

Liquor Licenses for Redevelopment

PA 501 of 2006 (SB 162)

- The Liquor Control Commission (LCC) may issue new public on-premises liquor licenses to local units of government.
- Businesses must meet one of the following conditions:
 1. Development Districts
 2. City Redevelopment Project Areas
- These licenses are not transferable to another location, and if the business with a license goes out of business, the license is surrendered to the LCC.
- If a license is surrendered back to the LCC from a business, the local unit of government may approve another applicant in that same development district or city redevelopment project area to replace the licensee as long as the new business meets the same requirements.
- Licensed businesses must:
 1. Be engaged in dining, entertainment or recreation
 2. Be open to the general public
 3. Have a seating capacity of at least 50 people
 4. Demonstrate they attempted to purchase a readily available license within the municipality that they want to operate, and that one was not available
 5. Pay a \$20,000 fee for the license

Development Districts

- Licenses may be issued to businesses in one of the following development districts:
 1. Tax Increment Finance Authority (TIFA)
 2. Corridor Improvement Authority

3. Downtown Development Authority (DDA)

4. Principal Shopping District (PSD)

- These business must do one of the following to receive a license:
 1. Expend at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years
 2. Commit capital investment of at least \$75,000 that will be expended for the building before the license is issued.
- The total amount of private and public investment in real and personal property in the development district must be at least \$200,000 for the preceding 5 years.
- Licenses will be issued for each of the above (\$200,000) monetary thresholds reached, and for each major fraction thereof after the initial threshold is reached.

City Redevelopment Project Areas

- A City Redevelopment Project Area is created by resolution of the city governing body.
- Licenses may be issued to businesses located in a City Redevelopment Project Area which:
 1. Are engaged in dining, entertainment, or recreation activities at least 5 days per week
 2. Are open to the public at least 10 hours per day, 5 days per week

Cities must:

1. Pass a resolution of the governing body of the city establishing a Redevelopment Project Area
 2. Have commercial investment in the Redevelopment Project Area within the city be 25% or more of the total investment in real and personal property in the redevelopment property area.
- City Redevelopment Project Area licenses will only be issued to cities that have total investment over the last 3 years (or last 5 years for the first licenses issued) in real and personal property in the
 - redevelopment area of:
 1. At least \$50 million in cities having a population of 50,000 or more, or
 2. At least \$1 million per 1,000 people in cities of less than 50,000
 - City Redevelopment Project Areas may receive one license for each of the above monetary threshold reached, and for each major fraction thereof after the initial threshold is reached.
 - These investment requirements are for the three years preceding the application for the license (or five years for the first licenses issued).

PA 502 of 2006 (SB 163)

- Prohibits any further new DDA-specific liquor licenses from being issued if SB 162 is approved (these are the 50 licenses that were previously allowed for under law – most of which have already been issued – and will be replaced by the new redevelopment licenses in SB 162).
- Allows the current DDA licenses to continue and be renewed.