

TO: MAYOR LANDRY AND NOVI CITY COUNCIL
FROM: COUNCILMEMBER ANDREW MUTCH
SUBJECT: FOLLOW-UP ON REDEVELOPMENT AREA LIQUOR LICENSES
DATE: MARCH 5, 2009
CC: CLAY PEARSON, MARYANNE CORNELIUS

Summary: Direct city administration to review the opportunity for the city to issue additional liquor licenses through the designation of a Redevelopment Project Area.

Background: At the January 26, 2009 Council meeting, the City Council requested additional information related to liquor license requests including how many applicants requested licenses and were denied a request and how many of those applicants transferred a license into the city. The City Clerk provided the following information related to denials since 2005:

- 5 applicants were denied a quote liquor license
- 2 of the 5 transferred a liquor license into the city

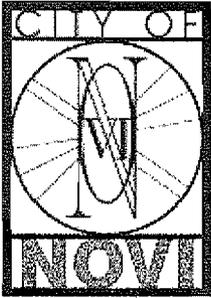
In the same time period, 9 additional applicants requested to transfer a liquor license into the city. All 9 requests were approved. In the past 4 years, 11 licensees have had to go outside the city to acquire a liquor license for their business. This step created additional costs and time delays to the process of opening a business in Novi. It's unknown how many businesses may have decided not to come into Novi due to the lack of available liquor licenses. One of the businesses that the City Council denied a quote liquor license did not proceed with opening their restaurant in Novi.

By making licenses available through the Redevelopment Area Liquor License process, the city could help reduce the cost and time for prospective businesses to open in the city. At least one area city, the City of Farmington, is proceeding with making licenses available in this way.

Requested Action: Direct city administration to review the opportunity to issue additional liquor licenses through the designation of a Redevelopment Project Area and make a recommendation to the City Council on proceeding with that process.

Council Goal/Strategy: Encourage economic development to maximize City revenue and job growth 2008 – 2009 goal: Business Recruitment/Retention

MEMORANDUM



cityofnovi.org

TO: MAYOR LANDRY AND COUNCIL MEMBERS
FROM: MARYANNE CORNELIUS, CITY CLERK
SUBJECT: HISTORY OF REQUESTS FOR TRANSFERRED LIQUOR LICENSES
DATE: JANUARY 30, 2009

Per today's request by Council member Mutch, we've also researched the history of the liquor licenses transferred in to the City in the past 4 years.

DATE	APPLICANT	REQUEST TYPE	COUNCIL ACTION
05/23/05	Andiamo's /Second City, 42705 Grand River Bldg. 100	Transfer 12 Month Resort Class C and a new Dance-Entertainment permit	APPROVED
05/23/05	Bonefish Grill, Inc., 43304 Eleven Mile	Transfer Class C	APPROVED
10/24/05	Taste of Bangkok Cuisine, Inc., 43317 Grand River	Transfer Class C	APPROVED
11/14/05	Fumi Enterprise, Inc., 24271 Novi Road	Transfer Class C	APPROVED
12/05/05	The Melting Pot, 26425 Novi Road	Transfer Class C	APPROVED
03/20/06	Whirly Ball Sports Bar and Grill, 41550 Grand River Ave.	Transfer Class C with Dance-Entertainment permit	APPROVED
04/16/07	OISHI LLC, 43155 Main Street, Suite 203	Transfer Class C	APPROVED
06/04/07	Nordstrom, Inc., 27640 Novi Road	Transfer Class C	APPROVED
06/09/08	California Pizza Kitchen	Transfer Class C	APPROVED

MEMORANDUM



TO: MAYOR LANDRY AND COUNCIL MEMBERS
FROM: MARYANNE CORNELIUS, CITY CLERK *M.C.*
SUBJECT: HISTORY OF REQUESTS FOR QUOTA LIQUOR LICENSES
DATE: JANUARY 27, 2009

*1/28/09
To: Mayor and (B)
Council Members*

Follow-up to 26th meeting

At the January 26, 2009 City Council meeting, administration was directed to provide a four year history of requests for quota liquor licenses that were denied. Below is a summary of requests and the action taken by City Council. The City has (3) quota licenses remaining.

DATE	APPLICANT	REQUEST TYPE	COUNCIL ACTION	FOLLOW-UP ACTION
01/24/05	Honey Tree Restaurant, 41602 W. Ten Mile	quota Class C	DENIED	DENIED 02/07/05
04/03/05	Jo-Bee 25752 Novi Road, Ste 103	quota Class C	DENIED	NONE
11/13/07	Bar Louie, 44375 W. Twelve Mile Road, Space G152	quota Class C	DENIED	APPROVED A TRANSFER 3/17/08
12/03/07	Benito's Pizza, 24270 Novi Road	quota Tavern	DENIED	NONE
01/07/08	The Hilton Garden Inn, 27355 Cabaret Drive	Quota Class B-Hotel	DENIED	APPROVED A TRANSFER 5/12/08



February 22, 2009

Farmington seeks more liquor licenses

By Sue Buck
OBSERVER STAFF WRITER

The City of Farmington hopes to receive more liquor licenses within the Farmington Downtown Development Authority district, which is also considered the city's redevelopment district.

The Farmington City Council passed a resolution Feb. 16 authorizing submittal of documentation to the Michigan Liquor Control Commission as a petition for more licenses.

Farmington Mayor Valerie Knol said there are currently no available licenses in the DDA district.

"With this, we will be eligible for more," Knol said. "We're hoping for one or two."

Annette Knowles, executive director of the DDA, also said that "there are zero regular licenses, active or in escrow, available in Farmington."

"The number of redevelopment licenses available depends on investment in the downtown. Given that we have been fortunate that the downtown has seen substantial reinvestment in the past five years, we may be eligible for more of a quota than necessary.

"We have discussed adding, perhaps, four new full-service restaurants to the downtown area."

The DDA may be eligible for up to 27 licenses based on the state formula, but the council will have the discretion of approving an appropriate number, she said.

Farmington City Manager Vince Pastue said that the Michigan Legislature enacted Public Act 501 of 2006 that created the opportunity for communities to issue additional licenses within designated redevelopment.

The additional licenses would be based on public and private investment.

"Over the last five years, there has been more than \$5.5 million in public and private investment," Pastue said. "Based on the MLCC formula, the DDA could qualify for 27 licenses, which are way too many."

Though seen as an effective recruitment tool for businesses like restaurants, Knol said that there isn't a chance that the LCC will "flood" the district with licenses.

There will be a process for applicants to follow.

"Once the DDA receives an allotment from the MLCC, the applicant will still need to go through the rigorous process of receiving a license," Pastue said. "They will need to try and secure a license that is escrowed. If that fails, they could pursue the development license."

The liquor license costs the business \$20,000, but remains the property of the state. It cannot be transferred by the business owner if the business closes down or moves, but the city can re-issue the

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license to another qualifying business within the district.

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