

CITY COUNCIL ACTION REPORT

November 13, 2007

TO: Phillip L. Nelson, City Manager

FROM: Charles T. Craft, Chief of Police *CC*
 Captain Colleen Mott, Support Services Division *CCM*
 Sergeant Robert Cantlon *RC*

SUBJECT: Application for transfer of B-Hotel license to Hospitality Ventures Management, Inc. and RBHV Troy, LLC (co-licensees)

Background:

- Hospitality Ventures Management, Inc. (A Georgia Corporation) and RBHV Troy, LLC (A Delaware Limited Liability Company) (Co-Licensees) request to transfer ownership of 2007 B-Hotel licensed business with Dance Permit, Official Permit (Food), Outdoor Service (1 Area), 3 bars, and 251 rooms, located at 850 Tower, Troy, MI 48098, Oakland County, from DJONT/JPM Troy Leasing, LLC. (A Delaware Limited Liability Company); Felcor/JPM Troy Hotel, LLC (A Delaware Limited Liability Company) and Promus Hotels, Inc. A Delaware Corporation (Co-Licensees).
- On November 12, 2007, John Carlin, attorney for the applicant answered questions for the Liquor Advisory Committee.
- Mr. Carlin explained to the Committee RBHV Troy, LLC is wholly owned by RBHV Holdings I, LLC, which in turn is owned by RockBridge Real Estate Fund III, LLC (98%) and HV Manager I, LLC.
- Collectively, this entity owns and operates numerous hotels throughout the United States.
- The Committee unanimously approved this request.

Financial Considerations:

- There are no financial considerations for the City.

Legal Considerations:

- The request complies with all applicable Troy City ordinances and Michigan Liquor Control Commission rules.
- The Police Department did not find any disqualifying factors for this request.
- The MLCC requires local government approval for the transfer of B-Hotel licenses.

Policy Considerations:

- City Goal III: "Retain and attract investment while encouraging redevelopment".

Options:

- City Council can approve or deny the request.



Michigan Department of Labor & Economic Growth
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
 7150 Harris Drive, P.O. Box 30005
 Lansing, Michigan 48909-7505

FOR MLCC USE ONLY

Request ID # 426097

Business ID # 199273

POLICE INVESTIGATION REPORT

[Authorized by MCL 436.1217 and R 436.1105; MAC]

Please conduct your investigation as soon as possible, complete all four sections of this report and return the completed report and fingerprint cards to the MLCC

LICENSEE/APPLICANT NAME, BUSINESS ADDRESS AND LICENSING REQUEST:

HOSPITALITY VENTURES MANAGEMENT, INC. (A GEORGIA CORPORATION) AND RBHV TROY, LLC (A DELAWARE LIMITED LIABILITY COMPANY) (CO-LICENSEES) REQUEST TO TRANSFER OWNERSHIP OF 2007 B-HOTEL LICENSED BUSINESS WITH DANCE PERMIT, OFFICIAL PERMIT (FOOD), OUTDOOR SERVICE (1 AREA), DIRECT CONNECTION-1, 3 BARS, AND 251 ROOMS, LOCATED AT 850 TOWER, TROY, MI 48098, OAKLAND COUNTY, FROM DJONT/JPM TROY LEASING, L.L.C. (A DELAWARE LIMITED LIABILITY COMPANY); FELCOR/JPM TROY HOTEL, L.L.C. (A DELAWARE LIMITED LIABILITY COMPANY); AND PROMUS HOTELS, INC. (A DELAWARE CORPORATION (CO-LICENSEES)).

Section 1.

APPLICANT #1: ROBERT S. COLE - STOCKHOLDER IN HOSPITALITY VENTURES MANAGEMENT, INC. (A GEORGIA CORPORATION) (CO-LICENSEE), 1425 LANIER COURT, NE, ATLANTA, GA 30319
 B(404)467-9299

APPLICANT #2: RBHV HOLDINGS I, LLC (A DELAWARE LIMITED LIABILITY COMPANY) - MEMBER IN RBHV TROY, LLC (A DELAWARE LIMITED LIABILITY COMPANY), 3340 PEACHTREE ROAD, SUITE 605, 100 TOWER PLACE, ATLANTA, GA., 30326 H(404)477-9299

DATE FINGERPRINTED:

DATE FINGERPRINTED: **NO FINGERPRINTS REQUIRED**

DATE OF BIRTH:
 Is the applicant a U.S. Citizen: Yes No*

DATE OF BIRTH:
 Is the applicant a U.S. Citizen: Yes No*

*Does the applicant have permanent Resident Alien status?
 Yes No*

*Does the applicant have permanent Resident Alien status?
 Yes No*

*Does the applicant have a Visa? Enter status:

