



500 West Big Beaver
Troy, MI 48084
troymi.gov

FROM THE OFFICE OF THE CITY MANAGER

September 16, 2024

To: Mayor and City Council Members

From: Robert J. Bruner, Acting City Manager
Meg Schubert, Assistant City Manager
Dylan Clark, Management Analyst

Subject: City Council Agenda Questions & Answers – 09.16.2024

The following are communications that City Administration would like Council to be made aware of. In order to ensure that all questions are received and answered, all City Council Questions should be sent to the CITY MANAGER DISTRIBUTION GROUP e-mail address.

From: Councilman Hamilton
Sent: 09/15/2024 at 8:15 PM
Subject: Agenda

Can a yellow sheet resolution be created which lists all ten of the liquor license applicants, in the proper format for a resolution to give them a license? This is in case a majority of council wants to change any of the 5 that are already listed in the agenda packet.

Answer: Lori Grigg Bluhm – City Attorney

If City Council were to select different licensees, then the proposed resolutions could be modified from the table with the name and address of the liquor establishment.

(Below is the August 26 agenda item containing information for all 10 applicants.)



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CITY COUNCIL AGENDA ITEM

Date: August 19, 2024

To: Robert J. Bruner, Acting City Manager

From: Frank Nastasi, Chief of Police
Lynn Giorgi, Staffing and Support Specialist

Subject: Applications for Class C Quota License

History

As a result of the 2020 census and increase in the City of Troy's population, MLCC (Michigan Liquor Control Commission), has granted four additional Class C Quota Licenses for the City of Troy. The Covid-19 pandemic caused delays in this process, and Troy was not notified until early 2022 of these four licenses. The last quota license granted was in 2019 to Uncle Julio's who failed to open and the license was returned to the City of Troy. The return making a total of five available quota licenses.

The Troy City Clerk's Office began accepting applications in March 2022, which were routed to Lynn Giorgi at Troy PD for background investigations. CMO staff researched how neighboring jurisdictions navigate this process. An additional questionnaire was developed that focused on the business model and the potential positive impact on the City of Troy the business would have. The questionnaire assisted the Troy Liquor Advisory Committee in making recommendations to Council.

On July 18, 2024, a notice was posted on the City of Troy Website Liquor Advisory Committee webpage on how to apply for a Class C Quota license. All applications and supplemental questionnaires were due end of day July 29, 2024.

The Liquor Advisory Committee is a body of volunteers who are appointed by City Council. They assist in reviewing complaints and license applications and make recommendations to Council. Troy City Council has the authority to grant Class C Quota Licenses.

Methodology

Ten applicant businesses met the criteria of timely application, background check, and supplemental questionnaire. Applicants were given an opportunity to speak in front of the Liquor Advisory Committee on August 5, 2024. These presentations assisted the LAC in making an informed decision on which five businesses would be recommended. LAC asked each applicant about seating capacity in their follow-up questions.



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CITY COUNCIL AGENDA ITEM

The following 10 applications were considered:

Aji Sushi, to be located at 1325 Coolidge Hwy (still in building stage), 150-160 seats
Caballero's Cigar Lounge, to be located at 2890 W Maple Rd (still in building stage), 79 seats
Deccan Delights, 3516 Rochester Rd, (unknown seats did not present)
Ernie's, 760 W. Wattles Rd (Banquet Facility St. Nicholas Greek Orthodox Church), 650 seats
Hyatt Place Hotel, to be located at 801 W. Big Beaver (still in building stage), 230 seats
Kazoku Sushi, 30 W. Square Lake Rd, 34 seats
Paradise Biryani Pointe, 3880 Rochester Rd, 50-60 seats
Renee's Gourmet Pizza, 1937 West Maple Rd, 50-60 seats
Saltwater Eatery, 3672 Rochester Rd, 80-100 seats
VIN 809, to be located at 809 W Big Beaver Rd (still in building stage), 375 seats

Recommendation

After careful consideration, the Troy Liquor Advisory Committee recommends by proposed resolutions that the following businesses each be awarded one of five open Class C Quota Licenses, draft minutes from the LAC meeting dated August 5th, 2024 are attached. LAC has voted to recommend Council award licenses for the following:

Ernie's, by a "4-1 vote"
Hyatt Hotel by a "3-2 vote"
VIN 809 by a "3-2 vote"
Kazuko Sushi by a "3-2 vote"
Saltwater Eatery by a "5-0 vote"

The LAC asks for Council consideration and approval of the proposed resolutions which are attached, granting the above listed businesses a Class C Quota License.

