

Social Districts

Introduction

The State of Michigan enacted a new law intended to spur economic activity and provide flexibility for hospitality businesses by enabling the on-site sale and off-site consumption of alcoholic beverages in designated “Social District” areas. On July 1, 2020, Governor Whitmer signed House Bill 5781 into law (MCL 436.1551) creating the “Social District Permit,” which allows local governments to designate a Social District within their jurisdictions. Businesses that are granted a Social District Permit may sell alcoholic liquor (beer, wine, mixed spirits, or mixed drinks) on their licensed premises to customers who may then consume the alcoholic liquor within the commons area of the Social District.

Permit Information for Local Governments

Local governments may now designate a Social District that contains a “commons area.” Once designated, “qualified licensees” whose licensed premises are contiguous to the commons area within the Social District and who obtain a license from the Michigan Liquor Control Commission (MLCC) may permit patrons to leave the licensed premises with the alcohol and consume it within the commons area.

Under MCL 436.1551(8)(a), a “commons area” is defined as: “an area within a social district clearly designated and clearly marked by the governing body of the local governmental unit that is shared by and contiguous to the premises of at least two other qualified licensees. Commons area does not include the licensed premises of any qualified licensee.”

Along with designating a Social District that contains a commons area, which must be clearly defined and marked with signs, a local government must establish local management and maintenance plans, including hours of operation, for a commons area. The statute provides that a local governmental unit shall not designate a Social District that would close a road unless the governing body receives prior approval from the road authority with jurisdiction over the road. In addition, the commons area must be maintained in a manner that protects the health and safety of the community.

A Social District designation must be filed with the MLCC, and include:

- A copy of the resolution passed by the governing body designating the Social District and commons area;
- A copy of management and maintenance plans, including the hours of operation, established by the local governmental unit for the Social District and commons area; and
- A diagram or map that clearly shows the boundaries of the Social District and commons area and identifies the qualified licensees that are contiguous to the commons area on the diagram or map.

To the extent a commons area threatens the health, safety, or welfare of the public or has become a public nuisance, a local government may revoke the Social District designation. Before revoking the designation, the local government must hold at least one public hearing on the proposed revocation, with appropriate notice being given under the Open Meetings Act (OMA). Any revocation of the Social District must be filed with the MLCC.

Bars and Restaurants May Apply for a Social District Permit

Bars and restaurants who are “qualified licensees” and wish to take advantage of the new law must first seek application approval from the governing body of their local government. Qualified licensees may then apply to the MLCC for a Social District Permit.

Pursuant to the statute, with some restrictions, qualified licensees include holders of Class C, Tavern, A-Hotel, B-Hotel, Club, G-1, G-2, and Brewpub licenses as well as licensees with on-premises and off-premises tasting rooms.

Upon receiving a Social District Permit, and upon additional approvals that may or may not be required by the municipality, a licensee may sell alcohol on its licensed premises in approved containers for customers to remove and consume in the commons area. A licensee is not permitted to sell alcohol in a commons area.

Approved containers must be glass free and not more than 16 oz., must prominently display the licensee's trade name or logo or some other mark that is unique to the licensee that sold the alcohol as well as a logo or mark unique to the commons area.

This Fact Sheet was provided by Sarah J. Gabis of the law firm of Foster Swift Collins & Swift, P.C.

Tecumseh documents:

Resolution

Map

Qualified licensees

Common Areas Management and Maintenance Plan

Commons Area Use Application



CITY OF TECUMSEH
CITY COUNCIL

Resolution R-16-20

Resolution #16-20 - Establishing Social Districts

WHEREAS, Michigan Public Act 124 of 2020 was signed into law on July 1, 2020; and

WHEREAS, the law allows Michigan municipalities to establish Social Districts that allow for Commons Areas where two or more contiguous licensed establishments could sell alcoholic beverages in special cups to be taken into the Commons Areas for consumption; and

WHEREAS, the Tecumseh Social District would be created and managed by the City through a collaboration with its Downtown Development Authority; and

WHEREAS, the Tecumseh Social District boundaries are generally Logan Street, Ottawa Street, Pottawattamie Street, and Pearl Street; and

WHEREAS, the Commons Areas boundaries incorporate the City-owned parking lots in the downtown area as well as the adjoining sections of North and South Evans Street. The Commons Areas include the sidewalks and streets along with the public parking lots within the boundaries that are not included in the qualified licensees' premises; and

WHEREAS, the City of Tecumseh will follow all stipulations of Michigan Public Act 124 of 2020 and follow established best practices in the creation and maintenance of the Social District; and

WHEREAS, the creation of the Tecumseh Social District will assist our downtown businesses in adapting to the social distancing requirements of the COVID-19 crisis as well as attract customers for enhanced outdoor dining and entertainment experiences in downtown Tecumseh.

NOW, THEREFORE, BE IT RESOLVED, that the Tecumseh City Council does hereby approve the creation of the Tecumseh Social District as depicted in the attached map (Exhibit A) for consideration by the Michigan Liquor Control Commission.

Motion for adoption by: Naugle

Supported by: Harmon


AYES Harmon, Naugle, Riddle, See, Wimple, Baker, Fox

NAYS

ABSENT

This is to certify that this resolution was duly adopted at the meeting of the City Council on **Sep 8, 2020**.



Jackson L. Baker
Mayor


Tonya A. Miller
Tecumseh City Clerk

CERTIFICATION

I, the undersigned, the duly qualified City Clerk for the City of Tecumseh, County of Lenawee, Michigan do hereby certify that the foregoing constitutes a true and complete copy of a motion adopted by the City Council of the City of Tecumseh, on **September 8, 2020**, the original of which is in my office, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the full set of minutes from said meeting will be made available, as required by said Act.

Dated: 9/10/2020


Tonya A. Miller
Tecumseh City Clerk



City of Tecumseh
Social District
Qualified Licensees

LARA ID	Account Name	DBA	Address
2098	Wrong Way Pub Inc.	Wrong Way Pub	107 S. Evans St. Tecumseh 49286
8127	American Legion Memorial Home Assn. of Tecumseh	American Legion Memorial Home Assn. of Tecumseh	101 W. Pottawatomie St. Tecumseh 49286
133417	Pentamere Winery, LLC	Pentamere Winery	131 E. Chicago Blvd. Tecumseh 49286
134702	Evans Street Station LLC	Evans Street Station	110 S. Evans St. Tecumseh 49286
153852	The Tecumseh Club	The Tecumseh Club	123 W. Chicago Blvd. Tecumseh 49286
215099	Devniks, Inc.	Basil Boys	125 W. Chicago Blvd. Tecumseh 49286
226011	LRS Restaurant Holdings, LLC	JR's Hometown Grill & Pub	111 W. Chicago Blvd. Tecumseh 49286
227486	The Dog House Restaurant, LLC	The Doghouse Restaurant	107 E. Chicago Blvd. Tecumseh 49286
235137	Salsaria's LLC	Salsarias	146 E. Chicago Blvd. Tecumseh 49286
237108	Tecumseh Brewing Company, LLC	Tecumseh Brewing Co	128 W. Chicago Blvd. Tecumseh 49286



P.O. Box 396, Tecumseh, MI 49286 • www.mytecumseh.org

Commons Areas Management and Maintenance Plan

Overview

In an effort to support local restaurants, microbreweries, bars, and similar food service businesses, the City of Tecumseh has established a permitting process for temporary outdoor social districts and commons areas ("Commons Areas"). Commons Areas are intended to allow for outdoor dining and alcoholic beverage consumption on City properties that are adjacent to or near associated business establishments. This application package is designed to ensure compliance with the Michigan Liquor Control Commission (MLCC) guidelines and Public Act 58 of 1998 as amended by Public Act 124 of 2020.

The Commons Areas are proposed to be administered through the City's Developmental Services Office and permits from both the MLCC and the City are required prior to utilization by any qualified establishment(s).

Intent

Commons Areas are intended provide extra outdoor space for dining and consumption of alcoholic beverages while ensuring sufficient separation between unrelated parties. This is in response to the social distancing requirements necessitated by the COVID-19 crisis. The areas will accommodate tables, chairs, barriers, boundaries, and accessory materials related to the offered services. Qualified establishments, as defined by PA 124 of 2020 may apply to utilize **certain specifically designated places within** the established Commons Areas:

1. City owned parking lots in the Central Business District.
2. The North and South Evans Street road right-of-way.
3. In accordance with the MLCC guidelines, all Commons Areas must be "contiguous to the premises of at least 2 qualified licensees."

It is also intended that Commons Areas may be shared by multiple businesses, so long as the shared use is defined by the City authorization and joint operation and maintenance guidelines are established.

However, public spaces immediately in front of or behind a business establishment will be reserved solely for that business (exp. public sidewalks and parking spaces).

All designated spaces will be subject to review by Tecumseh Police and Fire Departments for traffic and safety considerations.

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Commons Areas Management and Maintenance Plan

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Other Options for Outdoor Dining and Alcoholic Beverage Consumption

The establishment of the Commons Areas in accordance with the new MLCC provisions in no way negates the ability of businesses to establish sidewalk cafes for outdoor dining and alcoholic beverage consumption in accordance with the pre-existing MLCC guidelines and City ordinances. The Commons Areas are intended to be supplemental and in addition to these previous provisions.

Signage and Barriers

The City will prepare generic signs as required by the MLCC Rules that identify the general boundaries of the Commons Areas. The individual establishments may be required to provide additional barriers to define the portion of the Commons Area they plan to utilize and provide for the safety of their customers/patrons. Additional barriers or barricades as specified by the City **will** be required when the area utilized is within a public parking lot and/or on a public street or sidewalk. The City will assist in coordination between the permitted establishments to minimize the necessary investment in additional barriers/barricades.

Application Process

Commons Area permits must be requested by the business owner or an authorized representative. Applications and supplemental information must be provided in complete form for review and approval by the Building Official.

Required checklist items are the following:

1. Completed City application form.
2. Copy of Michigan Liquor Control Commission Permit. *Note: The City will conduct a preliminary review prior to the applicant submitting their MLCC permit in order to determine if the proposed use of the Commons Area is acceptable to the City.*
3. Certificate of Liability Insurance, naming the City of Tecumseh additionally insured.
4. Commons Area layout plan (drawn to-scale with dimensions noted and all information in legible form).
 - a. Lot lines, portion(s) of Commons Area intended for use, and proposed barriers/barricades.
 - b. Existing entries/exits, sidewalks, structures, and building footprints.
 - c. Proposed location of tables, chairs, tents, shelters, and other fixtures, allowing for at least 6 feet minimum between unrelated parties. *Note: The City may*

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Commons Areas Management and Maintenance Plan

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require the removal or relocation of these furnishings and fixtures at the end of each business day in order to facilitate access to the surrounding properties.

- d. Outdoor service and host area(s) (if any).
- e. Proposed occupancy. *Attached is the section of the International Building Code (IBC) which has been adopted as the standard for the State of Michigan related to occupancy calculations to provide you with a starting point. This does not consider the requirements in item (c) above.*

General Requirements

Commons Areas are subject to the following requirements:

1. Boundaries, structures, and materials associated with Commons Areas shall:
 - a. Not impede drivers, pedestrians, or wheelchair users. *Note: The City will consider the extended closure of sections of public parking lots and streets, subject to maintaining adequate access to the surrounding properties.*
 - b. Not block sight visibility of remaining parking lot aisles or intersections.
 - c. Not impede emergency vehicle and personnel access.
 - d. Not prevent access to nearby businesses or homes.
 - e. Be approved by City of Tecumseh Police and Fire Departments.
2. Alcohol service shall conform to all Michigan Liquor Control Commission requirements, including any Social District and Commons Areas Permit requirements. Specifically:
 - a. The serving container must prominently display the licensee's trade name or logo or some other mark that is unique to the licensee that sold the alcohol.
 - b. The serving container must prominently display a logo or some other mark that is unique to the commons area.
 - c. The serving container is not made of glass.
 - d. The serving container does not have a liquid capacity over 16 ounces.
3. **Hours of operation shall begin no earlier than 10:00 AM and food and beverage service shall discontinue in the Commons Areas no later than 11:00 PM.** However, hours shall be further restricted when adjacent to residential land uses. Service shall not extend beyond the range established in the MLCC or City permits.
4. Service shall conform to the permitted days of operation.
5. The layout of boundaries, structures, and materials shall conform to the proposed outdoor Commons Area layout plan during open hours. Tables, chairs, and temporary barriers may be permitted to remain outdoors during closed hours but must be secured. Service items, decorations, cleaning materials and equipment and other easily stored items must be removed from

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the area at the end of each business day. Solid barriers, if incorporated, may remain for the duration of the permitted timeframe.

6. Sites and surfaces shall be cleaned before service hours and upon close.
7. Tents and other temporary shelter structures shall be approved by the Fire Department and Building Official.
8. Amplified music shall be set at reasonable levels so as not to disturb owners and occupants of neighboring properties.
9. Temporary lighting shall be established to ensure safe conditions during evening hours but shall not result in excessive glare onto adjacent properties.
10. Waste receptacles shall be provided within the Commons Area and shall be emptied regularly during open hours and at close each day.
11. Heaters must be approved by the Fire Department (type and location).
12. Smoking is not permitted within designated Commons Areas.

Review and Approval

The review of Commons Areas will occur in conjunction with the Developmental Services Office and Police Department and Fire Departments. The City reserves the right to request additional details and information to ensure the protection of public health, safety, and welfare.

If requirements and standards are met, the proposed outdoor social zone will be permitted for a period of time specified by the Building Official. Reasonable conditions may be applied by the City to ensure the protection of public health, safety, and welfare. Plan amendments may be considered at any time but must comply with all requirements for Commons Areas.

**Building Services Department**

P.O. Box 396, Tecumseh, MI 49286

Ph: 517-424-6544

www.mytecumseh.org**COMMONS AREA USE APPLICATION**

Date of Application:

Name of Business:

Requested Date Range for Commons Area Use

From:

To:

Recurring Dates Requested:

(Attach additional sheet if needed)

Name of Owner / Responsible Party:

Mailing Address:

Business Address:

(If different from above)

Contact Person:

Phone #:

E-Mail:

Description of Commons Area Services/Uses:

Required Attachments:

☐ Layout Plan*(See Management Plan for Requirements)*☐ Proof of MLCC Approval☐ Proof of Liability Insurance*(Naming City Additionally Insured)***X** _____
Signature of Owner/Responsible Party

Date: _____

*I verify all of the information on and attached to this application is accurate to the best of my knowledge; and I commit to adhere to the City of Tecumseh Commons Area Management Plan and the MLCC requirements for Social Districts/Commons Areas.***CITY USE ONLY BELOW THIS LINE**☐ ALL Required Attachments Provided☐ Logistics Meeting NeededDepartment Approval Needed: ☐ Police ☐ Fire ☐ Building ☐ DPW

Permit #:

☐ Approved

Date of Approval: _____

Conditions of Approval:

X _____ Printed Name: _____*Signature of Building Official*

Date: _____