

- expended at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years, or
- committed capital investment of at least \$75,000 that will be expended for the building before the license is issued. Section 521a(6)(a).

Once the application is filed with the LCC, proof must be submitted that:

1. the applicant business is located in a development authority district (Downtown Development Authority, Tax Increment Finance Authority, Corridor Improvement Authority, or Principal Shopping District) and
2. the total amount of private and public investment in real and personal property in the development district is at least \$200,000 for the preceding 5 years. Section 521a(6)(b).

Development Authority Districts may receive one license for each \$200,000 reached in the District, and for each major fraction thereof after the initial threshold is reached.

## **City Redevelopment Project Areas**

The applicant, in the application or after submitting the application, must indicate to the LCC that it is engaged in dining, entertainment, or recreation activities at least 5 days per week and is open to the public at least 10 hours per day, 5 days per week. Section 521a(2)(a), (b). In addition, the applicant must present verification of redevelopment project area status. Section 521a(2)(c). The verification shall include:

1. a resolution passed by the city that designates the City Redevelopment Project Area, and affidavits of investments and population required by Section 521a(2)(c);
2. proof that commercial investment in the City Redevelopment Project Area is 25% or more of the total investment in real and personal property in the City Redevelopment Project Area, Section 521a(3); and
3. proof that total investment over the last 3 years (or last 5 years for the first licenses issued) in real and personal property in the City Redevelopment Project Area of:
  - at least \$50 million in cities having a population of 50,000 or more, or
  - at least \$1 million per 1,000 people in cities of less than 50,000, Section 521a(4).

There is no limit to the number of City Redevelopment Project Areas that a city can create. The city can create one large redevelopment zone or several small redevelopment areas. City Redevelopment Project Areas may receive one license for each of the above monetary thresholds reached, and for each major fraction thereof after the initial threshold is reached.

*Note:* The licenses created by PA 501 are not transferable by the business owner to another location. If a business with one of these licenses goes out of business, the license is surrendered to the LCC. If a license is surrendered back to the LCC from a business, the local unit of government may approve another applicant in that same development district or city redevelopment project area to replace the licensee as long as the new business meets the same requirements.