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ROSATI | SCHULTZ
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TO: Honorable Mayor Bryant and City Council

FROM: Debra A. Walling, City Attorney

RE: Chapter 4, Alcoholic Liquors, Proposed Amendment to Sec. 4-19 and Sec. 4-21

DATE: April 28, 2023

Chapter 4, Article II, Section 4-19 prohibits the City Council from making a favorable recommendation for the issuance of any additional tavern or Class C liquor license when there are eleven (11) already issued or approved in the City. Currently, two separate applications for Class C liquor licenses are pending and being reviewed in accordance with the provisions of Chapter 4 of the City Code.

The Michigan Liquor Control Commission (“MLCC”) establishes a certain number of liquor licenses for each local governmental unit based on its population. These are commonly known as “quota” licenses. The number of quota liquor licenses assigned to the City of Grosse Pointe Woods is eleven (11). However, state law also allows the MLCC to approve the transfer of liquor licenses from one city to another, regardless of the number of quota licenses.¹

By way of background, Sec. 4-19 was approved by the voters at an election held on August 3, 2004. The section numbering was different, but the ballot question was whether to raise the allowable number of Class C/Tavern licenses from seven (7) to eleven (11). The ballot question and vote totals are attached. There were no other documents located which explain why the ordinance amendment was presented as a ballot question rather than adopted by the City Council like other ordinance amendments.

Since 2004, there have been many changes to state law which recognize liquor licenses as an important economic tool. For example, in response to the pandemic, legislation was enacted to allow legislative bodies to designate “social districts,” for which special liquor licenses are issued for consumption of alcoholic beverages in designated common areas.²

As mentioned above, the MLCC allows and approves transfers of Class C/Tavern licenses from one community to another. Because of the changes in state law since 2004 and transfers in and out of cities that are occurring, the cap of eleven (11) Class C/Tavern licenses has become

¹ MCL 436.1501

² MCL 436.1551

impractical and outdated. The proposed amendment to Sec. 4-19 removes the limitation on the number of Class C/Tavern liquor licenses. The proposed amendment to Sec. 4-21 is needed if Sec. 4-19 is adopted, because the statement contained therein would no longer be accurate. Both amendments are recommended for adoption.

Respectfully submitted,

Debra A. Walling

Debra A. Walling
City Attorney

cc: Frank Schulte, City Administrator
Sue Como, Assistant City Administrator
Paul Antolin, City Clerk