

Royal Oak should have 40 licenses to sell on-premise alcohol, according to the state formula; however, the city exceeded its quota by approving Class C and resort transfers from other cities.

Bistro licenses can't be transferred if the business moves, closes or changes its operation. Under any of those conditions, the bistro license goes back to the state.

"Because the license isn't transferrable, it can't morph into something different that requires police attention," City Attorney David Gillam said.

Bistro licenses holders will have to pay a set fee of \$20,000 with \$10,000 going to the city and \$10,000 to the state, Jenkins said.

That's a good deal compared to the six-figure prices for Royal Oak's existing Class C liquor licenses, Deputy Chief Corrigan O'Donohue added.

"The economics of getting a Class C license aren't practical for small businesses," said O'Donohue, who handles applications for the city.

Then, there is the politics of trying to open a liquor-licensed establishment. Royal Oak exceeds its population-based quota of 40 businesses selling on-premise alcohol by about five. Elected officials often reject — or more recently, end up deadlocked — on requests to transfer in more Class C licenses with opponents pointing to the city's thinning police force and budget problems.

The existing licenses now command a high price. For example, applicants who want to open a Bar Louie in Royal Oak are looking at a \$450,000 price tag for the former Rumor's license, O'Donohue said.

Bistros licenses will be harder to get, too, in the near future. After Jan. 1, 2010, the commission is limited to approving two bistro licenses a year: one for a new business and one for an existing business that doesn't have a liquor license.

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