*Does the applicant have a Visa? Enter status:

Attach the fingerprint card and \$30.00 for each card and mail to the Michigan Liquor Control Commission

ARREST RECORD: Felony Misdemeanor
 Enter record of all arrests & convictions (attach a signed and dated report if more space is needed)

ARREST RECORD: Felony Misdemeanor
 Enter record of all arrests & convictions (attach a signed and dated report if more space is needed)

Section 2. INVESTIGATION OF BUSINESS AND ADDRESS TO BE LICENSED

Does applicant intend to have dancing, entertainment, topless activity, or extended hours permit?
 No Yes, complete LC-1636

Are gas pumps on the premises or directly adjacent? No Yes, explain relationship:

Section 3. LOCAL AND STATE CODES AND ORDINANCES, AND GENERAL RECOMMENDATIONS

Will the applicant's proposed location meet all appropriate state and local building, plumbing, zoning, fire, sanitation and health laws and ordinances, if this license is granted? Yes No

If you are recommending approval subject to certain conditions, list the conditions: (attach a signed and dated report if more space is needed)

Section 4. RECOMMENDATION

- From your investigation:
1. Is this applicant qualified to conduct this business if licensed? Yes No
 2. Is the proposed location satisfactory for this business? Yes No
 3. Should the Commission grant this request? Yes No
 4. If any of the above 3 questions were answered no, state your reasons: (Attach a signed and dated report if more space is needed)

Signature (Sheriff or Chief of Police)

Date

TROY POLICE DEPARTMENT

10-17-07 pc



Michigan Department of Labor & Economic Growth
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
7150 Harris Drive, P.O. Box 30005
Lansing, Michigan 48909-7505

FOR MLCC USE ONLY

Request ID # 426097

Business ID # 199273

LAW ENFORCEMENT RECOMMENDATION

[Authorized by MCL 436.1916, R 436.1105(2)(d) and R 436.1403]

September 4, 2007

TO: TROY PD

Re: HOSPITALITY VENTURES MANAGEMENT, INC.
(A GEORGIA CORPORATION) (CO-LICENSEE)
RBHV TROY, LLC (A DELAWARE LIMITED LIABILITY COMPANY) (CO-LICENSEE)

We have received a request from the above licensee for the type of permit indicated below. Please make an investigation and submit your report and/or recommendation to the offices of the MLCC at the above address. Questions about this request should be directed to the MLCC Licensing Division at (517) 322-1400.

OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR: FOOD

Weekdays 6:00 A.M. to 7:00 A.M.

Sundays 6:00 A.M. to 12:00 P.M.

Recommended Recommended, subject to final inspection Not Recommended

NOTE: If the applicant is requesting two separate extended hours permits and the permits are for **different hours** you must complete the box below. If additional space is needed please use reverse side of this form.

OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR:

Weekdays _____ A.M. to _____ A.M.

Sundays _____ A.M. to _____ A.M./P.M.

Recommended Recommended, subject to final inspection Not Recommended

DANCE PERMIT

Recommended Recommended, subject to final inspection Not Recommended

ENTERTAINMENT PERMIT

Recommended Recommended, subject to final inspection Not Recommended

<input type="checkbox"/> TOPLESS ACTIVITY PERMIT <input type="checkbox"/> Recommended <input type="checkbox"/> Recommended, subject to final inspection <input type="checkbox"/> Not Recommended
<input checked="" type="checkbox"/> OUTDOOR SERVICE <input type="checkbox"/> Recommended <input type="checkbox"/> Recommended, subject to final inspection <input type="checkbox"/> Not Recommended
<input type="checkbox"/> PARTICIPATION PERMIT <input type="checkbox"/> Recommended <input type="checkbox"/> Recommended, subject to final inspection <input type="checkbox"/> Not Recommended
<input checked="" type="checkbox"/> ADDITIONAL BAR PERMIT <input type="checkbox"/> Recommended <input type="checkbox"/> Recommended, subject to final inspection <input type="checkbox"/> Not Recommended
<input checked="" type="checkbox"/> DIRECT CONNECTION-T <i>CANCELLED BY APPLICANT</i> <input type="checkbox"/> Recommended <input type="checkbox"/> Recommended, subject to final inspection <input type="checkbox"/> Not Recommended

Signed:

Signature and Title

Print Name and Title

TROY POLICE DEPARTMENT

Date: _____

sfs

RESOLUTION

At a _____ meeting of the _____
(Regular or Special) (Township Board, City or Village Council)

called to order by _____ on _____ at _____ P.M.

The following resolution was offered:

Moved by _____ and supported by _____

That the request to TRANSFER OWNERSHIP OF 2007 B-HOTEL LICENSED BUSINESS WITH DANCE PERMIT, LOCATED AT 850 TOWER, TROY, MI 48098, OAKLAND COUNTY, FROM DJONT/JPM TROY LEASING, L.L.C. (A DELAWARE LIMITED LIABILITY COMPANY); FELCOR/JPM TROY HOTEL, L.L.C. (A DELAWARE LIMITED LIABILITY COMPANY); AND PROMUS HOTELS, INC. (A DELAWARE CORPORATION (CO-LICENSEES) TO HOSPITALITY VENTURES MANAGEMENT, INC. (A GEORGIA CORPORATION) AND RBHV TROY, LLC (A DELAWARE LIMITED LIABILITY COMPANY) (CO-LICENSEES).

be considered for _____
(Approval or Disapproval)

APPROVAL

DISAPPROVAL

Yeas: _____

Yeas: _____

Nays: _____

Nays: _____

Absent: _____

Absent: _____

It is the consensus of this legislative body that the application be:

_____ for issuance
(Recommended or Not Recommended)

State of Michigan _____)

County of _____)

I hereby certify that the foregoing is a true and complete copy of a resolution offered and

adopted by the _____ at a _____
(Township Board, City or Village Council) (Regular or Special)

meeting held on _____
(Date)

(Signed) _____
(Township, City or Village Clerk)

SEAL

(Mailing address of Township, City or Village)

A regular meeting of the Liquor Advisory Committee was held on Monday, November 12, 2007 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 6:55 p.m.

ROLL CALL:

PRESENT: Max K. Ehlert, Chairman
Henry W. Allemon
W. Stan Godlewski
Patrick C. Hall
David S. Ogg
Timothy P. Payne
Bohdan L. Ukrainec
Allan Motzny, Assistant City Attorney
Sergeant Robert Cantlon
Pat Gladysz

ABSENT: Clark Yuan, Student Representative

Resolution to Approve Minutes of September 17, 2007 Meeting

Resolution #LC2007-11-022
Moved by Allemon
Seconded by Payne

RESOLVED, that the Minutes of the September 17, 2007 meeting of the Liquor Advisory Committee be approved.

Yes: 7
No: 0
Absent: None

Agenda Items

1. **Konja 1, Inc, 5945 John R, Troy, MI 48085, Oakland County** requests transfer ownership of 2007 SDD and SDM licensed business from Troy Paradise, Inc. {MLCC Request #429800}

Present to answer questions from the Committee were Danial Konja and Louay Joulakh. Mr. Konja is purchasing this business from Mr. Joulakh. Mr. Konja has owned a similar business in Highland Park for over 13 years. Mr. Konja will attend TIPS/TAMS training, as will any future employees.

Sgt. Cantlon stated that his background investigation revealed no disqualifying factors.

Resolution #LC2007-11-023
Moved by Allemon
Seconded by Ukraineec

RESOLVED, that Konja 1, Inc, 5945 John R, Troy, MI 48085, Oakland County be allowed to transfer ownership of 2007 SDD and SDM licensed business from Troy Paradise, Inc.

Yes: 7
No: 0
Absent: None

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2. **Capital Grille Holdings, Inc.** requests to transfer ownership through merger of 2007 Class C licensed business with official permit (food) located at Somerset Collection North, 2800 W. Big Beaver, space #Q 123, Troy, MI 48084, Oakland County, from the Capital Grille of Troy, Inc.; requests a new SDM license to be held in conjunction; and requests to add space. {MLCC Request #62150}

Present to answer questions from the Committee was Kelly Allen, attorney for Capital Grille Holdings, Inc. Ms. Allen stated this is a merger issue that has been held up at the MLCC for approximately three years. She also advised the Committee of the space that has been added to the restaurant. Capital Grille Holdings is also requesting an SDM license to enable them to sell wine for off-premise consumption.

Sgt. Cantlon advised the Committee that Capital Grille has had only one violation (2001) since they opened for business. He confirmed the paperwork processing problems with an investigator at the MLCC. The delay was not the fault of the licensee

Resolution #LC2007-11-024
Moved by Allemon
Seconded by Ogg

RESOLVED, that Capital Grille Holdings, Inc. be allowed to transfer ownership through merger of 2007 Class C licensed business with official permit (food) located at Somerset Collection North, 2800 W. Big Beaver, space #Q 123, Troy, MI 48084, Oakland County, from the Capital Grille of Troy, Inc.; requests a new SDM license to be held in conjunction; and requests to add space.

