71%
David R. Dahl Revocable Trust	Non-Managing Member	1.71%
Robert J. Younger	Non-Managing Member	1.71%
Bruce & Caril Clasen	Non-Managing Member	1.71%
Scott M. Tankenoff Revocable Trust	Non-Managing Member	1.71%
Brian P. Taylor	Non-Managing Member	1.71%

Steven J. & Anne M. Kern	Non-Managing Member	1.71%
Arthur Monaghan Revocable Trust	Non-Managing Member	1.71%
Brian & Emily Sefton	Non-Managing Member	1.71%
Ryan Tauer	Non-Managing Member	1.71%
Christian Helms	Non-Managing Member	1.71%
Andrew W. Bachman	Non-Managing Member	0.85%
Michael J. & Nancy C. Hagerty Revocable Trust	Non-Managing Member	0.85%
Mark A. & Elizabeth A. Pihart	Non-Managing Member	0.85%
Gerald H. Fornwald	Non-Managing Member	0.85%
Mark W. Bachman	Non-Managing Member	0.85%
Brent A. & Monica M. McVay	Non-Managing Member	0.85%
Ryan Schildkraut	Non-Managing Member	0.85%
David A. Ladmer & Angela K. Caszatt	Non-Managing Member	0.85%
Tad & Anne VanderVorste	Non-Managing Member	0.85%
Nicholas & Kelly Dooley	Non-Managing Member	0.85%
Bryan & Gina Weber	Non-Managing Member	0.85%
Daniel A. Gislason	Non-Managing Member	0.85%
JR Lutz, LLC	Non-Managing Member	0.85%
Tim Loecke	Non-Managing Member	0.85%
James Jeffery Warren	Non-Managing Member	0.85%
Hagerty Brew Investors, LLC	Non-Managing Member	0.85%

MANAGER

Bauhaus Brew Labs will be managed by Matthew Schwandt, President and Head Brewer. Mr. Schwandt worked at an award-winning brewpub; Bosco's Restaurant & Brewing Co. in Nashville, Tennessee and has spent the last nine years brewing his own beer recipes as well as brewed beer in over thirty recognized beer styles. Mr. Schwandt is also a licensed attorney familiar with alcoholic beverage regulation; he has experience representing both public and private business entities.

POLICE REVIEW

Police Licensing and this Inspector have reviewed the expenses and source of funds reported in this application. The applicant has provided documentation showing adequate legal and traceable funding for this venture and has passed the criminal background check. The Second Precinct of the Minneapolis Police Department has discussed security issues with the applicant.

PREMISES

The entire beer brewing facility, on the first floor, consists of about 9,140 total square feet. The taproom is about 2,089 square feet and has seating for 100 people at tables and benches including a bar area with seating for 16 people. The outdoor patio is about 1,842 square feet and has bench table seating for 64 people. The outdoor patio is located near the front on the north side adjacent to the taproom. The retail Growler sales area consists of approximately 600 square feet. The rest of the premises consist of the barrel room, cold house, storage, and restrooms.

BUSINESS PLAN/OPERATIONS

Bauhaus Brew Labs employees will go through the online “eTIPS” alcohol server training program. All new employees must complete their training through this program within 30 days of hire otherwise they will be taken off taproom shift schedules until it is completed; Bauhaus will reimburse employees for the \$40 eTIPS course fee. Bauhaus managerial staff will also be present during each taproom shift to oversee that employees are complying with alcohol regulations. All patrons under the age of 50 will be identified either by bar employees or by a bouncer at the front entrance on busier nights, this applies to Growler sales as well. Employees who fail a Youth Alcohol Compliance check will be required to pay all fines associated with the fail for first violation; if an employee fails a second compliance check they will be terminated immediately. Bauhaus Brew Labs will provide ongoing training and formal reviews for all employees on a semi-annual basis.

Bauhaus Brew Labs is located in a standalone building in the center of an industrial complex and is not directly adjacent to any residential properties. There are neighboring businesses in the complex but these businesses generally hold regular business hours, between 8am-5pm, and there will be little overlap between the taproom hours and those of fellow tenants. With this in mind, Bauhaus does not believe sound and noise will be an issue but they have a policy in place to manage it if necessary. Speakers inside the business will be pointed in the direction of the taproom and will be held in by crane tracks on rubber or a similar sound-deadening material to reduce noise into the main building structure. Speakers in the outdoor area will play background music and will be set at a lower volume than the indoor speakers to minimize noise impact and speakers will only face toward the interior of the patio area. Bauhaus employees will monitor noise and will take corrective action if noise exceeds a reasonable threshold. Bauhaus will follow a defined complaint response protocol to include employees filling out a log book of any and all complaints and report them immediately to the manager on duty. Staff will monitor the boundaries of the establishment and will have access to a decibel reader to test noise levels.

The hours of operation for the On-Sale Taproom and seasonal outdoor patio will be 3:00pm to 11:00pm Wednesday through Friday and 12:00 noon to 11:00pm on Saturdays; Bauhaus Brew Labs does not request to be open on Sundays at this time, with the passage of the 2014 Liquor Omnibus Bill relating to on-sale Sunday sales for taprooms. The Off-Sale of Growlers will occur no later than 10:00pm on the days and times listed above, with no Off-Sale activity occurring on Sundays. No consumption of growlers will be allowed on the licensed premises.

Bauhaus Brew Labs will not prepare or serve any food but will host a licensed food truck during taproom hours.

Entertainment will consist of prerecorded background music with the volume low enough to encourage conversations at normal speaking levels both inside the taproom and in the outdoor patio. A class “B” license permits live amplified music and singing without limitation as to the number of musicians or singers; dancing and the use of a disc jockey are permitted as well under this class of license. Bauhaus Brew Labs may occasionally offer live (amplified) music on a temporary stage, as well as karaoke and trivia; all music will end by 11:00pm. Staff will call out “last call” at 10:45pm to prepare

for closing by turning the taproom speakers up to a louder but reasonable volume, as well as turning on all lights, to let patrons know that the taproom is closing. Per the applicant, entertainment will not play a primary role with respect to the taproom's function. Rather, taproom entertainment will be incidental to the taproom experience.

As part of community building efforts Bauhaus will sponsor local sports teams, such as city softball and hockey teams.

Bauhaus will not conduct charitable gambling activities and will not offer mechanical amusement devices.

OUTDOOR PATIO

The seating capacity for the outdoor patio is 64 people at community benches with an occupancy load of 154 people total in the outdoor patio. The outdoor patio will be located near the front of the establishment adjacent to the taproom. Speakers will be located in the outdoor patio and will face inward towards the patio. No live entertainment will occur in the outdoor patio unless an application has been made to the City for temporary expansion of entertainment. Hours of operation will be the same as the taproom hours, seasonally. An announcement by staff will be given to customers in the outdoor patio at 10:45pm to prepare for closing.

PUBLIC HEARING SUMMARY

A public hearing is required for these license applications. 24 notices were mailed to residents and property owners within 600 feet of the premises on June 4, 2014 and emailed to Council Member Reich, the Northeast Park Neighborhood Association and the Northeast Minneapolis Chamber of Commerce. The public hearing will be held on June 17, 2014 at the Community Development & Regulatory Services Committee meeting.

RECOMMENDATION

The Licenses and Consumer Services Division recommends approving these applications for an On-Sale Liquor, Taproom, Class B license and an Off-Sale Malt Liquor, Growler license.

LICENSE CONDITIONS

None at this time.