

Memorandum



Date: September 16, 2025

To: Buchanan City Commission

From: Tony McGhee

Subject: Recommendation of Support for Downtown Development Liquor License

Background

Building 324 has submitted an application for a Downtown Development Authority (DDA) liquor license for consideration. In Michigan, DDA liquor licenses are a tool designed to encourage redevelopment and reinvestment in downtown districts. They are available through the Michigan Liquor Control Commission (MLCC) to qualifying establishments located within the legal boundaries of a DDA.

Unlike traditional quota licenses, which are limited in number based on population, DDA liquor licenses are made available when a community demonstrates a certain level of investment within its DDA boundaries. This threshold is established by state law and ensures that licenses are only issued in communities that are actively supporting their downtown areas through infrastructure, streetscape, or other public improvements. The investment currently being made in the downtown will open up the opportunity for several other businesses that are eligible, to obtain a similar license.

To qualify, the applicant must:

- Be located within the established DDA district.
- Demonstrate sufficient public investment levels within the district, as certified by the local unit of government.
- Receive local governing body approval (City Commission) of the application before MLCC review.

Current Application

The City of Buchanan has already met the required investment thresholds within the DDA boundaries, allowing us to support multiple DDA liquor licenses. Building 324 has provided the necessary documentation for City approval, and their consultant has guided the application process in accordance with MLCC requirements.

At its meeting held on September 10, 2025, the Buchanan Downtown Development Authority unanimously vote to recommend the City Commission approve the subject DDA liquor license.

Recommendation

While the MLCC ultimately decides whether to issue the license, the DDA and City staff recommends that the City Commission approval of Building 324's DDA liquor license application for submission to the MLCC. Doing so is consistent with the City's efforts to foster downtown redevelopment, support local businesses, and create a vibrant, competitive environment for residents and visitors alike.

Attachment A: Building 324 Application

Attachment B: DDA Liquor License Background Information

Attachment A





New On-Premises Redevelopment or Development District License Questionnaire

Complete and submit this questionnaire along with a fully completed [On-Premises Retailer License & Permit Application \(LCC-100a\)](#) with the documents required to be submitted with that form and any other documents required as listed below.

Part 1 - Applicant Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Applicant name(s): Building 324, LLC		
Address to be licensed: 325 E. Front St. Suite 118		
City: Buchanan		Zip Code: 49107
City/township/village where license will be issued: City of Buchanan		County: Berrien
Contact Name: Tom Schmidt	Phone: 269-760-8681	Email: Tomsconsulting1@gmail.com
Mailing address (if different from above):		
City:		Zip Code:

I am applying for the following on-premises redevelopment or development district license:

☐ **MCL 436.1521a(1)(a) - Redevelopment (RDA) License - Complete Parts 2a, 3, 4, & 5**

Select one: ☐ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in a redevelopment project area defined by the local governmental unit and the investment in the redevelopment project area must meet one (1) of following requirements:
 - Investment of not less than \$50 million in cities, townships, or villages having a population of 50,000 or more
 - Investment of not less than \$1 million per 1,000 people in cities, townships, or villages having a population of less than 50,000
- The licensed business must be engaged in activities related to dining, entertainment, or recreation and provide that activity not less than five (5) days per week
- The licensed business must be open to the public not less than ten (10) hours per day, five (5) days per week
- The initial enhanced license fee for a license issued under this section is \$20,000.00

☒ **MCL 436.1521a(1)(b) - Development District (DDA) License - Complete Parts 2b, 3, 4, & 5**

Select one: ☒ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in one of the development districts or areas listed in MCL 436.1521a(1)(b):
 - Tax Increment Finance Authority District Under Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980)
 - Corridor Improvement Authority Act Development Area under Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005)
 - Downtown Development Authority (DDA) District under Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975)
 - Principal Shopping District under Public Act 120 of 1961
- The total investment in real and personal property within the development district or area shall not be less than \$200,000.00 over a period of the preceding five (5) years.
- The building may be new construction or the restoration or rehabilitation of an existing building.
- The building that will house the proposed licensed premises must have at least \$75,000.00 expended for new construction or the rehabilitation or restoration of the building over the preceding five (5) years or a commitment for a capital investment of at least \$75,000.00 in the building that must be expended before the license is issued.
- The licensed business must be engaged in activities related to dining, entertainment, or recreation.
- The licensed business must be open to the general public and have a seating capacity of not less than 25 persons.
- The initial enhanced license fee for a license issued under this section is \$20,000.00.

Please Note: Pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

Part 2a - MCL 436.1521a(1)(a) - Redevelopment (RDA) License Required Documents

- ☐ Resolution from local governmental unit establishing the redevelopment project area
- ☐ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following:
 - The amount of investment money expended for manufacturing, industrial, residential, and commercial development within the redevelopment project area during the preceding three (3) years (must specifically state start and end dates for the investment, i.e. January 1, 2013, to December 31, 2015).
 - Statement that the amount of commercial investment in the redevelopment project area constitutes not less than 25% of the total investment in real and personal property in the area.
- ☐ Legible map of the redevelopment project area which clearly labels all street names

Part 2b - MCL 436.1521a(1)(b) - Development District (DDA) License Required Documents

- ☒ Resolution from local governmental unit establishing the development district or area which specifically references the statute under which the area was established:
 - Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980) for Tax Increment Finance Authorities
 - Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005) for Corridor Improvement Authorities
 - Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975) for Downtown Development Authorities
 - Public Act 120 of 1961 for Principal Shopping Districts
- ☒ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following:
 - The total amount of public and private investment in real and personal property within the development district or area over a period of the preceding five (5) years (must specifically state start and end dates for the investment, i.e. January 1, 2011, to December 31, 2015).
- ☒ Legible map of the development district or area which clearly labels all street names

Part 3 - Available License Search

MCL 436.1521a(9) requires any person signing an application for an on-premises Redevelopment or Development District license to verify that he or she attempted to purchase any of the on-premises licenses that are in escrow that do not have a pending transfer on file with the MLCC within the county in which the applicant for the on-premises Redevelopment or Development District license proposes to operate.

You should not apply for an on-premises Redevelopment or Development District license if there is an available quota license in the local governmental unit in which the proposed licensed business will be located. You may verify the availability of quota licenses on the Commission's website using the [Local Government Quota search page](#).

- ☒ I verify that I have attempted to purchase any readily available on-premises escrowed licenses that do not have pending transfers on file with the MLCC in the county where the proposed licensed business will be located.
 - Applicant should provide a notarized affidavit outlining all attempts and responses (or lack thereof) to secure a readily available on-premises license.
 - Applicant should send certified letters of inquiry as to the availability of the license to each licensee at the address listed on the licensee listing report provided by the MLCC.
 - Applicant should submit copies of the letters sent, certified tags, signed certified return receipts, copies of any envelopes returned by the USPS, and copies of any correspondence received from the licensees.
 - Applicant should provide dates, the name of the person contacted, and a synopsis of the conversation if escrowed licensees are contacted by telephone.
 - Applicant should provide documentation regarding the fair market value of the license based on where the applicant will be located, if determinable, the size and scope of the proposed operation, and/or the existence of mandatory contractual restrictions or inclusion attached to the sale of the license when indicating to the MLCC that purchase of a license is not economically feasible or the license is not readily available.
- ☒ There are no readily available on-premises licenses in escrow in the county where the proposed licensed business will be located.
- ☒ There are no unissued, on-premises quota licenses readily available in the local governmental unit where the proposed licensed business will be located.

Part 4 - Local Governmental Approval

An applicant for a new on-premises Redevelopment or Development District license requires approval by the legislative body of the local governmental unit in which the licensed premises will be located. Applicants for a license in a city that has a population of 600,000 or more do not require local governmental approval. Please use the [Local Governmental Unit Approval Form \(LCC-106\)](#) or obtain a resolution from the local governmental unit that contains the same information required on the form. The form or a resolution from the city, village, or township must specifically state the applicant's legal name, if an individual person, or the corporate name of the business, the proposed licensed address, and contain a recommendation for the issuance of a license under one of the two following options:

- New Class C* license issued under the provisions of MCL 436.1521a(1)(a)
- New Class C* license issued under the provisions of MCL 436.1521a(1)(b)

**May substitute other license types such as Tavern, A-Hotel, or B-Hotel licenses*

Part 5 - Signature of Applicant

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

I certify that I understand that pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and that if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

Randy Hendrixson/Sole Member

Randy Hendrixson

8-28-2025

Print Name of Applicant & Title

Signature of Applicant

Date

Please return this completed form along with corresponding documents:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Overnight packages: 2407 N. Grand River Ave., Lansing, MI 48906
Fax to: 517-763-0059

Attachment B



Liquor Licenses for Redevelopment

Introduction

Redevelopment liquor licenses became law in 2006 (PA 51 of 2006). When the law passed it was considered a victory for the many Michigan communities who had businesses that wanted to locate locally but could not acquire a liquor license.

How to Apply

Just like all other on-premises liquor licenses, the municipality (city, village, or township) must pass a resolution approving the applicant (business owner) for the license (attached). In addition, the resolution should indicate that the approval is for an on-premises liquor license issued under MCL 436.1521a(1)(a) or MCL 436.1521a(1)(b). If the license is in the area of a Downtown Development Authority, Tax Increment Financing Authority, Corridor Improvement Authority, or Principal Shopping District, the resolution should indicate that the license should be issued under MCL 436.1521a(1)(b). If the license is in a city redevelopment project area (see below) the resolution should indicate that the license should be issued under MCL 436.1521a(1)(a). This will ensure that the Liquor Control Commission (LCC) knows what kind of liquor license is being requested.

The resolution must be forwarded to the LCC **prior to or at the same time** as the application. An application most likely will start a file for that license request. LCC staff can start accepting applications as soon as they receive this resolution from the community in support of the application and the information required in PA 501 (as follows).

The business owner then fills out an application for a liquor license. The applicant can obtain an application form for a new on-premises license by contacting the LCC licensing division at 866 813-0011 or downloading a form. There are two main forms an applicant for these licenses will need:

1. Retailer License & Permit Application (LCC-100) www.michigan.gov/documents/lara/LCC100_507420_7.pdf
2. New On-Premises Redevelopment or Development District License Questionnaire (LCC-109b) (attached): www.michigan.gov/documents/lara/lcc109b_628392_7.pdf

Most license applicants will want a Class C license (for restaurants, bars, etc.). Hotels, though, may be in a different category and the applicant should discuss this with the LCC staff.

The applicant will need to demonstrate to the LCC that it has attempted to secure an on-premises escrowed license or quota license issued under section 531 of the Liquor Control Act and that one was not readily available within the local unit of government, Section 521a(9). Businesses will also have to pay a \$20,000 fee for the license when it is approved.

The Act provides for two distinct types of licenses—"Development Authority Districts" and "City Redevelopment Project Areas"—and each of these has specific requirements that must be met.

Development Authority Districts (DDA)

The licensed business must demonstrate that it is engaged in dining, entertainment, or recreation, is open to the general public and has a seating capacity of not less than 25 persons. Section 521a(6)(c).

The applicant, in the application or after submitting the application, must establish that it has done one of the following:

- expended at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years, or
- committed capital investment of at least \$75,000 that will be expended for the building before the license is issued. Section 521a(6)(a).

Once the application is filed with the LCC, proof must be submitted that:

1. the applicant business is located in a development authority district (Downtown Development Authority, Tax Increment Finance Authority, Corridor Improvement Authority, or Principal Shopping District) and
2. the total amount of private and public investment in real and personal property in the development district is at least \$200,000 for the preceding 5 years. Section 521a(6)(b).

The LCC may issue one license for every \$200,000.00 in investment or for each major fraction thereof.

City Redevelopment Project Areas (RDA)

The applicant, in the application or after submitting the application, must indicate to the LCC that it is engaged in dining, entertainment, or recreation activities at least 5 days per week and is open to the public at least 10 hours per day, 5 days per week. In addition, the applicant must present verification of redevelopment project area status. Section 521a(2)(c). The verification shall include:

1. a resolution passed by the city that designates the City Redevelopment Project Area, and affidavits of investments and population required by Section 521a(2)(c);
2. proof that commercial investment in the City Redevelopment Project Area is 25 percent or more of the total investment in real and personal property in the City Redevelopment Project Area, Section 521a(3); and
3. proof that total investment over the last three years in real and personal property in the City Redevelopment Project Area of:
 - at least \$50 million in cities having a population of 50,000 or more, or
 - at least \$1 million per 1,000 people in cities of less than 50,000, Section 521a(4).

There is no limit to the number of City Redevelopment Project Areas that a city can create. The city can create one large redevelopment zone or several small redevelopment areas. City Redevelopment Project Areas may receive one license for each of the above monetary thresholds reached, and for each major fraction thereof after the initial threshold is reached.

Note: The licenses created by PA 501 are not transferable by the business owner to another location. If a business with one of these licenses 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.



Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a _____ meeting of the _____ council/board
(regular or special) (township, city, village)

called to order by _____ on _____ at _____

the following resolution was offered: (date) (time)

Moved by _____ and supported by _____

that the application from _____

(name of applicant - if a corporation or limited liability company, please state the company name)

for the following license(s): _____

(list specific licenses requested)

to be located at: _____

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it _____ this application be considered for

(recommends/does not recommend)

approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the _____

council/board at a _____ meeting held on _____ (township, city, village)

(regular or special)

(date)

Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:

Michigan Liquor Control Commission

Mailing address: P.O. Box 30005, Lansing, MI 48909

Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933

Fax to: 517-763-0059



New On-Premises Redevelopment or Development District License Questionnaire

Complete and submit this questionnaire along with a fully completed [Retailer License & Permit Application \(LCC-100\)](#) with the documents required to be submitted with that form and any other documents required as listed below.

Part 1 - Applicant Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Applicant name(s):		
Address to be licensed:		
City:	Zip Code:	
City/township/village where license will be issued:		County:
Contact Name:	Phone:	Email:
Mailing address (if different from above):		
City:	Zip Code:	

I am applying for the following on-premises redevelopment or development district license:

☐ **MCL 436.1521a(1)(a) - Redevelopment (RDA) License - Complete Parts 2a, 3, 4, & 5**

Select one: ☐ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in a redevelopment project area defined by the local governmental unit and the investment in the redevelopment project area must meet one (1) of following requirements:
 - Investment of not less than \$50 million in cities, townships, or villages having a population of 50,000 or more
 - Investment of not less than \$1 million per 1,000 people in cities, townships, or villages having a population of less than 50,000
- The licensed business must be engaged in activities related to dining, entertainment, or recreation and provide that activity not less than five (5) days per week
- The licensed business must be open to the public not less than ten (10) hours per day, five (5) days per week
- The initial enhanced license fee for a license issued under this section is \$20,000.00

☐ **MCL 436.1521a(1)(b) - Development District (DDA) License - Complete Parts 2b, 3, 4, & 5**

Select one: ☐ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in one of the development districts or areas listed in MCL 436.1521a(1)(b):
 - Tax Increment Finance Authority District Under Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980)
 - Corridor Improvement Authority Act Development Area under Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005)
 - Downtown Development Authority (DDA) District under Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975)
 - Principal Shopping District under Public Act 120 of 1961
- The total investment in real and personal property within the development district or area shall not be less than \$200,000.00 over a period of the preceding five (5) years
- The building shall be a restoration or rehabilitation of an existing building and **cannot be a brand new building**
- The building that will house the proposed licensed premises must have at least \$75,000.00 expended for the rehabilitation or restoration of the building over the preceding five (5) years or a commitment for a capital investment of at least \$75,000.00 in the building that must be expended before the license is issued
- The licensed business must be engaged in activities related to dining, entertainment, or recreation
- The licensed business must be open to the general public and have a seating capacity of not less than 25 persons
- The initial enhanced license fee for a license issued under this section is \$20,000.00

Please Note: Pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

Part 2a - MCL 436.1521a(1)(a) - Redevelopment (RDA) License Required Documents

- ☐ Resolution from local governmental unit establishing the redevelopment project area
- ☐ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following:
 - The amount of investment money expended for manufacturing, industrial, residential, and commercial development within the redevelopment project area during the preceding three (3) years (must specifically state start and end dates for the investment, i.e. January 1, 2013, to December 31, 2015).
 - Statement that the amount of commercial investment in the redevelopment project area constitutes not less than 25% of the total investment in real and personal property in the area.
- ☐ Legible map of the redevelopment project area which clearly labels all street names

Part 2b - MCL 436.1521a(1)(b) - Development District (DDA) License Required Documents

- ☐ Resolution from local governmental unit establishing the development district or area which specifically references the statute under which the area was established:
 - Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980) for Tax Increment Finance Authorities
 - Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005) for Corridor Improvement Authorities
 - Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975) for Downtown Development Authorities
 - Public Act 120 of 1961 for Principal Shopping Districts
- ☐ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following:
 - The total amount of public and private investment in real and personal property within the development district or area over a period of the preceding five (5) years (must specifically state start and end dates for the investment, i.e. January 1, 2011, to December 31, 2015).
- ☐ Legible map of the development district or area which clearly labels all street names

Part 3 - Available License Search

MCL 436.1521a(9) requires any person signing an application for an on-premises Redevelopment or Development District license to verify that he or she attempted to purchase any of the on-premises licenses that are in escrow that do not have a pending transfer on file with the MLCC within the county in which the applicant for the on-premises Redevelopment or Development District license proposes to operate.

You should not apply for an on-premises Redevelopment or Development District license if there is an available quota license in the local governmental unit in which the proposed licensed business will be located. You may verify the availability of quota licenses on the Commission's website using the [Local Government Quota search page](#).

- ☐ I verify that I have attempted to purchase any readily available on-premises escrowed licenses that do not have pending transfers on file with the MLCC in the county where the proposed licensed business will be located.
 - Applicant should provide a notarized affidavit outlining all attempts and responses (or lack thereof) to secure a readily available on-premises license.
 - Applicant should send certified letters of inquiry as to the availability of the license to each licensee at the address listed on the licensee listing report provided by the MLCC.
 - Applicant should submit copies of the letters sent, certified tags, signed certified return receipts, copies of any envelopes returned by the USPS, and copies of any correspondence received from the licensees.
 - Applicant should provide dates, the name of the person contacted, and a synopsis of the conversation if escrowed licensees are contacted by telephone.
 - Applicant should provide documentation regarding the fair market value of the license based on where the applicant will be located, if determinable, the size and scope of the proposed operation, and/or the existence of mandatory contractual restrictions or inclusion attached to the sale of the license when indicating to the MLCC that purchase of a license is not economically feasible or the license is not readily available.
- ☐ There are no readily available on-premises licenses in escrow in the county where the proposed licensed business will be located.
- ☐ There are no unissued, on-premises quota licenses readily available in the local governmental unit where the proposed licensed business will be located.

Part 4 - Local Governmental Approval

An applicant for a new on-premises Redevelopment or Development District license requires approval by the legislative body of the local governmental unit in which the licensed premises will be located. Applicants for a license in a city that has a population of 600,000 or more do not require local governmental approval. Please use the [Local Governmental Unit Approval Form \(LCC-106\)](#) or obtain a resolution from the local governmental unit that contains the same information required on the form. The form or a resolution from the city, village, or township must specifically state the applicant's legal name, if an individual person, or the corporate name of the business, the proposed licensed address, and contain a recommendation for the issuance of a license under one of the two following options:

- New Class C* license issued under the provisions of MCL 436.1521a(1)(a)
- New Class C* license issued under the provisions of MCL 436.1521a(1)(b)

**May substitute other license types such as Tavern, A-Hotel, or B-Hotel licenses*

Part 5 - Signature of Applicant

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

I certify that I understand that pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and that if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

Print Name of Applicant & Title

Signature of Applicant

Date

Please return this completed form along with corresponding documents:

Michigan Liquor Control Commission

Mailing address: P.O. Box 30005, Lansing, MI 48909

Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933

Fax to: 517-763-0059



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall – 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free 866-813-0011 – www.michigan.gov/lcc

New On-Premises Development District (DDA) License – MCL 436.1521a(1)(b)
Requirements & General Information

- A license issued under MCL 436.1521a(1)(b) may be a Class C, Tavern, B-Hotel, or A-Hotel license. For details on the specific permits and permissions for these licenses, please visit the MLCC's [Retail Licensing Information website](http://www.michigan.gov/lcc).
- **The building shall be a restoration or rehabilitation of an existing building and cannot be a brand new building.**
- The proposed licensed premises must be located in one of the development districts or areas listed in MCL 436.1521a(1)(b):
 - Tax Increment Finance Authority Act (TIFA) District under Part 3 of Public Act 57 of 2018 (formerly Public Act 450 of 1980)
 - Corridor Improvement Authority Act Development Area under Part 6 of Public Act 57 of 2018 (formerly Public Act 280 of 2005)
 - Downtown Development Authority (DDA) District under Part 2 of Public Act 57 of 2018 (formerly Public Act 197 of 1975)
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- The total investment in real and personal property within the development district or area shall not be less than \$200,000.00 over a period of the preceding five (5) years.
- The building that will house the proposed licensed premises must have at least \$75,000.00 expended for the rehabilitation or restoration of the building over the preceding five (5) years or a commitment for a capital investment of at least \$75,000.00 in the building that must be expended before the license is issued.
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- The licensed business must be open to the general public and have a seating capacity of not less than 25 persons.
- The initial enhanced license fee for a license issued under this section is \$20,000.00.
- Pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a(1)(b) cannot be transferred to another location and if the licensee goes out of business the license issued under MCL 436.1521a(1)(b) shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

How to Apply

All applicants requesting a new license under MCL 436.1521a(1)(b) must submit the following:

- **Application Form** - [Retail License & Permit Application \(Form LCC-100\)](#)
- **License Questionnaire** – [New On-Premises Redevelopment or Development District License Questionnaire \(Form LCC-109b\)](#)
- **Inspection Fee** - A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested a new Class C license under MCL 436.1521a(1)(b) that has a Specially Designated Merchant (SDM) license in conjunction, the inspection fee would be \$140.00.
- **License & Permit Fees** – The annual renewal fees vary by the type of on-premises license. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with the on-premises license. An initial enhancement fee of \$20,000.00 will be required prior to issuance of the license if the development district license is approved.
- **Livescan Fingerprints** – Applicants that have never been licensed through the Michigan Liquor Control Commission must submit fingerprints through the Livescan fingerprinting process - [Livescan Fingerprint Background Request Form](#).
- **Local Governmental Unit Approval** – [Local Governmental Approval Form \(Form LCC-106\)](#). The city, village, or township must approve the new redevelopment license with a recommendation for the issuance of a “new Class C* license issued under the provisions of MCL 436.1521a(1)(b)”. The resolution must specifically state the applicant’s name and the proposed licensed address. **You may substitute other license types, such as Tavern, B-Hotel, or A-Hotel licenses, as applicable.*
- **Resolution from local governmental unit establishing the development district or area which specifically references the statute under which the area was established:**
 - Part 3 of Public Act 57 of 2018 (formerly Public Act 450 of 1980) for Tax Increment Finance Authorities
 - Part 6 of Public Act 57 of 2018 (formerly Public Act 280 of 2005) for Corridor Improvement Authorities
 - Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975) for Downtown Development Authorities
 - Public Act 120 of 1961 for Principal Shopping Districts

