



AGENDA

President and Board of Trustees

Village of Arlington Heights

Committee-of-the-Whole

Board Room

33 S. Arlington Heights Road, Arlington Heights, IL 60005

September 11, 2018

7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

- A. Interpretation of size limitation for Class "B" & "BB" liquor stores
- B. Proposal for Salon/Spa Liquor License Classification
- C. Proposal for Hotel Package Sales Liquor License Classification
- D. Proposal for Hotel Mini Bar Liquor License Classification
- E. Review of Requirement of Food Service and Hours

V. OTHER BUSINESS

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



Item: Interpretation of size limitation for Class "B" & "BB" liquor stores

Department: Village Manager's Office

In December 2013, the COW discussed permitting convenience stores and drug stores to sell alcohol but install a minimum size for retail liquor stores. The relevant part of the motion from the COW was:

That Board of Trustees Policy 1976-5 be amended to delete the references to "convenience-type food marts and/or drug stores" and insert "gas stations, with or without mini-mart stores" and that the Code be amended to require that the minimum store size for Class "B" and "BB" liquor license holders be 2500 square feet, with current Class "B" and "BB" licensed stores smaller than 2500 square feet be excluded from this size limitation.

From the minutes of that COW meeting:

Mayor Hayes reiterated that a location that has an existing liquor license and is less than 2500 square feet would be grandfathered in, even if the ownership changes because they are in the same location.

Ms. Ward stated that no one could open a new liquor store in a new location that was not at least 2500 square feet.

The Village Board adopted the following Code amendment in January 2014 (the language is the same for Class "B" and "BB"):

All premises for Class "B" (and "BB") licenses shall be at least 2,500 square feet. This square footage limitation shall not apply to those establishments in existence as of January 6, 2014.

As of January 2014, there were nine holders of Class "B" and "BB" stores that were less than 2,500 square feet plus two hotels that had retail licenses for their small stores.

In the last couple of years, four of those nine have closed and one moved to a larger space.

In October 2017, the Village received a request from Elm's Liquors to move from

2,500 square foot space to a 1,200 square foot space. The request was being made because there was a redevelopment proposal for the strip center where Elm's was located which would have eliminated the ability for Elm's to remain at its long-standing location.

In November 2017, the Village Board granted a waiver to Elm's from the requirement that any new retail liquor store must be at least 2,500 square feet. The main reason for Staff's support of this proposal was that, while this would be an additional small liquor store, it was not a new liquor store so the overall number of retail license holders would not increase. In July 2018, the Village received a request from Red Rooster, which is one of the original nine, to move to a new location which would also be under 2,500 square feet. Because this is an existing license holder at a small location seeking to move to a different small location, the question that is raised is whether the 2014 Code amendment was intended to grandfather in the location, the license holder, or both.

In order to ensure that requests are handled consistently, Staff is looking for direction from the Village Board as to how to apply the size limitation. We believe these are the options for moving forward:

1. Decide that the grandfathering was solely for the location. If one liquor license holder closes, a new one can go in at that location. The previous license holder cannot reopen a small store in a new location but can reopen in a location that was part of the nine.
2. Decide that the grandfathering was about the number of small liquor stores – as long as the number stays at or below nine (excluding the hotels), an existing license holder can move to a new small location and a new license holder can open up at the old small location, as long as it does not increase the number of small liquor stores to more than nine.
3. Decide that the grandfathering is for both the license holder and the location so that both can have licenses (which could cause there to be more than nine).
4. Amend the Code to eliminate the size restriction.

ATTACHMENTS:

Description	Type
12-09-13 C-O-W Minutes	Minutes
Packaged Liquor Establishments	Report

disadvantage by over regulating them. He concurs with the motion for these reasons.

The Following Voice Vote Was Recorded:

Ayes: (6) Glasgow, LaBedz, Scaletta, Sidor, Tinaglia, and President Hayes

Nayes: (2) Farwell and Rosenberg

7. Continued Discussion Regarding Board of Trustee Policy: Convenience-Type Food Marts and Drug Stores

Mr. Dixon said that at the Committee-of-the Whole meeting back on August 12, 2013, the Board discussed existing Board of Trustees Policy 1976-5, which states:

No liquor license shall be issued to convenience-type food marts and/or drug stores.

This policy was established in 1976 and has been reviewed and retained several times since then.

At the meeting, a majority of the Board stated that they believed this policy was outdated, that the Village was missing out on retailers with this policy, and there was some belief that convenience stores are nothing but smaller grocery stores. Staff was directed to conduct additional research and to include the following discussion points:

1. What alcoholic beverages are allowed in convenience & drug stores?
2. Do municipalities impose square footage restrictions?

A survey of several communities was completed and of the nine communities surrounding Arlington Heights, six communities specifically allow convenience stores to sell alcoholic beverages.

