

City of Northville
Liquor License Review Committee
September 15, 2014

Call to Order

A meeting of the Liquor License Review Committee (LLRC) was called to order at 6:30 p.m. at the City of Northville Municipal Building, City Council Chambers, 215 West Main Street, Northville, Michigan, 48167.

It was noted that Mayor Pro Tem James Allen and Commissioner John Buckland were present. Councilmember Ryan McKindles was noted as absent/excused.

Also present were City Manager Patrick Sullivan, City Clerk Dianne Massa, Police Chief Michael Carlson, Kevin DeGrood from North Center Micro Brewery, and eight citizens.

Public Comments

None

Approval of Minutes

Motion Buckland, seconded by Allen to approve the June 3, 2013 minutes as presented.
Motion carried unanimously.

Request to Establish a Micro Brewery at 410 N. Center Street

On November 7, 2013, the City received a Liquor License Review Committee Application from Kevin DeGrood, with the intent of starting a "brewery taproom" indicating that the business would only sell the beer manufactured on the premises. The business would be located at 410 N. Center. Since the building was a new development and construction had just begun, there was a significant delay in processing this application. Originally the building at 410 N. Center was zoned for office use.

The applicant indicated the intent to operate a Micro Brewery with a DBA of North Center Brewing Company LLC. A Micro Brewery means a brewer that produces in total less than 60,000 barrels of beer per year and may sell the beer produced to consumers at the licensed brewery premises for consumption on or off the licensed brewery premises and to retailers.

The Plan of Operation indicates seating for 44 patrons. A parking agreement for 410 N. Center Street has been approved by City Council, and the agreement includes the micro brewery. While the business will not have kitchen facilities, it will provide pre-packaged snacks, such as pretzels and chips. Additionally, menus from local restaurants will be available, inviting patrons to order food from elsewhere and consume it on the premises.

For entertainment, the North Center Brewing Co. will provide hand shuffle board and darts. On occasion, live entertainment may occur; however, this entertainment will not use amplified

instruments. An entertainment permit is not required for this activity. There will be televisions for sports viewing and a sound system for recorded music. The Plan of Operation indicates that the business will be closed on Monday and Tuesday. It will be open from 5:00 p.m. until 11:00 p.m. on Wednesday and Thursday and from 5:00 p.m. until midnight on Friday. Saturday hours will be from noon until midnight and Sunday will be from noon until 8:00 p.m.

The business will have a manufacturing operation to produce beer. The manufacturing process uses water, grains, hops, and a variety of flavors. There will not be any hazardous waste and the odor produced by the process will be similar to cooked oatmeal. Mr. DeGroot has not previously operated a micro brewery. The Police Department conducted a background investigation and has not found any negative contacts or violations involving Kevin DeGroot.

The success of this business will likely place additional pressure on area parking. This may result in increased parking restrictions or enforcement efforts. Additionally, the increased traffic at the intersection of Rayson and Center Streets may warrant a traffic study to determine if further traffic control is warranted.

The Liquor License Review Committee held a public hearing in accordance with the City's Liquor Management Ordinance and recommended that City Council pass a resolution approving Kevin DeGroot's application for a Micro Brewery located at 410 N. Center. Staff can find no reason to object to the approval of this request subject to final inspections and code compliance.

In accordance with the City's Liquor Management Ordinance, the Liquor License Review Committee (LLRC) is required to hold a public hearing on the proposed outdoor service permit.

LLRC Questions, Comments, and Discussion: In response to a question, it was explained that an outdoor event such as Oktoberfest, is not part of the micro brewery license request being considered tonight and would require a temporary outdoor service permit.

The City Manager pointed out that the City Council agreed, in principle, to the parking agreement language. However, the agreements have not been executed with Rayson and 412 N. Center Street property owners. It was recommended the LLRC hold the public hearing to receive public comments and table any approval recommendation until the City receives the fully executed shared parking agreements.

Public hearing opened at 6:35 p.m.

Lori Rogala, 465 Grace, comments voiced concern with capacity, which is almost double the number patrons listed in the LLRC application. Comments also spoke of current and future parking concerns, the minimal buffer between the brewery and the neighborhood, the fact the brewery abuts a house with children and is also near adjacent homes with children, concern with bikes and pedestrians being in the proximity of an alcohol establishment, and the brewery being open while children are home and playing outside.

The LLRC noted that the Department of Public Works began its parking study count last week. That study will continue for several weeks.

Matthew Mowers, 131 Rayson questioned the application process and the perceived lack of opportunity to ask questions about the application. He questioned the “factors” listed in the ordinance that the LLRC must consider. Concern was voiced with the LLRC process due to the fact that the City Council meeting packet item for the micro brewery states the LLRC recommended approving the application, whether this use was consistent with the Central Business District overlay zoning, questioning how an approval recommendation could be given before the LLRC meeting was even held. Comments also spoke of an alcohol establishment next to a residential neighborhood, concern with the brewery providing outdoor seating, how the neighborhood will have to deal with the nuisance of inebriated patrons in their neighborhood, people vomiting on lawns and in the street, cigarette butts on the sidewalks, etc. The micro brewery extends the entertainment district further outside the downtown area. There are other areas in the downtown, such as Cady Street, that would be better suited for a micro brewery.

The LLRC explained the Central Business District (CBD) uses and the restrictions imposed by the overlay district. The micro brewery is an allowable use in the CBD. Also, the purpose of the public hearing is for the public to question the application and offer comments.

Discussion ensued pertaining to the Northville Cigar Bar, which also abuts a residential area. Most of the opposition to the Cigar Bar pertained to smoke, including smoke that would permeate from the outdoor patio areas. The LLRC turned down the request and the owner was advised to return with a revised plan that did not provide for an outdoor patio.

Kevin DeGrood, owner of North Center Street Micro Brewery, noted that other than an Oktoberfest event or other events that would tie into a downtown special event, there are no plans for the micro brewery to have a patio or an outdoor seating area. Outdoor service requires obtaining an additional state license. An outdoor service area would take away existing parking spaces. In addition, the roof cannot support outdoor usage.

Joanne Bandoni, 483 Grace supported the neighborhood comments, voiced concern with current and future parking conditions in the neighborhood, and concern with safety issues with children and pedestrians. There was appreciation to DeGrood for his responsiveness to the neighborhood.

Matthew Mowers, 131 Rayson questioned who DeGrood has reached out to in the neighborhood, commenting there appeared to be no desire to work within the community structure, and how will DeGrood and the micro brewery integrate into the community.

Kevin DeGrood pointed out that he is on record addressing parking concerns during previous meetings, has listened to resident comments during each meeting, and has met with the residents after each City Council meeting to hear their concerns. The micro brewery website will advise people on the locations for available parking and encourage people to keep away from the neighborhood. Promotions and discount offers will be made available for patrons that do not drive to the brewery.

Carrie Mowers, 131 Rayson questioned what is the “measure” used to determine if the buffer between the brewery and the neighborhood is sufficient. Comments spoke of the disconnect between the City’s planning objectives and allowing this use next to a residential area.

Northville is a quant, walkable town and most residents would not have knowingly purchased a house near a micro brewery. More bars and restaurants in the downtown is acceptable. However, this area is removed from the downtown. This application is being pushed through as it appears the application process is written in favor the applicant. It was questioned if the resident comments are provided to the Michigan Liquor Control Commission to use when considering the application, and if the City has the means to provide for increased police presence in this area. There is a need for a long-term thought process to address these concerns.

The Police Chief noted that a resolution adopted by City Council is provided to the MLCC. It was uncertain if the previous Police Chief also provided the MLCC with LLRC meeting minutes as part of the Police Department's report.

DeGroot pointed out that after 2012, the City Council local approving resolution is needed as part of his application submission. The MLCC wants issues resolved before the application gets to the state level. Residents are not restricted from sending letters to the state regarding this application.

Kurt Meinhart, 483 Grace spoke of the need for the City to take appropriate measures to address foreseeable problems, instead of solving problems in hindsight, with a "wait and see" approach. Parking, public safety, and property values were cited concerns that must be addressed now. Good businesses do not create problems and headaches. Good businesses thrive in the right location with proper infrastructure to support the business. The current location is a risk and it is likely the business will fail.

The LLRC noted that this is a private business that has private parking. The area does not have municipal parking lots. If sufficient parking is not available on-site, the zoning ordinance allows for shared parking agreements to provide parking and bring the business into conformance with the ordinance. The micro brewery is an allowable use. The City cannot tell people how to run their business.

Lori Rogala, 465 Grace commented that it appeared a decision had already been made. The LLRC did not know the factors outlined in the ordinance as the applicant is responding to resident questions on the various factors and not the LLRC. The LLRC should review and decide the pros and cons of each factor.

David Marold, 443 Grace supported the neighborhood concerns and comments, especially the comments voicing safety concerns for children. He would not have purchased a house near a micro brewery. Comments also voiced concern with City Council considering removing the "no left turn" restriction as this would be a bad decision. The neighborhood supports the "no left turn" restriction to reduce traffic in the neighborhood. Final comments also spoke of concern with the brewing odor and any additional odors that might be emitted during the process of cleaning the micro brewing equipment.

DeGroot noted that clean out materials are diluted with water and does not go into the City's sewer system. Concerns could be addressed by taking a tour of a local micro brewery.

Kurt Meinhart, 483 Grace suggested that DeGroot reach out to the neighborhood by arranging for the residents to take a tour of a local micro brewery.

Matthew Mowers, 131 Rayson cited the section of the zoning ordinance pertaining to the Central Business District Overlay. The overlay should provide a buffer to residential areas. The LLRC should consider if a micro brewery is an appropriate use.

As part of the public hearing, the LLRC asked DeGrood to review each of the factors to be considered as outlined in his application, per section 5-63 in the ordinance and for the residents to comment on pertinent factors after the complete review. DeGrood reviewed factors (a) through (v).

Lengthy discussion ensued pertaining to factor of "impact of the establishment on surrounding businesses and neighborhoods." DeGrood's application response indicated "regarding the neighborhoods, there is currently sufficient distance between residential areas and the business as to not disturb the immediate surrounding area during later hours of operation." DeGrood explained that a lot of thought went into the business model. The business investors are his family and friends. If there is a liquor violation, he will lose his liquor license. Nothing would be more detrimental than losing the liquor license as this would bankrupt the business. A micro brewery is easier to monitor than other liquor establishments as beer is served by the glass. The micro brewery has an actual capacity is 81 patrons; however, there is only seating for 44 patrons. There is only a 1,100 square foot area available for seating. DeGrood spoke of other cities similar in layout to Northville that have added micro breweries with success. He also cited other micro breweries (i.e. Traverse City) located near residential neighborhoods and that those breweries have had very minimal impact to the neighborhood.

Lori Rogala, 465 Grace commented that the list of factors are eye-opening and mirror the concerns expressed this evening. The City has 18 other liquor licenses and the Police Department manpower is already overstretched. There is concern with the new capacity number of 81 as this is almost double the occupancy of 44 as listed in the LLRC application. It was questioned if the City Council is aware of they are approving and its impact to the neighborhood.

Matthew Mowers, 131 Rayson spoke to the Traverse City micro brewery and the other micro breweries mentioned by DeGrood, noting that DeGrood is not comparing "apples to apples" as those breweries are not like this micro brewery. While it appears North Center Street Brewery has a good business plan, this is not the best location for this business.

As the September 15, 2014 regular City Council meeting was scheduled to begin at 7:30 p.m., the LLRC concurred it would reconvene the meeting on October 6, 2014 to continue public comment, discussion, and consideration of the application.

Motion Buckland, seconded by Allen to reconvene the LLRC meeting on Monday, October 6, 2014 at 6:00 p.m. **Motion carried unanimously.**

There being no further business, the meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Dianne Massa
City Clerk

Approved as submitted: 03/30/2015