

CITY COUNCIL ACTION REPORT

November 14, 2008

TO: Phillip L. Nelson, City Manager

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

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

Background:

- Woodward Detroit CVS L.L.C. requests to transfer ownership of 2008 SDM licensed business at 4963 John R, Troy, MI, Oakland County from ADI Realty, Inc. {MLCC Req #487196}
- 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.

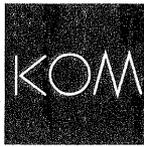
Policy Considerations:

- 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 4863 John R



KUPELIAN ORMOND & MAGY
A PROFESSIONAL CORPORATION

October 24, 2008

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

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.



KUPELIAN ORMOND & MAGY
A PROFESSIONAL CORPORATION

October 24, 2008
Page 2

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,

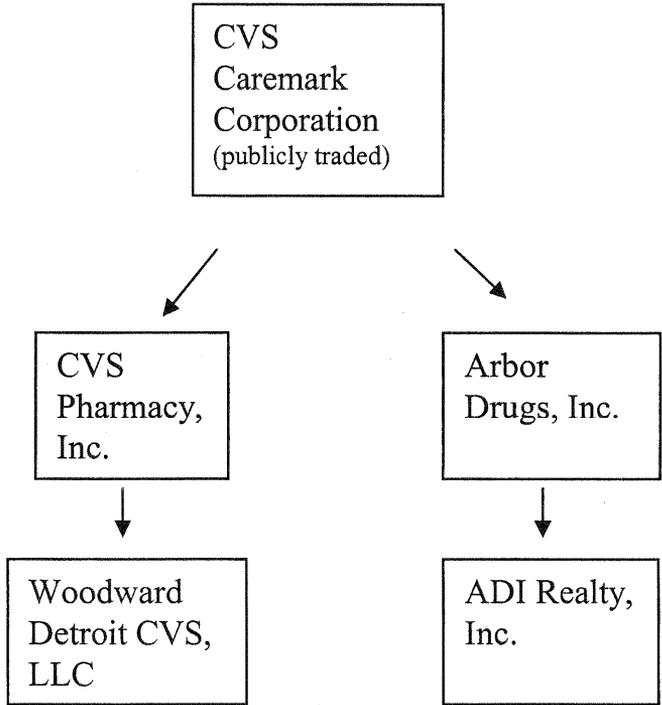
KUPELIAN ORMOND & MAGY
A Professional Corporation

A handwritten signature in black ink that reads "Elaine M. Pohl". The signature is written in a cursive style.

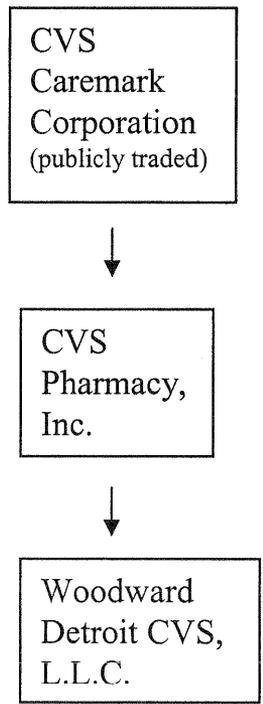
Elaine M. Pohl

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 Ukrainec

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 # 487196

Business ID # 215061
 (STEP 1)

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:

ARBOR DRUGS, INC. REQUESTING TO TRANSFER OWNERSHIP 2008 SDM (SPECIALLY DESIGNATED MERCHANT) LICENSED BUSINESS, FROM ADI REALTY, INC. LOCATED AT 4963 JOHN R, TROY MICHIGAN, 49098, OAKLAND COUNTY.

Section 1. APPLICANT INFORMATION

APPLICANT #1: PRIVATE CHAIN	APPLICANT #2:
DATE FINGERPRINTED: FINGERPRINTS NOT REQUIRED	DATE FINGERPRINTED:
DATE OF BIRTH: Is the applicant a U.S. Citizen: <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have permanent Resident Alien status? <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have a Visa? Enter status:	DATE OF BIRTH: Is the applicant a U.S. Citizen: <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have permanent Resident Alien status? <input type="checkbox"/> Yes <input type="checkbox"/> 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: <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor Enter record of all arrests and convictions (Attach a signed and dated sheet if more space is needed)	ARREST RECORD: <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor Enter record of all arrests and convictions (Attach a signed and dated sheet 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 motor vehicle fuel pumps at or directly adjacent to the establishment? 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 No**, indicate which state and local ordinances the location does not meet: Building Plumbing Zoning Fire Sanitation Health

Section 4. RECOMMENDATION

- Is this applicant qualified to conduct this business if licensed? Yes No*
 - Should the MLCC grant this request? Yes No*
- *If **any** of the above questions were answered No, you must state your reasons for MLCC consideration of this recommendation on the back of this form or on an attached signed and dated sheet.
- Is this recommendation subject to final inspection to determine that the proposed location meets all building, plumbing, zoning, fire, sanitation and health laws and ordinances? Yes No
 - Is this recommendation subject to any other conditions? Yes No
- If **Yes**, list the conditions below or on an attached signed and dated sheet if more space is needed

Signature (Sheriff or Chief of Police)

Date

TROY POLICE DEPARTMENT



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 # 484259

Business ID # 214275
 (STEP 2)

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:

WOODWARD DETROIT CVS, L.L.C. REQUESTING TO TRANSFER OWNERSHIP 2008 SDM (SPECIALLY DESIGNATED MERCHANT) LICENSED BUSINESS, FROM ARBOR DRUGS, INC. LOCATED AT 4963 JOHN R, TROY MICHIGAN, 49098, OAKLAND COUNTY.

Section 1. APPLICANT INFORMATION

APPLICANT #1: CHAIN	APPLICANT #2:
---------------------	---------------

DATE FINGERPRINTED: FINGERPRINTS NOT REQUIRED	DATE FINGERPRINTED:
---	---------------------

DATE OF BIRTH: Is the applicant a U.S. Citizen: <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have permanent Resident Alien status? <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have a Visa? Enter status:	DATE OF BIRTH: Is the applicant a U.S. Citizen: <input type="checkbox"/> Yes <input type="checkbox"/> No* *Does the applicant have permanent Resident Alien status? <input type="checkbox"/> Yes <input type="checkbox"/> 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: <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor Enter record of all arrests and convictions (Attach a signed and dated sheet if more space is needed)	ARREST RECORD: <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor Enter record of all arrests and convictions (Attach a signed and dated sheet 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 motor vehicle fuel pumps at or directly adjacent to the establishment? 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 No**, indicate which state and local ordinances the location does not meet: Building Plumbing Zoning Fire Sanitation Health

Section 4. RECOMMENDATION

- Is this applicant qualified to conduct this business if licensed? Yes No*
 - Should the MLCC grant this request? Yes No*
- *If **any** of the above questions were answered No, you must state your reasons for MLCC consideration of this recommendation on the back of this form or on an attached signed and dated sheet.
- Is this recommendation subject to final inspection to determine that the proposed location meets all building, plumbing, zoning, fire, sanitation and health laws and ordinances? Yes No
 - Is this recommendation subject to any other conditions? Yes No
- If **Yes**, list the conditions below or on an attached signed and dated sheet if more space is needed

Signature (Sheriff or Chief of Police)

Date

TROY POLICE DEPARTMENT

LCC

Liquor Licensee History

Business name: **CVS Pharmacy**

Address: 4963 John R (248) 689-2135

Licensee: ADI Realty, Inc.

License type: **SDM (73139-2002)**

Permits:

Comments:

Date	Troy Incident #	Type	Disposition	Date
10/04/99		Council approves new SDM		
07/25/00	00-26959	Sale to Minor-Compliance Test	\$500	01/25/01
10/08/00	00-37326	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
11/15/00	00-42364	Compliance Test	PASSED	
12/16/00	00-46747	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
02/03/01	01-04013	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
02/28/01		Council resolution requiring all employees who sell to be TIPS/TAM trained with proof to PD within 6 months		
04/21/01	01-13664	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
04/24/01		Compliance Test	PASSED	
05/22/01		Reminder letter sent for proof of TIPS		
06/11/01		Proof received (TIPS) by fax		
07/07/01	01-24148	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
08/14/01	01-29132	Compliance Test	PASSED	
09/09/01	01-32426	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
09/25/01	01-34507	Compliance Test	PASSED	
10/22/01	01-38124	Liquor Inspection (Road Patrol)	NO VIOLATIONS	
01/02/02	02-00149	Liquor Inspection (Road Patrol)	NO VIOLATIONS	