As it relates to drug stores, all nine of these communities allow the sale of beer, wine and spirits at drug stores.

Naperville, Evanston and Skokie require an establishment to have a minimum square footage requirement in order to sell alcoholic beverages.

Trustee Rosenberg asked if gas stations or convenient marts would qualify for a liquor license. Ms. Mikula said gas stations would continue to be prohibited from selling alcohol.

Trustee Scaletta said we are surrounded by municipalities that do allow convenience-type food marts to sell liquor. We are making it difficult for people to do business in our town. He is interested in allowing drug stores to sell alcohol and is in favor of looking at a square footage requirement to allow convenience-type food marts to also sell liquor.

Trustee Glasgow said he is more comfortable with a square footage requirement

in order for a convenience-type store to sell liquor from a security and safety standpoint.

Trustee Tinaglia asked if there was a square footage requirement currently for any liquor stores.

Ms. Mikula replied no there is not. The smallest liquor store currently in the Village is just shy of 1200 square feet.

Ms. Ward replied that if the policy was deleted and convenience stores were allowed to sell liquor, the convenience stores become another retail establishment.

Trustee Glasgow said he is uncomfortable based on statistics from the Department of Justice that smaller establishments are an easy in and out, with access from all areas, which can make them a target for robberies. Issues can be avoided by adding a square footage requirement.

Trustee Tinaglia agrees that small gas stations with convenience marts should not be allowed to sell liquor. He would like the proposed square footage requirement to be a reasonable amount of space.

Trustee Rosenberg said in cases where convenience stores are allowed to sell liquor, we have a number of package liquor stores that already exist and their business might be at risk from more stores opening up around them that also sell liquor.

Mayor Hayes replied that one of the suggestions was to host a meeting inviting existing liquor license holders about the proposed changes. We could also invite convenience stores and drug stores that are not currently liquor license holders to get their input.

Trustee Farwell said he does not have a problem with drug stores having liquor licenses, but what would be expected from hosting a meeting with current liquor license holders. It's going to come back to the Board for a decision but be more heightened. He feels the question is are we going to continue our policy from 1976 and continue to regulate a portion of an industry. If the Board is not going to regulate it, then let competition determine who is to prevail.

TRUSTEE FARWELL MOVED, SECONDED BY TRUSTEE TINAGLIA THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD THAT BOARD OF TRUSTEES POLICY 1976-5 BE AMENDED TO DELETE THE REFERENCES TO "CONVENIENCE-TYPE FOOD MARTS AND/OR DRUG STORES" AND INSERT "GAS STATIONS, WITH OR WITHOUT MINI-MART-TYPE STORES" AND THAT THE CODE BE AMENDED TO REQUIRE THAT THE MINIMUM STORE SIZE FOR CLASS "B" AND "BB" LIQUOR LICENSE HOLDERS BE 2500 SQUARE FEET, WITH CURRENT CLASS "B" AND "BB" LICENSED STORES SMALLER THAN 2500 SQUARE FEET EXCLUDED

FROM THIS SIZE LIMITATION. FURTHER, THAT THE DEFINITION OF FOOD STORE, CONVENIENCE (CHAPER 28, SECTION 3.2-95) BE AMENDED BY DELETING THE REFERENCE TO "NON-ALCOHOLIC" BEVERAGES.

Mayor Hayes reiterated that a location that has an existing liquor license and is less than 2500 square feet would be grandfathered in, even if the ownership changes because they are in the same location.

Ms. Ward said that no one could open a new liquor store in a new location that was not at least 2500 square feet.

Trustee LaBedz said by this proposed amendment, anyone can sell whatever they want and we are doing away with distinctions that a liquor store cannot sell groceries and a convenience store cannot sell liquor, now everyone can sell both.

Ms. Ward explained that the reason that existed was there is a definition in the zoning ordinance that defines a convenience store as something that doesn't sell alcohol. Therefore, liquor stores couldn't sell convenience items and convenience stores couldn't sell liquor. When this is removed from the definition of a convenience store, they all become the same.

Ms. Ward said no one is entitled to a liquor license; it's a privilege not a right. Therefore, every person who applies for a liquor license is evaluated. The Liquor Commissioner has the right to deny the granting of a liquor license.

Upon a voice vote, the motion passed unanimously.

8. Other Business

None

9. Adjournment

TRUSTEE SCALETTA MOVED, SECONDED BY TRUSTEE GLASGOW TO ADJOURN THE MEETING 9:37 P.M.