- **Affidavit from the Assessor** – The affidavit from the assessor must be certified by the city, township, or village clerk and must state the following:
 - The total amount of public and private investment in real and personal property within the development district or area over a period of the preceding five (5) years (must specifically state start and end dates for the investment, e.g. January 1, 2011 to December 31, 2015).
- **Legible map of the development district or area which clearly labels all street names.**
- **Proof of Attempt to Secure Escrowed License** – Applicants requesting new license under MCL 436.1521(a)(1)(b) must submit documentation that demonstrated they have contacted all holders of escrowed licenses within the same county and have been unable to secure a readily available escrowed license for use at their proposed location. Escrow responses must follow these guidelines:
 - MCL 436.1521a(9) requires that the individual signing the application for a license issued under MCL 436.1521a shall state and demonstrate that the applicant attempted to secure a readily available on-premises escrowed license or unissued quota license issued under Section 531 and that, to the best of his or her knowledge, an on-premises escrowed license or quota license is not readily available within the county in which the applicant proposes to operate.
 - Applicant will be provided a Licensee Listing Report from the MLCC which lists all on-premises escrowed licensee for the county. Applicant is required to contact all licensees on the report effective as of the date the application is filed with the MLCC.
 - Applicant should send certified letters of inquiry as to the availability of the license to each licensee either at the business address or escrow contact address listed on the report.
 - Applicant should submit copies of the letters sent, certified tags, signed certified return receipts, copies of any envelopes returned by the USPS, and copies of any correspondence received from the licensees.
 - Applicant should provide dates, the name of the person contacted, and a synopsis of the conversation, if escrowed licensees are contacted by telephone.
 - Applicant should provide documentation regarding the fair-market value of the license based on where the applicant will be located, if determinable, the size and scope of the proposed operation, and/or the existence of mandatory contractual restrictions or inclusion attached to the sale of the license when indicating to the MLCC that purchase of a license is not economically feasible or the license is not readily available.
 - Applicant should provide a notarized affidavit outlining all attempts and responses (or lack thereof) to secure a readily available license.
- **Property Document** – Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.

- A provision to reassign the license in the event of a default on a land contract or termination of a lease agreement may be included, but may only provide for the reassignment subject to Commission approval.
- If the applicant is a company and its members or stockholders own the real estate as individuals or under another company, a lease agreement is needed.
- If the applicant is an individual and he or she owns the real estate with a spouse or someone else who will not be named on the license, a lease between the applicant and the owners of the real estate is needed.

In addition to the documents required by all applicants:

Corporations must submit the following information per Administrative Rule R 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current Certificate of Good Standing from the state where incorporated and Certificate of Authority to Do Business in Michigan, if incorporated outside of this state.
- Certified copy of the minutes of a meeting of its board of directors or a statement signed by an officer of the corporation naming the persons authorized by corporate resolution to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Limited Liability Companies (LLC) must submit the following information pursuant to Administrative Rule R 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Current Certificate of Authority to Do Business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.
- Copy of most recent annual statement filed with the Corporations Division, if an existing LLC.
- Statement signed by a manager of the limited liability company or by at least 1 member if management is reserved to the members naming the person authorized to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Partnerships must submit the following information per Administrative Rule R 436.1111:

- Partnership Agreement, if a Limited Partnership.
 - [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)
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Licensing Process

- The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant.
- Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation. If an applicant has applied for and meets the requirements for a conditional license, the request will be considered by the Commission.
- The Enforcement Division will contact the applicant to schedule an interview with the applicant (and current licensee for license transfers). At this meeting an investigator will review with the applicant documents, including:
 - purchase agreement
 - financial documents
 - property documents
 - other items pertaining to the application
- After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to Licensing for further processing.
- Licensing reviews the report from Enforcement and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.
- The Commission considers the request, including:
 - the liquor license operating history of the applicant (if a current or prior licensee)
 - the arrest and conviction record of the applicant
 - whether the applicant meets the requirements for a license
 - the applicant's financial information
 - opinions of the local legislative body or police department, if received.
- The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.
- After the Commission makes a decision on the request, the file is returned to Licensing for final processing.
 - Approval orders are sent to the applicant requesting any final items before the issuance of the license.
 - Denial orders are sent to the applicant and the applicant may appeal the decision.
- When all the final items are received by Licensing, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.

- Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.

Churches & Schools

A new application to sell alcoholic beverages at retail may be denied if the proposed location is within 500 feet of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school does file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.