



CITY OF NOVI CITY COUNCIL
FEBRUARY 23, 2026

SUBJECT: Consideration of a new Class C quota license from Shake Shack located at 43335 Crescent Blvd, and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders.

SUBMITTING DEPARTMENT: City Clerk

KEY HIGHLIGHTS:

- Shake Shack is an existing restaurant operating in the Novi Town Center.
- The business is a roadside burger and shakes restaurant.
- The City currently has one available quota liquor license and two applications to be considered.
- The two applications are being presented to Council in the order in which they were submitted.

BACKGROUND INFORMATION:

The City currently has one Class C quota liquor license available. Chapter 3 of the City code contains the review criteria for considering a new license. Section 3-13 establishes the city's general licensing policy, which considers whether the facility:

- a) Will provide a service, product, or function that is not presently available within the city or that would be unique to the city or to an identifiable area within the city.
- b) Is of a character that will foster or generate economic development or growth within the city, or an identifiable area of the city, in a manner consistent with the city's policies.
- c) Represents an added financial investment on the part of a long-term business or resident with recognized ties to the city and the local community.

In addition, Section 3-15 (g) establishes specific criteria, evaluating the application with regard to:

The applicant (subsection [g][1]), such as:

- The applicant's management experience in the alcohol/liquor business

The facility (subsection [g][2]), such as:

- compliance with building, zoning, and other code requirements
- effects on traffic
- effects on surrounding businesses and neighborhood
- proximity of the proposed business facility to other similarly situated licensed liquor facilities

Benefits to the community (subsection [g][3])

- effects upon the economic development of the city
- effects on the health, welfare and safety of the general public
- whether the applicant has demonstrated a public need or convenience for the issuance of the liquor license for the business facility at the location proposed, taking into consideration, among other things:
 1. total number of licenses for similar establishments and/or operations in the city; and
 2. proximity of the establishment to other licensed liquor establishments
- The uniqueness of the facility contrasted with other existing or proposed facilities
- The permanence of the proposed facility in the community.

Section 3-17 of the City Code allows for an agreement on the prohibition on profiteering by Class C liquor license holders. Under the terms of the agreement, the City Council shall not approve the transfer of a Class C liquor license within three (3) years of the date of the original issuance of the license. A draft agreement is included in this packet.

Shake Shack will continue to operate as a roadside burger and shakes themed restaurant within the Novi Town Center, which offers other dining and retail opportunities. The issuance of a liquor license will allow them to offer a convenient full-service dining option while enhancing the areas social and economic activity.

Recommended ACTION OPTIONS:

- 1) **APPROVAL** of a request from Shake Shack for a new Class C quota license to be located at 43335 Crescent Blvd, Novi, MI 48375 and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders. The addition of a liquor license will complement the area and provide residents with a dining option which will foster or generate economic development or growth within the City, in a manner consistent with the City's policies. The applicant appears to qualify for a license under the City's ordinance. It also meets the requirements of Section 4.89 of the Zoning Ordinance because
 - a) The establishment will promote the City's economic development goals and objectives, and will be consistent with the City's master plan and zoning ordinance
 - b) Given the character, location , development trends and other aspects of the area in which the proposed use or change in use is requested, it is demonstrated that the use will provide a service, product, or function that is not presently available within the City and that is unique to the City and is in character with the location and will be an asset to the area.

- c) The use or change in use as constructed and operated by the applicant is compatible with the area in which it will be located, since it is an existing restaurant, and will not have any appreciable negative secondary effects on the area, such as:
- i. Vehicular and pedestrian traffic, particularly during late night or early morning hours, that might disturb the area residents.
 - ii. Noise, odors, or lights that emanate beyond the site's boundaries onto property in the area on which there are residential dwellings.
 - iii. Excessive number of persons gathering outside the establishment.
 - iv. Peak hours of use that add to congestion or other negative effects in the neighborhood.
 - v. Fighting, brawling, outside urination or other behavior that can accompany intoxication.

- 2) **DENIAL OF** a new Class C quota license to be located at 24267 Novi Rd, Novi, MI 48375 and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders. Considering the applicable standards in 13-15(g)(3) of the City's ordinance regarding effects that the issuance of a license would have upon the economic development of the city or the surrounding area, the City found that because a quota license is a tool to promote new development, the issuance of the license would not promote additional economic development in the area because Shake Shack is already operating within the City and has committed to being in Novi without need of a quota license.