Originally distributed on December 13, 2013

Updated for 9-11-18 Committee of Whole Meeting

	<u>Package Liquor Sales</u>	<u>Address</u>	<u>Square Footage</u>	<u>Current Status</u>
1	King Liquor	807 W Rand Rd	1,100	Vacant
2	Meg's Liquors	1041 S Arlington Heights Rd	1,100	Vacant
3	Arlington Liquor & Wines	4218 N Arlington Heights Rd	1,958	Open
4	Former Vintages: current use is a clothing store. Vintages moved to space 2557sf	12 S Dunton Ave	1,975	Non Liquor Use
5	Arlington Liquors	401 S Arlington Heights Rd	2,000	Vacant
6	Esplanade Wine & Liquor	2948 W Euclid Ave	2,257	Open
7	Red Rooster Liquors	827 N Wilke Rd	2,350	Open
8	Spirits & Such	1611 W Campbell St	2,450	Vacant
9	Tuscan Market	141 W Wing St	2,478	Open
10	Elm's Liquor (as of 11/2017)	906 W Northwest Hwy	1,200	Moved from space over 2,500 sf but were using 1,500sf
11	Courtyard Marriott Hotel	100 W Algonquin Rd	within small convenience area	
12	Courtyard Marriott Hotel	3700 N Wilke Rd	within small convenience area	
13	Liquor Mart	704 E Kensington Rd	2,900	
14	Foremost	1776 W Algonquin Rd	3,175	
15	Golf Liquors	606 E Golf Rd	3,250	
16	R & F Liquor	921 W Rand Rd	3,500	
17	Teddy's Liquors	135 S Arlington Heights Rd	4,500	
18	Osco Store #188	122 N Vail St	6,148	
19	Song Do Mart	282 E Golf Rd	6,464	
20	Bada Supermarket	256 E Algonquin Rd	7,600	
21	Trader Joe's	17 W Rand Rd	11,000	
22	Farmers Pride Market	1414 W Algonquin Rd	15,000	
23	Teddy's Liquors	1050 E Rand Rd	16,000	
24	Osco Store #40	442 E Rand Rd	16,186	
25	Osco Store #124	1860 S Arlington Heights Rd	16,742	
26	Binny's	69 W Rand Rd	21,808	
27	Aldi Foods	550 E Golf Rd	24,696	
28	Cooper's Hawk	798 W Algonquin Rd	26,428	
29	Mitsuwa Marketplace	100 E Algonquin Rd	30,000	
30	Valli Produce	450 E Golf Rd	32,000	
31	Dominick's Finer Foods	325 E Palatine Rd	47,471	
32	Mariano's Fresh Market	802 E Northwest Hwy	65,085	



Item: Proposal for Salon/Spa Liquor License Classification

Department: Village Manager's Office

Over the past few years, and as recently as August 2018, Staff received a request from Forbici Salon and Spa to sell individually packaged wine and beer. The Village does not have a liquor license to permit this use and therefore it would necessitate the creation of a new class of liquor license if the Board wants to permit it.

A survey was conducted of various municipalities. Information obtained showed that out of 13 communities surveyed, only Naperville has a type of license that permits a beauty/hair salon to sell alcoholic beverages.

Staff is looking for direction from the Village Board as to whether or not there is a consensus to pursue creation of a new salon/spa license.

Options include but are not limited to:

1. Create a new liquor classification.
2. Maintain the Status Quo. Under this scenario, the Village would continue to prohibit salons and spas from selling alcoholic beverages.

ATTACHMENTS:

Description	Type
Liquor Classification Survey	Report

Liquor Classification Survey



Liquor Survey August 2018	Salon/Spa license Retail sales	Hotel Package Sales	Hotel Mini Bar
Arlington Heights	No	No*	No
Buffalo Grove	No	No	No
Des Plaines	No	No	No
Elk Grove	No	No	Yes
Hoffman Estates	No	No	No
Mount Prospect	No	No	Yes
Palatine	No	No	Yes
Rolling Meadows	No	No	No
Schaumburg	No	Yes	Yes
Wheeling	No	No	No
Elgin	No	No	No
Evanston	No	No	No
Naperville	Yes	Yes	No

Liquor Classification Survey Summary

Survey Participants	Salon/Spa Results	Hotel Pkg Sales	Hotel Mini Bar
13 Municipalities	12 No 1 Yes	11 No 2 Yes	9 No 4 Yes

* Arlington Heights has two Hotel locations grandfathered in 2014 under 2,500 s.f.



Item: Proposal for Hotel Package Sales Liquor License Classification

Department: Village Manager's Office

In June 2018, Holiday Inn Express indicated that they would like to sell package beer & wine in their small gift shop (approximately 70 square feet) for their guests. Because this would be a brand-new retail liquor license holder at a new location under 2,500 square feet, this request does not meet the current liquor code.

The attached survey shows that out of 13 communities only two communities (Schaumburg and Naperville) have a license that permits package sales specifically at Hotels. Naperville permits package sales from a licensed tavern in a hotel and Schaumburg offers a retail license for hotels.

There are two Hotels in Arlington Heights that have regular retail licenses for their small stores that were grandfathered in on January 2014 as part of the 2,500 square feet size limitation.

