

**MINUTES  
COMMITTEE-OF-THE-WHOLE  
PRESIDENT AND BOARD OF TRUSTEES  
VILLAGE OF ARLINGTON HEIGHTS  
VILLAGE BOARD ROOM  
MONDAY, MAY 9, 2022  
7:00 P.M.**

BOARD MEMBERS PRESENT: President Hayes; Trustees: Baldino, Bertucci, Canty, Grasse, LaBedz, Scaletta, Schwingbeck, and Tinaglia

STAFF MEMBERS PRESENT: Randy Recklaus, Village Manager; Diana Mikula, Assistant Village Manager; and Maggie Mattio, Recording Secretary

SUBJECTS:

A. Discussion of a new liquor license for gas stations

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President Hayes called the meeting to order at 7:01 PM.

**New Business – Discussion of a new liquor license for gas stations**

President Hayes began by noting that the Village received several requests by gas station and mini-mart owners to revisit the current liquor license policy as it pertains to their businesses.

Ms. Mikula said that in 1976, the Village adopted a policy which stated that “No liquor licenses shall be issued to gas stations, with or without mini-mart type stores.” Since then, the policy has been reviewed and retained approximately seven times since 1981, with the last review occurring in October, 2016. Over the past few years, the Village has received about five requests from gas station owners to grant them a packaged beer and wine liquor license. The latest request came from BP located at 2250 S. Arlington Heights Road.

Village staff conducted a survey of 30 municipalities as to whether or not they allow alcoholic beverage sales at gas stations. Of the 30 surveyed municipalities, 18 permit the sale of alcoholic beverage at gas station and 12 do not. Neighboring municipalities that allow alcohol sales include Buffalo Grove, Des Plaines, Prospect Heights, and Rolling Meadows. Some that do not allow are Elk Grove, Mount Prospect, Palatine, and Schaumburg. Of the 18 gas stations that permit alcohol sales, 6 permit the sale of all alcoholic beverages and 12 allow the sale of beer and wine only.

In regards to the Village’s liquor licenses, Ms. Mikula said that currently there are 103 establishments spread throughout the Village that hold liquor licenses. Of those 103, 32 hold a class “B” license which allows the sale of all packaged alcoholic beverages and 1 holds a class “BB” license that limits the sale to packaged beer and wine only. In talking with the Police

Department, she mentioned they expressed concern with mixing alcohol sales with gas purchases including a possible increase in drinking and driving incidents.

Ms. Mikula concluded by providing the Board with a few options to consider if there is interest in changing or modifying the current policy. The options she set before the Board were: 1) to retain the current policy to prohibit the issuance of a liquor license at gas stations; 2) allow gas stations to only sell packaged beer and wine; 3) allow gas stations to sell all packaged alcoholic beverages; or 4) allow gas stations with established mini-marts to sell packaged beer and wine. However, the definition of a mini-mart may be challenging and subjective, as almost all gas stations sell some goods. In addition, she said the policy can be modified to include language as to where a license could be issued and/or prohibit or restrict the sale near hotels or schools.

Mayor Hayes said in the past, the Village has compared themselves to surrounding municipalities in a number of ways to see if we're at a competitive disadvantage as a result of policies that have been in place for a long time. This particular policy prohibits gas stations from obtaining a liquor license and has been in place and reviewed over the course of time. It is his preference that Village staff explore ways to change the policy to allow gas stations with a determined square footage, and full service mini-marts to sell packaged beer and wine. While he understands it may be challenging to define a full-service mini-mart, he said there is a difference between a gas station who primarily sells gas and some candy/gum, and one who has a full service mini-mart that carries a wide variety of food and beverages. He asked Ms. Mikula, of the 18 municipalities that allowed the sale of packaged alcohol, how many had mini-marts. Ms. Mikula said that was not part of the survey results. However, some had restrictions such as square footage or only allowing the sale in the central business district. Mayor Hayes reiterated his concern of putting the Village at a disadvantage due to this policy.

