



City Commission Agenda Report

City of Kalamazoo

Date: **10/16/2023**

Item: **G.8.**

TO: Mayor Anderson, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah Kik, Assistant City Manager
Prepared by: Antonio Mitchell, Director, Community Planning and Economic Development

DATE: October 16, 2023

SUBJECT: Resolution Recommending Approval of a Social District Liquor License for Union LLC located at 359 S Kalamazoo Mall

RECOMMENDATION:

It is recommended the City Commission adopt a RESOLUTION recommending approval of a Social District and Commons Area permit for Union LLC at 359 S Kalamazoo Mall.

BACKGROUND:

Social Districts are "zones" approved by the municipality and the Michigan Liquor License Control Commission (MLCC) to allow consumption of alcohol in Social Districts. Social District Licensees may sell alcohol on its licensed premises in approved containers for customers to remove and consume in the Commons area.

Chapter 4A "Alcoholic Beverage" ordinance amendment was approved by City Commission on August 3, 2020 to allow the creation of social districts and commons areas which are signed and operated within the regulations of the City of Kalamazoo. The City Commission adopted an initial resolution establishing the district at the same meeting as the ordinance amendment and then adopted a resolution expanding the geographic area and participating businesses of the social district on November 16, 2020.

Please see the attached 2020SocialDistrictResWMap.pdf document for:

- Resolution 20-61, dated November 16, 2020, designating Social Districts containing Common Areas and adopting a Management and Maintenance Plan in order to allow certain on premises liquor licensees expanded use of shared areas for consumption of alcohol pursuant to Public Act 124 of 2020.
- The map showing the Social District boundary and Common Area boundary
- The Management and Maintenance Plan of the Downtown Kalamazoo Social District and

Common Area(s). Note: the program was previously managed by the Kalamazoo Downtown Partnership and is now managed by city staff.

The district is anticipated to continue to have a positive impact on the economic condition of Downtown. Diners will be encouraged to remain downtown longer, visiting retail establishments and other venues, injecting more dollars into the local economy. Small, locally-owned businesses, and their employees will be the primary benefactors of this program.

The Social District program was originally created by the State to encourage continued economic activity in downtowns during the COVID-19 pandemic. It has been shown to be an effective and popular tool and continues to be used by many communities throughout Michigan.

Millennium Restaurant Group is in the process of moving the liquor license associated with 359 Corp and 359 S Kalamazoo Mall to The Union LLC. The license will stay at 359 S Kalamazoo Mall. The Union LLC will assume the current DBA of "The Hub". The Michigan Liquor Control Commission requires local governmental unit approval for the transfer of the existing social district permit to the new license. This requires an approval by resolution by the City Commission to be sent to the MLCC. Please note that there is no additional social district permit being added for this business as this permit replaces an existing permit. There is no new ownership.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

The initial ordinance and social district approval held community outreach for approval and expansion. At that time, the Kalamazoo Downtown Partnership communicated this opportunity to its business contact list of over 250 individuals on multiple occasions, with uniformly positive feedback. The boards of the Kalamazoo Downtown Partnership and Downtown Economic Growth Authority, composed of members representing businesses, anchor institutions, residents, property owners, and community members supported the proposal and multiple participatory webinars were hosted with downtown stakeholders to establish recommended boundaries, hours, and operational plans for the commons areas.

This permit is an existing space location in the current approved district and new engagement and outreach efforts were not needed.

FISCAL IMPACT:

There is a city fee associated with this permit.