

**MINUTES OF THE COMMITTEE-OF-THE-WHOLE MEETING OF THE PRESIDENT AND
BOARD OF TRUSTEES OF THE
VILLAGE OF ARLINGTON HEIGHTS
33 S. ARLINGTON HEIGHTS ROAD - COMMUNITY ROOM
MONDAY, NOVEMBER 7, 2016 – 7:15 PM**

Mayor Tom Hayes called the meeting to order at 7:15 PM.

BOARD MEMBERS PRESENT: Mayor Hayes; Trustees Glasgow, LaBedz, Scaletta,
Sidor, Tinaglia

BOARD MEMBERS ABSENT: Trustees Blackwell, Farwell, Rosenberg

STAFF MEMBERS PRESENT: Village Manager Randy Recklaus; Assistant Village Manager
Diana Mikula; In-House Council Robin Ward

OTHERS PRESENT: Max Schraeder for Youth Commission Appointment; Bob
Thompson & Robert Fink of Paragon Theaters; Kevin McCaskey
& Len Olsen, Arlington Ale House, Steven Daday, President of
Metropolis Performing Arts Board, Joe Keefe, Executive Director
of Metropolis Performing Arts Theater

**1. INTERVIEW OF MAX SCHRAEDER FOR APPOINTMENT TO THE YOUTH
COMMISSION – TERM ENDING 4/30/17**

Mayor Hayes sworn in Max Schraeder.

Mayor Hayes introduced Mr. Schraeder to the Village Board and stated that he is a senior at Loyola Academy. Mayor Hayes thought it would be very unique to have a different perspective on the Youth Commission. Max could bring ideas on something they are doing at Loyola Academy or cross pollinate on what the issues are there and bring them back here.

Trustee Glasgow asked Max to tell the Board about his work with veterans. Max told the Board how this summer he participated in Premier Boys State in southern Illinois. He learned about state government and leadership. Max said he worked with veterans in southern Illinois and here. He will be giving a presentation on what he learned while participating in the program at the American Legion in Arlington Heights. Max went on to say that he learned about the veterans' experiences while at war and the amazing things they have done in their lives but also how some are disappointed in how they are treated after coming home.

Trustee Glasgow asked Max how he thought his interest in government would help him with regard to the Youth Commission. Max responded that the knowledge he received at Boys State could be passed on to the Youth Commission.

Trustee LaBedz stated that she was very impressed by the resume Max submitted. She said she wanted to hear Max's ideas that he had for the Youth Commission. Max said that Loyola Academy has counseling (called Formation) two days a week. They talk about high school or high school life. Once a month a speaker comes in to discuss topics such as sexual assault, drinking and driving, etc. Real people come in with real stories and share their experiences and give advice to kids. Max has learned that the high schools in Arlington Heights don't have as many of these kinds of presentations and sometimes when they do they aren't mandatory. At his school they are mandatory.

Trustee LaBedz asked Max what his long range plans are. Max responded that any government job such as CIA or to practice international public policy, or the World Bank.

Trustee Sidor and Trustee Tinaglia complimented Max on his extensive resume.

TRUSTEE LABEDZ MOVED, SECONDED BY TRUSTEE SCALETTA TO RECOMMEND THAT MAX SCHRAEDER BE APPOINTED TO THE YOUTH COMMISSION WITH A TERM ENDING 4/30/17. Motion passed unanimously.

2. **CONSIDERATION OF RECOMMENDING TO THE LIQUOR COMMISSIONER THE ISSUANCE OF A CLASS "AA" LIQUOR LICENSE TO F&F MANAGEMENT, INC., DBA PARAGON THEATERS, LOCATED AT 53 S. EVERGREEN AVENUE UPON SURRENDER OF CURRENT LIQUOR LICENSE ISSUED TO THIS ADDRESS.**

Trustee Scaletta recused himself of this portion of the meeting due to conflict of interest.

Mayor Hayes sworn in Robert Fink and Robert Thompson.

Diana Mikula, Assistant Village Manager, reported to the Board that the theater was requesting a Class "AA" liquor license which allows full-service liquor sales for the establishment located at 53 S. Evergreen Avenue. This is the same class of liquor license held by Star Cinema Grill at this location. Hours of operation will be Monday through Sunday 11 AM to 1 AM. This class of liquor license allows them to be open longer on Fridays and Saturdays but at this time they are choosing to stay open until 1 AM. Their lease runs through 2031. The on-site manager is Robert Thompson who is Basset certified.

On October 21, 2016, the Arlington Heights Police Department completed a background check on Robert Fink who is the President and 100% owner in the corporation, and Robert Thompson who is the manager of the business. No convictions were disclosed and no criminal derogatory information was found. In addition, no lawsuits, judgments, or liens were outstanding.

A walk-thru as well as an interview was conducted on October 31, 2016 confirming compliance with the submitted floor plan.

Mayor Hayes asked if there had been any liquor violations while Star Cinema Grill was managing the theater. Ms. Mikula responded that there had been no violations with Star Cinema Grill.

Mayor Hayes asked Mr. Fink what changes had been made to the theater. Mr. Fink reported the old theater was more of a dining theater. They have removed the dining opt component and they've replaced all of the recliners. They have decreased the liquor component of the concession stand to bring in a more conventional movie concession stand instead of a bar. The biggest change is now the customer goes to the liquor concession stand, orders a drink, presents their ID and returns to their theater with their drink. When ordering a 2nd drink, the customer must repeat these steps. When ordering food you go to the food concession area and go back to your theater. Once the food is ready it goes to a pick-up area and the customer walks to the pick-up area to get the food. The food menu has been shrunk down to lots of light bites to things more appropriate to eating in a reclined relaxed position.

Mayor Hayes questioned Mr. Thompson on his expired Basset certification. Mr. Thompson explained that he had taken a recertification class and was waiting for his Basset card to come in. Mayor Hayes asked how the rest of the employees would be Basset trained. Mr. Thompson responded by saying that a large chunk of employees are Basset trained because they worked for the previous management company. The rest will be trained in a few weeks – some on-line trained and some classroom trained.

Mayor Hayes questioned Mr. Thompson's previous liquor experience. Mr. Thompson stated that he has worked in movie theaters for the last 18 years and bar theaters for the last seven years. He opened the Randhurst Theater in Mt. Prospect and he was the bar trainer for that theater. He also worked in Chicago Ridge at another bar theater. He was the bar trainer for the Chicago markets. There are currently 11 alcohol theaters in Chicago and he opened eight of them. None of the liquor establishments he has been associated with have had liquor violations.

Trustee LaBedz likes the changes that have been made. She believes it was distracting to have a server come in right at the climax of the movie, and trying to pay in the dark.

Trustee Blackwell asked about the food pickup area. Mr. Fink responded that there is a back-bar located by the back theaters and that is one location for food pickup. The other two are adjacent to the candy counter.

TRUSTEE LABEDZ MOVED, SECONDED BY TRUSTEE FARWELL TO RECOMMEND THAT THE VILLAGE BOARD OF TRUSTEES RECOMMEND TO THE LIQUOR COMMISSIONER THE ISSUANCE OF A CLASS "AA" LIQUOR LICENSE TO F&F MANAGEMENT, INC., DBA PARAGON THEATERS, LOCATED AT 53 S. EVERGREEN AVE. UPON SURRENDER OF CURRENT LIQUOR LICENSE ISSUED TO THIS ADDRESS.) Motion passed unanimously.

- 3. CONTINUED CONSIDERATION OF RECOMMENDING TO THE LIQUOR COMMISSIONER THE ISSUANCE OF A CLASS "L" LIQUOR LICENSE TO ARLINGTON ALE HOUSE, LTD., DBA ARLINGTON ALE HOUSE, LOCATED AT 111 W. CAMPBELL STREET, SUITE 300.**

Mayor Hayes sworn in Kevin McCaskey & Len Olsen.

Village Manager Randy Recklaus reported that this item was initially discussed at the October 24 Committee-of-the-Whole meeting. There were a couple of issues that were addressed and requested by the Board at that time. First, the Board had wanted documentation that showed there were commitments for food as required by the Village code. The petitioner did provide those. Secondly, the Board requested clarification from staff on the rules for service where food would be provided from one restaurant to another location. There is a memo that was submitted last week to the Board to that effect. Thirdly, there were questions about the kind of interaction between this use and the other uses in the building. There have been continued ongoing discussions. The one thing that was arrived at and have confirmed will work, is the locking out of elevators where there would be one elevator that would go only to the 1st and 3rd floors and another elevator that would go between the 1st, 2nd, and 4th floors. The idea behind that would be to minimize the interaction between patrons of the Ale House and users of the other facilities. There have been a couple of different discussions that have been going on in good faith between the Village, the Ale House, and Metropolis about additional security concerns. Mr. McCaskey has shown willingness to contribute to the cost of updates in security on the 2nd floor of the Metropolis building which is the School for Performing Arts. Details still need to be worked out on how additional security would be provided. Those conversations will continue in earnest. Staff also believes the locking out of the elevators and security cameras that are already in existence on the 1st floor lobby area and the security cameras that Mr. McCaskey intends to install in the entryway to his space on the 3rd floor that is sufficient security for the opening of the business.

Mayor Hayes asked Ms. Mikula if there was anything that was missed from the previous meeting. Ms. Mikula stated that there were five food agreements that were provided. Peggy Kinnane's, Cortland's Garage, Mago, Armand's and Mug's Pizza has all agreed to supply food. Also, the applicant owns his property, and he did receive his Basset certification.

Ms. Mikula also reported that on August 8, 2016 the Arlington Heights Police Department completed a background check on Kevin McCaskey. No convictions were disclosed and no criminal derogatory information was found and no lawsuits, judgment, or liens were outstanding. A walk-thru will be done before a liquor license is issued.

Mayor Hayes thanked the applicant and interested parties as well as staff for all the hard work they've done in the past week. A lot of progress has been made regarding security and safety for all of those concerned.

Trustee Sidor asked about the note at the end of the good faith agreements stating that they were not binding contracts and there would be no recourse. At the last meeting Trustee Scaletta asked if there would be recourse if you had someone didn't live up to the agreement, you said there would be. Ms. McCaskey responded that if they decided not to serve food that would be their choice and if we decided not to use them that would be our choice.

Trustee Sidor asked if there was one of the good faith restaurants that has agreed to serve food until you're near your closing time. Mr. McCaskey stated that Mug's is open until 3 AM every day.

Trustee Sidor asked how much taxpayer money staff is proposing to spend on additional security. Mr. Recklaus said staff is not proposing to spend taxpayer money on this. All we are saying is that these discussions can go forward in good faith and we think that these issues can be resolved with ongoing discussions. The estimates that we've received for glass doors would be between 9 and 14 thousand dollars depending on the exact way that it's set up. Exact security arrangements have yet to be worked out with Metropolis.

President of Metropolis Performing Arts Steve Daday reported that the reason for his letter to the Village Board was that he did not want Metropolis' budget impacted by the imposition of the Ale House's security concerns to the building. Metropolis will not be paying for 9 or 14 thousand dollars that the glass doors will cost. If Mr. McCaskey pays for it, that would be fine.

Trustee Sidor asked Mr. Daday if that was one of the conditions of the Board approval to have that second floor secured. Mr. Daday said that was the discussion with staff. That seems to be the most economical idea. The suggestion was that it was going to be an enclosure by the elevators. That would probably solve this problem.

Trustee Sidor asked Mr. Recklaus if this was contingent upon this liquor license happening. Mr. Recklaus responded no. From staff's perspective we feel that the locking out of the elevator and the security cameras provides a sufficient level of security. The issue of security enclosure has been a long term issue that was discuss even without the Ale House being present. We can all acknowledge that this has been discussed for a long time but at the same time we can acknowledge that probably the presence of the Ale House, if they're successful in bringing in patrons will probably exacerbate the issue but not create the issue. We think that we can secure the area with the elevator issue. We also think we can work on ways to get an enclosure but the details have not yet been resolved. Mr. McCaskey has offered to make a contribution to that but the exact contribution is still being discussed in terms of amount and what it would provide for. He feels there is enough good faith between the parties to make that successful. From a staff perspective we typically don't look at an issue like this and make a liquor license contingent upon it.

Trustee Sidor asked Mr. Daday how he felt about that. Mr. Daday responded that was not his understanding of what the discussion was. The discussion was that the enclosure would be installed.

Trustee Tinaglia stated these are complimented issues – security, safety, and money all come into play here. If it's a \$14,000 issue and we talk about the money it costs to build a restaurant in a place as big as this, it would appear that \$14,000 would be a pretty small issue. While he agrees on what Mr. Recklaus said about he does not feel the liquor license should be contingent upon finalizing the security arrangements, he feels there should be an agreement that's written and agreed upon exactly as Mr. Daday said. If the elevator programing does not work out then this will be an expense that will be covered by the

Arlington Ale House. It has to be voted on exactly as he said because he will not vote to spend tax-payer money & Metropolis is not paying for it. There's only one place the money can come from since Mr. McCaskey is going to be the beneficiary of this wonderful new business with a liquor license and all the activity and income that comes from all this.

Trustee Farwell concurred with Trustee Tinaglia's statement.