Trustee Baldino agreed with the Mayor that the Village is at a competitive disadvantage by not allowing alcoholic beverage sales at gas stations. He mentioned that he has witnessed a trend in beer sales at convenience store gas stations across the country. He said he would be in favor of changing the policy with some regulations, as it seems to bring the Village in-line with the competition. He does not feel comfortable with allowing all packaged liquor sales, but certainly beer and wine.

Trustee Schwingbeck asked Ms. Mikula to elaborate on what concerns the Police Department had. Mr. Recklaus said the Police Department has gone to great lengths to reduce drinking and driving in the community. What they are worried about is the impulse purchase of alcohol while stopping for gas, and it leading to drinking and driving. He added that there are plenty of places to purchase alcohol within the Village. Trustee Schwingbeck said he too has witnessed the trend of gas stations across the country selling alcohol, but when he stops at the gas station it's to get gas, not alcohol. He expressed concern about the last-minute impulse alcohol purchase, drinking and driving, then tossing it on the side of the road. However, he would like to hear more from business owners and if alcohol sales would significantly raise their profit margins. He's not in

favor of allowing liquor licenses for all gas stations, but would consider it for those who have a true mini-mart.

Trustee Scaletta said he's all about leveling the playing field but doesn't know if allowing alcoholic beverage sales at gas stations is appropriate or necessary. He too believed that making such purchase is a last-minute thought or an impulse buy. He mentioned that the Village has expanded alcohol sales into 7-Eleven and Walgreens, and believed that expanding into gas stations reduces the value of the liquor license to other liquor license holders.

Trustee LaBedz expressed safety concerns not only for the purchaser but for the late-night gas station attendant who more often than not is working alone. Another of her concerns was the sale of alcohol to underaged customers. On the other hand, she said the Village has expanded alcohol sales to other establishments such as Walgreens and Target with the idea of making it convenient for shoppers to make one-stop versus multiple stops. She asked what the difference was between buying alcohol at a liquor store versus a gas station and said that a clear definition of what constitutes a convenience store would have to be made if the Village approved alcohol sales at gas stations.

Trustee Tinaglia said he would prefer not to change the current policy. He doesn't see it necessary for gas stations to sell alcoholic beverages when the Village already has plenty of establishments who sell alcohol. His belief is that gas stations should sell gas and convenience items such as gum, snacks, and soda. In addition, he said the Police Department has a good perspective on this matter.

Trustee Grasse would be in favor of allowing gas stations with mini-marts to sell packaged beer and wine only in an effort to support our businesses. However, she would like to hear more about the Police Department's concerns before making a decision.

Trustee Bertucci began a pros and cons discussion. From a pros standpoint there would be an increase in tax revenue; from a cons standpoint, there are concerns from the Police Department about drinking and driving, and Trustee LaBedz's safety concern for gas station attendants. Ms. Mikula reminded the Board that there are 33 existing packaged liquor classifications within the Village, and that there are 18 gas stations in town. Trustee Schwingbeck raised the concern over single serve sales, which was later clarified is has restrictions and is not permitted in various sizes. Trustee Bertucci acknowledged that gas stations are not only gas stations anymore, and advised Village staff to continue researching and to come up with a criterion possibly based on square footage. He would like to hear more about Police concerns, and expressed his concern over liquor sales at the South-end of Arlington Heights Road where there are several hotels and motels. Ms. Mikula said gas stations would be eligible for either a "B" license which is full package liquor sales or "BB" which is wine and beer only. Both liquor license allow the sale to occur Monday through Thursday from 8:00 am to midnight; and Friday and Saturday from 8:00 am to 1:00 am. Establishments can choose to end sales earlier if they'd like.

Trustee Canty would like to review the current policy and explore a reasonable way to bring the Village more in-line with some of the surrounding communities. As for the raised concern of selling alcoholic beverages near a school, she said it is occurring at the intersection of Thomas Avenue and Rand Road. Target is within Village limits and Thornton's in Prospect Heights, both selling liquor near a school. In addition, there are restaurants nearby also selling alcohol.

