

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

**License Number:** L188-50134      **Police File Number:** 13656

**Date of Application:** March 11, 2015

**Inspector:** Michele Harvet, 612-673-5484

**Applicant/Legal Entity:** RCI Dining Services (Glenwood), Inc.

**DBA/Trade Name:** The Seville Club

**Complete Address:** 15 Glenwood Avenue North, Minneapolis, MN 55403

**Responsible person within 75 miles of Minneapolis City Hall:** Kevin Arrowood

**Public Hearing Required:** No

**License Conditions:** None at this time.

**License Requested:** On-Sale Liquor with Sunday Sales, Class A with Adult Entertainment

**Most Recent License Approved at this Location:** On-Sale Liquor with Sunday Sales, Class A with Adult Entertainment

**Purpose of Application:** To obtain an On-Sale Liquor with Sunday Sales, Class A with Adult Entertainment for a new proprietor

**Neighborhood/Ward:** Downtown West / 7

**Zoning:** B4S-1/DP – This is a permitted use in the Downtown Service/Downtown Parking Overlay District

**7 acre requirement:** Met.

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

**Seating:** Inside: 200 Seats      Outside: 48

**Maximum Capacity:** Inside: 374      Maximum Capacity Outside: 75

**Food Service Requirement:** This establishment meets the minimum food service requirements set forth in MCO 360.65.

**Alcohol Server Training:** Training will be provided by Bob Pomplun of Loss Control Services.

**Hours of operation proposed for the Interior and Exterior:**

11:00 A.M. to 2:00 A.M. Monday - Friday

6:00 P.M. to 2:00 A.M. Saturday - Sunday

**Metropolitan Council Service Availability Charges:** A new SAC determination is not required for this existing use.

**HISTORY OF LOCATION**

This location has operated with an On-Sale Liquor with Sunday Sales, Class A with Adult Entertainment since 2004. Prior to that, Blues Alley had an On-Sale Liquor with Sunday Sales, Class B, since at least 1992.

**APPLICANT**

The applicant is RCI Dining Services (Glenwood), Inc., a Minnesota corporation formed on February 5, 2015, under Chapter 302A (File Number 810164200021), having the required restriction on the transfer of stock and has the following stockholder and officer:

<u>Name</u>	<u>Title</u>	<u>Shares</u>
RCI Hospitality Holdings, Inc.	Owner	100%
Eric S. Langan	President/CEO/CFO	0%

The stockholder is a corporation that owns numerous adult entertainment/liquor establishments across the United States. The President, Mr. Langan, meets all minimum requirements including criminal background check. RCI Hospitality Holdings, Inc. (formerly known as Rick's Cabaret International, Inc.) is a publicly traded corporation on the NASDAQ Global Market. Eric Langan owns 6.17% of the common stock for RCI Hospitality Holdings, Inc.

**MANAGER**

The manager at The Seville Club will be Kevin Arrowood. Mr. Arrowood has approximately eleven years of experience in the food, alcohol and adult entertainment service industry.

**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 First Precinct of the Minneapolis Police Department has discussed security issues with the applicant.

**PREMISES**

The licensed premises are on street level and on the second floor level with a total of approximately 14,000 square feet. There is a central stage and two small bars at opposing ends of the main floor. The rest of the establishment consists of a kitchen, coolers, restrooms and storage. This space is compact and contiguous. There are no undefined spaces. The space meets the requirements set

forth in Minneapolis Code of Ordinance 219.520 stating no commercial building, structure, premises or part thereof, or facilities therein, shall be so constructed, used, designed or operated for the purpose of engaging in, or permitting persons to engage in, sexual activities which include high-risk sexual conduct.

### **SIDEWALK CAFÉ AREA**

The sidewalk café area is to be located within a 14 feet by 64 feet area located on the Glenwood Avenue frontage of the business. There will be 12 tables seating four persons each for a total capacity of 48 people. The area will be enclosed with semi-permanent fencing. There will remain an eleven foot clearance between the curb and the café. There is one speaker outside. The volume is set at a very low level and is monitored to prevent any noise problems.

### **BUSINESS PLAN/OPERATIONS**

All staff shall undergo alcohol server training on an annual basis. RCI shall use the services of an alcohol trainer that is approved by RCI's liquor liability insurance company. All new staff will receive in-house alcohol server training prior to their first shift and alcohol server training within thirty days of hire. RCI will utilize an electronic identification card scanner to check identification of all patrons at the door. All guests will be required to present valid, government-issued identification. Bartenders and wait staff should immediately check the identification of any person who appears to be under the age of 21 and not rely on other staff members to screen potential underage guests. Any employee that fails to adhere to the identification policies and allows an underage person to purchase or consume alcoholic beverages on the premises will be disciplined and face possible termination. All employees will also be advised that they will be held criminally responsible for serving alcoholic beverages to any persons under the age of 21. RCI will perform monthly self-audits for serving alcohol to persons under the age of 21. Obviously intoxicated patrons will not be admitted. Service to obviously intoxicated guests is prohibited. Patrons will not be allowed to remove alcohol from the premises.

RCI managers and supervisors will conduct security inside and outside the premises. They will constantly monitor the activities within the premises. They will also make rounds outside of the premises on an hourly basis to monitor activities outside the premises. Video surveillance will be in place and utilized for security purposes and to prevent illegal activity. Patrons will be cleared from the premises 15 minutes after closing time by the managers and supervisors. A no tolerance drug policy will be in force and all staff will be trained on the drug policy and security issues.

The entertainment will be live, topless entertainment performing to music played by a disc jockey in an upscale decor catering to men and women aged 25 and up. The entertainment will consist of stage dancing and lap dancing. Prostitution and indecent conduct will be strictly prohibited. Entertainers may not straddle, grind, or lay on customers, or give the illusion of engaging in this activity, at any time. Entertainers must not use sexually graphic gestures or engage in simulated sex acts, i.e., mimed masturbation, mimed oral gratification, etc. Entertainers must keep all body parts, including their breasts, crotch, and buttocks away from customers while dancing. Entertainers may not touch themselves at any time with any part of their hands on their sexual anatomy, including the entire breast, anywhere around the pubic area and the anal cleft. Entertainers must cover their pubic area and anal cleft at all times with an opaque material. Entertainers are prohibited from performing floor shows. This means that the entertainers are prohibited from actually lying down on the stages and floor to simulate sexual acts. Entertainers are prohibited from soliciting alcohol from customers. Entertainers are prohibited from being under the influence, using, possessing or distributing or engaging in conversation regarding illegal drugs, or controlled substances on the licensed premises.

The use, sale, possession, or transfer of illegal drugs is strictly prohibited by all employees, vendors, customers, or job applicants on the premises.

The menu has at least four substantial food items including appetizers like; potstickers, chicken quesadillas, tacos, onion rings, pizza fries, salads, pizzas, sandwiches, burgers, steaks and stir fry ranging in prices from \$7 to \$36.

All litter and trash will be removed from the front and back of the premises on a daily basis, as needed.

Management will take whatever steps are necessary to manage the noise level, up to and including, not allowing any loitering outside of the premises.

There will be no mechanical amusement devices or team sponsorships.

No charitable gambling is anticipated.

### **PUBLIC HEARING SUMMARY**

A public hearing is not required for this license application.

### **RECOMMENDATION**

The Licenses and Consumer Services Division recommends approving this application for an On-Sale Liquor with Sunday Sales, Class A license with Adult Entertainment.

### **LICENSE CONDITIONS**

None at this time.

No outdoor signage that is permanent  
maybe one temp. sign by door.

