



Rochester Hills Agenda Report

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File Number: 2006-0726

File Number: 2006-0726	File Type: License	Status: To Council
Version: 2	Reference:	Controlling Body: City Council Regular Meeting
Requester: Clerk's Office	Cost:	Introduced: 09/29/2006
File Name: Request for a "New from Quota" Class C Liquor License - JSBAR, LLC dba The Hills Grille		Final Action:

Title: Request for a "New from Quota" Class C Liquor License from JSBAR, LLC doing business as The Hills Grille, located at the Northwest corner of Tienken & Rochester Roads, Rochester Hills, MI 48306

Notes:

Code Sections:

Indexes: Liquor License

Sponsors:

Attachments: Agenda Summary.pdf, Staff Report.pdf, Application.pdf, Intent to Lease.pdf, Operating Agreement.pdf, Site Plan.pdf, Menu.pdf, AIS Resolution.pdf

Agenda Date:

Agenda Number:

Enactment Date:

Enactment Number:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Administration and Information Services Committee	10/03/2006	Recommended for Approval	City Council Regular Meeting			Pass

DRAFT Notes: *The Committee reviewed the information from JS BAR, LLC that was included in the packet and noting the following:*

- . *A suggestion was made that personal names should not be on the name of the license due to page 20, Article XI, Conflict of Interest, of the JS BAR, LLC Operating Agreement.*
- . *There are about six (6) liquor licenses in the area east of Tienken and Rochester Roads in the City.*
- . *The Hills Grill is an independent, start-up venture by local residents and not part of a chain restaurant. The restaurant will be part of the new Papa Joe's development.*
- . *The new Papa Joe's development has been informed at previous meetings by AIS and City Council that it is not recommended that they request a new license from the City's quota since they have been granted a new license for Tom's Oyster Bar.*
- . *The partners are young and have never been in business together before.*

- . The interest rate is 10% on the bank loan of \$450,000.

The Committee consensus was to hear the presentation from the applicants and suggest a postponement until a full AIS Committee is present.

The applicants were invited to join the meeting and Chairperson Holder welcomed them. The five (5) representatives for JS BAR, LLC were:

- . Ms. Kelly Allen, Attorney representing JS BAR, LLC
- . Mr. Steven Stauch, partner
- . Jonathan Robinson, partner
- . Jason Niles, partner
- . John Pewinski, partner

Ms. Allen gave a presentation noting the following:

- . The applicants are young, but have a lot of experience in different areas with three (3) partners having experience in the restaurant business.
- . Three of the partners were raised in Rochester Hills; two of the partners live in Rochester Hills.
- . The cost of build-out is \$750,000. Huntington Bank approved a loan of \$450,000 because the partners are using \$300,000 of their own money.
- . They expect to employ about 60 part and full time people and will strive to hire local people.
- . The alcohol to food ration is about 80 to 20 with a more upscale menu and atmosphere than CJ Mahoney's or RJ's.
- . They have a letter of intent for a 30 year lease with the Curtis Development who are confident in their abilities.
- . Current research shows nine (9) liquor licenses and five (5) resort licenses are available in Oakland County. Availability changes daily. Many licenses in escrow show that transfers are pending in the process. Liquor licenses cost roughly \$80,000 which would hinder the partners' current budget. The partners are young men trying to start their lives and families.

The partners explained that the managerial and labor costs are built into variable costs on the budgeted financial information; however they are not "tapping themselves out". The working capital of \$28,000 is for initial stocking. The partners stated they have working relationships with food vendors and have the ability for a 30-day stocking time. It is understood that if a new license is granted, which is valued at approximately \$80,000, it cannot be sold for three (3) years due to a Michigan Law.

The Committee expressed a concern with the number of liquor licenses currently held in that area of the City. Ms. Leslie relayed that the Oakland County Sheriff's Department expressed no concern with another liquor license going into that area which was noted in her report to the Committee.

Member Verschueren made a motion to postpone the recommendation until the November AIS Committee Meeting to allow for a full committee and perhaps more information will be known about the building at that time. The motion failed for lack of support.

Ms. Kelly also noted that the projected time to open the restaurant is January 2007 which is based upon obtaining a liquor license. However, if JS BAR, LLC is denied a new license, then the process of finding a license will delay the targeted opening date.

Aye: Duistermars, Holder, Kinker and Verschueren
Absent: Rosen

Text of Legislative File 2006-0726

..title

Request for a "New from Quota" Class C Liquor License from JSBAR, LLC doing business as The Hills Grille, located at the Northwest corner of Tienken & Rochester Roads, Rochester Hills, MI 48306

..body

Resolved that the request from JSBAR, LLC doing business as The Hills Grille, for a New Class C License, to be located at the Northwest corner of Tienken & Rochester Roads, Rochester Hills, MI 48306, Oakland County, Michigan be considered for approval "Above All Others" by Michigan Liquor Control Commission.