Trustee Scaletta said he generally is in favor of setting a criterion that permits the opportunity for one business vs. another, but is questioning if by doing so we are putting one business at a disadvantage versus the other. He provided the example of a few gas stations in town that are directly across the street from each other, one having a larger square footage than the other. It would allow one gas station to sell alcoholic beverages, and not the other. Mayor Hayes and Trustee Baldino agreed, and said it will be challenging for Village staff to define what constitutes a "convenience store." Trustee Baldino added that by excluding one gas station from another, it creates the need to make more than one-stop.

Trustee LaBedz asked Ms. Mikula if she reviewed the discussion that was had in 2016 pertaining to the same request. Ms. Mikula said she had not. Trustee Bertucci asked for a summary of the last few discussions regarding alcohol sales at gas stations or a copy of the minutes.

Ms. Melissa Cayer asked about the alcohol training program and who determines the criteria. Mayor Hayes said the training is called Basset Training and is a state-run program. Ms. Mikula added that the criteria is determined by the State of Illinois and suggested Ms. Cayer go online to the Illinois Liquor Control Commission for more information.

Mr. John Graham, owner of the BP located at South Arlington Heights Road and requestor of a liquor license, said gas stations are under a lot of pressure these days with the change in energy costs and trying to compete with the auto industry and the new technology of cars. He went on to say that in order to survive, gas stations must recreate themselves. They have to sell an array of products not only to keep up with the convenience-factor customers demand and expectations, but also to be profitable and competitive with other establishments such as a Walgreens, which one would look at as a pharmacy. While he understands the concerns discussed, he also knows the responsibility of holding a liquor license and that it can be taken away. He suggested Village staff and Board look beyond setting exceptions for gas stations and look at it as stimulating investment and survival of gas stations and establishments they'd want in town. As for the security concern of late-night gas stations attendants, he said it's not typical for there only to be one person on duty. However, he acknowledged that some gas stations are forced to only have one attendant because they can't afford to have more.

Trustee Bertucci asked if he could share his percentage of gas sales versus convenience store sales and profit margins. Mr. Graham said that would be misleading with today's gas prices. Gas stations are currently competing with Costco and Meijer gas. He encouraged the Village look at the transition he made to his Northbrook location. When he approached the Village of

Northbrook with the same request to obtain a liquor license, he was told it would never happen. Since then, Northbrook changed their stance and the gas station sells on average \$1,000 per day in liquor sales. In addition, they sell pizza and other foods made to order. The transformation of that gas station is ideally what he would like to do with the one located at 2550 S. Arlington Heights Road.

Mr. Recklaus looked back at the 2016 minutes when the policy was reviewed. There was a recommendation of which policies the Village should retain and which should be eliminated or changed. The minutes show that it was decided this particular policy be retained and no further reason was noted. There was no discussion of the ones we should retain which included this one.

Mr. Recklaus said that there appeared to be a variety of opinions on this issue. Mayor Hayes requested that Village Staff and Ms. Mikula come up with criterion to determine which gas stations may be eligible to apply for a liquor license, if the Village Board were to be in favor of such a change. This should include exploring the definition of a gas station convenience store or mini-mart.

Ms. Cayer asked if Public Works is in charge of filling the potholes on side streets. Mr. Recklaus said that generally speaking yes. Ms. Cayer asked if employee retirement contributions and employer contribution can be added to the paystub. She also asked at every Board meeting, can the Village Manager give a brief update about the ERP project and the TIF districts. Mayor Hayes directed Ms. Cayer to the Village's website as there is a lot of information on there.

## **Adjournment**

**Trustee LaBedz, seconded by Trustee Schwingbeck to adjourn the meeting at 7:53 p.m.**

**The Motion: Passed**

**Ayes: LaBedz, Schwingbeck, Baldino, Bertucci, Canty, Grasse, Hayes, Scaletta, and Tinaglia**

**Nays: None**