



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
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New On-Premises Development District (DDA) License – MCL 436.1521a(1)(b) **Requirements & General Information**

- A license issued under MCL 436.1521a(1)(b) may be a Class C, Tavern, B-Hotel, or A-Hotel license. For details on the specific permits and permissions for these licenses, please visit the MLCC's [Retail Licensing Information website](#).
- **The building shall be a restoration or rehabilitation of an existing building and cannot be a brand new building.**
- The proposed licensed premises must be located in one of the development districts or areas listed in MCL 436.1521a(1)(b):
 - Tax Increment Finance Authority Act (TIFA) District under Part 3 of Public Act 57 of 2018 (formerly Public Act 450 of 1980)
 - Corridor Improvement Authority Act Development Area under Part 6 of Public Act 57 of 2018 (formerly Public Act 280 of 2005)
 - Downtown Development Authority (DDA) District under Part 2 of Public Act 57 of 2018 (formerly Public Act 197 of 1975)
 - Principal Shopping District under Public Act 120 of 1961
- The total investment in real and personal property within the development district or area shall not be less than \$200,000.00 over a period of the preceding five (5) years.
- The building that will house the proposed licensed premises must have at least \$75,000.00 expended for the rehabilitation or restoration of the building over the preceding five (5) years or a commitment for a capital investment of at least \$75,000.00 in the building that must be expended before the license is issued.
- The licensed business must be engaged in activities related to dining, entertainment, or recreation.
- The licensed business must be open to the general public and have a seating capacity of not less than 25 persons.
- The initial enhanced license fee for a license issued under this section is \$20,000.00.
- Pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a(1)(b) cannot be transferred to another location and if the licensee goes out of business the license issued under MCL 436.1521a(1)(b) shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

How to Apply

All applicants requesting a new license under MCL 436.1521a(1)(b) must submit the following:

- **Application Form** - [Retail License & Permit Application \(Form LCC-100\)](#)
- **License Questionnaire** – [New On-Premises Redevelopment or Development District License Questionnaire \(Form LCC-109b\)](#)
- **Inspection Fee** - A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested a new Class C license under MCL 436.1521a(1)(b) that has a Specially Designated Merchant (SDM) license in conjunction, the inspection fee would be \$140.00.
- **License & Permit Fees** – The annual renewal fees vary by the type of on-premises license. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with the on-premises license. An initial enhancement fee of \$20,000.00 will be required prior to issuance of the license if the development district license is approved.
- **Livescan Fingerprints** – Applicants that have never been licensed through the Michigan Liquor Control Commission must submit fingerprints through the Livescan fingerprinting process - [Livescan Fingerprint Background Request Form](#).
- **Local Governmental Unit Approval** – [Local Governmental Approval Form \(Form LCC-106\)](#). The city, village, or township must approve the new redevelopment license with a recommendation for the issuance of a “new Class C* license issued under the provisions of MCL 436.1521a(1)(b)”. The resolution must specifically state the applicant’s name and the proposed licensed address. **You may substitute other license types, such as Tavern, B-Hotel, or A-Hotel licenses, as applicable.*
- **Resolution from local governmental unit establishing the development district or area which specifically references the statute under which the area was established:**
 - Part 3 of Public Act 57 of 2018 (formerly Public Act 450 of 1980) for Tax Increment Finance Authorities
 - Part 6 of Public Act 57 of 2018 (formerly Public Act 280 of 2005) for Corridor Improvement Authorities
 - Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975) for Downtown Development Authorities
 - Public Act 120 of 1961 for Principal Shopping Districts

- **Affidavit from the Assessor** – The affidavit from the assessor must be certified by the city, township, or village clerk and must state the following:
 - The total amount of public and private investment in real and personal property within the development district or area over a period of the preceding five (5) years (must specifically state start and end dates for the investment, e.g. January 1, 2011 to December 31, 2015).
- **Legible map of the development district or area which clearly labels all street names.**
- **Proof of Attempt to Secure Escrowed License** – Applicants requesting new license under MCL 436.1521(a)(1)(b) must submit documentation that demonstrated they have contacted all holders of escrowed licenses within the same county and have been unable to secure a readily available escrowed license for use at their proposed location. Escrow responses must follow these guidelines:
 - MCL 436.1521a(9) requires that the individual signing the application for a license issued under MCL 436.1521a shall state and demonstrate that the applicant attempted to secure a readily available on-premises escrowed license or unissued quota license issued under Section 531 and that, to the best of his or her knowledge, an on-premises escrowed license or quota license is not readily available within the county in which the applicant proposes to operate.
 - Applicant will be provided a Licensee Listing Report from the MLCC which lists all on-premises escrowed licensee for the county. Applicant is required to contact all licensees on the report effective as of the date the application is filed with the MLCC.
 - Applicant should send certified letters of inquiry as to the availability of the license to each licensee either at the business address or escrow contact address listed on the report.
 - Applicant should submit copies of the letters sent, certified tags, signed certified return receipts, copies of any envelopes returned by the USPS, and copies of any correspondence received from the licensees.
 - Applicant should provide dates, the name of the person contacted, and a synopsis of the conversation, if escrowed licensees are contacted by telephone.
 - Applicant should provide documentation regarding the fair-market value of the license based on where the applicant will be located, if determinable, the size and scope of the proposed operation, and/or the existence of mandatory contractual restrictions or inclusion attached to the sale of the license when indicating to the MLCC that purchase of a license is not economically feasible or the license is not readily available.
 - Applicant should provide a notarized affidavit outlining all attempts and responses (or lack thereof) to secure a readily available license.
- **Property Document** – Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.

- A provision to reassign the license in the event of a default on a land contract or termination of a lease agreement may be included, but may only provide for the reassignment subject to Commission approval.
- If the applicant is a company and its members or stockholders own the real estate as individuals or under another company, a lease agreement is needed.
- If the applicant is an individual and he or she owns the real estate with a spouse or someone else who will not be named on the license, a lease between the applicant and the owners of the real estate is needed.

In addition to the documents required by all applicants:

Corporations must submit the following information per Administrative Rule R 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current Certificate of Good Standing from the state where incorporated and Certificate of Authority to Do Business in Michigan, if incorporated outside of this state.
- Certified copy of the minutes of a meeting of its board of directors or a statement signed by an officer of the corporation naming the persons authorized by corporate resolution to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Limited Liability Companies (LLC) must submit the following information pursuant to Administrative Rule R 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Current Certificate of Authority to Do Business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.
- Copy of most recent annual statement filed with the Corporations Division, if an existing LLC.
- Statement signed by a manager of the limited liability company or by at least 1 member if management is reserved to the members naming the person authorized to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Partnerships must submit the following information per Administrative Rule R 436.1111:

- Partnership Agreement, if a Limited Partnership.
 - [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)
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Licensing Process

- The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant.
- Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation. If an applicant has applied for and meets the requirements for a conditional license, the request will be considered by the Commission.
- The Enforcement Division will contact the applicant to schedule an interview with the applicant (and current licensee for license transfers). At this meeting an investigator will review with the applicant documents, including:
 - purchase agreement
 - financial documents
 - property documents
 - other items pertaining to the application
- After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to Licensing for further processing.
- Licensing reviews the report from Enforcement and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.
- The Commission considers the request, including:
 - the liquor license operating history of the applicant (if a current or prior licensee)
 - the arrest and conviction record of the applicant
 - whether the applicant meets the requirements for a license
 - the applicant's financial information
 - opinions of the local legislative body or police department, if received.
- The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.
- After the Commission makes a decision on the request, the file is returned to Licensing for final processing.
 - Approval orders are sent to the applicant requesting any final items before the issuance of the license.
 - Denial orders are sent to the applicant and the applicant may appeal the decision.
- When all the final items are received by Licensing, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.

- Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.
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Churches & Schools

A new application to sell alcoholic beverages at retail may be denied if the proposed location is within 500 feet of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school does file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.