Yes: 7
No: 0
Absent: None

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3. **TKE Restaurants, Inc.** requests to transfer ownership of 2007 Class C licensed business located in escrow at 1811 E. Ten Mile, Madison Heights, MI 48071, Oakland County, from Daily Double Lounge, Inc.: transfer location (governmental unit) (MLC 436.1531(1) to 1686 John R, Troy, MI 48084, Oakland County and requests a new Official Permit (Food). {MLCC Request #430628}

Present to answer questions from the Committee were Kelly Allen, attorney, and Ted Evans, owner. Ms. Allen advised the Committee that Mr. Evans has leased the former Hooters location, has purchased a liquor license from a bar in Madison Heights, and will open a franchised restaurant called Rib City Grill. Rib City Grill has a strong training program and Mr. Evans will also attend the TIPS training. Approximately 50 employees will be hired. The restaurant will have 150 seats and has ample parking.

Sgt. Cantlon stated that his background investigation revealed no disqualifying factors.

Resolution #LC2007-11-025
Moved by Ogg
Seconded by Godlewski

RESOLVED, that **TKE Restaurants, Inc.** be allowed to transfer ownership of 2007 Class C licensed business located in escrow at 1811 E. Ten Mile, Madison Heights, MI 48071, Oakland County, from Daily Double Lounge, Inc.: transfer location (governmental unit) (MLC 436.1531(1) to 1686 John R, Troy, MI 48084, Oakland County and requests a new Official Permit (Food).

Yes: 7
No: 0
Absent: None

4. **Hospitality Ventures Management, Inc. (A Georgia Corporation) and RBHV Troy, LLC (A Delaware Limited Liability Company) (Co-Licensees)** request to transfer ownership of 2007 B-Hotel licensed business with Dance Permit, Official Permit (Food), Outdoor Service (1 Area), Direct Connection-1, 3 bars, and 251 rooms, located at 850 Tower, Troy, MI 48098, Oakland County, from DJONT/JPM Troy Leasing, LLC. (A Delaware Limited Liability Company); Felcor/JPM Troy Hotel, LLC (A Delaware Limited Liability Company) and Promus Hotels, Inc. A Delaware Corporation (Co-Licensees). {MLCC Request #426097}

Present to answer questions from the Committee were John Carlin, attorney, and James Miskulin. This is a transfer of ownership and management of the Embassy Suites Hotel. Mr. Miskulin advised the Committee that Hospitality Ventures Management operates specifically under Hilton and Marriott franchised hotels. This location will undergo major cosmetic renovations beginning in December.

Sgt. Cantlon stated that his background investigation revealed no disqualifying factors.

Resolution #LC2007-11-026

Moved by Allemon

Seconded by Ukrainec

RESOLVED, that Hospitality Ventures Management, Inc. (A Georgia Corporation) and RBHV Troy, LLC (A Delaware Limited Liability Company) (Co-Licensees) be allowed to transfer ownership of 2007 B-Hotel licensed business with Dance Permit, Official Permit (Food), Outdoor Service (1 Area), Direct Connection-1, 3 bars, and 251 rooms, located at 850 Tower, Troy, MI 48098, Oakland County, from DJONT/JPM Troy Leasing, LLC. (A Delaware Limited Liability Company); Felcor/JPM Troy Hotel, LLC (A Delaware Limited Liability Company) and Promus Hotels, Inc. A Delaware Corporation (Co-Licensees).

Yes: 7
No: 0
Absent: None

5. **Hospitality Wal-Mart Stores East**, Limited partnership requests new SDM license with 2 new Direct Connections to be located at 2001 W Maple, Troy, MI 48084, Oakland County. (Public Chain) {MLCC Request #431440}

Present to answer questions from the Committee were Sandra Cotter, attorney, Nicole Chase, store manager, and Diane Behnke, market manager. Ms. Cotter explained that Wal-Mart is requesting an SDM license in order to sell self-serve beer and wine from their grocery department. Wal-Mart has an extensive computer-based learning module that will train all cashiers and managers. Also, the cash registers are programmed to allow only those transactions with a legal birth date of the purchaser, legal day of week/time of day, and will prohibit sales by underage employees.

Sgt. Cantlon stated that his background investigation revealed no disqualifying factors. Also, he has reviewed the computer-based learning module that will be used for training and agrees that it meets the City's requirements.

Resolution #LC2007-11-027

Moved by Allemon

Seconded by Ogg

RESOLVED, **Wal-Mart Stores East**, Limited partnership be granted new SDM license with 2 new Direct Connections to be located at 2001 W Maple, Troy, MI 48084, Oakland County. (Public Chain)

Yes: 7
No: 0
Absent: None

The Committee discussed the informational items on the agenda, as well as the recent sale-to-minor violations.

The meeting adjourned at 7:40 p.m.

Max K. Ehlert, Chairman

Patricia A. Gladysz, Secretary II

REGARDING LIQUOR LICENSE REQUEST

This Agreement, made this ____ day of ~~November~~ 2007, by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W. Big Beaver Road, Troy, Michigan 48084, hereinafter known as "THE CITY", and RBHV TROY, LLC, a Delaware limited liability company and HOSPITALITY VENTURES MANAGEMENT, INC., a Georgia corporation, as co-licensees, with offices located at 3340 Peachtree Rd., NE, Suite 605, Atlanta, Georgia 30326, hereinafter known as "APPLICANT".

R E C I T A L S :

1. The City Council of THE CITY, for and inconsideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission, approval of transfer of a Class B Hotel license for the APPLICANT, to be located at 850 Tower Drive, Troy, Michigan 48098, Oakland County (hereinafter "APPLICATION").

2. In consideration of THE CITY'S recommendation for approval of the APPLICATION, APPLICANT hereby agrees that:

- (a) It has read and is aware of the provisions of the City of Troy Ordinances, Chapter Nos. 67, 68, 92 and Chapter No. 98 (effective 02/01/01), and agrees that it shall be deemed to have knowledge of any subsequent amendments to said Chapters which may become effective during the term of this Agreement.
- (b) It has read and is in receipt of copies of the provisions of the City of Troy, City Council Resolution No. 92-1028 regarding Entertainment Permits, and agrees that it shall be deemed to have knowledge of any subsequent amendments to the Resolution which may become effective during the term of this Agreement.
- (c) It agrees to observe and comply with all laws, statutes, ordinances, rules, regulations or resolutions of the United States government, State of Michigan, and the City of Troy, or any department or agency of the governmental entities, as well as the rules and regulations of the Michigan Liquor Control Commission as they pertain to the operation of a liquor license business in the City of Troy.

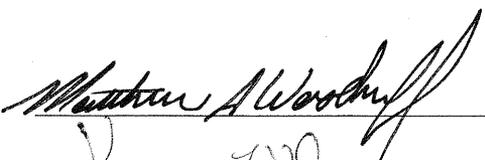
(d) It agrees to immediately require all employees who serve/sell alcohol, to attend a recognized alcohol awareness program, and forward the names of each certified employee to the Troy Police Department. The alcohol awareness program must either be recognized by the Troy Police Department (i.e., TIPS, TAM, SERV SAFE Alcohol), or the program must be reviewed by the Troy Police Department to insure that the program is comparable to the recognized programs.

3. APPLICANT agrees that the recommendation of Approval agreed upon by the City Council is not a property right and is approved upon the express and continuing condition that no violation as set forth in paragraph 2 of this Agreement shall occur.

4. APPLICANT agrees that the recommendation of approval agreed upon by the City Council is approved upon the express and continuing condition that the physical characteristics (including, but not limited to the inside layout, building design and engineering, seating capacity, parking space allocations, fire exists, and other physical attributes); and also the nature and type of the business intended to be conducted remain virtually the same.

5. APPLICANT agrees that upon a violation, after full investigation and an opportunity for said APPLICANT to be heard, upon a finding by the City Council that a violation as set forth in paragraph 2 of this Agreement has occurred, the City Council shall have just cause for revocation of said recommendation for approval.

Witnesses:

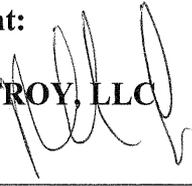




Applicant:

RBHV TROY, LLC

By: _____


Robert S. Cole
Its: Manager

[signatures continued on following page]

Witnesses:

Matthew Woodhill
Raen LRL

Applicant:

HOSPITALITY VENTURES MANAGEMENT, INC.

By: *[Signature]*
Robert S. Cole
Its: President

Subscribed and sworn to before me
this 17th day of October, 2007.

Carol A. Twardoch
Notary Public, State of Georgia
Fulton County
My commission expires: 5-4-08



CITY OF TROY

By: _____
Louise E. Schilling, Mayor
By: _____
Tonni L. Bartholomew, Clerk

Subscribed and sworn to before me
this _____ day of October, 2007

Notary Public, State of Michigan
Oakland County
My commission expires: