



MINUTES

President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Board Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
December 13, 2021
7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

President Hayes and the following Trustees responded to roll: Bertucci, Tinaglia, Schwingbeck, Grasse, Scaletta, Canty, and LaBedz. Trustee Baldino was absent.

Also present were Randy Recklaus, Charles Perkins, Tom Kuehne, Cris Papierniak and Becky Hume.

IV. NEW BUSINESS

A. Arlington Alfresco Re-Discussion

Mr. Recklaus updated the Board on the Alfresco concepts. It's a labor-intensive endeavor. Any efforts need to be funded by the activity itself as it benefits a small number of businesses. Historically Alfresco has run from June, 2 - November, 16 in 2020 and from March 12-September 27, in 2021. Staff is proposing a mid-May start and an ending in late September or early October for 2022.

Mr. Papierniak identified all the signs, fences, planters and water barriers used to create Alfresco. He summarized the daily cleaning and tidying protocols. He plans for one hour of overtime for 3 people each day from 5 a.m. to 6 a.m. The cost for 2021 was \$120,600. The estimate for next year is \$87,400. Trustee Scaletta asked if changing the shifts might be more cost effective. Mr. Papierniak said the current situation allows him to pull people from all the teams, so one specific area isn't compromised. Mr. Recklaus

explained that summer is one of the busiest times of the year and PW has to get their regular work done too. Add in vacations, and there is not a lot of slack in the department. The estimated overtime is \$45,400 for 2022 which is 21 hours per week.

Mr. Perkins discussed the economic impact noting that sales in 2021 increased 43.9% over pre-pandemic 2019 for the Alfresco restaurants from June-September. Sales in 2021 increased 27.9% over 2020. For non-Alfresco restaurants in Downtown, their numbers increased in 2021 over 2019 by 22.9%, and 34.4% in 2021 over 2020. The results were more varied in this group, with some restaurants experiencing negative sales versus others which saw a significant increase. The non-Alfresco group sales were \$2.5 million less than in 2019.

Mr. Recklaus asked who should pay for Alfresco. In 2020, all restaurants in the Village had the opportunity to take additional steps to facilitate sales through outdoor seating. For the restaurants outside of Downtown, no Village assistance is needed, as they were able to use their parking lots. In the Downtown, the only way to facilitate outdoor seating is on public streets and sidewalks. As Alfresco only directly benefits a small number of businesses, Staff believes the costs should be borne by those who benefit from it. All of the businesses in the Alfresco zone would be subject to the tax, there can be no opt in or opt out by law, For Downtown businesses not in the Alfresco zone, staff is recommending a fee to offset the costs of the set up. For businesses like Coco and Blue or Javier's there is a small processing fee similar to what we did pre-pandemic.

Fees and Taxes

Mr. Kuehne said Alfresco costs roughly \$90,000 a year which includes overtime, equipment, material, supplies and signage. The question is if the Village should continue to pay for Alfresco out of General Funds, the A&E Fund or use another revenue source. If we were to use the General Fund, then property taxes would increase. He recommends using a targeted .5% or .75% Alfresco Food and Beverage (F&B) tax which would go into the A&E Fund.

The tax on a \$100 family meal would cost an extra 50 -75 cents. Restaurant owners did not express concern on this additional tax. Mr. Kuehne explained that a fee hits restaurant's bottom lines, but a F&B tax is paid by the patrons. The Alfresco restaurants would need to change their point of sale registers, so asking them to do this seasonally does not make sense. In addition, the revenue from an entire year would be necessary to cover the costs associated with Alfresco.

Mr. Recklaus added there was some consternation with how the bump outs looked. If they became permanent, we would want them to look better. A fee would subsidize an improvement aesthetically. Staff is also suggesting a \$1,000 annual licensing fee for the restaurants that use the street with a blocked-off partition or "bump-out".

Trustee Bertucci asked what the businesses were told. Mr. Recklaus said the \$0.75 number was discussed with the businesses in early December. The additional money could also fund a study to help us better manage parking for special events, pay for parking agreements with private parking lot owners, and further dress up the area without using General Fund money. Staff is comfortable with the lower amount, but there is the possibility we would need to raise additional dollars down the road. Trustee Bertucci said the potential to make it nicer makes the higher amount make sense. Without specific numbers, he doesn't want to overtax.

Trustee Canty expressed concern with the flat fee. The fee, would be an expense. She would like feedback from those restaurants affected by the fee as we are still in pandemic.

Trustee Scaletta asked if all who contribute to the tax, can participate. Mr. Recklaus said yes, but the Ale House is the one that does not fit into the model. Mr. Kuehne noted Ale House receives a benefit from Alfresco being there. There are 5-6 restaurants that do not take street space which would pay a licensing fee. The \$1,000 flat fee could be applied to Bistro Chen, Dunton House, Porky's BBQ, Ttowa, Tuscan Market, and Uptown Café. Trustee Scaletta had some concerns how this impacts these restaurants.

Trustee Tinaglia said he wasn't sure .5% was enough. He said he didn't want to change the rate in the future. Let's just do it once and make the improvements. He suggested installing bollards in the crosswalks and spending a little to make it more flexible and user friendly. He didn't want to be too careful and not plan ahead.

Trustee Bertucci said if the business is in the "T", they should be able to participate.

Music

Mr. Recklaus said staff would like to keep the current arrangement on live out door music at restaurants in place. This means allowing live music to continue with restaurants asked to continue to self-monitor to noise levels with the Village Manager having the authority to prohibit/regulate music if noise levels were overly disruptive to residents. There were some complaints regarding street performers of busking. Staff would like to provide some regulation options to the Board at a later date. Research is being done to see how other communities have handled this issue.

Trustee Scaletta asked if the busking regulation would be for Downtown, or the whole Village. Mr. Recklaus said it is more of an issue Downtown, but theoretically could be applied to any public space. Parks are a concern and there are some first amendment issues. We want to understand our ability to regulate this.

Parking and Traffic

Mr. Perkins said solutions could occur as a phased approach. We can use the data from the parking garage and the police license reading program. All the

data can be provided to Rich and Associates to help develop a plan. A second idea is to continue discussions with private property owners about using their parking. In addition, we can continue to explore the long-term potential of an EV shuttle program.

Trustee Discussion

Trustees discussed the pros and cons of an early spring start and a late fall end. Some Trustees indicated their wish that Alfresco continue through October. Others saw cold late-October weekends as a risk. After weighing weather concerns and business support, they compromised on starting at the beginning of May and ending at the end of September. Changing the Harmony Fest to the spring is not feasible as there is no money in the A&E fund at the beginning of the season. The Board also considered that not all businesses benefit and many are ready to get their street parking back as the weather gets colder.

Mr. Recklaus said the ending time in 2021 was chosen to allow for good weather for the end of season event. It was an advantage to have a whole week to clean up the Downtown and set up for Harmony Fest. He said it was not cost effective to shut down Alfresco and then set it up again after an event. If you lengthen Alfresco, the cost increases.

Trustee LaBedz asked about the parking impact on Metropolis. Last year they had shows in the tent. Next year will be different. Mr. Recklaus said Metropolis is one of the reasons why we really want to look closely at the parking issues, including private parking agreements and getting people to use the underused parking in the area. Trustee LaBedz recounted people parking at Jewel who were going to restaurants. Its an extra expense for Jewel to have a security guard. She said communication for those who use ride share needs to occur so they know there are designated places for pick up and drop off. She wants sufficient ADA compliance too. In regards to the \$1,000 fee, she thinks it would be a hardship on those businesses. Some businesses didn't use the bump out spaces enough. She said she didn't want to forget about the rest of the businesses and restaurants which are not in Downtown.

Trustee Scaletta said he would like to understand the handicapped parking situation. Are there enough spaces, and can they get to Alfresco easily? People need to get to the other businesses too. He asked if we still needed curb side pick-up spaces.

Mr. Perkins said the curb side pick-up spaces serve a dual function. People get dropped off there too. He showed the location of the sites at the ends of each leg of the cross. He said he would be concerned about removing all of them, but will look at them and make some adjustments.

Mr. Recklaus said in 2020 curbside pickup traffic was essential to restaurants. It has transitioned a little this past year and demand will continue to lesson. We can monitor it and minimize the impact as time goes on. Trustee Scaletta said as we need all the parking we can get and we don't need as many

spaces delivery spaces as there were.

Trustee Scaletta asked if staff could find a way for the garbage cans to not look terrible. Mr. Papierniak said he will look for new materials and see if we can improve the cans. Trustee Scaletta said to keep the cost low.

Mr. Perkins showed a map with loading and delivery information which is provided to each restaurant. Each one has their own map with hours and a location on when deliveries are permitted. There are three on-street loading zones for pick up after 11 am. Deliveries are allowed between 7 a.m. and 11 a.m. If there is a unique delivery request, the restaurant must call in advance to arrange. Staff will continue to adjust and tweak this process. Mr. Recklaus explained that as much as the store managers talk to the delivery people, sometimes there is a new driver and things happen. It is a work in progress, but there is a plan. There are a lot of people doing a lot of different things.

Trustee Scaletta asked for more ride share details. Mr. Recklaus said for malls or airports, they can set up a location that is mapped for pick-ups. Alfresco is on public streets. The Village's drop off and pick up areas are promoted, but it is hard because the streets are public, not private. It's not something we can pass an ordinance on.

Mr. Perkins explained that staff has reached out to both ride share companies, they have the street addresses for the pick-up locations. One is at the train station in the kiss and ride area, the other on Vail by the Vail Garage. Lyft and Uber know these addresses. The biggest problem is what address the user puts on their app. Normally the user of the app controls the location. Staff will keep plugging away.

Trustee Scaletta asked by why is Sounds of Summer still on the weekends? It was intended to bring traffic to downtown to promote the area, but now the area is thriving and we have a parking problem. Mr. Recklaus said that if it is the will of the Board, staff could explore changing the days. Trustee Scaletta said there may be less competition for the bands and it would help with parking with Metropolis and the Ballroom. He said he would have liked to see numbers tonight from the parking garages. He asked if we could direct people to the Evergreen Garage. Trustee Scaletta said he had expected with our current systems and the data they produce that a consultant would not be necessary.

Mr. Recklaus said consultants help when we need expertise, objectivity or time. The Planning Department asked for more help in Planning and the Manager said no for budget reasons. There are a couple of large projects coming forward next year so in this case, we are hiring a consultant because we don't have the bandwidth to work on it.

Trustee Scaletta said he was concerned with restaurants outside of the T. He did not like the fee for those outside of it but also didn't want them customizing their looks. He wants to get employees out of the Vail Garage. Mr. Perkins said we have been trying for years. Some business owners buy

the permit while others play the game and move every few hours. There is free parking on the roof but very few employees use it. This issue could be addressed by Rich in their review.

Trustee Grasse asked which businesses did not like Alfresco. Mr. Perkins said some of the businesses and shops, but he will look at the data. Trustee Grasse said she supports the parking consultant, especially for accessibility. She suggested promotions for ride share and recommended looking at different kinds of things to encourage it. She encouraged staff to see how we could help people see the other spaces that are available and recommended having a parking section on the new website as a special feature. She was concerned about the fee coming out of the bottom line versus a tax. She said to have a consistent start and stop time that is easy to put up, market and remember.

Trustee Tinaglia said to focus on long range goal, what do we want it to look like and have some big plans, not make yearly decisions.

Trustee Bertucci said for a tax outside Alfresco, could there be an opt in/out? Mr. Recklaus said it has to be category or geography based. Trustee Bertucci asked if the fee could be broken up. He said he hears from residents complaining about the delivery noise. He said to continue to work on the pickup areas for the ride share. The noise from last call is a concern.

President Hayes said the dates should be consistent from year to year.

Chris Dungan, owner of Hey Nonny, agreed with the Mayor. Late April/early May would be good. He would like to offer a Mother's Day brunch on the patio.

Resident Lauree Harp said she is not against Alfresco. Staff is out at 5:30 a.m. cleaning streets. After hours between 1:30 a.m. and 2:30 a.m., it gets loud. She calls 911 but by the time the police are there, the noise makers are gone. Those who are over served can't read the signs about where to go for Uber. She asked for coordination to get ride share information out.

Jon Ridler, Executive Director of the Chamber of Commerce if there is to be a tax on the customers, the restaurants want to be able to explain it. The information will need to be communicated clearly and concisely. He questioned why businesses couldn't opt/in/out. Mr. Recklaus said it was law. He suggested taxing all the businesses and then giving a reimbursement to those outside the zone. He liked the idea of moving Sounds of Summer to Tues./Wed. or even eliminating it, and using the money to support Alfresco and not have a sales tax rate at all. He said restaurants are struggling with staffing and some cannot support both inside and outside service.

Trustee Tinaglia offered that maybe the businesses could be charged by square foot versus a sales tax or fee to help make it fair. Mr. Recklaus said the amount of revenue proposed to be generated by the bump out fee is a relatively small number. Trustee Tinaglia said bands are cheaper during the

week and it was a good point to help the off nights. He said we may need to have PSO's or marshals to help direct delivery and drop off traffic.

Mr. Perkins said staff will look at promoting free parking for business employees in the Village Hall garage and other ideas to make it appealing.

Trustee Scaletta said in some of the tented parking lots, there is not always enough parking for their customers. He asked for parking to be addressed when permitting for the tenting. He said he was not ready to decide on the fee. There is cost, so there needs to be some kind of fee, but he didn't want people to not participate. Mr. Perkins said staff can talk to those restaurants and report back with identified options.

1. Trustee Bertucci moved to authorize Staff to implement Arlington Alfresco in 2022 and future years beginning within the first weekend of May, weather permitting, and keeping it open a full five months to conclude the last weekend of September. Trustee Scaletta seconded the motion.

Trustee Canty moved to amend the motion: beginning within the first week of May, weather permitting, and keeping it open a full five months to conclude the last week of September.

