

City of Ann Arbor

100 N. Fifth Avenue
Ann Arbor, MI 48104
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Action Minutes

Friday, February 25, 2011

3:00 PM

3rd Floor Conference Room of the Guy C. Larcom Municipal
Building
Council Liquor License Review Committee

CALL TO ORDER

Councilmember Tony Derezinski, acting chair, called the meeting of the Council Liquor License Review Committee to order at 3:07 p.m. The chairman, Stephen Rapundalo, was absent. Also in attendance were City Clerk Jacqueline Beaudry, Sgt. Bob Pfannes, Lyn Badalamenti and Deputy Treasurer Mike Pettigrew. Assistant City Attorney Mary Fales was absent. Students from Skyline High School were also present.

Present: 2 - Mike Anglin and Tony Derezinski

Absent: 1 - Stephen Rapundalo

APPROVAL OF AGENDA

A motion was made by Councilmember Anglin, seconded by Councilmember Derezinski, that the Agenda be Approved. On a voice vote, the chair declared the motion carried.

APPROVAL OF MINUTES

[11-0280](#)

Council Liquor License Review Committee - January 21, 2011

A motion was made by Councilmember Anglin, seconded by Councilmember Derezinski, that the Minutes be Approved by the Commission and forwarded to the City Council by 3/21/2011. On a voice vote, the chair declared the motion carried.

ACTION ITEMS

[11-0189](#)

Resolution to Approve a Request to Transfer Ownership of a 2010 Class C Liquor Licensed Business Located at 112 W. Liberty, from Alley Bar, Inc. to Project B, LLC - d/b/a Alley Bar

Sponsors: Council Liquor License Review Committee

A motion was made by Councilmember Anglin, seconded by Councilmember Derezinski, that the Resolution be Recommended for Adoption to the City Council by 3/7/2011. On a voice vote, the chair declared the motion carried.

[11-0261](#)

Resolution to Approve a Request to Drop The Earle Uptown, LLC as Co-Licensee and add Naya Inc., as Co-Licensee in a 2009 B-Hotel Liquor Licensed Business, located at 300 S. Thayer - d/b/a Mercy's

Sponsors: Council Liquor License Review Committee

A motion was made by Councilmember Anglin, seconded by Councilmember Derezinski, that the Resolution be Recommended for Adoption to the City Council by 3/7/2011. On a voice vote, the chair declared the motion carried.

11-0282

Resolution to Approve a Request to Transfer Ownership and Location of an Escrowed 2010 Class C Liquor Licensed Business Located at 10256 Willis Road in Augusta Township from Willis Pickle Barrell Inn, Inc. to Cascabel Ventures, L.L.C. Located at 341 E. Liberty, Suite 1, DBA Mani Osteria & Bar.

Sponsors: Council Liquor License Review Committee

The applicant, Adam Baru, was present to answer any questions the committee had regarding his new business, Mani Osteria & Bar, a wood-fired pizza restaurant and bar. He stated the business will have approximately 100 seats and he plans to open by mid-April.

A motion was made by Councilmember Anglin, seconded by Councilmember Derezinski, that the Resolution be Recommended for Adoption to the City Council by 3/7/2011. On a voice vote, the chair declared the motion carried.

OLD BUSINESS

Annual Liquor License Renewals

The chair, Councilmember Derezinski, suggested that the committee and staff take a few minutes to read the memo that was just received from the Attorney's Office regarding a proposed Hearing Guidance to incorporate other procedural requirements, in addition to what is outlined in Chapter 109 of the City Code.

Councilmember Derezinski encouraged the committee to adopt the Guidelines to ensure that the hearings included a due process for the license holders.

Following further review and discussion, Councilmember Anglin moved, seconded by Councilmember Derezinski, that the committee adopt the proposed Hearing Guidance as outlined in Assistant City Attorney Mary Fales' memo dated February 1, 2011, and in accordance with the procedures identified in Chapter 109 of the City Code. On a voice vote, the motion carried.

The committee members reviewed the 2011 Recommendations sheet prepared by Lyn Badalamenti of the City Clerk's Office. It was decided to first review the Renewal recommendations.

City Clerk Jacqueline Beaudry noted that there were many licensees listed on the bottom of the sheet who had paid the annual renewal fee since the last meeting. She stated there were no other staff objections to these renewals and the Clerk's Office simply needed a motion from the committee to approve.

Councilmember Anglin moved, seconded by Councilmember Derezinski, that annual renewal letters be sent to those licensees who had paid their \$50.00 annual renewal fee since the last meeting and with no further staff objections noted. On a voice vote, the motion carried.

Clerk Beaudry noted that four additional licensees, Cafe Zola; Melange Bistro; Champion House; and Ashley's, were previously objected to by the City Treasurer due to delinquent personal property taxes. She stated these licensees have since paid all outstanding taxes and there are no further objections by City staff.

Councilmember Derezinski moved, seconded by Councilmember Anglin, that annual renewal letters be sent to Cafe Zola, Melange Bistro, Champion House, and Ashley's, with no further staff objections since the payment of all delinquent personal property taxes. On a voice vote, the motion carried.

Deputy Treasurer Mike Pettigrew suggested that the committee consider a tiered annual renewal fee for future years as the \$50.00 fee does not cover staff costs for the applicants that required multiple reviews and follow-up correspondence over the last several months. The committee agreed to look at the fees for the next budget year.

City Clerk Beaudry introduced the remaining licensees on the list that still have staff objections to annual renewal. Dream Nite Club, formerly Studio Four, still owes the City personal property taxes in the amount of \$3882.13 for 2008/2009. Beaudry and Pettigrew both confirmed that the licensee has not made contact with the City of responded to correspondence from either department regarding the delinquency. Deputy Treasurer Pettigrew stated the Treasurer's Office recommends that this licensee be called to a hearing.

Clerk Beaudry requested that any hearings scheduled for tax delinquencies be

cancelled if the licensees pay before the scheduled hearing date. The committee agreed to this request.

Councilmember Anglin moved, seconded by Councilmember Derezinski, that a hearing be scheduled for Dream Nite Club/Studio Four on March 11, 2011 at 2:00 p.m. regarding a recommendation of non-renewal of the licensee's Class C Liquor License due to outstanding delinquent personal property taxes owed to the City as outlined in Chapter 109, Section 9:79(1)(b) and that the hearing notice and proceedings be conducted in accordance with the adopted Hearing Guidance. On a voice vote, the motion carried.

The Blue Leprechaun was discussed next. Sgt. Bob Pfannes of the Ann Arbor Police Department stated that this licensee had been flagged due to a Michigan Liquor Control Commission violation in the last year. He stated the Police Department was not recommending a non-renewal at this time. He suggested an annual renewal letter be sent, but that the violation be noted.

Councilmember Anglin moved, seconded by Councilmember Derezinski, that an annual renewal letter be sent by the City Clerk to this licensee, with a notation regarding the MLCC violation. On a voice vote, the motion carried.

Legends Night Club, dba Fifth Quarter was brought to the committee by the Ann Arbor Police Department and the City Attorney's Office. Sgt. Pfannes read a letter from Police Chief Barnett Jones, stating the AAPD's objection to this renewal due to 9:79(1)(d): Violation of this Chapter; (e): Maintenance of a nuisance, upon or in connection with the licensed premises, including, but not limited to any of the following: iii. A pattern of patron conduct in the neighborhood of the licensed premises which is in violation of the law and/or disturbs the peace, order and tranquility of the neighborhood. vii. Numerous police contact with the licensed premises or the patrons of the premises.

Councilmember Derezinski moved, seconded by Councilmember Anglin, that a hearing be scheduled for Legends Night Club, dba Fifth Quarter, on March 11, 2011 at 2:00 p.m. regarding a recommendation of non-renewal of the licensee's Class C Liquor License due to the objections identified in the letter submitted by the Chief of Police and as outlined in Chapter 109, Section 9:79(1)(d) and (e) iii. and vii. and that the hearing notice and proceedings be conducted in accordance with the adopted Hearing Guidance. On a voice vote, the motion carried.

The Arena Sportsbar was brought to the committee due to delinquent personal property taxes for 2008 and 2009. Clerk Beaudry noted that the licensee had paid \$3000.00 on January 21, 2011, bringing the current amount owed to \$8749.19. Beaudry stated she had spoken to Mike Flore, the owner of The Arena, again that afternoon and he indicated that it was his intention to pay an additional \$3000.00 on March 1, 2011 and planned to pay the remaining delinquency by the end of the month.

Deputy Treasurer Pettigrew stated that the Treasurer's Office would still like a hearing scheduled for March 11 due to the outstanding obligations owed at this time. He stated other options besides non-renewal could still be considered at the hearing, if the March 1 payment was made.

Councilmember Derezinski moved, seconded by Councilmember Anglin, that a hearing be scheduled for The Arena Sportsbar on March 11, 2011 at 2:00 p.m. regarding a recommendation of non-renewal of the licensee's Class C Liquor License due to outstanding delinquent personal property taxes owed to the City as outlined in

Chapter 109, Section 9:79(1)(b) and that the hearing notice and proceedings be conducted in accordance with the adopted Hearing Guidance. On a voice vote, the motion carried.

Live at PJ's was discussed by the committee due to delinquent personal property taxes in the amount of \$2150.00. The city clerk and deputy treasurer both stated that they had not had any contact with this licensee, except for the letters and correspondence that had been sent by the City.

Councilmember Derezinski moved, seconded by Councilmember Anglin, that a hearing be scheduled for Live at PJ's on March 11, 2011 at 2:00 p.m. regarding a recommendation of non-renewal of the licensee's Class C Liquor License due to outstanding delinquent personal property taxes owed to the City as outlined in Chapter 109, Section 9:79(1)(b) and that the hearing notice and proceedings be conducted in accordance with the adopted Hearing Guidance. On a voice vote, the motion carried.

The city clerk stated there were four other objections noted by the Clerk's Office. Beaudry stated that Scorekeeper's, Rush Street, Clarion Hotel and Four Points Sheraton had no staff objections except by the City Clerk's Office due to the failure to submit the application and \$50.00 fee for annual renewal. Beaudry noted that Scorekeeper's did not apply for renewal last year either; they are the only on-premises licensee in the City that has not submitted application since the annual renewal process began.

Committee members discussed these businesses and it was decided that the City Clerk's Office should continue to send notice to the licensees requesting payment and application for renewal. It was decided that a hearing was not warranted in these cases.

NEW BUSINESS

11-0281

Resolution to Appoint the Committee Members of the Council Liquor License Review Committee to serve as the Hearing Board Required for Annual Liquor License Renewals under Chapter 109 (Liquor) of the City Code

Sponsors: Council Liquor License Review Committee

The committee considered the proposed resolution regarding the establishment of a Hearing Board. City Clerk Jacqueline Beaudry reminded committee members that if City Council did not establish either a Hearing Officer or a Hearing Board at the March 7 Council meeting, the ordinance would require that the hearings be held in front of the entire Council.

Committee members debated whether the resolution should name a Hearing Officer or appoint the entire committee of three councilmembers to serve on a Hearing Board. It was decided to allow the city clerk to revise the resolution prior to the March 7 Council meeting and after consultation with Assistant City Attorney Fales, who was not in attendance. It was also noted that Council could amend the resolution as necessary at the March 7 meeting.

A motion was made by Councilmember Derezinski, seconded by Councilmember Anglin, that the Resolution be Recommended for Adoption to the City Council by 3/7/2011, with administrative changes made by City staff, as necessary, after further consultation with the City Attorney's Office. On a voice vote, the chair declared the motion carried.

INFORMATION/UPCOMING BUSINESS

ADJOURNMENT