

MEMORANDUM



TO: MAYOR FISCHER, CITY COUNCIL MEMBERS
FROM: MELISSA MORRIS, DEPUTY CITY CLERK
SUBJECT: QUOTA LIQUOR LICENSES - ALLOCATION AND REQUESTS
DATE: AUGUST 14, 2025

In Michigan, the number of on-premises liquor licenses is determined by a population-based quota system, generally one license per 1,500 residents, allocated to each governmental unit (city, township, or village) and updated after each federal census. Between 2010 and 2020, the City of Novi's population grew by 11,019 residents, from 55,224 to 66,243. This increase entitled the City to seven (7) additional quota liquor licenses, awarded in 2022. To date, four (4) have been approved by City Council, leaving three (3) remaining. Once these are allocated, Novi will not be eligible for additional quota licenses until after the 2030 census.

The Clerk's Office has received three applications for these remaining licenses. Two applicants are scheduled for consideration at the August 25, 2025 City Council meeting.

Quota liquor licenses issued by the City are provided at no cost to the applicant, aside from standard processing fees. This creates a significant economic advantage for businesses compared to the alternative, purchasing a license transfer on the open market which can range from \$10,000 to \$100,000 or more based on location and demand. Once the City's remaining quota licenses are allocated, this open-market purchase will be the only option for establishments seeking a license until the next census update.

Because of this, the City's remaining quota licenses represent a valuable economic incentive tool. When aligned with Novi's Council goals and the Novi 2050 Strategic Plan, these licenses can be used strategically to:

- Encourage targeted investment in priority growth areas, particularly along Main Street and in the downtown core.
- Attract unique, high-quality dining and entertainment options that enhance Novi's identity as a regional destination.
- Leverage private investment by reducing startup costs for businesses willing to contribute to the City's long-term vision.

By issuing these licenses in a way that complements broader redevelopment and economic growth efforts, the City can maximize both the immediate and long-term benefits, ensuring that today's decisions help shape a thriving, vibrant community well into the future.