

CITY COUNCIL ACTION REPORT

November 14, 2008

TO: Phillip L. Nelson, City Manager

FROM: Charles T. Craft, Chief of Police *CT*
Captain Dane Slater, Services Division *DS*
Sergeant Robert Cantlon *RC*

SUBJECT: Application to transfer a SDD and SDM license to Woodward Detroit CVS, L.L.C.

Background:

- Woodward Detroit CVS L.L.C. requests to transfer ownership of 2008 SDD and SDM licensed business at 125 E. Long Lake, Troy, MI, Oakland County from Arbor Drugs, Inc. {MLCC Req #484079}
- On November 10, 2008, Elaine Pohl, attorney for the applicant answered questions for the Liquor Advisory Committee.
- Ms. Pohl explained to the Committee that CVS is attempting to transfer ownership of all of their liquor licenses so all of the Michigan stores are operated by the same entity, Woodward Detroit CVS, L.L.C., which is a subsidiary of CVS.
- 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.

Policy Considerations:

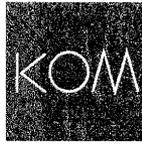
- This action supports Council's Outcomes Statement III: "Troy is rebuilding for a healthy economy reflecting the values of a unique community in a changing and interconnected world."

Options:

- City Council can approve or deny the request.

RC/CVS 125 E Long Lake

STEPHEN P. ORMOND
PETER B. KUPELIAN
PAUL S. MAGY
MATTHEW W. SCHLEGEL
GLENN A. DIEGEL
THOMAS J. MCGRAW
MARK G. KAYLIAN
CAROL G. SCHLEY
STEPHON B. BAGNE
DOUGLAS M. CHAPMAN
TERRANCE A. HILLER, JR.
ELAINE M. POHL



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SEAN F. KELLY
RENEE SOPHIA COULTER
STACY J. BELISLE
D. RANDALL GILMER
DAVID M. BLAU
AMY L. WITT
CHRISTOPHER J. RAITI
KEVIN KILBY
LANCE T. DENHA

OF COUNSEL
HOWARD L. ZOLLER
G. GUS MORRIS
BRUCE H. BENZ

Sgt. Robert Cantlon
Troy Police Department
500 W. Big Beaver Rd.
Troy, MI 48084

Re: Liquor License Consolidation of Michigan CVS Stores

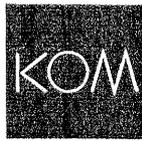
Dear Sergeant Cantlon:

As you know, this office represents CVS and we are assisting with a project in which CVS is requesting approval of the consolidation of all of its Michigan liquor licenses under the ownership of Woodward Detroit CVS, L.L.C. Pursuant to your request, this correspondence provides an outline of the specifics as the request relates to the 4 CVS stores located in Troy. The relevant stores are:

- 125 E. Long Lake Road (Arbor Drugs, Inc. d/b/a CVS/pharmacy # 8026 is the current licensee)
- 1980 E. Big Beaver Road (Arbor Drugs, Inc. d/b/a CVS/pharmacy # 8030 is the current licensee)
- 2045 South Boulevard (Arbor Drugs, Inc. d/b/a CVS/pharmacy # 8162 is the current licensee)
- 4963 John R Road (ADI Realty, Inc. d/b/a CVS/pharmacy # 8242 is the current licensee)

CVS wishes to transfer the liquor licenses from the current licensees (Arbor Drugs, Inc. and ADI Realty, Inc.) to Woodward Detroit CVS, L.L.C., which is a subsidiary of CVS and under common ownership with Arbor Drugs, Inc. and ADI Realty, Inc. The current corporate structure of Arbor Drugs, Inc., ADI Realty, Inc, and Woodward Detroit CVS, L.L.C. is depicted in the enclosed attachment.

CVS is seeking approval to transfer ownership of the stores (including their liquor licenses) so that all Michigan stores are operated by the same entity, Woodward Detroit CVS, L.L.C. To accomplish this change, ADI Realty, Inc. will be merged into Arbor Drugs, Inc. and Arbor Drugs, Inc. will be merged into Woodward Detroit CVS, L.L.C. The proposed corporate structure is also depicted in the enclosed attachment.



