



CITY of NOVI CITY COUNCIL

Agenda Item 3
May 18, 2015

SUBJECT: Approval of resolution to amend the City of Novi Policy and Rules Regarding Alcohol on Public Property to include wine sales and tasting at the Novi All Seasons Market (Novi Farmers Market).

SUBMITTING DEPARTMENT: Parks, Recreation & Cultural Services

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

Farmers markets are gaining popularity and continually re-inventing themselves to remain successful. The addition of sales and tasting is trending, as evidenced by the State of Michigan adding legislation to permit such at markets. The legislation includes stipulations regarding limitations on number of tastings, liability insurance coverage, approval by police chief and market manager, and trained servers.

In order to add wine sales and tasting at the Novi All Seasons Market, an amendment must be made to the City of Novi Policy and Rules Regarding Alcohol on Public Property.

The proposed amendment reads:

Farmers' Market Permits

The City Manager and Police Chief, or their designees, may approve an Alcohol Use Application in connection with a Farmers' Market Permit issued by the Michigan Liquor Control Commission, provided that the applicant complies with all conditions and requirements of the Michigan Liquor Control Code, including MCL 436.1415, and any rules, regulations, and requirements of the Commission in connection therewith.

The proposed amendment has been reviewed by the Novi Police Department and City Attorney. The Parks, Recreation and Cultural Services Department has been approached by a local wine vendor to add sales and tasting to the Novi All Seasons Market. If the proposed amendment is approved, the vendor will meet all requirements of the State of Michigan and wine sales and tasting would begin this spring.

RECOMMENDED ACTION: Approval of resolution to amend the City of Novi Policy and Rules Regarding Alcohol on Public Property to include wine sales and tasting at the Novi All Seasons Market (Novi Farmers Market).

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				

MEMORANDUM



TO: JEFF MUCK, DIRECTOR, PARKS, RECREATION AND CULTURAL SERVICES

FROM: TRACIE RINGLE, DEPUTY DIRECTOR, PARKS, RECREATION AND CULTURAL SERVICES
WENDY DUVALL, RECREATION SUPERVISOR

SUBJECT: WINE SALES AND TASTING AT THE NOVI ALL SEASONS (FARMERS) MARKET

DATE: MAY 5, 2015

The Novi All Seasons Market (formally the Novi Farmers Market) has provided opportunities for Novi citizens and those from surrounding communities to purchase local produce, handmade items, and more. The success of the spring, summer and fall dates led to the expansion of the Market through winter, inside the Novi Civic Center. Last week the Market resumed its outside location on Saturdays at the Novi Civic Center.

Farmers markets are gaining popularity and continually re-inventing themselves to remain successful. The addition of wine sales and tasting is trending as evidenced by the State of Michigan adding legislation to permit such at markets which requires the following:

- The Michigan Liquor Control Commission requires the vendor submit a copy of their liability of insurance and include the city, and farmers market, as additionally insured in the amount of at least \$1,000,000.
- The application must include a recommendation of approval for the tasting and sales of wine at the locations from the police chief who has jurisdiction and the Farmer Market Manager.
- One (1) permit may be issued for each 1,500 of population in a county where the farmers market is located. Wineries shall submit copies of server training certification for each server who will be conducting wine sales and tasting at the market.

- Tasting sample provided to a customer shall not exceed three (3) servings of not more than two (2) ounces of wine in a 24 hour period. The Winery is responsible for checking photo identification and recording the driver's name, city, and license number for sampling or purchasing the wine.
- A Farmers Market Permit issued by the Commission is not transferable. The Market Manager has the right to cancel a winery's table assignment at any time, for any reason.

There were twenty-two markets who hosted wineries in 2014. No incidences were reported to the Commission. A copy of the legislation is attached.

The Parks, Recreation and Cultural Services Department received a request to allow wine sales and tastings from a reputable local vendor. Bruce Russell is a philosophy professor at Wayne State University and owner of the Russell Winery. Professor Russell has experience as a regular vendor at Eastern Market in Detroit and is confident wine sales in Novi will be successful. Professor Russell is able to meet the requirements for the State of Michigan permit

In 2010, City Council adopted the "City of Novi Policy and Rules Regarding Alcohol on Public Property" allowing consumption of alcohol at the Novi Civic Center, Township Hall and Novi Public Library on a permanent basis. The policy allows alcohol possession and consumption under a special event license by the State of Michigan Liquor Control Commission.

The Novi Police Department is aware and supportive of adding wine sales and tasting at the Market on Saturdays at the Novi Civic Center.

In order to offer wine sales and tasting at the Novi All Seasons Market at the Novi Civic Center an amendment must be made to the "City of Novi Policy and Rules Regarding Alcohol on Public Property". A resolution will be placed on the May 18th City Council agenda for consideration and approval. The proposed amendment is highlighted on the attached document.

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION GRANTING AMENDING THE CITY'S POLICY AND RULES REGARDING ALCOHOL
ON PUBLIC PROPERTY RELATING TO FARMERS' MARKET PERMIT**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on _____, _____, at ____ o'clock P.M. Prevaling Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, on March 8, 2010, City Council adopted a Resolution approving "Policy and Rules Regarding Alcohol on Public Property" allowing consumption of alcohol at the Novi Civic Center and Novi Public Library under certain conditions on a trial basis through October 21, 2010; and

WHEREAS, on September 27, 2010, City Council adopted a Resolution approving amendments to "Policy and Rules Regarding Alcohol on Public Property" allowing consumption of alcohol at the Novi Civic Center, Township Hall and Novi Public Library under certain conditions on a permanent basis; and

WHEREAS, on June 3, 2013, City Council adopted a Resolution approving amendments to "Policy and Rules Regarding Alcohol on Public Property" that also allowed consumption of alcohol under certain conditions at the Novi Ice Arena and Villa Barr Art Park; and

WHEREAS, the City has recently authorized, and hosts, a Farmers' Market at the Novi Civic Center; and

WHEREAS, recent changes to state law have authorized qualified "Small Wine Makers" to conduct wine tastings at a Farmers' Market, and also to sell wine produced by the Small Wine Maker at a Farmers' Market for consumption off the market premises, subject to various restrictions and requirements; and

WHEREAS, the City Council does not object to such activity, provided that it is conducted in accordance with such state law restrictions and requirements; and

WHEREAS, the City Council deems it appropriate to amend its "Policy and Rules Regarding Alcohol on Public Property" to so provide;

NOW THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the City of Novi Policy and Rules Regarding Alcohol on Public Property are amended, to add a new Section entitled "Farmers' Market Permits," which shall read as follows:

Farmers' Market Permits

The City Manager and Police Chief, or their designees, may approve an Alcohol Use Application in connection with a Farmers' Market Permit issued by the Michigan Liquor Control Commission, provided that the applicant complies with all conditions and requirements of the Michigan Liquor Control Code, including MCL 436.1415, and any rules, regulations, and requirements of the Commission in connection therewith.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this _____ day of _____, 2015, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, City Clerk
City of Novi

CITY OF NOVI
POLICY AND RULES
REGARDING ALCOHOL ON PUBLIC PROPERTY

Purpose

In response to inquiries and requests from residents, local businesses, and community organizations, the City of Novi has determined to authorize, on a limited basis, the use of alcohol at certain City-owned or City-managed facilities. The use is limited to specific locations and is subject to the rules set forth below. The purpose of this Policy and corresponding Rules is to prevent common and recognized problems that can arise from alcohol consumption, to ensure a safe and enjoyable environment for all those who use City facilities, and to reduce the risk of liability.

General Policy

The City does not maintain a liquor license for any of its facilities. In addition, by City ordinance, alcohol may not be consumed at public facilities except as authorized by City Council resolution. The City Council has determined that, at the specific facilities designated in this policy **only**, alcohol can be possessed and consumed either:

- (1) Under to a special event license issued by the State of Michigan/Liquor Control Commission to a non-profit organization for a specific event; or alternatively
- (2) As part of a private event for which no license is required from the State of Michigan.

Private events for which no special event license is required are those in which a limited number of people are invited in connection with a private gathering—such as a wedding shower or reception or a banquet sponsored for a particular group of individuals and their guests—and alcohol is provided free of charge by the host or Sponsor or brought to the event by individuals for personal consumption.

Events requiring a special event license are those that the general public is permitted to attend and which involve the provision of alcohol by the non-profit entity sponsoring the event for a charge, as Michigan law does not allow the provision of alcohol to the general public free of charge.

Some of the following rules apply to either type of event. Additional rules may apply depending on which type of event is held.

The City reserves the right to deny the request for the use of alcohol, and to deny the Alcohol Use Application, if it finds that the Sponsor cannot or likely will not meet the requirements of this Policy and these Rules, cannot sufficiently indemnify or hold harmless the City, or if the proposed event is in any way inconsistent with the use of the public facilities and the purpose of this Policy as stated above.

Generally-Applicable Rules

In addition to any and all applicable state and local laws, ordinances, or regulations relating to the sale, service, consumption, and possession of alcohol, the following rules shall apply to carry out the Policy stated herein.

1. Unless otherwise specified in this Policy and under these Rules, an Alcohol Use Application shall be completed indicating the intent to serve or sell alcoholic beverages. Approval shall be received from the City Manager and the Police Chief or their designees. An Application for a **private event** shall be submitted at least five (5) business days before the event. An Application for an event under a **special event license** shall be submitted at the time the application for the license is submitted to the State of Michigan Liquor Control Commission.
2. A \$500 deposit is required to be paid 7 days in advance of the event to guarantee compliance with these rules. The deposit is refundable at the conclusion event unless forfeited in accordance with these rules.
3. No alcohol may be consumed at any City facility during hours of operation for the conduct of official business. (8:00 am to 5:00 pm, Monday through Friday.)
4. No alcohol may be taken from the City facility. All alcoholic beverages shall be consumed on the premises where use has been authorized.
5. Alcohol service is limited to beer, wine, and champagne packaged in bottles. Hard liquor and beer kegs are not allowed.
6. Low and non-alcoholic drinks must be available at all times that alcohol is available. Non-alcoholic drinks must be available at a lower price than alcoholic drinks.
7. Food must be available at all times when alcohol is being served.
8. If bar service is provided, a maximum of two drinks may be served to an individual at any one time.
9. If bar service is provided, no special sales or reductions will be permitted for volume purchases.

10. Alcohol may be possessed or consumed only by individuals over the age of 21. The event Sponsor shall ensure that identification is in accordance with applicable law, to ensure that no one under the age of 21 is served alcohol. The only acceptable forms of identification shall be a state or other official identification card, a driver's license with photo, or a passport.
11. No alcohol shall be served to any person who is obviously intoxicated. Doing so may result in criminal prosecution.
12. The availability of liquor at an event shall not be advertised without the prior written approval of the City.
13. If bar service is provided, no announcement of "last call" may be made. The bar shall simply close at the required time.
14. Alcohol must be possessed, consumed, and served only in areas designated for the specific event by the City.
15. City representatives may enter the event at any and all times to review compliance with this policy and these rules.

Event Sponsor Obligations

For purposes of this policy, "Sponsor" means the person or group responsible for organizing an event involving alcohol in a City facility or on City lands.

Individual representatives(s) of the event Sponsor shall be identified in the Alcohol Use Application and the event Sponsor, if an individual, or at least representative of the event Sponsor, if a group, must be present at the event at all times.

The event Sponsor is responsible for:

- (1) Submitting the Alcohol Use Application, if required, and posting the required deposit.
- (2) Securing and paying the premium for insurance and providing proof of insurance (to the extent required by this Policy and these Rules).
- (3) Securing the required special event license from the State of Michigan/Michigan Liquor Control Commission, if alcohol is to be sold at the event.
- (4) Providing "server trained" supervisors or bartenders as required in this Policy and these Rules.
- (5) Providing the required hold harmless/indemnification agreement to the City.

Insurance

Insurance requirements differ depending on whether the event involves the sale of alcohol to invited members of the public in connection with an event sponsored by a non-profit organization or is a private event at which the Sponsor provides the alcohol free of charge or alcohol is brought for personal consumption.

A. *Non-profit "special event"*

A certificate of insurance coverage of not less than \$500,000 per occurrence and a minimum aggregate coverage of not less than \$1,000,000, including \$1,000,000 of alcohol liability coverage, is required to cover any liability arising out of or associated with the event. The City of Novi and its City Council, officers, agents, and employees must be named as "additional insured." The certificate is required five (5) days in advance of the event. The certificate shall be provided to the City Clerk's office, which shall be responsible for verifying that the required coverage is provided.

B. *Private event/party*

Sponsors must provide a copy of their Personal Liability Home Owners, Condominium Owners, or Renters liability policy reflecting coverage for the event of not less than \$500,000 per occurrence and a minimum aggregate coverage of not less than \$1,000,000, including \$1,000,000 of Host Liquor Law/Liquor Law Liability coverage, or other evidence of sufficient coverage for the event as determined by the City. Sponsors are strongly encouraged to advise their insurance broker that they will be serving/selling alcohol at an event away from their residence in order that their Personal Liability Home Owners or Tenants and Condominium Owners Liability can be extended and endorsed to include such coverage.

Indemnification/Hold Harmless Agreement Required

The event Sponsor must agree to defend, indemnify and hold harmless the City of Novi, its officers, agents and employees from all claims, liabilities, demands, damages and actions, or whatever form or nature, for property damage, personal injury or death, arising out of or in any way relating to the event and the use by the Sponsor.

Alcohol to be served by Trained Servers (Licensed Events and Large Private parties)

At every event conducted under a ***special event license*** at which alcohol is sold, the sponsor must provide at least one (1) bartender who has completed a Michigan Server Training Program established pursuant to the Michigan Liquor Control Commission, and specifically MCL 436.1906 (such as TAM, TIPS, C.A.R.E., or ServSafe Alcohol. The trained

server must oversee all other servers during the event. All servers shall be over the age of 21.

At any **private event** at which more than 25 people will be present and at which alcohol will be provided by the Sponsor at no charge, the Sponsor shall provide least one (1) bartender who has completed a Michigan Server Training Program, except as otherwise provided in this Policy and these Rules.

Violation of Policy/Rules

A City of Novi staff member will intervene whenever he or she encounters a violation of the policy. Depending upon the severity of the infraction, City of Novi staff may ask the Sponsor of the event to stop the violation, or may close down the portion of the event involving alcohol. Should the Sponsor fail to comply, staff members may call the police for enforcement. Violations of this Policy and these Rules shall result in a forfeiture of the deposit.

No Gambling or Games of Chance

No gambling or games of chance will be permitted at any event except as specifically authorized by the City Council.

City Facilities at which Alcohol is Permitted

Alcohol may be possessed and consumed in the following facilities or on the following properties, subject to the above rules except as noted below and to the extent authorized by Resolution of the City Council:

- (1) The Civic Center, Township Hall, and Villa Barr Art Park, in locations identified in the approval of the Alcohol Use Application by the City Manager and Police Chief or their designees.
- (2) The Novi Public Library, in locations authorized by the Library Director and identified in the approval of the Alcohol Use Application by the City Manager and Police Chief or their designees. The City will grant the Application only if and to the extent the Board of Trustees of the Library similarly authorize the use of alcohol at the Library facility.
- (3) Lakeshore Park, subject to the following:
 - a. Alcohol may be possessed and consumed by individuals who provide their own alcohol, or may be provided at no charge by an event Sponsor.
 - b. Unless the event is conducted under a special event license, a trained server is not required to be provided by the event Sponsor.

- c. Unless the event is conducted under a special event license, no alcohol may be sold.
 - d. Park hours must be observed; no consumption is permitted outside of park hours.
 - e. No insurance is required.
- (4) Novi Ice Arena, subject to the following:
- a. Non-profit "special events" only (i.e., licensed through the State of Michigan).
 - b. The non-profit must be connected to or involved in activities that relate to the City of Novi (i.e., a local Novi-area youth hockey or skating group) and that generate rental fees for the ice arena in excess of \$100,000 per year.
 - c. The City will grant the Application only if and to the extent the Director of Parks, Recreation, and Cultural Services and the Arena Manager authorize the use of alcohol at the Library facility.
 - d. No more than three (3) events may be held by any one non-profit within any 12-month period.

Farmers' Market Permits

The City Manager and Police Chief, or their designees, may approve an Alcohol Use Application in connection with a Farmers' Market Permit issued by the Michigan Liquor Control Commission, provided that the applicant complies with all conditions and requirements of the Michigan Liquor Control Code, including MCL 436.1415, and any rules, regulations, and requirements of the Commission in connection therewith.

Adopted: September 27, 2010

Amended: June 3, 2013

Amended: