

June 8, 2010

Ifrit's Hookah Lounge is located at 725 St Joseph St, Rapid City, South Dakota. The legal description of the property is stated as: Lot 11 of Block 93 of the Original Town of Rapid City, Section 1, TIN, R&E, BHM, Rapid City, Pennington County, South Dakota.

My partners and I would like to expand our business hours at Ifrit's Hookah Lounge (725 St. Joseph St.) to increase our revenue potential by capitalizing on being open more hours of the day. Currently our CUP states our hours of operation are M-Th 6pm -Midnight and Friday, Saturday 6pm- 2am. We understand changing our hours requires us to make an amendment to our CUP. Hopefully it would only require a minor amendment so we can expedite this request and open with our new hours sooner. Our proposed new hours are Monday — Sunday 11:00am -4:00am.

It is not our immediate intention to be open the entirety of the hour previously stated. Our immediate intention is to expand the opening hours of our business from 6:00pm to 11:00am. This will be in conjunction with our sidewalk café to allow our patrons more daylight time in which to utilize our proposed sidewalk café, and also increase our on sale and retail revenues.

We request the extension of operating hours from 2:00am to 4:00am for the purposes of future expansion of our business. We completely understand and comply with the liquor laws of the State of South Dakota in accordance with our various licenses. We hope that it some point in the future we will be able to expand the on sale serving of tobacco products, food and non-alcoholic beverages from the hours of 2:00am to 4:00am to provide a downtown after hours venue.

Attached is our original CUP Letter of Intent.

Sincerely,

Charles Desmond (Applicant)

Brian Winckel (Project Planner)

## Ifrits Hookah Lounge 725 St. Joseph St. Conditional Use Permit Proposed Use Statement

The general partnership of Charles Desmond, Ian Handley and Brian Winckel D.B.A Ifrit's Hookah Lounge is applying for a Conditional Use Permit to allow onsale malt beverages. We assumed ownership of the business on September 2<sup>nd</sup>, 2009, and hope to add more beverage options to our menu for customers in order to increase our revenues and expand our customer base. At this time there are no alcoholic beverages sold on the premises. Our proposed use of the premises is to immediately add a large cooler and sell bottled malt beverages to our customers with future plans to expand into providing draft beer, but that is the extent of our request for conditional use.

Ifrit's Hookah Lounge is distinctly unique as South Dakota's first and only Hookah Lounge, located in a contributing building in downtown Rapid City's historical environment which had been vacant for over 20 years prior to 2006. Also unique are the modern updates done to this historical property, including a 30 foot granite countertop bar, stone tiled bathrooms and intelligent mood lighting.

As a state licensed wholesoler and retailer of shisha (flavored tobacco), our primary business is the sale of hookahs (middle eastern water pipe)s and shisha for on-site consumption. We are a hospitality based business similar to a restaurant. We create a special experience for our customers by providing knowledgeable staff, a relaxing atmosphere and high quality brands and products. The vast majority of our current customer base consists of military service personnel and college students. At this time we offer a variety of beverages including coffee, teas, sodas, flavored waters and energy drinks, however our customers often inquire into the availability of alcoholic beverages. By granting our request for a Conditional Use Permit we will be able to better cater to the requests of our customers and increase our revenues.

Our business is currently open M-F 6-Midnight, Friday & Saturday 6- 2am, closed on Sunday, already operating in hours that comply with the sale of alcohol. Our nightlife experience is unique and provides an atmosphere not available in any other downtown establishment. Approval of our permit for on-sale malt beverages will assist us in keeping another historical building occupied and another locally owned business in the downtown area which will positively add to the character of our great city.

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