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July 14, 2016

Scott McCullough, Director of Planning
City of Lawrence
6 East 6th Street
Lawrence KS 66044

By email to: smccullough@lawrenceks.org

Re: John Brown Underground Drinking Establishment License

Dear Scott,

This letter follows our meeting during which we discussed the drinking establishment license application for John Brown Underground (JBU). Below you will find a list of proposed conditions for the license, which will ensure that JBU will meet its food sales requirements.

Since JBU was opened in late August of 2014, the management has made significant and continuous efforts to meet the City's food sales requirements. After the initial investment of about \$200,000 in the rehabilitation of the building, it became clear relatively quickly that food sales lagged behind liquor sales. This was in part due to greater than expected interest in the cocktail menu. The food menu was changed in the first six months to offer more entrées and less pub fare. Brunch service began in the spring of the first year, and increased food sales substantially, but not quite enough. Night and weekend events requiring food service also assisted in increased sales. Capacity was expanded into the second floor for extended food service, flatware and utensils were purchased, and independent chefs were hired to expand the brunch service. Food sales nearly caught up to liquor sales and JBU has taken additional steps to reach the City's requirement.

In November of 2015, after significant brunch and expanded menu efforts increased food sales, it became clear that the layout of the restaurant, the kitchen in particular, needed a substantial upgrade to increase the food sales. Architectural plans were developed in November and a building permit application was filed for a large expansion of the kitchen on the second floor. The building permit for those plans has just recently been approved and provides for a full kitchen, including the addition of a walk-in cooler, a commercial stove and range, a fourteen foot hood, and a full dishwashing room. It's a fourfold expansion of the current inadequate kitchen arrangements. In addition, JBU is in the process of hiring expanded kitchen and wait staff, expanding hours of operation to include full lunch service, expanded menu options, and more special events. JBU is confident that this \$40,000 investment in an expanded new

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kitchen and the operations enhancements will create the necessary environment which will bring JBU into compliance with the City's food sales requirements.

JBU understands and respects the City's interest in requiring that it and other new establishments provide sufficient food sales. The expanded kitchen arrangements will be completed by the end of August. If the liquor license and building permit are approved, JBU proposes the following list of additional conditions to ensure that the City's requirements are met.

Proposed Conditions of City Drinking Establishment License

- Completion of kitchen expansion improvements consistent with building permit.
- Six month probationary period, under which the drinking establishment will be required to establish compliance with the food requirements.
- Monthly monitoring and meetings, as requested by the City, to track and address food sales requirement and other conditions requested by City staff.

JBU is interested in maintaining operations and contributing to the vibrant atmosphere in downtown Lawrence. We are hopeful that the City will consider the efforts that have been made up to this point, and the changes and conditions that are outlined in this letter. Thank you for your attention to this matter.

Sincerely,



Dan Watkins

cc. Toni Wheeler, Sherri Riedemann, Randy Larkin, Dianne Stoddard