

A regular meeting of the Liquor Advisory Committee was held on Monday, July 10, 2006 in the Lower Level Conference Room of Troy City Hall, 500 West Big Beaver Road. Chairman Max K. Ehlert called the meeting to order at 7:00 p.m.

ROLL CALL:

PRESENT: Max K. Ehlert, Chairman
Henry W. Allemon
David S. Ogg
Bohdan L. Ukrainec
Kelsey Brunette, Student Representative
Christopher Forsyth, Assistant City Attorney
Lieutenant Michael Lyczkowski
Pat Gladysz

ABSENT: W. Stan Godlewski
Patrick C. Hall
Timothy P. Payne

Resolution to Excuse Committee Members Godlewski, Hall, and Payne

Resolution #LC2006-07-010

Moved by Allemon

Seconded by Ukrainec

RESOLVED, that the absence of Committee members Godlewski, Hall, and Payne at the Liquor Advisory Committee meeting of July 10, 2006 BE EXCUSED.

Yes: 4
No: 0
Absent: Godlewski, Hall, and Payne

Resolution to Approve Minutes of June 12, 2006 Meeting

Resolution #LC2006-07-011

Moved by Allemon

Seconded by Ukrainec

RESOLVED, that the Minutes of the June 12, 2006 meeting of the Liquor Advisory Committee be approved.

Yes: 4
No: 0
Absent: Godlewski, Hall, and Payne

Agenda Items

1. **ZAKHO CHALDEAN SOCIAL CLUB, INC.**, requests a new club license with dance-entertainment permit to be located at 336 John R, Troy, MI 48083, Oakland County. [MLCC REQ# 330741]

Present to answer questions from the Committee were John Yarimian and Raad Marougi.

Mr. Marougi made the following statements to the Committee.

- The Troy Manor Restaurant is approximately 4,500 square feet and has a capacity of 236 patrons.
- They are requesting a club license to serve alcohol to members of their club.
- The facility is open to the public until 5:00 p.m. After 5:00 p.m., the club will be open only to members.

Lt. Lyczkowski spoke on behalf of the Police Department and raised several issues of concern.

- An inspection of the facility was performed by Sgt. Stout.
- There was no permanent barrier in the facility to separate the public patrons from the club patrons, only a temporary wall was in place.
- Public patrons would have to walk through club area to use restrooms.
- Mr. Marougi reported that the club will only meet one to two times per week, yet 75% of the restaurant was designated for the club. The Police Department questions how they expect to make a profit.
- Mr. Marougi has provided inconsistent information as to the purpose of the club license
 - Member meetings twice a week
 - Weddings, baby showers (which could include non-members who cannot be served alcoholic beverages with a club license)
- Mr. Margougi has provided inconsistent membership information
 - The Police Department does not yet have a resolution from club members requesting a club license from the MLCC
 - Conflicting information has been provided regarding membership dues. Mr. Marougi stated \$150 per member and his attorney stated \$100 per member. This information is required in Troy PD Liquor License Questionnaire.
- The building owner is delinquent on 2004 winter tax and 2005 summer and winter taxes.

- The following briefly summarizes police reports for incidents at Troy Manor:
 - 03/19/05
 - Assault & Battery; physical confrontation between waiter and patron of restaurant
 - 08/04/05
 - Domestic felonious assault; confrontation between an employee and his wife
 - 01/17/06
 - Felonious assault with a knife; 100-150 people in the parking lot; disturbance originated inside at a party and continued outside; two citations were issued for minor in possession/consumption of alcohol
- MLCC investigator confirmed that Troy Manor, Inc. applied for a Class C license in 2005. When told that none were available, the Zakho Social Club applied for a club license.
- An inspection of the outside trash was performed and an empty beer carton was found. This is a concern since the establishment currently holds no liquor license.
- The Police Department notes the disturbances that have occurred in the past with no liquor being served, and they have concerns about those increasing when liquor is available.

Mr. Yarimian responded with the following statements:

- He personally owes no property taxes since he is leasing the building.
- They chose to not erect a permanent wall or barrier to enable them to accommodate different size groups.
- Liquor will only be served to members of their private social club.
- Their membership dues are \$100 per person.
- Their membership is currently at 60-70 people, but they expect it to grow significantly after they obtain a liquor license due to the large Chaldean community.
- They anticipate constant parties which will earn large profits.
- The violent disturbances that the Police Department mentioned began outside of the building.
- The domestic violence incident had no direct connection to the club.
- The intoxicated minors consumed liquor before they arrived at the club.
- Patrons currently bring their own beer into the club.
- The food service is their main objective and results in a large income.

In response to questions by Committee members, Assistant Attorney Chris Forsyth made the following statements:

- According to the MLCC, in order to obtain a club license, all members of the club must be at least 21 years of age.
- There is no requirement that the applicant secure the approval of 51% of the business and residential neighbors within 500' of the business.
- Applicant must file with the MLCC a certified resolution at a club meeting where the members requested the club license. Since this has not been done, this is a basis for denial.
- There are several club licenses in Troy. This location is totally different since the restaurant and the club blend together.