TRUSTEE FARWELL MOVED TO RECOMMEND THAT THE BOARD OF TRUSTEES RECOMMEND TO THE LIQUOR COMMISSION THE ISSUANCE OF A CLASS "L" LIQUOR LICENSE TO THE ARLINGTON ALE HOUSE, LTD., DBA ARLINGTON ALE HOUSE, LOCATED AT 111 W. CAMPBELL, STE. 300. LICENSE SHALL BE CONDITIONED UPON THE UNILATERAL DETERMINATION BY THE ARLINGTON HEIGHTS ADMINISTRATION FOR NEED OF SECURITY DOOR SYSTEM ON THE SECOND FLOOR. THE PETITIONER SHALL BE RESPONSIBLE FOR THE COST OF ITS INSTALLATION. TRUSTEE TINAGLIA SECONDED THE MOTION.

Robin Ward, In-House Counsel, stated that she had some concern in that as long ago as February 2015 there had been conversation about new glass doors in the lobby of the second floor. She is concerned about the motion and payment for the glass doors dependent solely on some decision that the elevator alone isn't working because she feels there's a good possibility that the glass doors are going to happen regardless. The proposed motion is tying payment of the glass doors onto the Ale House if there's a determination that security requires them. She doesn't think we were waiting to install the doors. We had gotten price quotes in February 2015 and then there was a decision not to move forward at that point in time. We started evaluating that again. It was my understanding that after meeting with Mr. Daday on Thursday the direction was still to put those glass doors up. Regardless of the Ale House it is the right thing to do for the space. She is concerned about tying how payment happens to a determination that security requires it.

Mr. Daday stated to Mayor Hayes that was his concern about the motion. His concern is unilaterally being made by someone in administration that the security need is there when we've had discussions that this was already going to be done. Why impose this solely upon the liquor applicant when we already knew this was going to happen.

Trustee Scaletta stated that these doors would be wanted by Metropolis even if Ale House is not approved tonight. The Ale House should not have to pay for these doors. The reason a reserve was created was to pay for the security doors. We can't get anyone to open a business on the third floor so now that we have a petitioner who wants to open on the third floor we penalize them because it's a great opportunity.

Trustee Farwell stated that the reason he made the Ale House responsible for the doors is because we have changed the nature of that third floor space to such a degree we created a liquor license for this business. While in the spirit of wanting to be pro-business, with the way we're handling the food there's so many issues on this particular petition that really concern him and he doesn't want it ever to be viewed that this administration and this Board acted so aggressively to get the Ale House open that we began to use public

funds because it's in the reserve or through our own operating budget to secure property that is already ours for the benefit of a private business. If this were an office going in that space I don't know if this Board would be doing the same. If we were talking about a six-figure issue he would not have been so quick to make this motion. I think the figure being discussed today is a small price to pay to make sure there is no appearance of impropriety of this Board or Administration.

Trustee Scaletta stated that if there was an office going up on the third floor, Metropolis would still be coming forward to ask for security doors.

Trustee Glasgow said that this was something that was discussed at the creation of the Class "L" liquor license. We knew this was going in the second floor. Joe Keefe, Executive Director of Metropolis Performing Arts, thought this would be a great boon to Metropolis.

Trustee Glasgow asked what Mr. McCaskey was willing to put in on this project. Mr. McCaskey said he offered to put walls up at his cost – doors, security and drywall. Then the discussion went to glass doors/glass walls. He can't put a number on it because he does not know what they want. He doesn't want to agree to doors and then find out they want security and then agree to that and find out they want cameras, agree to cameras and then find out they want key fobs.

Trustee Glasgow believes that was the problem with the motion. If we end up passing the motion it appears to be open-ended. We don't know if it's going to cost him \$9,000 or \$20,000. Trustee Glasgow said that Mr. Recklaus indicated that security cameras and the elevator lock-outs would be adequate. Mr. Recklaus stated that it would and there are details yet to be worked out.

The original motion was withdrawn.

TRUSTEE FARWELL MOVED TO APPROVE, SECONDED BY TRUSTEE TINAGLIA TO RECOMMEND THAT THE VILLAGE BOARD OF TRUSTEES RECOMMEND TO THE LIQUOR COMMISSIONER THE ISSUANCE OF A CLASS "L" LIQUOR LICENSE TO ARLINGTON ALE HOUSE LTD., DBA ARLINGTON ALE HOUSE, LOCATED AT 111 W. CAMPBELL STREET, SUITE 300 CONDITIONED UPON THE UNILATERAL DETERMINATION BY THE ADMINISTRATION OF THE NEED FOR A SECURITY DOOR ON THE SECOND FLOOR. THE PETITIONER SHALL ENTER INTO A COST SHARING AGREEMENT FOR THE INSTALLATION AND SAID AGREEMENT WILL BE ACCEPTABLE TO THE ADMINISTRATION.

The Motion: Passed

Meeting adjourned at 8:11 PM

Recorded By: Diane Staggs, Administrative Asst. II