

Date: February 22, 2023

To: Honorable Mayor and City Council Members

From: Mark F. Miller, City Manager  
Lori Grigg Bluhm, City Attorney

Subject: Requested Revisions to Troy Historic Society and Troy Nature Society Agreements

---

The Troy Historic Society (THS) and the Troy Nature Society (TNS) request the ability to allow persons renting facilities at the historic village and nature center to bring in their own alcoholic beverages to these City owned properties. According to information provided to the Recreation Department, these non-profit groups speculate that they are losing potential renters who host small events, who are unable or unwilling to hire a caterer or chose a caterer that does not have a Michigan liquor license.

At a minimum, the current agreements between the City and these non-profits would need to be amended. The current ten- year agreement between the City and TNS doesn't expire until June 30, 2027. The THS Agreement expires June 30, 2026. In both of these agreements, a valid Michigan liquor license is required when alcohol is consumed in the City buildings. These contract provisions are consistent with Troy's ordinance, Chapter 98, Section 10.02, which provides:

*Consume Alcohol in Public. No alcoholic liquor shall be consumed in a public place, unless the public place possesses a Michigan Liquor Control Commission license for the premises. A person who violates this section is guilty of a misdemeanor punishable by imprisonment in the County Jail for not more than 90 days or by a fine on not more than \$500 or both.*

This is a long-standing Troy ordinance provision, authorized by the language in the State's liquor law statute (MCL 436.1915). Several neighboring communities that have similar ordinance provisions, including but not limited to Berkley, Birmingham, Bloomfield Hills, Clawson, Farmington, Farmington Hills, Hazel Park, Oak Park, Royal Oak and Southfield.

Municipalities have several responsibilities under the Michigan liquor law, including enforcement. It could be awkward if there are liquor law violations at a municipally owned facility, and this is one reason why many municipalities require a liquor licensee as a layer of protection against this situation and against dram shop lawsuits (someone injured by a patron who was served alcohol).

Michigan law has only very limited instances where liquor licenses are not required for the consumption of liquor in a public place. MCL 436.1913 prohibits any person or entity from furnishing a facility that is not licensed under the Michigan Liquor Control Act, where persons may engage in the drinking of alcoholic liquor for consideration. Additionally, a commercial establishment that sells food cannot allow persons to consume alcohol in its facility unless licensed under the Act. Because of these provisions, the City, in consultation with the Michigan

Liquor Control Commission, has previously prohibited businesses such as Painting with a Twist, where alcohol is brought in by patrons who pay consideration for the painting.

There are many caterers who possess valid liquor licenses, and these licenses allow a business to provide food and beverage service at multiple City owned facilities. Additionally, the Michigan Liquor Control also has a special non-profit liquor license, allowing for alcoholic beverages to be served at indoor and outdoor fundraising and special events. The cost for these special licenses is \$25 per day for established non-profits.

The City has adopted one exception to its general rule requiring liquor licenses, which is found in Chapter 26- the Parks Ordinance. This exception dates back to February 1989, when City Management adopted a park shelter policy allowing persons reserving park shelters to bring beer. In 2014, this long- standing policy was codified in Chapter 26, Section 11, creating an official exception to the prohibition in Chapter 98, Section 10.02. Persons reserving park shelters, with approval from the Recreation Director, can now bring in beer and wine, subject to certain rules and restrictions.

Based on this provision, TNS requested and received a revision to its current agreement to expressly allow for persons reserving the 20 x 30 outdoor shelter/ tent to permit its renters to bring in beer or wine, consistent with what is allowed for park shelters in Chapter 26, Section 11 of the City of Troy Ordinances. However, this exception is only applicable for liquor served within a park shelter.

If there is consensus to amend the agreements and also the City ordinances to allow for THS and TNS to allow persons to bring in alcohol to City facilities, City Administration will prepare proposed amendments for City Council review.