



Michigan Department of Labor & Economic Growth
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)

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**REDEVELOPMENT PROJECT AREA AND DEVELOPMENT
DISTRICT OR AREA LIQUOR LICENSES**

[Authorized by MCL 436.1521a]

This information is relative to the new type of on-premises licenses created by Act 501 of the Public Acts of 2006, being Section 521a(1) of the Michigan Liquor Control Code of 1998, being MCL 436.1521a(1).

436.1521a(1)(a) of the Michigan Compiled Laws provides that in addition to the number of licenses available in cities under section 531(1), they may issue licenses to the following:

(a) Licenses to establishments that are located in a city **redevelopment project area** meeting the criteria described in subsections (3) and (4) that are engaged in activities determined by the commission to be related to dining, entertainment, or recreation.

An **application for a license under Section 521a(1)(a)** will not be authorized for investigation until the Commission receives the following documentation from the local unit of government in which the redevelopment project area is located:

(1) A resolution from the governing body of the city establishing the redevelopment project area.

(2) A map which clearly reflects and outlines where the redevelopment project area is located within the local unit of government.

(3) Affidavit from the assessor, as certified by the city clerk, stating the total amount of investment in real and personal property within the redevelopment project area of the city during the preceding 3 year time period. *In the case of an applicant seeking a license under this section within the first license cycle after December 29, 2006 (12-30-06 through 04-30-08), the time period described in this subdivision may be up to 5 years. In a city having a population between 80,000 and 85,000 according to the 2000 federal decennial census the time period may be up to 7 years, if the application is submitted within the first 6 months after December 29, 2006.*

(4) Affidavit from the assessor, as certified by the city clerk, separately stating the amount of the investment money expended for manufacturing, industrial, residential, and commercial development within the redevelopment project area of the city during the preceding 3 year time period. *In the case of an applicant seeking a license within the first license cycle after December 29, 2006 (12-29-06 through 04-30-08), the time period described in this subdivision may be up to 5 years. In a city having a population between 80,000 and 85,000 according to the 2000 federal decennial census, then the time period may be up to 7 years, if the application is submitted within the first 6 months after December 29, 2006.*

(5) The affidavit from the assessor must also indicate the amount of commercial investment in the redevelopment project area within the city, which shall constitute at least 25% of the total investment in real and personal property in that redevelopment project area.

(6) The total investment in real and personal property in the redevelopment project area within the city over the appropriate time period as previously described, shall be at least 1 of the following:

- (a) Not less than \$50,000,000 in cities having a population of 50,000 or more.
- (b) Not less than an amount reflecting \$1,000,000 per 1,000 people in cities having a population of less than 50,000.

The Commission may issue one license for the monetary threshold described in 6(a) and 6(b) above. One additional license may be issued for each major fraction over and above the original monetary threshold.

(7) A resolution which approves a specific applicant (individual, corporation, limited liability company, limited partnership), at a specific location "ABOVE ALL OTHERS".

In order for the Liquor Control Commission to implement the licensing investigation process for applications under the provisions of 436.1521a(1)(a) of the Michigan Compiled Laws, the Commission must be in receipt of the above noted documentation from the local unit of government, either with the application or separately. Upon receipt of the documentation from the local unit of government and the necessary application forms, other required documents and inspection fees, the application will be authorized for investigation. The applicants for these types of licenses must demonstrate, at the time of investigation, the following:

- (a) That the establishment provides dining, entertainment or recreation not less than 5 days per week.
- (b) That the establishment is open to the public not less than 10 hours per day, 5 days per week.

436.1521a(1)(b) of the Michigan Compiled Laws provides that in addition to the number of licenses available in cities under section 531(1), they may issue licenses to the following:

(b) Licenses to establishments that are located in a **development district or area** that are any of the following:

- (i) An authority district established under the tax increment finance authority act, 1980, PA 450, MCL 125.1801 to 125.1830.
- (ii) A development area established under the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2898.
- (iii) A downtown district established under 1975 PA 197, MCL 125.1651 to 125.1681.
- (iv) A principal shopping district established under 1961 PA 120, MCL 125.981 to 125.990m.

An **application for a license under Section 521a(1)(b)** will not be authorized for investigation until the Commission receives the following documentation from the local unit of government in which the redevelopment project area is located:

- (1) A resolution from the governing body of the city establishing the development district as a redevelopment project area.

(2) A map which clearly reflects and outlines where the development district or area is located within the local unit of government.

(3) Certification from the local governmental body which identifies the statutory provision under which the development district or area is established.

(4) An affidavit from the assessor as certified by the city, village or township clerk of the local governmental unit, which states the total amount of public and private investment in real and personal property within the qualified development district, which shall not be less than \$200,000 over preceding 5 year time period.

The Commission may issue one license for the monetary threshold previously described. One additional license may be issued for each major fraction over and above the original monetary threshold.

(5) A resolution which approves a specific applicant (individual, corporation, limited liability company, limited partnership), at a specific location "ABOVE ALL OTHERS".

In order for the Liquor Control Commission to implement the licensing investigation process for applications under the provisions of 436.1521a(1)(b) of the Michigan Compiled Laws, the Commission must be in receipt of the above noted documentation from the local unit of government, either with the application or separately. Upon receipt of the documentation from the local unit of government and the necessary application forms, other required documents and inspection fees, the application will be authorized for investigation. The applicants for these types of licenses must demonstrate, at the time of investigation, the following:

(1) That the amount expended for the rehabilitation or restoration of the building that houses the licensed premises shall be not less than \$75,000 over a period of the preceding 5 years or a commitment for a capital investment of at least that amount in the building that houses the licensed premises, which must be expended before the issuance of the license.

(2) That the licensed business is engaged in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons.

You should also be aware of the following:

- The initial enhanced license fee for licenses issued under 436.1521a(1)(a) or (b) of the Michigan Compiled Laws is \$20,000.
- A licensee may transfer ownership of the license; however, the licenses issued under these subsections may **not be** transferred to another location.
- If the licensee goes out of business, the licensee shall surrender the license to the Commission. The governing body of the local governmental unit may approve another applicant within the redevelopment project area or development district area to replace a licensee who has surrendered the license to the Commission.
- Do not invest any money in improvements or bind yourself in any agreements until you have been officially notified by the Michigan Liquor Control Commission that your request has been approved.
- The individual signing the application shall state and demonstrate that they attempted to secure an appropriate on-premises escrowed licenses or quota license which may be available within the local unit of government in which the applicant proposes to operate.

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