City of Troy

CITY COUNCIL AGENDA ITEM

Date: November 5, 2010

To: John Szerlag, City Manager

From: Gary Mayer, Chief of Police
Captain Gerard Scherlinck, Professional Standards Division
Lieutenant Robert Redmond

Subject: Application to Transfer Stock Interest for Macy's Retail Holdings, Inc.—Somerset Mall

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Background

Attorney Sandra Cotter submitted a request to the Michigan Liquor Control Commission on behalf of Macy's Retail Holdings, Inc. to transfer stock interest. That request was sent to the City of Troy for a recommendation.

On October 4, 2010 Ms. Cotter appeared at the Troy Liquor Advisory Committee meeting to explain the request and answered questions for the committee. Ms. Cotter explained that this request is necessary due to a merger between May Department Stores and Federated Department Stores and name change through corporate amendment. This information was presented to the MLCC in 2005, but was not acted upon until the recent sale of a Flint Township restaurant. This is merely a corporate transaction that does not affect the operating company. There are no changes in operations, management, or employees. The employee liquor service training will continue to be extensive.

The Police Department did not find any disqualifying factors for this request. In addition, the Liquor Advisory Committee unanimously approved their request.

The request complies with all applicable Troy City Ordinances and Michigan Liquor Control Commission Rules.

Recommendation

Recommend approval of the request from Macy's to Transfer Stock Interest as indicated in the enclosed resolution.

Prepared by: Jeff Oberski

A regular meeting of the Liquor Advisory Committee was held on Monday, October 4, 2010 in the Council Board Room of Troy City Hall, 500 West Big Beaver Road. Committee member Patrick C. Hall called the meeting to order at 7:05 p.m.

Roll Call

PRESENT: W. Stan Godlewski
Patrick C. Hall
David S. Ogg
Bohdan L. Ukrainec

ABSENT: Max K. Ehlert, Chairman
Andrew Kaltsounis
Timothy P. Payne

ALSO PRESENT: Lieutenant Robert Redmond
Officer James Feld
Susan Lancaster, Assistant City Attorney
Lauren Harden, student representative
Dane Lepola, student representative
Pat Gladysz

Resolution to Excuse Committee Members Ehlert, Kaltsounis, and Payne

Resolution #LC2010-10-026
Moved by Ogg
Seconded by Godlewski

RESOLVED, That the absence of Committee members Ehlert, Kaltsounis, and Payne at the Liquor Advisory Committee meeting of October 4, 2010 be **EXCUSED**.

Yes: 4
No: 0
Absent: Ehlert, Kaltsounis, Payne

Resolution to Approve Minutes of September 13, 2010 Meeting

Resolution #LC2010-10-027
Moved by Ukrainec
Seconded by Ogg

RESOLVED, That the Minutes of the September 13, 2010 meeting of the Liquor Advisory Committee be **APPROVED**.

Yes: 4
No: 0
Absent: Ehlert, Kaltsounis, Payne

Agenda Items

1. **Macy's Retail Holdings, Inc.** (A New York Corporation) requests to Transfer All Stock Interest In 2005 Licensing Year In 2010 Class C Licensed Business located at 500 West Fourteen Mile Road, Troy, MI 48083 and Transfer All Stock Interest in 2005 Licensing Year In 2010 Resort Class C Licensed Business located at 2752 West Big Beaver Road, Troy, MI 48084 to New Stockholder, Milan Acquisition, LLC (A Delaware Limited Liability Company) due to Corporate Merger and Restructuring. {MLCC Req. 322719}

Present to answer questions from the Committee was Sandra Cotter, attorney for Macy's, Inc.

Ms. Cotter explained to the Liquor Advisory Committee that this Agenda Item is necessary due to a merger between May Department Stores and Federated Department Stores and name change through corporate amendment. This information was presented to the MLCC in 2005, but was not acted upon until the recent sale of a Flint Township restaurant.

This is merely a corporate transaction that does not affect the operating company. There are no changes in operations, management, or employees. The employee liquor service training will continue to be extensive.

Members of the Committee questioned the language presented on the Agenda. Documentation from the MLCC was requested in order to verify the language.

(At 7:25 p.m., the meeting recessed to allow Officer Feld to make copies of the MLCC paperwork regarding this Agenda Item. The meeting reconvened at 7:30 p.m. and all documents were distributed to the Committee.)

Committee member Hall read the resolutions directly from the MLCC documents.

