



CITY OF NOVI CITY COUNCIL
AUGUST 14, 2023

SUBJECT: Consideration of a request from BKYK, Inc (Hotaru Japanese Restaurant) for a new Class C quota license to be located at 39723 Grand River Ave, Novi, MI 48375, and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders.

SUBMITTING DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

The City currently has five new Class C quota liquor licenses 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.

Hotaru has been owned and operated by owner Byeongju Kang for the past 3 years. By improving the menu, interior, and service, the restaurant has seen a steady increase in business and regular customers. Hotaru intends to fulfill its customer's request of serving Asian alcoholic beverages such as sake and a selection of beer, which will make this location stand out from others with their unique beverage options.

The Police Department has no objection to the request. Approvals from the Fire Department and Community Development are conditional, pending compliance with City regulations.

RECOMMENDED ACTION: Consideration of the request from BKYY, Inc (Hotaru Japanese Restaurant) for a new Class C quota license to be located at 39723 Grand River Ave, Novi, MI 48375 and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders because the addition of the license to this business will improve the diners experience by allowing them to offer unique beverage selections consistent with theme of the restaurant. Other businesses in the same shopping center operate with a liquor license and such use is not incompatible with other uses in the area, the use will not adversely affect surrounding uses, because the use provides for a unique dining experience, and because the applicant appears to qualify for a license under the City's ordinance.