The Committee members voiced the following concerns:

- The establishment needs a Class C liquor license not a club license.
- There are several procedural and structural issues.
- The building owner is delinquent in payment of the property taxes.

Resolution #LC2006-07-012

Moved by Ehlert

Seconded by Ukrainec

RESOLVED, that ZAKHO CHALDEAN SOCIAL CLUB, INC., be denied their request for a new club license with dance-entertainment permit located at 336 John R, Troy, MI 48083, Oakland County.

Yes: 4
No: 0
Absent: Godlewski, Hall, and Payne

2. **CZARYD ENTERPRISES, INC.**, requests to transfer all stock in 2005 SDD and SDM licensed corporation by dropping John Czarnota as stockholder through transfer of 1000 shares of stock to existing stockholder, Stanley Rydzewski, sometime in 1986; and wherein sole stockholder, Stanley Rydzewski, transfers 2000 shares of stock to new stockholder, Daniel Rydzewski, to be located at 6990 John R, Troy, MI 48085, Oakland County. [MLCC REQ# 276253]

Present to answer questions from the Committee were Stanley Rydzewski, Daniel Rydzewski, and Joseph Ciaramitaro.

This business has been family owned and operated for 20 years. Because of health reasons, Stanley Rydzewski wishes to sell the business to his son, Daniel Rydzewski, who has always worked there. There are no non-family employees. All family members have been TIPS/TAMS trained. There is no seating in the establishment, but they do sell small food items.

Lt. Lyczkowski stated that the Police Department had no concerns with this transfer.

Resolution #LC2006-07-013

Moved by Ogg

Seconded by Ukrainec

RESOLVED, that CZARYD ENTERPRISES, INC., be allowed to transfer all stock in 2005 SDD and SDM licensed corporation by dropping John Czarnota as stockholder through transfer of 1000 shares of stock to existing stockholder, Stanley Rydzewski, sometime in 1986; and wherein sole stockholder, Stanley Rydzewski, be allowed to transfer 2000 shares of stock to new stockholder, Daniel Rydzewski, to be located at 6990 John R, Troy, MI 48085, Oakland County.

Yes: 4

No: 0

Absent: Godlewski, Hall, and Payne

3. **TROY, INC.** requests to transfer ownership of 2005 Class C Licensed Business located at 1129 E. Long Lake, Troy, MI, 48085, Oakland County, from Ichibang Corporation, Inc.; and add new dance-entertainment permit. [MLCC REQ# 355382]

Present to answer questions from the Committee were John Kallabat, Rachel Savaya, and Saadi Manjo.

This is an item that was tabled from the June 12, 2006 meeting.

Ms. Savaya stated:

- Pursuant to last month's discussion, she obtained signatures from over 50% of the businesses/residences within 500' of the restaurant.
- She also stated that she was interviewed by the Daily Tribune regarding her new establishment.

Lt. Lyczkowski spoke on behalf of the Police Department and raised several issues of concern.

- Ms. Savaya does not document any management experience in the liquor business on the Troy PD Liquor License Questionnaire.
- Regarding the opinion of local residents, City Council has received two Emails from residents of the adjacent subdivision voicing opposition to a dancing/entertainment/nightclub establishment so close to a residential neighborhood.
- An inspection of the outside and parking lot was performed by Lt. Lyczkowski and Sgt. Stout, and it was determined that there is a close proximity of the restaurant to homes on Mayberry and Abington; separated by only two rows of parking spaces and travel aisle of 75'-80', and a 5.5'-6' block wall.
- Ms. Savaya's husband has had several encounters with law enforcement
 - Felonious assault/MDOP; arrest
 - Felony weapon; arrest
 - Felony dangerous drugs; arrested for possession of 276 pounds of marijuana
 - Subsequent search of his home located several rifles, shotgun, bullet-proof vest, book entitled "Drug Smuggling, the Forbidden Book"
 - Suspect in three other assaults
- In Ms. Savaya's 05/13/06 letter to the MLCC, she addresses some of her husband's past contacts with police.
- The Savaya's filed a joint Federal Income Tax Return in 2005, showing a significant increase in income for Ms. Savaya. The Police Department questions if Mr. Savaya's money is being used for the

business. Also, it is reasonable to expect that Mr. Savaya will frequent the establishment.

- In previous years, our Department has responded to numerous calls at similar type establishments that no longer exist in the City of Troy. Calls for service included assaults, threats, weapons offenses, larcenies, destruction of property, disorderly conduct, LCC violations, and other liquor offenses.

Mr. John Kallabat, Ms. Savaya's attorney, responded as follows:

- Ms. Savaya has been married for less than one year.
- Mr. Savaya has his own businesses (scrap yard, gas stations, grocery stores, record producer) and will have no part in this business.
- Money for start up of this venture came from savings accounts and gifts.

Ms. Savaya had the following comments:

- Her management experience comes from being involved in her father's beer and wine sales business since she was a young girl.
- Her husband will not be connected to her restaurant/nightclub in any way.
- She will employ one cook and three to four servers (TIPS/TAMS trained). She will act as manager/owner/hostess and will look to her father for guidance.
- On Friday and Saturday nights, she plans to have live entertainment with dancing. The music will be targeted to older people.
- She will perform a sound study to confirm that music will not be too loud.
- She stated that the music will not be very loud since there will be food served and conversation among the patrons.
- She plans to open for lunch and dinner, with the kitchen closing at 11:00 p.m.

In response to questions by Committee members, Assistant Attorney Chris Forsyth made the following statements:

- Mr. Savaya's history is definitely of concern to the City.
- He cited Pease v City Council of St. Clair Shores, 1978 Michigan Court of Appeals decision. Case discusses factors a city should consider in approving an application of liquor license. One factor is the moral character of applicant and the possibility of greater vices (gambling, fighting, drugs) existing on property.

Mr. Kallabat responded as follows:

- Ms. Savaya is a good citizen.
- Her husband's background should not be considered; this is unfair since he was not convicted.
- The joint tax return should not be an issue.

Lt. Lyczkowski spoke again to reinforce the position of the Police Department that the following issues need to be considered:

- Possession of Taser and guns
- Possession of marijuana
- Felonious assaults

Also, Lt. Lyczkowski stated that:

- While the sound study will confirm the volume of music, the police will more than likely be called by neighbors for unruly activity outside.
- While an older crowd may be the target, similar businesses attract younger crowds.
- While there are other such establishments in Troy, no others are in such close proximity to neighborhoods.

Mr. Kallabat responded with the following comments:

- Ms. Savaya will be targeting an older Chaldean crowd.
- They are familiar with similar establishments in other cities and there are no problems.
- Mr. Savaya's background and history should not be taken into consideration as he will have no management connection with the business.
- It is unfair to bring his history into the discussion.

In response to questions by Committee members, Assistant Attorney Chris Forsyth made the following statements:

- Ms. Savaya's lack of management experience, both alcohol and general in nature, is of concern.
- We must consider the business reputation, moral character, and neighborhood reaction.

Committee members had the following comments/questions:

- Would it be possible to approve the license transfer without the dance-entertainment permit? Perhaps this would be a good option.
- Why does the restaurant/club need to stay open until 2:00?

- Members are trying to be open-minded and allow a new entrepreneur to make an attempt at a new business, but issues are of a concern.

Mr. Kallabat responded with the following comments:

- Without the dance-entertainment permit Ms. Savaya could not possibly hit the target market.
- Regarding the neighbors, everyone she spoke with agreed to her business.
- Ms. Savaya will handle all the business matters with her father's help.

In response to questions by Committee member David Ogg, Assistant Attorney Chris Forsyth made the following statements:

- The Committee cannot approve on a temporary basis, but could approve the Class C license transfer without the dance-entertainment permit, or could approve the Class C license transfer with the dance-entertainment permit with conditions:
 - Review in one year before City Council for renewal or revocation
 - Husband, Simen Savaya, not allowed on premises

Committee members proposed and discussed these further conditions:

- Closing time will be 1:00 a.m.
- Sound will not be carried to the neighborhood

Lt. Lyczkowski again stated:

- From past experience, late hours of operation result in more calls for service.
- From the position of the Police Department, the business operation as described by Ms. Savaya has all of the elements that could result in problems experienced in other similar establishments. Of course, the Police Department is in the position to respond to any problems, but this is an opportunity to prevent them in the first place.

In response to questions by Committee members, Assistant Attorney Chris Forsyth made the following statements:

- If City Council votes to revoke after one year, there will be a due process hearing.

- The matter will then be referred to the MLCC and they will follow the local legislative recommendations.

Resolution #LC2006-07-014

Moved by Allemon

Seconded by Ukraineec

RESOLVED, that TROY, INC. be allowed to transfer ownership of 2005 Class C Licensed Business located at 1129 E. Long Lake, Troy, MI, 48085, Oakland County, from Ichibang Corporation, Inc.; and add new dance-entertainment permit, with the following conditions:

- Review in one year before City Council for renewal or revocation
- Husband, Simen Savaya, not allowed on premises
- Closing time will be 1:00 a.m.
- Sound will not be carried to the neighborhood

Yes: 4

No: 0

Absent: Godlewski, Hall, and Payne

Chris Forsyth stated that the function of this Committee was that of advisory or buffer. He informed the Committee that by our next meeting he would have a model ordinance for review. Then, this ordinance will go to City Council for approval or rejection.

Mr. Ukrainech questioned the Hooters issue. Mr. Forsyth explained that after City Council rejected the license transfer, Hooters filed suit against the City.

The meeting adjourned at 8:55 p.m.

Max K. Ehlert, Chairman

Patricia A. Gladysz, Secretary II