

**MINUTES
CITY OF ST. CHARLES, IL
LIQUOR CONTROL COMMISSION MEETING
MONDAY, APRIL 18, 2016**

1. Opening of Meeting

The meeting was convened by Liquor Commissioner Rogina at 4:30 p.m.

2. Roll Call

Members Present: Liquor Commissioner Rogina, Robert Gehm, Ald. Payleitner, Ald. Lewis, And Chuck Amenta

Absent:

Others Present: Police Chief Keegan, Atty. John McGuirk, Mark Koenen, Cmdr. Gatlin, Deputy Chief Kintz, Det. Lamela, CSO Beeter, Cmdr. Beddell, Atty. Tim O'Neil, Atty. Peter K Lee, Interpreter, and Tina Nilles

3. Court Hearing regarding Massage Establishment Citation for Main Spa, 504 E Main Street, St. Charles.

Chrmn. Rogina: "Section 5.20.150(A) of the St. Charles Municipal Code provides that the local liquor control commission shall serve as the Massage Commissioner and shall be charged with the administration of the Massage Establishment Ordinance. Section 5.20.150(B) of the St. Charles Municipal Code provides that the Massage Commissioner shall conduct a hearing with respect to any violations of the Ordinance and may suspend or revoke any license issued pursuant to the Massage Establishment Ordinance and/or to levy a fine for each violation. This hearing is being conducted by the Massage Commission at the request of the Massage Commissioner.

Main Spa has been charged with the violation of Section 5.20.130(G), 5.20.130(H), 5.20.180(B)(10) and 5.20.110(A) of the St. Charles Municipal Code (Massage Establishment Ordinance) that on March 15, 2016 at approximately 2:57 p.m., the licensee was in violation of those sections."

The licensee has pleaded not guilty. For the record the licensee is present with his attorney, Peter K. Lee and does your client continue their plea of not guilty?

Atty. Lee: Yes he does.

Chrmn. Rogina: Do you wish then to proceed to a hearing on the charges?

Atty. Lee: Yes that's our desire.

Chrmn. Rogina: The order of procedure will be as follows:

1. All witnesses that will testify here shall be sworn;
2. The prosecution, Mr. Timothy O'Neil, may present evidence in this case with the right of the licensee to cross-examine;
3. The licensee may present any defense or mitigating evidence with the right of prosecution to cross-examine;
4. A summary of the case may be made by the prosecution;
5. The licensee may make a closing argument;
6. Strict rules of evidence will need not be adhered to although the Commission expects to exercise control over the hearing to insure that relevant or repetitive testimony does not unduly prolong the hearing;
7. A court reporter here is present and will record the proceeding verbatim.

Please refer to the attached Transcript of Hearing – Main Spa, 504 East Main Street submitted by Planet Depos, LLC.

4. Motion to accept and approve the minutes of the April 4, 2016 Special Liquor Control Commission meeting.

Motion by Mr. Gehm, second by Ald. Payleitner to accept and approve the minutes of the April 4, 2016 Special Liquor Control Commission meeting.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Rogina did not vote as Chair. **Motion Carried.**

Chrmn. Rogina: We are going to switch the order today and go to items 5 and 6 in order to expedite the requests for a couple of new businesses in the community and then follow with our hearing of item 3.

5. Recommendation to approve a proposal of a Class B liquor license for a new business Main Street City Pub to be located at 104 E Main Street, St. Charles (former River House BBQ).

Chief Keegan: We have the petitioner, respective owners, here – Peter and Daniella Zaikowski. They are the contract purchasers for the property and are set to close at the end of the month. This location formerly housed the Thirsty Fox and most recently River House BBQ. The building needs work and a buildout is going to take place. They are hoping to open up sometime in late summer. Daniella has experience working both at the Assembly Burger & Pub in Hoffman Estates and most recently the Warmup Room in downtown Elgin by the Riverboat. They want to open up a Class B combination restaurant/bar and are requesting a 1:00 a.m. permit. We reviewed their very comprehensive business plan along with a layout and menu. Their BASSET certification is in order along with a quote for DRAM shop insurance and their background check went smoothly.

Peter and Daniella Zaikowski, 1572 Mill Crest, Bartlett, IL, soon to be residents of 104 E Main Street.

Chrmn. Rogina: The proposal here is quite thorough and expansive and I will start with Mr. Gehm with any questions.

Robert Gehm: I complement you on your detail. My question is the floor plan enclosed only shows six areas for seating. I know the location is small on in the inside, but how does that fit in your business plan?

Peter Z: We started out with seating for 24 and 20 at the bar. We are working with Community Development to find out what the capacity would be and that might expand depending on how I work with the City on how many people I can actually fit into the establishment.

Ald. Payleitner: This business plan was prepared for a business called Daniella's?

Peter Z: Originally the proposal we did was for another place called Daniella's. We modified it to fit for what would be here in St. Charles except for the name. I might of missed a couple of places as I was in a hurry to submit it.

Ald. Payleitner: Did you ever have that place?

Peter Z: No, we've been looking for the last three years to find a location and this fits us perfectly.

Ald. Lewis: First thing I noticed was the small floorplan of only six tables and I know it's a larger facility than that. Then I read your plan in-depth which is long and repetitive saying the same things in a lot of different ways. What struck me as I got into it is you aren't talking about St. Charles anymore. You're talking about a different area. You're talking about your competition in Fox Lake; so it looked to me like it might have been just cut and pasted for some other location – so I was wondering what that location was.

Peter Z: We were looking at a location in Fox Lake and looking at a place in Kenosha. I thought I amended that and I apologize if I've given you the wrong one.

Ald. Lewis: You also gave us your revenue income from your first year which included gaming. You couldn't have a gaming license right now when you open up or if it ever comes. Then you talk about having that grant from the City of St. Charles and also talked about that if you weren't productive you would have to close within six months, but I'm not sure if you understand that grant – you have to be open for five years or you have to pay it back. I'm not ready yet. I think at this time you have more work to do before I can pass this along to the Government Operations Committee because I think they might have some of the same questions and wonder why it wasn't addressed here.

Peter Z: The exit strategy had me put in there that we applied for an SPA loan and those are the requirements of the Federal government to have the loan in there.

Ald. Lewis: But are you aware if your business doesn't stay open for five years, you have to pay it back to the City.

Peter Z: Yes, we're looking to retire here, but we had to put that in there for the prerequisite for the SPA loan. They wanted to see all this criteria.

Ald. Lewis: You stated at Bartlett you wanted hours starting at 9:00 a.m. for your video gaming. What would be your hours here – the same?

Peter Z: No our operation would be 11:00 a.m. until midnight Sunday through Wednesday and 11:00 a.m. to 1:00 a.m. Thursday through Saturday.

Chuck Amenta: All my questions were answered off the panel.

Ald. Payleitner: Is there another document somewhere that you reapplied for your SPA loan?

Peter Z: No that's the document that I submitted to the bank with BMO Harris.

Ald. Payleitner: And they were okay with the fact that it wasn't really for this particular property.

Peter Z: I'm not sure which one you have – I may have dropped off the wrong one or it's an older version.

Ald. Lewis: That's what I'm saying that your plan goes back and forth about St. Charles or Bartlett or someplace else.

Chrmn. Rogina: The intent here is to make a recommendation to Government Operations this evening with whatever vote is taken here and then be placed before the Government Operation Committee for further conversation in front of the entire council acting as committee tonight. I entertain a motion for however you want to put it together. I agree his plan is somewhat all over the place, I do support staff in making the right decisions to have everything in order before releasing the license.

Ald. Lewis: I understand but I thought what is to be my job on this commission was to send something that was complete and I feel there are too many errors to send to committee.

Chrmn. Rogina: We're going to pass it on because that's the purpose of you and Ald. Payleitner acting as committee later on to point out these details and the advice of this particular group. That will be duly noted and passed along here tonight.

Ald. Lewis: Who will bring this to committee tonight that was discussed here?

Chrmn. Rogina: Chief Keegan will indicate what the vote is as far as your recommendation to grant a license as applied for here or not to grant it from this committee. You are sitting right there in that committee and my guess is they'll hear it.

Ald. Lewis: My point is there are other committees where alderman don't sit on them and when discussion is made, how does committee and council get the information of what we discussed if it never gets passed on?

Chrmn. Rogina: If you're talking about other commissions, I don't think this is relative to this discussion today.

Ald. Lewis: Well Rita and I are here today and will be at tonight's meeting, but if we weren't how would that information get passed along?

Chrmn. Rogina: Chief Keegan, anytime he has gone before a committee has expressed what was said here. So far as this commission is concerned the council committee will receive this information whether your presence is there or not.

Motion by Mr. Gehm, second by Mr. Amenta to recommend approval of a proposal of a Class B liquor license for a new business Main Street City Pub to be located at 104 E Main Street, St. Charles (former River House BBQ).

Roll Call: Ayes: Gehm, Amenta; Nays: Payleitner, Lewis. Chrmn. Rogina did not vote as Chairman but supports the motion. **Motion Carried.**

Chief Keegan: I did have an off line conversation with the applicant and he will bring the correct material to the Government Operations Committee meeting tonight.

6. Recommendation to approve a proposal of a Class C1 liquor license for a new business Prohibition St. Charles to be located at 1 W Illinois Street, Suite 170, St. Charles.

Chief Keegan: The applicant, Marwan Taib, has two other businesses in St. Charles: Spotted Fox on the east gateway and Charleston on the River that adjoins this location. Marwan took ownership and custody of that building several months ago, has a successful business venture to this point, it's a 4,500-square foot bar with an outdoor patio on the river. There's potential opportunity with the landlord which is Shodeen, to obtain and take custody of the 1,500-square foot building that would be located between Bombshell Blowout and Charleston on the River in the Fox Island Square. This just came to us on Friday, Marwan has signed a letter of intent with Shodeen for a lease contingent upon him receiving a liquor license.

Marwan Taib, owner of Spotted Fox Alehouse and Charleston on the River, St. Charles.

Chrmn. Rogina: I had a conversation with Marwan last week and he explained to me what his intentions were and I think the Chief articulated that in a broad fashion. I told him to come

forward here tonight and there would be no movement on this matter tonight. He is here to receive input and conversation and then given his timeframe, we've move this onto Government Services April 25 and depending on the recommendations onto City Council for May 2.

Marwan: Many of you are familiar with the space that used to be Erik & Me at Fox Island Square. When I took it over, one of the biggest challenges I saw, and I expressed it with Shodeen, was that the site was too big for one restaurant. Its 6,500 square feet and then when you add the outside deck/patio that's 2,400 square feet. So besides Erik & Me 20 years ago, everybody tried and failed. Bistro One West had amazing food and was written up in Chicago Magazine and was very successful; however he just could not afford the rent because as the space is bigger you just keep escalating the rent, and there are only so many tables you can turn at any given time. When I went to Shodeen my biggest concern, in my opinion, is nobody can be successful unless we shrink the space. So I went from 6,400 square feet to 4,200 which is the actual size of Charleston on the River. His biggest concern was the back space. I told him I didn't know what to do yet, but I wanted first right of refusal of the back space once we open Charleston and see how the operations go and see how well we can do. It's good for us and for the town. The town has the best interest to make that building successful. The feedback I've received in the last month is everyone has interest for that building to succeed. It's a landmark in St. Charles, it sits on the river, it's a beautiful site, and so far for the first month we have a great operation. We have an extensive menu, the price point is reasonable and we have families coming back with a kids' menu and family ambience. We had the deck open this weekend and we had 109 reservations – it was unheard of. It was more than Spotted Fox who has been there four years. We are able to pull from Geneva, South Elgin and west of St. Charles to come down unlike what we have on the east side. Our recipe of success on the east side is we get Bartlett, West Chicago, Winfield, and North Aurora. Without those towns, Spotted Fox wouldn't exist today. The timeline I have with Shodeen ends on April 30 and we have to make a decision to move into the back space or it goes to Shodeen. We talked with Wine Exchange, Bombshell, ALE Solution and Kimmer's that there's an opportunity to put something unique for the town in that small little space behind us which is only 1,400 square feet, the back space of Erik & Me/Top Table. Right now it doesn't have an entrance, so we'll have to make an entrance on the sidewalk, we'll share the patio with Charleston on the River because the patio is there. The space is too small for a restaurant and we would just be competing with ourselves.

I had my eyes on Geneva for a while. We compete with Geneva. The last concept that open up is Barrel and Rye; its very small and does very well in the Geneva market. We thought there was a need like that in St. Charles because a lot of my regulars are going to Barrel and Rye consistently for whiskey, bourbon, scotch experience. It's very sophisticated. We have two country clubs in St. Charles and these are people who are looking for that unique experience. I almost though of doing a Moroccan restaurant in that space; small restaurant with low seating like a Marrakesh Palace but it's too ethnic and not a market for that. Every time something different comes to St. Charles, it does well because it doesn't compete with what's existing and it adds value to it. Geneva is showing good signs of success. In the spending reports that come out every year, Geneva is taking \$6M of St. Charles dining money. If we continue to put more quality restaurants in St. Charles and unique places that serves a niche, the gap will close. I've

talked about people who have experienced Barrel and Rye and they are very excited about the experience of the place. It's successful because it's different.

For the proposal we're thinking about high end cocktails, make it upscale. We have the Wine Exchange across from us that has 3,500 club members that come to taste wine Thursday – Saturday. We can work a deal with Wine Exchange to connect together with the wine club, Charleston on the River that does food for families and right behind that we have this whiskey, bourbon, scotch, old fashions, manhattans where people want to go for a cocktail after work or after dinner for a cocktail before they go home. The draw in here is the experience that we're going to provide – it's not going to be your average bar with bar stools. It's going to be a lounge atmosphere, very elegant, very high-end exclusive offering a good experience.

Chrmn. Rogina: I went into Charleston for dinner on Saturday and he showed me the space in the back. All that he articulated to you made sense to me. The space is too big for a restaurant so in my opinion he is onto something. I think this is a very interesting idea worthy of our conversation and decision making in moving forward.

Chuck: Conceptually I think this is something we need. It's just not another place to go have a drink or a burger. I like the idea and look forward in seeing how this can grow.

Ald. Lewis: Did you say food or no food?

Marwan: No food. We'll have nuts on the tables

Ald. Lewis: You made the comment it would be a place where families would come into?

Marwan: We're thinking about a small area with TVs but we haven't gotten into the final stages. The vision here is to connect this place with Charleston.

Ald. Lewis: Would there be a pass-through? Would you enter from the parking lot side?

Marwan: No pass through and yes enter from the parking lot side.

Ald. Lewis: Then you would go outside and share the patio; would that be divided so you can't get to Charleston's patio? Could you buy a drink at either place and share the whole patio?

Marwan: Yes.

Ald. Payleitner: I like what you're saying and historically what you say is what we get and thank you for that. I have no reason not to trust you moving forward and encourage you to take the next steps.

Robert: Just interested in seeing more of the plans.

Motion by Mr. Gehm, second by Ald. Payleitner to move the Prohibition St. Charles concept to Government Services Committee on April 25, 2016 for the purpose of detail in front of the entire Council committee.

Roll Call: Ayes: Gehm, Payleitner, Lewis, Amenta; Nays: None. Chrmn. Rogina did not vote as Chairman. **Motion Carried.**

Chrmn. Rogina: Move back up to item 3.

7. **Other Business-** none.

8. **Public Comments** – none.

9. **Executive Session (5 ILCS 120/2(c)(4)).**

Motion by Mr. Gehm, second by Mr. Amenta to enter into Executive Session at 5:30 to discuss massage violations.

Roll Call: Ayes: Gehm, Payleitner, Lewis, Amenta; Nays: None. Chrmn. Rogina did not vote as Chairman. **Motion Carried.**

Motion by Ald. Payleitner, second by Mr. Gehm to come out of Executive Session at 5:43 p.m.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Rogina did not vote as Chair. **Motion Carried.**

10. **Adjournment**

Motion to adjourn by Mr. Gehm, second by Ald. Payleitner at 6:44 p.m.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Rogina did not vote as Chair. **Motion Carried.**