

To: Mayor and City Council Members
From: Michael Webber, Vice President
Date: August 13, 2012
Subject: Liquor License Technical Review Committee Report

Request:

To discuss the recommendation of the Liquor License Technical Review Committee.

Background:

City Council will recall that at our February 13th meeting council held a discussion item regarding the additional quota Class C liquor license that the city had received from the Michigan Liquor Control Commission (MLCC) due to the 2010 Census data. At that meeting Council formed the Liquor License Technical Review Committee to work with Clerk Jane Leslie to review applications and make a recommendation to City Council on how to proceed with this license. The council appointed members Nathan Klomp, James Rosen and Michael Webber to the committee.

The committee met five times in total. At our initial meeting on May 21st, the committee accepted four applications (See attached) from Clerk Leslie and discussed the process to conduct the evaluation. The second meeting was held on June 4th. Before that meeting, each committee member prepared criteria (See below) to be used for consideration in granting this license. Members also requested and received copies of each of the applicants' financial statements. It was determined at the second meeting that we should invite all four applicants for an interview to get a better understanding of their need and use of the license.

The third meeting was held on June 25th in order to conduct four thirty-minute interviews of the applicants. The fourth meeting was held on July 9th for the committee to discuss the interviews and compare notes. The fifth and final meeting was held on July 30th where it was determined by a majority vote to make a recommendation to City Council to grant the license to Gold Star Family Restaurant (650 S. Rochester Road).

It should be noted that each of the four applicants satisfied the minimum criteria set forth by the committee. It is the committee's recommendation that future councils and committees review these criteria when reviewing liquor license applications:

- The council should give consideration to spreading the available quota licenses and thus should be hesitant to grant a license to anyone who already owns a Rochester Hills quota license that is in use or in escrow.

- The council should give consideration to whether or not the applicant has sold or relocated a quota license within the last five years.
- The council should give consideration to the ability of the applicant to independently purchase a non-quota license. This consideration should include whether the applicant is a large/well capitalized chain or a local, singular establishment.
- The council should give consideration to the economic and community impact of granting the quota license to that applicant.
- The council should consider applicants that are able to present a business plan that is viable and viewed as compatible with the City's Master Plan.
- The council should consider applicants that are willing and able to produce resumes, references and other credentials that validate a sufficient level of business competency.

The committee also recommends the interview process for applicants as the committee learned a great deal during this process. It should be noted that while the committee did come to a majority decision to recommend the granting of the license to Gold Star Family Restaurant, the committee also had a long discussion that supported a reasonable case for holding onto the license for a later date. As council is aware, this will be the only Class C Liquor License that the city will receive from the MLCC for the next ten years, and it is unlikely that we will receive many more because the city is approaching residential build out. Based on the established criteria above, the council could formulate a process to take applications in the future and have the committee review them.

Recommendation:

Grant the Class C Liquor License to Gold Star Family Restaurant (650 S. Rochester Road).