Legal Review

This item was submitted to the City Attorney for review pursuant to City Charter Section 3.17.

Prepared by: Lynn Giorgi

LG/City Council Agenda Item—Class C Quota Licenses

From: Councilwoman Chamberlain-Creanga

Sent: 09/16/2024 at 10:03 AM

Subject: Agenda question

I have a question related to E-01, which probably requires legal review a well:

Why is this item framed as a street vacation instead of a decision of selling City property, given the presence of a deed for the easement?

I ask after a registered land surveyor and longtime planning commissioner from another community analyzed the agenda item.

Typically, there is not the presence of a deed with a street vacation. However, in this case, there is a quit claim deed. This means the City of Troy is the underlying owner of the easement in question, and hence the applicant in E-01 would need to purchase the property from the City — with the City ensuring restrictions to protect the underground and overhead utilities.

I welcome more clarity on how this item is before us as a street vacation.

Answer: Brent Savidant – Community Development Director

This is not a typical street vacation request. There are numerous ways a City can acquire right of way. In this instance, the subject property was originally platted as an easement for “public road purposes” in 1953 as part of Clark Estates Subdivision. When the City acquired the property via Quit Claim Deed in 1958, the City created a legal paper road that can accommodate utilities.

The process was initiated when the applicant submitted a street vacation application. The applicant did not inquire about purchasing property. I am not aware of a mechanism in place that permits an individual to approach the City to purchase property that is not for sale.

It was determined the street vacation process was appropriate due process for the following reasons:

- The subject property was originally platted as a an easement for “public road purposes”.
- The Quit Claim Deed references the recorded subdivision plat and does not reference utilities.
- The subject property is adjacent to a platted street in the adjacent Bassett & Smith Flowing Springs Acres Subdivision.
- The subject property is considered undeveloped right of way (“paper street”).
- The City’s GIS indicates the subject property is within a public right of way.
- The street vacation process provides the most transparent way to offer residents an opportunity to review and respond to the request
- The street vacation process provides for internal review and comment.
- The street vacation process provides for review and recommendation by the Planning Commission following a public hearing.
- The street vacation process provides transparency via notice to neighbors including street signs, mailed notice and notice in newspaper.
- The street vacation process provides approval authority to City Council following a public hearing.

From: Councilwoman Hodorek
Sent: 09/16/2024 at 10:54 AM
Subject: Agenda Question

Following is my question related to tonight's City Council agenda:

I-04 Are there any other options to increase the number of liquor license establishments in the city beyond the quota licenses?

Answer: Lori Grigg Bluhm – City Attorney

The City was granted four additional quota licenses in 2022, since there was an increase in the City's population according to the 2020 census. The City also had one additional license in escrow based on Uncle Julio's, which was never developed. The City will not likely receive any additional quota licenses unless and until there is a population increase in the 2030 census.

Under the Michigan statutes, on -premises applicants can be one of the following:

A-Hotel- allows hotel with at least 25 rooms to sell and serve beer, wine, and mixed drink to consume on the premises. Can be issued as a quota license, resort license, redevelopment area, development district or special act license.

B-Hotel- allows hotel with at least 25 rooms to sell and serve beer, wine, and mixed drink. Can be issued as a quota license, resort license, redevelopment area, development area or special act license.

Tavern- Allows a restaurant or bar to sell and serve beer, wine, and mixed drink to consume on the premises. Can be issued as a quota license, resort license, redevelopment area, development district or special act license.

Class C- Allows a restaurant or bar to sell and serve beer, wine, and mixed drink to consume on the premises. Can be issued as a quota license, resort license, redevelopment area, development district, or special act license.

Brewpub- Allows a Class C, Tavern, A-Hotel or B-Hotel licensee to manufacture, sell and serve its own beer to customers. This does not count as a quota license.

Club- Allows a private, non-profit organization to sell and serve beer, wine, mixed spirit drink and spirits to its members. This does not count as a quota license.

The redevelopment area and development district licenses don't count as quota licenses. In order to qualify for these licenses, there must be a specific investment threshold to qualify, and they cannot be transferred to another location, and they must be open a minimum number of days and hours each week. There is a \$20,000 initial license enhancement fee for eligible licensees.

The special act licenses can be issued over the quota limits. These license are for municipal civic centers, county or municipal airports, motorsports complexes, national or international sporting events, colleges and universities, etc..

We have not explored the feasibility of any application for the on-premises licenses that do not count against the quota limitations (development district, special act, redevelopment area).