



500 West Big Beaver  
Troy, MI 48084  
troymi.gov



## CITY COUNCIL AGENDA ITEM

Date: May 24, 2023

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Frank Nastasi, Chief of Police  
Lynn Giorgi, Staffing and Support Specialist

Subject: Application for New On-Premises Tasting Room Permit for Shankar Distillers LLC

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### History

Shankar Distillers LLC is located at 1030 Chicago Rd in Troy. They began as a Vendor of spirits in 2021 and are currently producing bourbon under a 2022-2023 Small Distiller License already granted by the MLCC. They are now seeking the Approval of Troy City Council for a On-Premises Tasting Room for sampling of spirits and also to sell spirits retail.

A Small Distiller License, as defined by MCL 436.1111(11), is issued by the Commission to a person located in Michigan to manufacturer no more than 60,000 gallons of spirits per year, to sell those spirits to the Commission for the sale and distribution through Authorized Distribution Agents (ADAs) to retailer licensees, and to sell its spirits to customers for consumption on or off the premises at a tasting room located on its manufacturing premises where it also holds an On-Premises Tasting Room Permit.

License applicants must get local government approval for an On-Premises Tasting Room Permit if they want to allow patrons to taste their product on site. The applicant must get the approval from Troy City Council first, before the MLCC takes any action on the request, by use of the LCC-106 form which is attached.

The Troy Police Department conducted an investigation into this application. The investigation did not reveal any issues that would cause us to recommend against this request based upon the guidelines outlined by the MLCC and the Troy City Ordinance Chapter 101. This request complies with all applicable Troy City Ordinances and MLCC rules. This request did not go to the Liquor Advisory Committee for review/approval because the Small Distiller license and On-Premises Tasting Room



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## CITY COUNCIL AGENDA ITEM

permit requested is not a quota type license. An email has been sent to the current members of the LAC as a courtesy to keep them informed.

### **Recommendation**

Recommend approval of the request from Shankar Distillers LLC.

Prepared by: Lynn Giorgi

LG/City Council Agenda Item—Shankar Distillers LLC

## AGREEMENT REGARDING LIQUOR LICENSE REQUEST

Re: Applicant: Varchasvi Shankar Date: 5-24-23  
Address: 4721 Wendrick Drive Type of License/s: ON PREMISES TASTING ROOM  
City/State/Zip: West Bloomfield, MI 48323 MLCC Request ID: RA-2303-03238

This Agreement, made by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W. Big Beaver Road, Troy, Michigan, 48084, hereinafter known as THE CITY, and the Applicant as indicated above, hereinafter known as APPLICANT.

1. The City Council of the City of Troy, for and in consideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission Approval of the requested Liquor License to be located as indicated above in Troy Michigan.
2. In consideration of the City of Troy's recommendation for approval of the request, the applicant hereby agrees that:
  - (a) It has read and is aware of the provisions of City of Troy Ordinances, Chapter No. 67, Chapter No. 68, Chapter No. 98 and Chapter No. 101, and agrees that it shall be deemed to have knowledge of any subsequent amendments to said Chapters which may become effective during the term of this agreement.
  - (b) It agrees to observe and comply with all laws, statutes, ordinances, rules, regulations or resolutions of the United States government, State of Michigan, and the City of Troy, or any department or agency of the governmental entities, as well as the rules and regulations of the Michigan Liquor Control Commission as they pertain to the operation of a liquor licensed business in the City of Troy.
  - (c) It agrees to immediately require all employees who serve/sell alcohol to attend a recognized alcohol awareness program, and forward the names of each certified employee to the Troy Police Department. The alcohol awareness program must either be recognized by the Troy Police Department (i.e. TIPS, TAMS), or the program must be reviewed by the Troy Police Department to insure that the program is comparable to the recognized programs.
3. Applicant agrees that the recommendation for Approval agreed upon by the City Council is not a property right and is approved upon the express and continuing condition that no violation as set forth in paragraph 2 of this agreement shall occur.
4. Applicant agrees that the recommendation for Approval agreed upon by the City Council is approved upon the express and continuing condition that the physical characteristics (including but not limited to the inside layout, building design and engineering, seating capacity, parking space allocations, fire exits, and other physical attributes); and also the nature and type of business intended to be conducted remain virtually the same.
5. Applicant agrees that upon such violation, after full investigation and an opportunity for said applicant to be heard, upon a finding by the City Council that a violation as set forth in paragraph 2 of this agreement has occurred, the City Council shall have just cause for revocation of said recommendation for approval.