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October 24, 2008

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Please note that the officers of Woodward Detroit CVS, L.L.C. are the same as the officers of both Arbor Drugs, Inc. and ADI Realty, Inc. The store employees, store numbers, signage and "doing business as" names will all remain the same following the mergers. This will be transparent to the public and to store employees.

I understand CVS is sending you the additional information you requested directly. Please let us know if you need any other information. Thank you for your assistance in this matter.

Very truly yours,

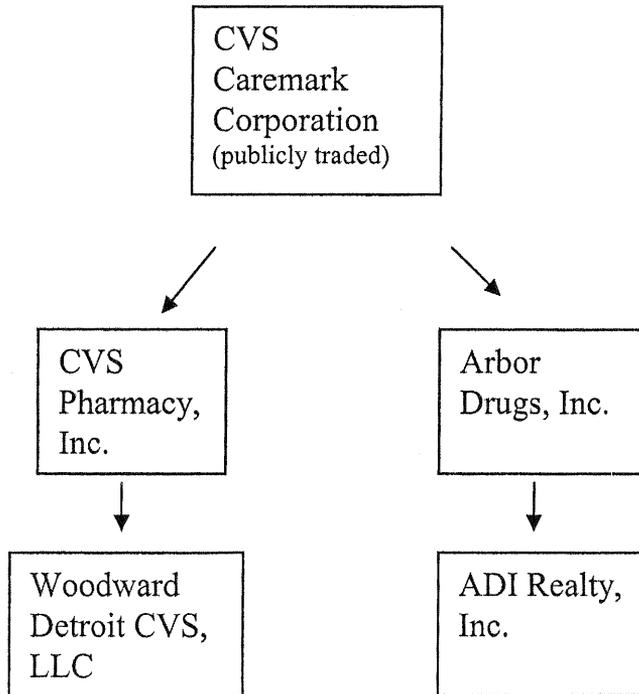
KUPELIAN ORMOND & MAGY
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A handwritten signature in black ink that reads "Elaine M. Pohl".

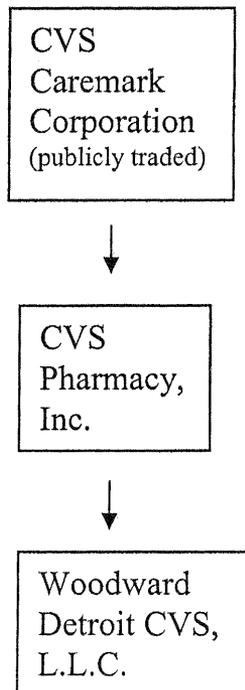
Elaine M. Pohl

cc: Lori L. Gatzke
1896-1003

Current corporate structure:



Proposed corporate structure (after merger):



Big Beaver, Troy, MI 48084, Oakland County; and requests a new Brewpub License to held in conjunction. {MLCC Req #474714}

Present to answer questions from the Committee was Scott Edwards, attorney for Granite City Restaurant Operations, Inc.

Granite City Restaurant Operations, Inc. is a publicly traded, midwest company that was established in 1999. There are currently 36 locations, with this being the first in Michigan. It has a casual, upscale, family dining atmosphere with a brewpub on site. There will be 177 seats. This new construction will be a free-standing building with ground breaking expected for Spring 2009. Management and trainers will come from other locations.

Sergeant Cantlon stated that his investigation located no disqualifying factors.

Resolution #LC2008-11-030

Moved by Allemon

Seconded by Godlewski

RESOLVED, that Granite City Restaurant Operations, Inc. (a Minnesota Corporation) be allowed to transfer ownership of 2008 Resort Class C licensed business (MCL 436.1531(2) and SDM License in conjunction with Official Permit (Food), located in escrow at 7586 S US-31, Alanson, MI 49706, Emmet County, from Lester's Inc. to 699 W. Big Beaver, Troy, MI 48084, Oakland County; and be granted a new Brewpub License to held in conjunction.

Yes: 7
No: 0
Absent: None

-
2. **Woodward Detroit CVS, L.L.C.** requests to transfer ownership of 2008 SDD and SDM licensed business from Arbor Drugs, Inc. at 125 E. Long Lake, 2045 W. South Blvd, 1980 E. Big Beaver, and ADI Realty, 4963 John R. {MLCC Req # 484079, 484381, 484108, 487196}

Present to answer questions from the Committee was Elaine Pohl, attorney for Woodward Detroit CVS, L.L.C.

This is an internal merger transaction to consolidate all licenses into one entity. Since the name of the licensee is changing, the MLCC considers this a transfer which requires local approval. There will be no changes in corporate officers, management, or personnel.

Resolution #LC2008-11-031

Moved by Ukraineec

Seconded by Ogg

RESOLVED, that Woodward Detroit CVS, L.L.C. be allowed to transfer ownership of 2008 SDD and SDM licensed business from Arbor Drugs, Inc. at 125 E. Long Lake, 2045 W. South Blvd, 1980 E. Big Beaver, and ADI Realty, 4963 John R.

Yes: 7
No: 0
Absent: None

3. Discussion – Chapter 101

Assistant City Attorney Susan Lancaster made a presentation to the Committee regarding new City Ordinance Chapter 101, with a page-by-page explanation of what was adopted by City Council in comparison to the Committee's recommendations. Ms. Lancaster answered several questions posed by the Committee as to the procedure followed when ordinances are drafted for review and adoption by the Council. She explained that all ordinances are "living documents" and revisions can be suggested at any time.

The meeting adjourned at 8:05 p.m.

Max K. Ehlert, Chairman

Patricia A. Gladysz, Secretary II



FOR MLCC USE ONLY

Request ID # 484079

Business ID # 214194

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 **PRIVATE CHAIN**

LICENSEE/APPLICANT NAME, BUSINESS ADDRESS AND LICENSING REQUEST:

WOODWARD DETROIT CVS, L.L.C. 125 E LONG LAKE, TROY, MI 48085, OAKLAND COUNTY
 REQUEST: TRANSFER OWNERSHIP OF 2008 SDD AND SDM LICENSED BUSINESS FROM ARBOR DRUGS, INC.

Section 1. APPLICANT INFORMATION

APPLICANT #1: CHAIN APPLICANT

APPLICANT #2:

DATE FINGERPRINTED: **NO FINGERPRINTS REQUIRED**

DATE FINGERPRINTED:

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 a Visa? Enter status:

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 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)
 TROY POLICE DEPARTMENT

Date

AGREEMENT REGARDING LIQUOR LICENSE REQUEST

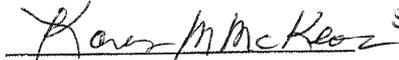
This Agreement, made this ____ day of _____, 200____, by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W Big Beaver Road, Troy, Michigan, 48084, hereinafter known as THE CITY, and Woodward Detroit CVS, L L C ., the Applicant, hereinafter known as APPLICANT

1. The City Council of the City of Troy, for and in consideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission Approval of the request to transfer ownership of 2008 SDD and SDM licensed business located at 125 E Long Lake, Troy MI.
2. In consideration of the City of Troy's recommendation for approval of the request, the applicant hereby agrees that:
 - (a) It has read and is aware of the provisions of City of Troy Ordinances, Chapter No 67, Chapter No 68 and Chapter No 98, 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 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 licensed business in the City of Troy
 - (c) 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, TAMS), 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 for 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 for 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 exits, and other physical attributes), and also the nature and type of business intended to be conducted remain virtually the same
5. Applicant agrees that upon such 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

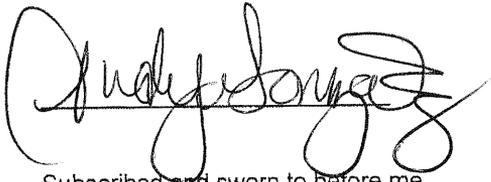


Authorized Representative for Woodward Detroit CVS, L L C.

Witnesses:



Karen M. McKeon
Sr. Licensing Coordinator



Subscribed and sworn to before me
this 30th day of September, 2008

Notary Public, Cathy Tardie
County, Providence
My commission expires:

Cathy Tardie
Notary Public
State of Rhode Island
My Commission Expires 07/06/2011

CITY OF TROY

By: _____
Louise Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

Witnesses:

Subscribed and sworn to before me
this _____ day of _____, 200____

Notary Public, Oakland
County, Michigan
My commission expires:

LCC

Liquor Licensee History

Business name: **CVS Pharmacy #8026**

Address: 125 E. Long Lake (248) 888-6320

Licensee: *CVS, Inc.*

License type: **SDD (14727-2002) SDM (9309-2002)**

Permits: Sunday Sales

Comments:

Date	Troy Incident #	Type	Disposition	Date
4/22/91		Council approved transfer of license		
11/4/92	92-33946	Sale to minor (compliance test)	Fined \$200	4/15/93
10/28/98	98-43623	Sale to minor (Compliance test)	\$800 fine by MLCC	03/17/99
02/24/99	99-07393	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
05/18/99	99-18437	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
06/22/99	99-23593	Compliance Test	PASSED	
10/27/99	none	Compliance Test	PASSED	
11/26/99	99-45220	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
07/25/00	none	Compliance Test	PASSED	
11/15/00	00-42347	Compliance Test	PASSED	
04/24/01		Compliance Test	PASSED	
06/12/01	MLCC	Sale to Minor (Compliance Test-MLCC)	DISMISSED MLCC Decoy FTA	12/05/01
08/14/01	01-29108	Compliance Test	PASSED	
09/25/01	01-34496	Compliance Test	PASSED	
11/03/01	01-39787	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
01/05/02	02-00501	Liquor Inspection (Road Patrol)	NO VIOLATIONS	

02/23/02	02-05769	Liquor Inspection (Road Patrol)	NO VIOLATIONS
02/28/02	02-06367	Compliance Test	PASSED
04/22/02	02-12348	Liquor Inspection (Road Patrol)	NO VIOLATIONS
06/17/02	02-19120	Liquor Inspection (Road Patrol)	NO VIOLATIONS
06/25/02	02-	Compliance Test	PASSED
08/29/02	02-28516	Liquor Inspection (Road Patrol-Owczarzak)	NO VIOLATIONS
10/16/02	02-34068	Compliance Test	PASSED
11/12/02	02-36865	Liquor Inspection (Road Patrol-Bodek)	NO VIOLATIONS
01/14/03	03-1394	Liquor Inspection (Road Patrol-Bodek)	NO VIOLATIONS
03/24/03	03-8743	Compliance Test	PASSED
04/22/03	03-11929	Liquor Inspection (Road Patrol- Linton)	NO VIOLATIONS
06/14/03	03-17821	Liquor Inspection (Road Patrol- Linton)	NO VIOLATIONS
06/19/03	03-18528	Compliance Test	PASSED
09/08/03	03-27985	Liquor Inspection (Road Patrol- Linton)	NO VIOLATIONS
10/27/03	03-33173	Compliance Test	PASSED
03/22/04	04-08393	Compliance Test	PASSED
06/30/04	04-19837	Compliance Test	PASSED
07/08/04	04-20499	Liquor Inspection (Road Patrol-Owczarzak)	NO VIOLATIONS
02/11/05	05-04805	Compliance Test	PASSED
03/03/05	05-07100	Liquor Inspection (Road Patrol- Denny)	NO VIOLATIONS
03/22/05	05-09294	Liquor Inspection (Road Patrol- Denny)	NO VIOLATIONS
08/23/05	05-29747	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
10/13/05		Compliance Test	PASSED
01/12/06	06-1501	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
02/16/06	06-6311	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
03/20/06	06-10572	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
06/13/06	06-22307	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
08/31/06	06-33890	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS

09/25/06	06-37079	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
03/19/07	07-10221	Liquor Inspection(Road Patrol-Denny)	NO VIOLATIONS
05/03/07	07-16146	Compliance Test	PASSED
06/28/07	07-24050	Liquor Inspection(Road Patrol-C. Villerot)	NO VIOLATIONS
08/19/07	07-31548	Liquor Inspection(Road Patrol-C. Villerot)	NO VIOLATIONS
08/23/07	07-32112	Compliance Test	PASSED
09/01/07	07-33547	Liquor Inspection(Road Patrol-C. Villerot)	NO VIOLATIONS
12/06/07	07-45778	Compliance Test	PASSED
02/21/08	08-6543	Compliance Test	PASSED
05/21/08	08-17750	Compliance Test	PASSED
08/04/08	08-27282	Liquor Inspection(Road Patrol-Barton)	NO VIOLATIONS
10/02/08	08-34222	Compliance Test	PASSED