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CITY of NOVI CITY COUNCIL

Agenda Item H July 2, 2012

SUBJECT: Approval of resolution to establish a fee for Liquor License re-submittals

SUBMITTING DEPARTMENT: City Clerk *me*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION: *[Signature]*

Currently the fee for all liquor license applications is \$1,000 plus \$210 for each person with a financial or management interest in the business including, but not limited to, partnership partners, corporate officers and directors.

Recently there has been a lot of interest from the business community regarding applications for Quota Liquor Licenses. In the event that an application for a Quota Liquor License is denied, the applicant may purchase a license from escrow and transfer it into the City of Novi. The application and review process is similar, but consumes less staff time. Since there is not a separate fee for this type of situation, the City Clerk's Office has recommended that a re-submittal fee of \$250 be established. The applicant would qualify for the reduced re-submittal fee only if the application for the transfer of an escrow license occurs within three months of the denial of a request for a Quota Liquor License.

RECOMMENDED ACTION: Approval of resolution to establish a fee for Liquor License re-submittals

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION TO ESTABLISH A RESUBMITTAL FEE FOR
APPLICATIONS FOR LIQUOR LICENSE UNDER CHAPTER 3,
ARTICLE II, OF THE CITY CODE OF THE CITY OF NOVI**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on July 2, 2012 at 7 o'clock P.M. Prevailing Eastern Time.

PRESENT:

ABSENT:

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____

WHEREAS, pursuant to Section 3-15 (c) of the City Code, the City Council is authorized to establish a nonrefundable fee for each application for a liquor license in an amount determined by the City Council, to be sufficient to cover the costs of investigation, review, and inspection; and

WHEREAS, the City Council has established, under its current fee schedule, a fee of \$1,000 plus an additional \$210 for each applicant with a financial or management interest for any application for a liquor license to offset such costs; and

WHEREAS, the current fee schedule makes no distinction between an initial application that requires a full investigation, review, and inspection, and a re-application, which in some cases requires less time for the City to perform the required response; and

WHEREAS, the City Council specifically determines that the cost to the City for the investigation, review, and inspection where an applicant is seeking to transfer in to the City an escrowed license within three (3) months of being denied a quota liquor license by the City Council; and

WHEREAS; the Council further determines that a fee of \$250 would be sufficient to offset the City's costs in the case of such a re-application.

NOW THEREFORE, IT IS HEREBY RESOLVED that the City of Novi City Council hereby establishes, pursuant to Section 3-15 (c) of the City Code, a fee of \$250 for re-application by an applicant seeking to transfer in to the City an escrowed license within three (3) months of being denied a quota liquor license by the City Council.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 2nd day of July, 2012, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, City Clerk
City of Novi

6/13/2012
To: Mayor and City
Council members
For future consideration
to create a lower "second
try" fee.
Clay



MEMORANDUM

TO: CLAY PEARSON, CITY MANAGER
FROM: CORTNEY HANSON, DEPUTY CITY CLERK *CH*
SUBJECT: LIQUOR LICENSE APPLICATIONS RE-SUBMITTALS
DATE: JUNE 13, 2012

A liquor license application requires many hours of review from several departments. The application and review process is the same for all types of liquor license applications, including Quota, Ownership Transfer, Stock Transfer and the Transfer of an Escrowed License. Currently the application fee for all liquor licenses is \$1,000 plus \$210 for each person with a financial or management interest in the application including, but not limited to, partnership partners, corporate officers and directors.

For first time applicant(s), the Police Department spends anywhere from 8 to 16 hours reviewing the application. The Community Development Department has to make a physical inspection of the property or indicate the approval is contingent upon receipt, review and approval of the construction and issuance of a Certificate of Occupancy. The Fire Department performs a search on the property history to determine if there were previous inspections and/or violations. A fire safety inspection is also performed at the property location. If violations are found (from current or past owners), the applicant is given notice to correct violations prior to the Fire Department approving the application.

In the event that an application for a Quota Liquor License is denied and the same applicant(s) submit an application for a transfer of an escrowed license in the same location, the following reviews will take place. The Police Department would spend approximately 4 to 6 hours reviewing the application. The Community Development Department and Fire Department will perform the same review as indicated with a first time applicant.

The City of Novi presently holds four Quota Liquor Licenses which has generated a lot of interest by prospective business owners. There has not been a separate re-submittal fee in the past due to the fact that it is a unique, and not common, situation. It seems necessary to create a separate fee at this time for future re-submittal applications because of the amount of Quota Liquor License applications that have been received.

It is the recommendation of the City Clerk's Office that a three month timeframe be set for an applicant to qualify for a re-submittal application fee. This is a reasonable length of time for the applicant to be notified of the Quota Liquor License denial and to obtain a license from escrow to be transferred. The proposed re-submittal fee is \$250. This fee consists of the cost of 4 to 6 hours of review through the Police Department, but not necessarily the cost of review time for City Clerk's Office, Community Development Department and Fire Department.

cc: Victor Cardenas, Assistant City Manager
Maryanne Cornelius, City Clerk