### LICENSEE AUTHORIZED REPRESENTATIVE

Witnesses: \_\_\_\_\_

By: \_\_\_\_\_

Subscribed and sworn to before me this 20th day of March 2023

Notary Public, \_\_\_\_\_ County, MI FL

Acting in the County of Hillsborough

My commission expires: \_\_\_\_\_



AGNES EDINA KASHUMBA  
Commission # GG 906125  
Expires December 21, 2023  
Bonded Thru Budget Notary Services

### CITY OF TROY

Witnesses: \_\_\_\_\_

By: \_\_\_\_\_

Ethan Baker, Mayor

By: \_\_\_\_\_

M. Aileen Dickson, City Clerk

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

Notary Public, \_\_\_\_\_ County, MI

Acting in the County of Oakland

My commission expires: \_\_\_\_\_



## AGREEMENT REGARDING LIQUOR LICENSE REQUEST

Re: Applicant: Nandini Gowda Varchasvi  
Address: 4721 Wendrick Drive  
City/State/Zip: West Bloomfield, MI 48323

Date: 5-24-23  
Type of License/s: ON PREMISES TASTING ROOM  
MLCC Request ID: PA-2303-03238

This Agreement, made by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W. Big Beaver Road, Troy, Michigan, 48084, hereinafter known as THE CITY, and the Applicant as indicated above, hereinafter known as APPLICANT.

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5. Applicant agrees that upon such violation, after full investigation and an opportunity for said applicant to be heard, upon a finding by the City Council that a violation as set forth in paragraph 2 of this agreement has occurred, the City Council shall have just cause for revocation of said recommendation for approval.

### LICENSEE AUTHORIZED REPRESENTATIVE

Witnesses: 88  
Kyanishy

By: Nandini Varchasvi

Subscribed and sworn to before me this 20<sup>th</sup> day of MARCH 20 23

Notary Public, MI FL County, Hillsborough

Acting in the County of Hillsborough

My commission expires: Agnes



AGNES EDINA KASHUMBA  
Commission # GG 906125  
Expires December 21, 2023  
Bonded Thru Budget Notary Services

### CITY OF TROY

Witnesses: \_\_\_\_\_

By: \_\_\_\_\_

Ethan Baker, Mayor

By: \_\_\_\_\_

M. Aileen Dickson, City Clerk

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Notary Public, \_\_\_\_\_ County, MI

Acting in the County of Oakland

My commission expires: \_\_\_\_\_



Michigan Department of Licensing and Regulatory Affairs  
Liquor Control Commission (MLCC)  
Toll Free: 866-813-0011 • [www.michigan.gov/lcc](http://www.michigan.gov/lcc)

Business ID: \_\_\_\_\_  
Request ID: \_\_\_\_\_  
(For MLCC use only)

**Local Government Approval For On-Premises Tasting Room Permit**  
(Authorized by MCL 436.1536)

**Instructions for Applicants:**

- You must obtain a recommendation from the local legislative body for a new On-Premises Tasting Room Permit application.

**Instructions for Local Legislative Body:**

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a \_\_\_\_\_ Regular \_\_\_\_\_ meeting of the \_\_\_\_\_ City of Troy \_\_\_\_\_ council/board  
(regular or special) (township, city, village)

called to order by \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_  
(date) (time)

the following resolution was offered:

Moved by \_\_\_\_\_ and supported by \_\_\_\_\_

that the application from Shankar Distillers LLC  
(name of applicant - if a corporation or limited liability company, please state the company name)

for a **NEW ON-PREMISES TASTING ROOM PERMIT**

to be located at: 1030 Chicago Road, Troy MI 48083

It is the consensus of this body that it \_\_\_\_\_ this application be considered for  
(recommends/does not recommend)  
approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are \_\_\_\_\_

**Vote**

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the \_\_\_\_\_  
council/board at a \_\_\_\_\_ meeting held on \_\_\_\_\_ (township, city, village)  
(regular or special) (date)

\_\_\_\_\_  
Print Name of Clerk

\_\_\_\_\_  
Signature of Clerk

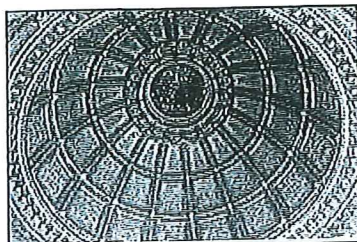
\_\_\_\_\_  
Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:  
Michigan Liquor Control Commission  
Mailing address: P.O. Box 30005, Lansing, MI 48909  
Hand deliveries: Constitution Hall - 525 W. Allegan Street, Lansing, MI 48933  
Overnight deliveries: 2407 N. Grand River Avenue, Lansing, MI 48906  
Fax to: 517-763-0059



The Michigan Legislative Website data sources are undergoing upgrades. Thank you for your patience as we work through any issues.



# MICHIGAN LEGISLATURE

Michigan Compiled Laws Complete Through PA 93 of 2019  
House: Adjourned until Wednesday, November 20, 2019 10:00:00 AM  
Senate: Adjourned until Wednesday, November 20, 2019 10:00:00 AM

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Act 58 of 1998

58-1998-5

Section 436.1536

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### MICHIGAN LIQUOR CONTROL CODE OF 1998 (EXCERPT) Act 58 of 1998

**436.1536 Multiple manufacturing licenses; eligibility requirements; operating multiple tasting rooms; compliance requirements; limitations; sale of alcoholic liquor under certain circumstances; samples; earmark for liquor control enforcement and license investigation revolving fund; local approval exceptions.**

Sec. 536.

(1) Except as provided in section 105(13), the commission shall allow a person to be licensed as more than 1 type of manufacturer in this state.

(2) A person that holds more than 1 type of manufacturing license in this state shall meet all applicable provisions of this act for each type of manufacturing license the person holds.

(3) Subject to the requirements of this section and section 537, the commission may approve a licensed manufacturer to operate 1 or more tasting rooms.

(4) Brewers and micro brewers shall not have more approved tasting rooms than allowed in section 411.

(5) A tasting room may be jointly operated by 2 or more manufacturers if either of the following conditions is met:

(a) The manufacturers are owned by the same person and their manufacturing premises share the same address.

(b) The manufacturers are not owned by the same person and their manufacturing premises do not share the same address.

(6) A tasting room is treated as licensed premises for purposes of this act.

(7) An approved tasting room located on the manufacturing premises of 1 or more manufacturers that are owned by the same person and whose manufacturing premises share the same address must comply with all of the following:

(a) The commission must approve and issue an on-premises tasting room permit to the manufacturer or manufacturers.

(b) The manufacturer or manufacturers must pay the \$100.00 initial permit fee, which is renewable annually.

(c) The manufacturer or manufacturers must be approved for the on-premises tasting room permit by the local legislative body in which the proposed licensed premises will be located, except in a city having a population of 600,000 or more or as provided in subsection (17).

(d) The manufacturer or manufacturers must comply with the server training requirements of section 906.



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mcl 436 1536

(e) The manufacturer or manufacturers must file with the commission proof of financial responsibility providing security for liability under section 801(3) of not less than \$50,000.00 as provided in section 803.

(f) A separate on-premises tasting room permit is not required for each license type for a person licensed by the commission under any combination of brewer, micro brewer, wine maker, small wine maker, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer licenses issued to that person at the same manufacturing premises.

(g) The commission shall not issue to a manufacturer or manufacturers a Sunday sales permit, catering permit, dance permit, entertainment permit, specific purpose permit, extended hours permit, or authorization for outdoor service unless the commission has issued an on-premises tasting room permit to the manufacturer or manufacturers. A Sunday sales permit, catering permit, dance permit, entertainment permit, specific purpose permit, extended hours permit, or authorization for outdoor service may be issued concurrently with the issuance of an on-premises tasting room permit.

(h) A brewer, micro brewer, wine maker, small wine maker, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer may own and operate a restaurant or allow another person to operate a restaurant as part of the on-premises tasting room on the manufacturing premises. If the brewer, micro brewer, wine maker, small wine maker, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer allows another person to operate a restaurant on the manufacturing premises, the brewer, micro brewer, wine maker, small wine maker, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer must hold a participation permit naming as a participant the other person. The other person must meet the requirements for a participant in R 436.1041(3) of the Michigan Administrative Code.

(8) Subject to subsection (10), an approved tasting room located off the manufacturing premises of 1 or more manufacturers, other than a brewer, micro brewer, or mixed spirit drink manufacturer, that are owned by the same person and whose manufacturing premises share the same address must comply with all of the following:

(a) The commission must approve and issue an off-premises tasting room license to the manufacturer or manufacturers.

(b) The manufacturer or manufacturers must pay the \$100.00 initial license fee, which is renewable annually.

(c) The manufacturer or manufacturers must be approved for the off-premises tasting room license by the local legislative body in which the proposed licensed premises will be located, except in a city having a population of 600,000 or more or as provided in subsection (17).

(d) The manufacturer or manufacturers must comply with the server training requirements of section 906 at the off-premises tasting room.

(e) The manufacturer or manufacturers must file with the commission proof of financial responsibility providing security for liability under section 801(3) of not less than \$50,000.00 as provided in section 803 for the off-premises tasting room.

(f) A separate off-premises tasting room license is not required for each license type for a person licensed by the commission under any combination of wine maker, small wine maker, distiller, small distiller, or brandy manufacturer licenses issued to that person at the same manufacturing premises.

(g) The commission shall not issue to a manufacturer or manufacturers a Sunday sales permit, catering permit, dance permit, entertainment permit, specific purpose permit, extended hours permit, authorization for outdoor service, or permission to maintain a direct connection to unlicensed premises unless the commission has issued an off-premises tasting room license to the manufacturer or manufacturers. A Sunday sales permit, catering permit, dance permit, entertainment permit, specific purpose permit, extended hours permit, authorization for outdoor service, or permission to maintain a direct connection to unlicensed premises may be issued concurrently with the issuance of an off-premises tasting room license.



(9) Subject to subsection (10), an approved jointly operated tasting room located off the manufacturing premises of 2 or more manufacturers, other than a brewer, micro brewer, or mixed spirit drink manufacturer, that are not owned by the same person and whose manufacturing premises do not share the same address must comply with all of the following:

(a) The commission must approve and issue a joint off-premises tasting room license to each of the manufacturers.

(b) Each manufacturer must pay the \$100.00 initial license fee, which is renewable annually.

(c) Each manufacturer must be approved for a joint off-premises tasting room license by the local legislative body in which the proposed licensed premises will be located, except in a city having a population of 600,000 or more or as provided in subsection (17).

(d) Each manufacturer must comply with the server training requirements of section 906 at the jointly operated off-premises tasting room.

(e) Each manufacturer must file with the commission proof of financial responsibility providing security for liability under section 801(3) of not less than \$50,000.00 as provided in section 803 for the jointly operated off-premises tasting room.

(f) Any management agreements with an unlicensed manager of the jointly operated off-premises tasting room must comply with the requirements of R 436.1041 of the Michigan Administrative Code and all the manufacturers must hold a participation permit naming as a participant the unlicensed manager. The unlicensed manager must meet the requirements for a participant in R 436.1041(3) of the Michigan Administrative Code.

(g) A Sunday sales permit, dance permit, entertainment permit, specific purpose permit, extended hours permit, authorization for outdoor service, or permission to maintain a direct connection to unlicensed premises may be issued in conjunction with a jointly operated off-premises tasting room. All manufacturers licensed at the jointly operated off-premises tasting room location must hold the same permits, permissions, and authorizations at the location.

(h) A violation of this act or the administrative rules by any manufacturer on the premises of the jointly operated off-premises tasting room is a violation by all the manufacturers licensed at the jointly operated off-premises tasting room.

(10) Approved off-premises tasting rooms or jointly operated off-premises tasting rooms described in subsections (8) and (9) must comply with all of the following:

(a) A wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may have 1 of the following:

(i) No more than 5 off-premises tasting room licenses issued under subsection (8) where alcoholic liquor manufactured by the wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may be sold by the glass for consumption on the premises or samples may be sold or given away for consumption on the premises as provided in section (14)(b) and (c).

(ii) No more than 5 joint off-premises tasting room licenses issued under subsection (9) where alcoholic liquor manufactured by the wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may be sold by the glass for consumption on the premises or samples may be sold or given away for consumption on the premises as provided in section (14)(b) and (c).

(iii) A combination of no more than 5 off-premises tasting room licenses issued under subsection (8) and joint off-premises tasting room licenses issued under subsection (9) where alcoholic liquor manufactured by the wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may be sold by the glass for consumption on the premises or samples may be sold or given away for consumption on the premises as provided in section (14)(b) and (c).

(iv) No more than the equivalent number of off-premises tasting room licenses issued under subsection (8), joint off-premises tasting room licenses issued under subsection (9), or a combination of off-premises tasting room



(b) Notwithstanding the limitation in subdivision (a), a wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may have any number of off-premises tasting room licenses or joint off-premises tasting room licenses where alcoholic liquor manufactured by the wine maker, small wine maker, distiller, small distiller, or brandy manufacturer may only be sold or given away as samples for consumption on the premises as provided in subsection (14)(d).

(d) All wine makers, small wine makers, distillers, small distillers, or brandy manufacturers licensed at the same approved jointly operated off-premises tasting room must have an identical designation under subdivision (c).

(11) A wine maker, small wine maker, brewer, micro brewer, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer may add a nonalcoholic mixing ingredient or an alcoholic mixing ingredient manufactured by the wine maker, small wine maker, brewer, micro brewer, distiller, small distiller, brandy manufacturer, or mixed spirit drink manufacturer to sampled or purchased alcoholic liquor if the sampled or purchased alcoholic liquor is consumed on the premises of the approved tasting room.

(13) A manufacturer with an approved tasting room may sample and sell alcoholic liquor only as specifically allowed in this act.

(a) Sell alcoholic liquor it manufactured for consumption off the premises in an approved tasting room under subsections (7) to (9).

(c) Subject to subsection (10)(a), sell or give away samples of any size of alcoholic liquor it manufactured for consumption on the premises of an approved tasting room under subsections (7) to (9).

(i) A wine maker or small wine maker may offer samples of wine that do not exceed 3 ounces per sample.

(iii) A distiller or small distiller may offer samples of spirits or mixed drinks that do not exceed 1/2 ounce per sample.

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(17) Local approval under subsection (7)(c), (8)(c), or (9)(c) is not required for a tasting room that was in existence before the effective date of the amendatory act that added this section.

**Compiler's Notes:** In subsection (10)(a)(i), (ii), (iii), and (iv), the reference to "section (14)(b) and (c)" evidently should read "subsections (14)(b) and (14)(c)."

## Acceptable Use Policy Legislative Directory

## Copyright Infringement

## Comment Form

www.legislature.mi.gov//S/inh0n5v1h0f0nn0x0slv4thv1)/milen.aspx?name=delObject&objectName=mcl-436-1536