1. **Macy's Retail Holdings, Inc.** (A New York Corporation) requests to Transfer All Stock Interest In 2005 Licensing Year In 2010 resort Class C Licensed Business issued under MCL 436.1531(2), located at 2752 Big Beaver, Troy, MI 48084, Oakland County, wherein sole stockholder, the May Department Stores Company (A Delaware Corporation) transfers 249,084,436 shares of

stock to new stockholder, Milan Acquisition LLC (A Delaware Limited Liability Company) formerly known as Milan Acquisition Corp. (A Delaware Corporation) through merger, on August 30, 2005; and by dropping Milan Acquisition Corp. (A Delaware Corporation) as stockholder through transfer of 249,084,436 shares of stock to new stockholder, Macy's Inc. (A Delaware Corporation) formerly known as Federated Department Stores, Inc. (A Delaware Corporation), on August 30, 2005 (Step 1). {MLCC Req. 322719}

and

2. **Macy's Retail Holdings, Inc.** (A New York Corporation) requests to Transfer All Stock Interest In 2005 Licensing Year In 2010 Class C Licensed Business, located at 500 W Fourteen Mile, Troy, MI 48084, Oakland County, wherein sole stockholder, the May Department Stores Company (A Delaware Corporation) transfers 249,084,436 shares of stock to new stockholder, Milan Acquisition LLC (A Delaware Limited Liability Company) formerly known as Milan Acquisition Corp. (A Delaware Corporation) through merger, on August 30, 2005; and by dropping Milan Acquisition Corp. (A Delaware Corporation) as stockholder through transfer of 249,084,436 shares of stock to new stockholder, Macy's Inc. (A Delaware Corporation) formerly known as Federated Department Stores, Inc. (A Delaware Corporation), on August 30, 2005 (Step 1). {MLCC Req. 322719}

After the Committee reviewed the MLCC documentation, it was determined that the Agenda language was incorrect.

Officer Feld informed the Committee that the violation history revealed the following:
Somerset Collection location: 1997, 2007
Oakland Mall location: 1992, 1997, 1999, 2007
Both locations have successfully passed twelve compliance tests since 2007

Resolution #LC2010-10-028
Moved by Ukrainec
Seconded by Godlewski

RESOLVED, That the Liquor Advisory Committee recommends that the request of Macy's Retail Holdings, Inc. (A New York Corporation) to Transfer All Stock Interest In 2005 Licensing Year In 2010 resort Class C Licensed Business issued under MCL 436.1531(2), located at 2752 Big Beaver, Troy, MI 48084, Oakland County, wherein sole stockholder, the May Department Stores Company (A Delaware Corporation) transfers 249,084,436 shares of stock to new stockholder, Milan Acquisition LLC (A Delaware Limited Liability Company) formerly known as Milan Acquisition Corp. (A Delaware Corporation) through merger, on August 30, 2005; and by dropping Milan Acquisition Corp. (A Delaware Corporation) as stockholder through transfer of 249,084,436 shares of stock to new stockholder, Macy's Inc. (A Delaware

Corporation) formerly known as Federated Department Stores, Inc. (A Delaware Corporation), on August 30, 2005 be **APPROVED**.

Yes: 4
No: 0
Absent: Ehlert, Kaltsounis, Payne

Resolution #LC2010-10-029
Moved by Ukrainec
Seconded by Godlewski

RESOLVED, That the Liquor Advisory Committee recommends that the request of Macy's Retail Holdings, Inc. (A New York Corporation) to Transfer All Stock Interest In 2005 Licensing Year In 2010 Class C Licensed Business, located at 500 W Fourteen Mile, Troy, MI 48084, Oakland County, wherein sole stockholder, the May Department Stores Company (A Delaware Corporation) transfers 249,084,436 shares of stock to new stockholder, Milan Acquisition LLC (A Delaware Limited Liability Company) formerly known as Milan Acquisition Corp. (A Delaware Corporation) through merger, on August 30, 2005; and by dropping Milan Acquisition Corp. (A Delaware Corporation) as stockholder through transfer of 249,084,436 shares of stock to new stockholder, Macy's Inc. (A Delaware Corporation) formerly known as Federated Department Stores, Inc. (A Delaware Corporation), on August 30, 2005 (Step 1) be **APPROVED**.

Yes: 4
No: 0
Absent: Ehlert, Kaltsounis, Payne

Officer Feld advised the Committee on the following:

Hospitality Ventures Management, LLC (Embassy Suites)
MLCC Hearing was held 09/20/10 at 11:00 a.m. at the Sterling Heights Civic Center, 40555 Utica Road, Sterling Heights for the disturbance on 12/31/09. The three charges were: (1) allowed fights or brawls on licensed premises; (2) allowed intoxicated persons (John Doe 1 and Jane Doe 1) to loiter; and (3) allowed intoxicated persons (John Doe 2 and John Doe 3) to loiter. They pled guilty to charges (2) and (3), and charge (1) was dismissed.

Capital Grille
This business is requesting an outdoor service area. They plan to submit their paperwork for approval over the winter and, pending final inspection from the Building Department, can utilize their outdoor area as soon as completed. Approximately 70-80 outdoor seats are planned next to the valet parking area.

NH Motel Enterprises (MET Hotel)
This hotel was formerly the Northfield Hilton and has changed names a few times. They never applied for their liquor license. It appears as if they closed their restaurant/lounge. However, information was received that they occasionally would open the bar and serve customers. The MLCC was contacted and an investigation was performed. Officer Feld received notification from MLCC that the hotel has been charged with violations. The investigation is ongoing.

The meeting adjourned at 7:40 p.m.

Patrick C. Hall, Committee Member

Patricia A. Gladysz, Secretary II

AGREEMENT REGARDING LIQUOR LICENSE REQUEST

Re: Applicant: Macy's Retail Holdings, Inc. Date: 8·13·10
Address: 2752 W. Big Beaver Rd Type of License/s: Class C
City/State/Zip: Troy, MI 480 MLCC Request ID: 322719

This Agreement, made 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 the Applicant as indicated above, 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 requested Liquor License to be located as indicated above in Troy Michigan.
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, Chapter No. 98 and Chapter No. 101, 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.

LICENSEE AUTHORIZED REPRESENTATIVE

Witnesses: Angela L. Waltz
Belinda Preston

By: Sandra M Cotter

Subscribed and sworn to before me this 13th day of August 200 10
Notary Public, Ingham County, MI
Acting in the County of Ingham
My commission expires: 04-07-2012
Belinda Kay Preston

BELINDA KAY PRESTON
NOTARY PUBLIC, STATE OF MI
COUNTY OF INGHAM
MY COMMISSION EXPIRES Apr 7 2012
ACTING IN COUNTY OF Ingham

CITY OF TROY

Witnesses: _____

By: _____
Louise Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

Subscribed and sworn to before me this _____ day of _____ 200 ____
Notary Public, _____ County, MI
Acting in the County of Oakland
My commission expires: _____

Michigan De[illegible]nent of Energy, 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 # 322719

Business ID # 156022

LOCAL APPROVAL NOTICE

[Authorized by MCL 436.1501]

June 11, 2010

Mailed 6-21-10 [illegible]

TO: TROY CITY COUNCIL
ATTENTION CLERK
500 WEST BIG BEAVER ROAD
TROY, MI 48084-5285

APPLICANT: MACY'S RETAIL HOLDINGS, INC. (A NEW YORK CORPORATION)

Home Address and Telephone No. or Contact Address and Telephone No.:
MILAN ACQUISTION LLC (A DELAWARE LIMITED LIABILITY COMPANY) F/K/A MILAN ACQUISTION CORP (A DELAWARE CORPORATION)

MACY'S, INC. (A DELAWARE CORPORATION) F/K/A FEDERATED DEPARTMENT STORES, INC. (A DELAWARE CORPORATION), 7 WEST SEVENTH STREET, CINCINNATI, OH 45202

CONTACT: (DYKEMA GOSSETT PLLC), ATTENTION ATTORNEY SANDRA M. COTTER, CAPITOL VIEW, 201 TOWNSEND STREET, SUITE 900, LANSING, MI 48933 (517)374-9129

The MLCC cannot consider the approval of an application for a new or transfer of an on-premises license without the approval of the local legislative body pursuant to the provisions of MCL 436.1501 of the Liquor Control Code of 1998. For your information, local legislative body approval is also required for DANCE, ENTERTAINMENT, DANCE-ENTERTAINMENT AND TOPLESS ACTIVITY PERMITS AND FOR OFFICIAL PERMITS FOR EXTENDED HOURS FOR DANCE AND/OR ENTERTAINMENT pursuant to the provisions of MCL 436.1916 of the Liquor Control Code of 1998.

For your convenience a resolution form is enclosed that includes a description of the licensing application requiring consideration of the local legislative body. The clerk should complete the resolution certifying that your decision of approval or disapproval of the application was made at an official meeting. **Please return the completed resolution to the MLCC as soon as possible.**

If you have any questions, please contact Unit 3 of the Retail Licensing Division at (517) 636-0204.

PLEASE COMPLETE ENCLOSED RESOLUTION AND RETURN TO THE LIQUOR CONTROL COMMISSION AT ABOVE ADDRESS

sfs

Request ID # 322719

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 from MACY'S RETAIL HOLDINGS, INC. (A NEW YORK CORPORATION) TO TRANSFER ALL STOCK INTEREST IN 2005 LICENSING YEAR IN 2010 RESORT CLASS C LICENSED BUSINESS ISSUED UNDER MCL 436.1531(2), LOCATED AT 2752 BIG BEAVER, TROY, MI 48084, OAKLAND COUNTY, WHEREIN SOLE STOCKHOLDER, THE MAY DEPARTMENT STORES COMPANY (A DELAWARE CORPORATION) TRANSFERS 249,084,436 SHARES OF STOCK TO NEW STOCKHOLDER, MILAN ACQUISITION LLC (A DELWARE LIMITED LIABILITY COMPANY) FORMERLY KNOWN AS MILAN ACQUISITION CORP. (A DELAWARE CORPORATION) THROUGH MERGER, ON AUGUST 30, 2005; AND BY DROPPING MILAN ACQUISITION CORP. (A DELAWARE CORPORATION) AS STOCKHOLDER THROUGH TRANSFER OF 249,084,436 SHARES OF STOCK TO NEW STOCKHOLDER, MACY'S INC., (A DELAWARE CORPORATION) FORMERLY KNOWN AS FEDERATED DEPARTMENT STORES, INC. (A DELAWARE CORPORATION), ON AUGUST 30, 2005 (STEP 1).

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)

LC-1305 (Rev. 08/2006) Authority: MCL 436.1501 Completion: Mandatory Penalty: No License	The Department of Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.