City of Birmingham
A Walkable Community

MEMORANDUM

Police Department

DATE: **June 23, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Donald A. Studt, Chief of Police**

SUBJECT: **Palladium Liquor License Transfers**

To summarize there are 3 Class C Licenses to be transferred as follows:

Current 3 Class C Licenses:
Palladium Restaurant I LLC (270 N. Old Woodward)
Palladium II LLC (201 Hamilton)
Crowley Restaurant LLC (260 N. Old Woodward)
To Palladium of Birmingham LLC

1. **Then From Palladium of Birmingham LLC to Bellar Birmingham Ventures LLC**
   One Class C – 260 N. Old Woodward
   - Arthur Avenue &
   - Au Cochon (direct connect)

2. **From Palladium of Birmingham LLC to CH Birmingham LLC**
   One Class (270 N. Old Woodward)
   - Emagine Theatre

3. The third class C license (201 Hamilton) will continue to be held by **Palladium of Birmingham LLC.**

City of Birmingham
A Walkable Community

MEMORANDUM

Police Department

DATE: **June 11, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Donald A. Studt, Chief of Police**

SUBJECT: **The Palladium of Birmingham, LLC Requests the Transfer Ownership of Three Class C Liquor Licenses held by: (1) Palladium Restaurant I, LLC, located at 270 N Old Woodward, Birmingham, MI (re-named 250 N. Old Woodward), (2) Palladium II, LLC, located at 201 Hamilton, Birmingham, MI (pursuant to obtaining a valid SLUP before occupancy) and (3) Crowley Restaurant, LLC located at 260 N. Old Woodward, Birmingham, MI to The Palladium of Birmingham, LLC.**

The Police Department has received a request from the law firm of Adkison, Need & Allen, PLLC to examine the liquor license transfer referenced above. The Palladium of Birmingham, LLC has paid the initial fee of $1,500.00 for a business that serves alcoholic beverages for consumption on premises per section 7.33 of the Birmingham City Code for each location designated above.

In April of 2014, The Palladium of Birmingham, LLC purchased the building, land and assets from Crowley-Willits Retail, LLC which included the three Class C liquor licenses held by Palladium Restaurant I, LLC located at 270 N. Old Woodward, Palladium Restaurant II, LLC located at 201 Hamilton, and Crowley Restaurant, LLC located at 260 N. Old Woodward. The Palladium of Birmingham, LLC is requesting approval to transfer ownership in the Class C licenses to The Palladium of Birmingham, LLC and thereafter The Palladium of Birmingham, LLC will be working with future tenants to transfer the Class C licenses to those tenants.

Chapter 126, Zoning, Article 6, Section 6.02 of the Birmingham City Code requires that existing and new establishments with alcoholic beverage sales (on premise consumption) shall obtain a Special Land Use Permit upon change in ownership or name of establishment, or upon application for a Site Plan Review. In a separate filing, Bellar Birmingham Ventures, LLC will do business as Au Cochon/Arthur Ave at 260 N. Old Woodward. The required SLUP for 260 N. Old Woodward for Bellar Birmingham Ventures, LLC was approved by the Planning Board on February 11, 2015. On May 11, 2015, the City Commission approved the SLUP and final site plan review for 260 N. Old Woodward. In a separate filing, CH Birmingham, LLC will do business as Emagine Palladium at 250 N. Old Woodward. The required SLUP for 250 N. Old Woodward for CH Birmingham, LLC was approved by the Planning Board on March 25, 2015. The City Commission approved the SLUP and final site plan review for 250 N. Old Woodward on May 18, 2015. Currently, there is no tenant for 201 Hamilton and no SLUP pending. The transfer for 201 Hamilton will be allowed to proceed to The Palladium of Birmingham, LLC, however, a SLUP must be obtained prior to any occupancy of 201 Hamilton.

The Palladium of Birmingham, LLC's sole member is AF Jonna Associates, LLC (hereafter referred to as "AF Jonna"). AF Jonna is owned by the following members: Scott Jonna, 32% Class B membership, Jordan Jonna, 32% Class B membership, Nisreen Jonna, 32% Class B membership, Arkan Jonna, 2% Class A membership and Yasmine Jonna, 2% Class B membership.

All three primary shareholders, Scott Jonna, Jordan Jonna and Nisreen Jonna are employed at the family business, AF Jonna Development. Scott Jonna oversees property management and new construction. Jordan Jonna works with new acquisitions and financing. Nisreen Jonna manages all account payables and assists in day to day office management.

The Palladium of Birmingham, LLC purchased the subject building, land, assets and liquor licenses for $12,250,000.00. A majority of the transaction was financed by a loan in the amount of $17,500,000.00 from Associated Bank and $443,188.19 from the bank account of AF Jonna Development (Private Bank).

Background checks were conducted on all members having a ten percent or greater share, Scott Jonna, Jordan Jonna and Nisreen Jonna. All three members were checked by utilizing the resources contained in the Law Enforcement Information Network (LEIN), the Court's Law Enforcement Management Information System (CLEMIS) and the Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN). As a result of those queries, no negative information was obtained.

Under revised MLCC rules, an applicant no longer has to request the completion of a Police Investigation Report or a Local Approval Notice. However, pursuant to the City Code, Chapter 10, Alcoholic Liquors, Article II Licenses, Division II Consumption on Premises, Section 10-42, any and all transfers of a license for consumption of intoxicating liquor on premises require the approval of the City Commission.

As a result of this investigation, no information was developed or uncovered that would give cause to deny the applicant's request. A representative from the law firm of Adkison, Need & Allen PLLC will be present at the City Commission meeting to answer any questions.

SUGGESTED RESOLUTION:
To approve the liquor license transfer of ownership request of The Palladium of Birmingham, LLC of Three Class C Liquor Licenses held by: (1) Palladium Restaurant I, LLC, located at 270 N Old Woodward, Birmingham, MI (re-named 250 N. Old Woodward), (2) Palladium II, LLC, located at 201 Hamilton, Birmingham, MI (pursuant to obtaining a valid SLUP before occupancy) and (3) Crowley Restaurant, LLC located at 260 N. Old Woodward, Birmingham, MI to The Palladium of Birmingham, LLC.

Furthermore, pursuant to Birmingham City Ordinance, to authorize the City Clerk to complete the Local Approval Notice at the request of The Palladium of Birmingham, LLC to transfer ownership of Three Class C Liquor Licenses held by: (1) Palladium Restaurant I, LLC, located at 270 N Old Woodward, Birmingham, MI (re-named 250 N. Old Woodward), (2) Palladium II, LLC, located at 201 Hamilton, Birmingham, MI (pursuant to obtaining a valid SLUP before

occupancy) and (3) Crowley Restaurant, LLC located at 260 N. Old Woodward, Birmingham, MI to The Palladium of Birmingham, LLC.