Staff is looking for direction from the Village Board as to whether or not there is a consensus to pursue creation of a new Hotel retail package liquor license.

Options include but are not limited to:

1. Create a new liquor classification to permit package sales at Hotels with or without a food requirement.
2. Explore the creation of a customer hospitality license where the Hotel could offer complimentary beer and wine.
3. Maintain the Status Quo of not creating a new classification at this time. This option would be impacted by the conclusions reached relating to the current Code restrictions on small retail liquor stores. Also please note that this will allow two of our hotels to retain their existing small package sales areas, while prohibiting them for all other current and future hotels.

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Liquor Classification Survey	Report

Liquor Classification Survey



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Elk Grove	No	No	Yes
Hoffman Estates	No	No	No
Mount Prospect	No	No	Yes
Palatine	No	No	Yes
Rolling Meadows	No	No	No
Schaumburg	No	Yes	Yes
Wheeling	No	No	No
Elgin	No	No	No
Evanston	No	No	No
Naperville	Yes	Yes	No

Liquor Classification Survey Summary

Survey Participants	Salon/Spa Results	Hotel Pkg Sales	Hotel Mini Bar
13 Municipalities	12 No 1 Yes	11 No 2 Yes	9 No 4 Yes

* Arlington Heights has two Hotel locations grandfathered in 2014 under 2,500 s.f.



Item: Proposal for Hotel Mini Bar Liquor License Classification

Department: Village Manager's Office

In July 2018, Staff received a request from European Crystal/Ivy Hotel to create a hotel in room mini bar liquor license. Currently the liquor code does not allow minibars so a new liquor license would need to be created.

The attached survey shows that out of 13 communities, four communities (Elk Grove, Mount Prospect, Palatine, and Schaumburg) have a license that permit in room hotel mini bars. The mini bars are controlled in various ways including a separate refrigerator/cabinet with its own key that is only given to those over 21 years old. Some will only stock a cabinet when requested and verified that someone renting the room is over 21 years old.

Staff is looking for direction from the Village Board as to whether or not there is a consensus to pursue creation of a new Hotel in room mini bar liquor license.

Options include but are not limited to:

1. Create a new liquor classification to permit Hotel in room mini bars (with appropriate regulation).
2. Maintain the Status Quo of not creating a new classification at this time. This would mean in room mini bars would continue to be prohibited.

ATTACHMENTS:

Description	Type
Liquor Classification Survey	Report

Liquor Classification Survey



Liquor Survey August 2018	Salon/Spa license Retail sales	Hotel Package Sales	Hotel Mini Bar
Arlington Heights	No	No*	No
Buffalo Grove	No	No	No
Des Plaines	No	No	No
Elk Grove	No	No	Yes
Hoffman Estates	No	No	No
Mount Prospect	No	No	Yes
Palatine	No	No	Yes
Rolling Meadows	No	No	No
Schaumburg	No	Yes	Yes
Wheeling	No	No	No
Elgin	No	No	No
Evanston	No	No	No
Naperville	Yes	Yes	No

Liquor Classification Survey Summary			
Survey Participants	Salon/Spa Results	Hotel Pkg Sales	Hotel Mini Bar
13 Municipalities	12 No 1 Yes	11 No 2 Yes	9 No 4 Yes

* Arlington Heights has two Hotel locations grandfathered in 2014 under 2,500 s.f.



Item: Review of Requirement of Food Service and Hours

Department: Village Manager's Office

Currently the Village requires food at all hours someone is open, but a modified menu after 11pm. There have been requests by some businesses to drop the food requirement towards the end of the evening, or modify other aspects of the food requirement in general.

In April 2018, Staff sent a survey to all liquor license holders. Out of 114 licensee's, 47 establishments responded to various questions. Two related questions asked were:

1. Do you believe that establishments with on-premises consumption liquor classifications should be required to have a full food menu?

Yes	No	Not Sure
30	10	7

2. For restaurants with a kitchen, at what time should the kitchen be allowed to close but liquor sales continue?

Food available all hours	Close at 11 p.m.	Close at 10 p.m.	Close at 9 p.m.	Other
6	13	12	4	4

Information from other municipalities show that some require food at all hours, some allow bars/taverns with no food requirement, and some allow modified hours such as allowing the kitchen to close to food sales two hours before closing time.

Staff believes this will topic will generate bigger discussions that may require further conversations with different groups. Staff is looking for consensus from the Village Board as to if it would like Staff to further explore modifications to the food requirements.

Conclusion: Staff is looking for discussion and direction from the Board on the above items. After given initial direction to Staff, the Board may wish to refer

one or more of these items to the Economic Alliance for discussion as well prior to a final vote.

Please let me know if you have further questions prior to the meeting.

ATTACHMENTS:

Description	Type
No Attachments Available	