02/28/02	02-06382	Compliance Test	PASSED
03/11/02	02-07617	Liquor Inspection (Road Patrol)	NO VIOLATIONS
06/16/02	02-19040	Liquor Inspection (Road Patrol)	NO VIOLATIONS
06/25/02	02-	Compliance Test	PASSED
07/20/02	02-23528	Liquor Inspection (Road Patrol)	NO VIOLATIONS
10/16/02	02-34079	Compliance Test	PASSED
01/06/03	03-633	Liquor Inspection (Road Patrol-Boska)	NO VIOLATIONS
02/10/03	03-4281	Liquor Inspection (Road Patrol-Boska)	NO VIOLATIONS
03/12/03	03-7397	Liquor Inspection (Road Patrol-Boska)	NO VIOLATIONS
03/24/03	03-8723	Compliance Test	PASSED
05/24/03	03-15461	Liquor Inspection (Road Patrol-Schehr)	NO VIOLATIONS
06/19/03	03-18541	Compliance Test	PASSED
08/01/03	03-23760	Liquor Inspection (Road Patrol-Schehr)	NO VIOLATIONS
09/07/03	03-27902	Liquor Inspection (Road Patrol-Schehr)	NO VIOLATIONS
10/27/03	03-33172	Compliance Test	PASSED
01/16/04	04-01613	Liquor Inspection (Road Patrol-Barrows)	NO VIOLATIONS
02/14/04	04-04654	Liquor Inspection (Road Patrol-Barrows)	NO VIOLATIONS
03/06/04	04-06703	Liquor Inspection (Road Patrol-Barrows)	NO VIOLATIONS
03/22/04	04-08402	Compliance Test	PASSED
06/30/04	04-19825	Compliance Test	PASSED
01/04/05	05-	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS
02/11/05	05-04800	Compliance Test	PASSED
02/21/05	05-05917	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS
03/09/05	05-07903	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS
06/26/05	05-21784	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS
07/17/05	05-24742	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS
09/11/05	05-32207	Liquor Inspection (Road Patrol-Harrison)	NO VIOLATIONS

10/13/05		Compliance Test	PASSED
02/01/06	06-4235	Liquor Inspection (Road Patrol-Zagacki)	NO VIOLATIONS
04/20/06	06-14780	Liquor Inspection (Road Patrol-Wolfe)	NO VIOLATIONS
06/23/06	06-23742	Liquor Inspection (Road Patrol-Wolfe)	NO VIOLATIONS
08/17/06	06-31772	Liquor Inspection (Road Patrol-Wolfe)	NO VIOLATIONS
11/14/06	06-43247	Liquor Inspection (Road Patrol-Wolfe)	NO VIOLATIONS
11/28/06	06-44922	Liquor Inspection (Road Patrol-Wolfe)	NO VIOLATIONS
05/03/07	07-16147	Sale to Minor-Compliance Test	
05/16/07:		Dist Ct	P/G \$100 Fine
09/14/07:		MLCC Hearing, Negotiated Settlement	\$600 Fine
02/13/08		Council orders training	
04/15/08		Proof Received	
<hr/>			
07/07/07	07-25422	Liquor Inspection (Road Patrol-Campbell)	NO VIOLATIONS
08/04/07	07-29412	Liquor Inspection (Road Patrol-Campbell)	NO VIOLATIONS
09/03/07	07-33786	Liquor Inspection (Road Patrol-Campbell)	NO VIOLATIONS
08/23/07	07-32111	Compliance Test	PASSED
12/06/07	07-45777	Compliance Test	PASSED
12/27/07	07-48682	Liquor Inspection (Road Patrol-Lamilza)	PASSED
02/09/08	08-4982	Liquor Inspection (Road Patrol-Lamilza)	NO VIOLATIONS
02/21/08	08-6541	Sale to Minor (DPU) Compliance Test	VIOLATION
06/23/08		MLCC: Negotiated Settlement	\$300 Fine
03/16/08	08-9625	Liquor Inspection (Road Patrol-Lamilza)	NO VIOLATIONS
05/21/08	08-17749	Compliance Test	PASSED
08/04/08	08-27379	Liquor Inspection (Road Patrol-Malik)	NO VIOLATIONS
10/02/08	08-34224	Compliance Test	PASSED

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

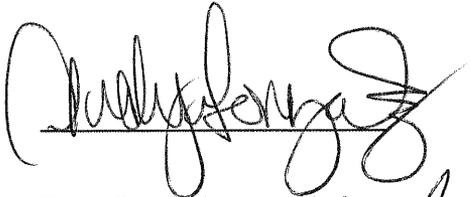
- 1 The City Council of the City of Troy, for and in consideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission Approval of the request to transfer ownership of 2008 SDM licensed business located at 4963 John R, Troy MI
- 2 In consideration 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.



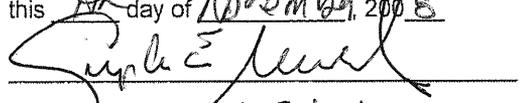
Authorized Representative for Woodward Detroit CVS, L.L.C.

Witnesses:





Subscribed and sworn to before me
this 14 day of November, 2008



Notary Public, Rhode Island
County, Providence
My commission expires: 2/1/2010

STEPHEN E. MURPHY
NOTARY PUBLIC
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MY COMMISSION EXPIRES 2/1/2010

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: