

RICK SNYDER
GOVERNOR



STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
NIDA R SAMONA
CHAIRPERSON

STEVEN H HILFINGER,
DIRECTOR

NOTICE: DENIAL OF AN APPLICATION
(M.A.C. R436.1105 & R436.1925)

June 14, 2011

SRA2 LLC
c/o Attorney Terrance P. Conlin
301 N Main St, Suite 250
Ann Arbor, MI 48104

RID: #561292

Dear Applicant:

This is with reference to your request to transfer ownership of Outdoor Service (1 area) on 2011 Resort Class C license issued under MCL 436.1531(2) (original 550 Resort) (minimum seating 100) and Specially Designated Merchant license with Sunday Sales Permit (PM), Official Permit (Food) and Outdoor Service (1 area), located at 214-218 S State, Ann Arbor, Washtenaw County.

The Commission, at a meeting held on June 8, 2011, issued the enclosed order of denial.

Any request for a hearing, must be made in writing, by the applicant, to the Lansing Office of the Commission within 20 days from the date of the mailing of this decision of denial.

If you have any questions, please feel free to contact Unit Four at 517-322-1400.

Very Truly Yours,

MICHIGAN LIQUOR CONTROL COMMISSION

A handwritten signature in cursive script that reads "Sharon Martin".

Sharon Martin, Director
Licensing Division

dh
enc.

cc: MLCC Southfield District Office w/encl
SRA2 LLC
Ann Arbor Police Department
City Council of Ann Arbor

2011 JUN 23 PM 3:54
CITY OF ANN ARBOR
CITY CLERK
REC'D

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Michigan Liquor Control Commission

ORDER

INTER-OFFICE CORRESPONDENCE

TO: Licensing Section LB2
Licensing & Enforcement Division

JUNE 8, 2011

DATE

FROM: Administrative Commissioners

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SUBJECT: SRA2 LLC
214-218 S. State
Ann Arbor, Michigan 48104

#561292
Washtenaw County

Request transfer ownership of 2011 Resort Class C license issued under the provisions of MCL 436.1531(2) and Specially Designated Merchant license with Sunday Sales Permit (P.M.), Official Permit (Food) and Outdoor Service (1 Area) from Pan-Tropical, Ltd., Basil T. Simon, Receiver; request new Dance-Entertainment Permit; and request new Official Permit for the premises to be occupied from 7:00 A.M. until 12:00 Noon on Sundays for Dance-Entertainment.

Commission rule R 436.1123 (1) provides: "An applicant for a resort license or a resort economic development license that allows the consumption of alcoholic liquor on the premises shall meet 1 of the following minimum qualifications: (a) The proposed licensed establishment shall be in compliance with all of the following provisions: (i) Be a full service restaurant that is open to the public and prepares food on the premises. (ii) Have dining facilities to seat not less than 100 patrons unless exempted under section 531(3) of 1998 P.A. 58, MCL 436.1531(3). (iii) Be open for food service not less than 5 hours per day, 5 days per week. (iv) Not less than 50% of the gross receipts of the business are derived from the sale of food and beverages for consumption on the premises, not including the sale of alcoholic liquor. . . ."

The Commission finds that verification will be required at the end of 180 days that not less than 50% of the gross receipts of the licensed business are derived from the sale of food and beverages for consumption on the premises, not including the sale of alcoholic liquor.

NOW, THEREFORE, IT IS THE ORDER OF THE COMMISSION THAT REQUEST AS MADE BY SRA2 LLC TO TRANSFER OWNERSHIP OF 2011 RESORT CLASS C LICENSE ISSUED UNDER THE PROVISIONS OF MCL 436.1531(2) AND SPECIALLY DESIGNATED MERCHANT LICENSE WITH SUNDAY SALES PERMIT (P.M.) AND OFFICIAL PERMIT (FOOD) FROM PAN-TROPICAL, LTD., BASIL T. SIMON, RECEIVER; REQUEST NEW DANCE-ENTERTAINMENT PERMIT; AND REQUEST NEW OFFICIAL PERMIT FOR THE PREMISES TO BE OCCUPIED FROM 7:00 A.M. UNTIL 12:00 NOON ON SUNDAYS FOR DANCE-ENTERTAINMENT, LOCATED AT 214-218 S. STATE, ANN ARBOR, WASHTENAW COUNTY, BE APPROVED TO SEPTEMBER 8, 2011 OR FURTHER ORDER OF THE COMMISSION; AND VERIFICATION AT THE END OF 180 DAYS THAT NOT LESS THAN 50% OF THE GROSS RECEIPTS OF THE BUSINESS ARE DERIVED FROM THE SALE OF FOOD AND BEVERAGES FOR CONSUMPTION ON THE PREMISES, NOT INCLUDING THE SALE OF ALCOHOLIC LIQUOR; SUBJECT TO RECEIPT OF THE LEASE AGREEMENT BETWEEN H & K CAMPUS PROPERTIES LLC AND 214-218 SOUTH STATE, L.L.C. AND SRA2 LLC, AND WRITTEN CONSENT OF

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LANDLORD, H & K CAMPUS PROPERTIES LLC IF REQUIRED IN THE ORIGINAL LEASE FOR THE SUB-LEASE OF THESE PREMISES; AND SUBJECT TO VERIFICATION OF ALL MEMBERSHIP HELD.

FURTHER IT IS THE ORDER OF THE COMMISSION THAT THE APPLICANT BE ADVISED THAT THE ISSUANCE OF THE ENTERTAINMENT PERMIT DOES NOT ALLOW TOPLESS ACTIVITY ON THE LICENSED PREMISES.

APPROVED WITH THE PROVISIO THAT THE LICENSEE SHALL ALLOW CUSTOMERS ON THE LICENSED PREMISES DURING THE TIME PROVIDED BY THE OFFICIAL PERMIT ONLY FOR THE ACTIVITIES ALLOWED BY THE OFFICIAL PERMITS AND APPROVED WITH THE PROVISIO THAT THE LICENSEE SHALL NOT SELL, GIVE AWAY OR FURNISH ALCOHOLIC BEVERAGES AFTER 2:00 A.M. AND SHALL NOT ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES AFTER 2:30 A.M..

AND APPROVED PURSUANT TO SECTION 501 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, BEING MCL 436.1501, WITH THE PROVISIO THAT WITHIN 180 DAYS FROM THE ISSUANCE OF THE LICENSE TO SRA2 LLC, DOCUMENTARY PROOF IS PROVIDED TO THE COMMISSION TO DEMONSTRATE THAT, AT A MINIMUM, SUPERVISORY PERSONNEL ON EACH SHIFT AND DURING ALL HOURS IN WHICH ALCOHOLIC LIQUOR IS SERVED HAVE SUCCESSFULLY COMPLETED A SERVER TRAINING PROGRAM APPROVED BY THE COMMISSION AND APPROVED WITH THE PROVISIO THAT SRA2 LLC MAINTAIN ACTIVE CERTIFICATION OF COMPLETION OF SERVER TRAINING ON THE LICENSED PREMISES AT ALL TIMES.

FURTHER, IT IS THE ORDER OF THE COMMISSION THAT FAILURE TO PROVIDE DOCUMENTARY PROOF WITHIN 180 DAYS OF THE ISSUANCE OF THE LICENSE THAT, AT A MINIMUM, SUPERVISORY PERSONNEL ON EACH SHIFT AND DURING ALL HOURS IN WHICH ALCOHOLIC LIQUOR IS SERVED HAVE SUCCESSFULLY COMPLETED A SERVER TRAINING PROGRAM APPROVED BY THE COMMISSION SHALL RESULT IN SRA2 LLC BEING CHARGED WITH FAILURE TO COMPLY WITH THIS ORDER WHICH MAY RESULT IN FINES, SUSPENSION AND/OR REVOCATION OF THE RESORT CLASS C AND SPECIALLY DESIGNATED MERCHANT LICENSES.

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FURTHER IT IS THE ORDER OF THE COMMISSION THAT SRA2 LLC WITH THE BE ADVISED THAT THEY MUST MAINTAIN SEATING FOR DINING AT ALL TIMES FOR NOT LESS THAN 100 PERSONS; MUST PREPARE FULL-COURSE MEALS ON THE PREMISES FOR SERVICE TO THE GENERAL PUBLIC ON A REGULAR BASIS AND BE OPEN FOR FOOD SERVICE, NOT LESS THAN 5 HOURS A DAY, 5 DAYS A WEEK, PURSUANT TO THE REQUIREMENTS OF RULE R 436.1123(1)(A).

FURTHER THAT SRA2 LLC BE SPECIFICALLY ADVISED THAT ALCOHOLIC BEVERAGES MAY NOT BE SOLD, SERVED OR CONSUMED ON THE OUTDOOR PATIO AREA.

Commission rule R 436.1105 (2) provides, in part: "The commission shall consider all of the following factors in determining whether an applicant may be issued a license or permit: . . . (d) The opinions of the local residents, local legislative body, or local law enforcement agency with regard to proposed business. . . ."

Commission rule R 436.1419 (1) provides the following: "An on-premise licensee shall not have out-of-doors service without the prior written approval of the commission."

The Commission finds that the Ann Arbor Police Department did not approve the transfer of the existing Outdoor Service Permit.

NOW, THEREFORE, IT IS THE ORDER OF THE COMMISSION THAT REQUEST AS MADE BY SRA2 LLC TO TRANSFER THE EXISTING OUTDOOR SERVICE (1 AREA) WHICH IS HELD IN CONJUNCTION WITH THE AFOREMENTIONED LICENSES AND PERMITS, LOCATED AT 214-218 S. STATE, ANN ARBOR, WASHTENAW COUNTY, BE DENIED PURSUANT TO RULE R 436.1105(2)(d) AND RULE R 436.1419(1), INASMUCH AS THE ANN ARBOR POLICE DEPARTMENT DID NOT RECOMMEND THE TRANSFER OF THE PERMIT.