Trustee Schwingbeck seconded the motion. The motion carried unanimously.

Trustee Bertucci moved to authorize Staff to implement Arlington Alfresco in 2022 and future years beginning within the first week of May, weather permitting, and keeping it open a full five months to conclude the last week of September.

Trustee Scaletta seconded the motion. The motion carried unanimously.

2. Trustee Schwingbeck moved to authorize Staff to implement a Food & Beverage Tax and annual licensing fee to fund Arlington Alfresco for the Alfresco zone restaurants and non-Alfresco restaurants, which wish to use public property for outdoor seating. (This does not include "bump out" street dining situations.) These charges would be sufficient to cover the Village's cost to produce Alfresco, potential private parking rent, and could help offset a portion of the Downtown Sounds of Summer events.

Trustee LaBedz seconded the motion.

Trustee Scaletta moved to amend the motion to include: Implement an additional targeted Alfresco FBT of .75% effective February 1, 2022, applicable to FBT businesses within the Alfresco zone. Trustee Tinaglia seconded the motion. The motion carried unanimously.

Trustee Schwingbeck moved to authorize Staff to implement a Food & Beverage Tax and annual licensing fee to fund Arlington Alfresco for the Alfresco zone restaurants and non-Alfresco restaurants, which wish to use public property for outdoor seating. (This does not include "bump out" street dining situations.) Implement an additional targeted Alfresco FBT of .75% effective February 1, 2022, applicable to FBT businesses within the Alfresco zone. These charges would be sufficient to cover the Village's cost to produce Alfresco, potential private parking rent, and could help offset a

portion of the Downtown Sounds of Summer events.
Trustee LaBedz seconded the motion. The motion carried unanimously.

3. Trustee LaBedz moved to concur with staff's recommendation to:
- A. allow outdoor live music within the Arlington Alfresco zone subject to the Village Manager's approval and modifications. Staff will continue to monitor live music during Arlington Alfresco, and if problems persist, pursue option B, shall be required of restaurants. The Village Manager retains the authority granted by the Village Board to halt music in a venue if it is deemed too loud and if the operator is not in compliance with the sound directives.
 - B. Authorize staff to prepare an analysis and alternatives for a street performer or busking policy and guidelines, as permissible within the law, for Village Board consideration.

Trustee Canty seconded the motion. The motion carried unanimously.

4. Trustee Grasse moved to authorize Staff to pursue the following actions:
- A. Retain a traffic consultant to develop a detailed special events parking plan and pursue its implementation.
 - B. Continue discussions with private property owners about parking sharing.
 - C. Continue to explore the long-term potential of an EV shuttle program and its costs and benefits.

Trustee Canty seconded the motion. The motion carried unanimously.

5. Trustee Canty moved to reauthorize the administration to waive minimum parking requirements for outdoor dining on private property as well as waive other code requirements for the remainder of 2022 or until post COVID pandemic and to assist businesses outside of the Arlington Alfresco pedestrian area. Trustee Bertucci seconded the motion. The motion carried.

6. Trustee Tinaglia moved to authorize Staff to continue to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development, costs, and operations of an event commencing at the end of Arlington Alfresco.

Trustee Grasse seconded the motion.

Trustee Tinaglia said he would like to possibly taking advantage of a third day and didn't want to limit the opportunity.

Trustee Scaletta said he wanted to understand the costs for adding the third day.

President Hayes said he thinks 2 days is enough. Sunday would have limited hours, with people getting ready for work and church in the morning.

Mr. Recklaus said not a lot has changed since the Board discussed this earlier. Overtime on Sunday is more, and the Village would be spending more to add an event with diminishing return and values. A lot of the businesses outside of Downtown like it, but the Downtown businesses are mixed. Mr. Papierniak said they do a quick close up on Saturday night and are out by 2 a.m. If it continued, it would add another full day, with the

cleaning time on Monday.

Trustee LaBedz questioned if there would be enough volunteers for another day.

Trustee Canty asked if the third day had to be Sunday. Mr. Recklaus said it is harder to have a late night during a weekday, and this isn't in the summer so people are at work and at school.

Mr. Dungan said two days is hard on the staff. They are glad when it is over.

Mr. Ridler asked for the opportunity to investigate a third day. They would like to report to the Board and have a collaborative discussion. Staff was asked to work with the Chamber to identify alternatives for Harmony Fest and will report back.

The motion passed.

Ayes: Scaletta, LaBedz, Grasse, Canty, Tinaglia, Bertucci.

Nayes: Schwingbeck, Hayes

V. OTHER BUSINESS

VI. ADJOURNMENT

Trustee LaBedz moved to adjourn at 9:55 p.m. Trustee Schwingbeck seconded the motion.

The motion carried.

Becky Hume
Village Clerk