

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JULY 6, 2015**

1. Opening of Meeting

The meeting was convened by Chairman Stellato at 7:26 p.m.

2. Roll Call

Members Present: Chair. Stellato, Ald. Silkaitis, Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner , and Lewis

Absent:

3. Omnibus Vote – None.

Chair. Stellato: We are going to get into the Mayor's office and discussion about liquor and massage licenses. I realize there are people in the audience that want to speak tonight. When you come up to speak, we need your name and address for the record.

4. Mayor Office

- a. Recommendation to approve a Class B liquor license for The Pride Stores, Inc. d/b/a Urban Counter to be located in a retail center at 1850 Bricher Road, Unit #, St. Charles (new construction).**

Mayor Rogina: This is a recommendation to approve a Class B liquor license for The Pride Stores, Inc. d/b/a Urban Counter to be located in a retail center at 1850 Bricher Road, Unit to be determined, St. Charles (new construction). All the documents are included in your packet. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Ald. Lewis: I read in the packet that the stores you have in the other two communities do not have liquor licenses and wondering why?

Guy Morgano, 1460 Terrance Drive, Naperville: The other two Urban Counters are in a gas station or share the building with the gas station. This is going to be a stand-alone restaurant.

Motion by Ald. Turner, second by Bancroft to recommend approval of a Class B liquor license for The Pride Stores, Inc. d/b/a Urban Counter to be located in a retail center at 1850 Bricher Road, Unit #, St. Charles (new construction).

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, Silkaitis; Nays: Krieger, Lewis. Chmn. Stellato did not vote as Chairman. **Motion carried.**

b. Recommendation to approve a Class A1 liquor license for The Pride Stores, Inc. d/b/a The Pride Beer and Wine Plus Spirits store to be located in a retail center at 1850 Bricher Road, Unit #, St. Charles (new construction).

Mayor Rogina: This is a piggy back here to the same site and a recommendation to approve a Class A1 liquor license for The Pride Stores, Inc. d/b/a The Pride Beer and Wine Plus Spirits store to be located in a retail center at 1850 Bricher Road, Unit to be determined, St. Charles (new construction). This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Ald. Kreiger: There is a gas station on the corner that has changed from a BP to a Pride station; is there any connection?

Guy: We changed that to a Pride station 4-5 years ago. In the last couple of years we've had a much more robust effort to brand our convenience stores as Pride and that's being recognized now, but we're a small family business and operate 16 stores of which 12 of them are Pride stores. A lot of people still confuse us with major oil companies such as BP or Mobil. We are not. We are just a small family local own business that sells PB gas and our convenience store brand is Pride.

Ald. Lewis: Are there any plans for that BP station to change?

Guy: No, we've remodel that store 4-5 years ago and its actually a small property of 1,800 sq. ft. and we are finished with what we have done there.

Ald. Lewis: So the size of your convenience store is the size it's going to be?

Guy: Yes.

Ald. Lewis: Is that an average size for your convenience stores?

Guy: Our average is about 2,500 – 3,000 sq. ft. That's the way that store was laid out by Amaco back in the 90's.

Ald. Lewis: So leaving that the same, you decided that you can't put liquor in a convenience store, you open a liquor store next to it?

Guy: Yes.

Motion by Ald. Turner, second by Lemke to recommend approval of a Class A1 liquor license for The Pride Stores, Inc. d/b/a The Pride Beer and Wine Plus Spirits store to be located in a retail center at 1850 Bricher Road, Unit #, St. Charles (new construction).

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, Silkaitis; Nays: Krieger, Lewis. Chmn. Stellato did not vote as Chairman. **Motion carried.**

c. Recommendation to approve a Class B liquor license for Buona Beef to be located at 2425 W Main Street, St. Charles, IL (new construction).

Mayor Rogina: This business is under construction and this recommendation is to approve a Class B liquor license for Buona Beef to be located at 2425 W Main Street, St. Charles, IL. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Ald. Silkaitis: It states the business is not requesting a late night permit and will have a drive through window. That's not for liquor – correct?

Mayor Rogina: No, we don't allow that.

Motion by Ald. Turner, second by Bancroft to recommend approval of a Class B liquor license for Buona Beef to be located at 2425 W Main Street, St. Charles, IL (new construction).

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, Silkaitis; Nays: Krieger, Lewis. Chmn. Stellato did not vote as Chairman. **Motion carried.**

d. Recommendation to approve a Class B liquor license for Starbucks Coffee #280 located at 101 S 1st Street, St. Charles.

Mayor Rogina: This is a new location of Starbucks to 1st Street in a slot that is currently vacant and is being worked on. This is one of Starbucks unique stores that they're rolling out nationwide to offer beer and wine and there is no late night permit. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Ald. Lemke: Will this be in addition to the existing Starbucks?

Mayor Rogina: No, they'll be moving from the Arcada building to 1st Street.

Ald. Lewis: I'm curious as to why they chose St. Charles; this is such a limited program that they've started and there are so few in the country?

Mayor Rogina: They are very excited about the plans for 1st Street and as well as us. To have this opportunity in looking ahead to have this potential there is a good fit – that's my interpretation. I'm proud that they've considered St. Charles as one of their places to move ahead. Starbucks is a solid brand and for them to pick here is a feather in our cap, in my opinion.

Emily Schuck, 501 Locust, Geneva, IL: Some of it has to do with the location around it. It's not an addition to bars; that's not something we intend to be. It's low volume service. It's intended to be an addition to folks who are already coming into our stores; just a higher level offering. It also has to do with community and the support we feel from the community.

Ald. Lewis: I saw somewhere that you thought you would serve 12 drinks a day? For 12 drinks a day is it even going to break even in cost?

Emily: Yes, it does. Wine indicates the occasion but actually does not sell itself in the stores. You may get a group of eight people that come in and only one would get beer or wine and the other seven may not of come in otherwise.

Harland Powell, Attorney for Starbucks: One of the elements that is important to consider with the entire package is this a Starbucks evening program. There is a food menu that accompanies the beer and wine and is meant to drive food sales along with the traditional beverage choices, such as the teas and coffee. So the 8, 12, 14 glasses of beer or wine per store that have these licenses, that's been consistent throughout the state of Illinois where these licenses have been issued.

Ald. Lewis: I am a member of the Liquor Control Commission and was absent when you came to present, but how do you monitor this? I can walk up, order it, and it will be served to me just like I do now for my Starbucks; how do you monitor that I don't take that back to a table to an underage (19-20 year old) who would look old enough but isn't?

Emily: Valid question and this is something we put a lot of training into. One or two options are the employee will bring the glass of wine/beer to you served at your table and wait for you to take it from them. When a customer orders they will be introduced to the employee who will pour it so there's facial recognition.

Ald. Lewis: And then they'll watch me to make sure I'm drinking and not the people I am with? Isn't that going to be hard to do?

Emily: No that's the benefit of our stores being relatively small in size.

Mr. Powell: It's also important to know at stores where licenses are being considered, there is a bit of a logistical shuffle; Starbucks has made the decision that only employees who are 21 years of age or older will work at those stores (top to bottom). I think that helps with the level of responsibility and training and addition in your typical Starbucks experience, you normally see employees standing on one side of the counter; at this location you will have a much more interactive staff. They will be out there touching tables on a regular basis to make sure the concerns you just expressed are properly monitored and addressed.

Ald. Lewis: Here are my concerns. I'm not necessarily completely opposed to it, but I'm wondering if the type of license, if there shouldn't be a different category for this type of situation?

Chrmn. Stellato: I'm confused as to why you think Starbucks is any different than Colonial where they serve coffee and if they give a beer to someone, how do you know it doesn't go to someone else. I'm trying to make the connection with this restaurant or any other restaurant

Ald. Lewis: It seems lately we've been getting a lot of businesses wanting only beer and wine. We used to have a beer and wine license and have removed that. If that's all people want, maybe we

should reinstate a beer and wine license instead of just having a hard liquor license. Once one gets a license it never goes away.

Ald. Payleitner: In echoing what the Mayor had said, I too am on the liquor commission, I see this to be an opportunity of cutting edge on one end but on the other side we're a guinea pig. It sounds like you're taking extreme caution, so I'll be hopeful with all eyes on us that this will be a positive experience.

Emily: This program has been in test for almost three years in the area. The closest one is in Schaumburg and we've tested through a lot of the hiccups that have come along.

Motion by Ald. Turner, second by Bessner to recommend approval of a Class B liquor license for Starbucks Coffee #280 located at 101 S 1st Street, St. Charles.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, Silkaitis; Nays: Krieger, Lewis. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

e. Recommendation to approve a new Massage Establishment license for Balance Bodyworks Massage Business License located at 1120 E Main Street, St. Charles.

Mayor Rogina: This is a recommendation to approve a new Massage Establishment license for Balance Bodyworks Massage Business License located at 1120 E Main Street, St. Charles. All paperwork is in order. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Motion by Ald. Payleitner, second by Bessner to recommend approval of a new Massage Establishment license for Balance Bodyworks Massage Business License located at 1120 E Main Street, St. Charles.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, Lewis, Silkaitis; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

f. Recommendation to approve a new Massage Establishment license for Bombshell BB Inc. located at 1W Illinois Street, St. Charles.

Mayor Rogina: Recommendation to approve a new Massage Establishment license for Bombshell BB Inc. located at 1W Illinois Street, St. Charles; this is in the Piano Factory over on Illinois. All paperwork is in order. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Motion by Ald. Payleitner, second by Bessner to recommend approval of a new Massage Establishment license for Bombshell BB Inc. located at 1W Illinois Street, St. Charles.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, Lewis, Silkaitis; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

g. Recommendation to approve a new Massage Establishment license for Suzanne Denee Salon & Day Spa located at 3861 E Main Street, St. Charles.

Mayor Rogina: Recommendation to approve a new Massage Establishment license for Suzanne Denee Salon & Day Spa located at 3861 E Main Street, St. Charles. All paperwork is in order. All three of these are examples of our new licensing procedure that puts the application through requirements under our new ordinances. This application went before the June 15 Liquor Control Commission and was approved 3 Ayes; 0 Nays; 1 Absent.

Motion by Ald. Payleitner, second by Turner to recommend approval of a new Massage Establishment license for Suzanne Denee Salon & Day Spa located at 3861 E Main Street, St. Charles.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner Lewis, Silkaitis; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

h. Recommendation to consider a Class A1 liquor license for Depot Liquor 2 to be located at 710 S. Third Street, St. Charles.

Mayor Rogina: At this point I would like to do something differently. This is a recommendation to consider a Class A1 liquor license and tobacco license for Depot Liquor 2 to be located at 710 S. Third Street, St. Charles. I want to defer, initially, to the Committee, to the applicant, and citizens, one of which you already heard from, on this matter. The reason is for me to seek as Liquor Commissioner, any reasons by law to not recommend an application in accordance with our zoning ordinances as they are stated.

The Liquor Commission meeting was very interesting. A lot of neighbors came and voiced their concerns. I respect that and that's an important piece of our process that neighbors opined on what they would like or not like in their neighborhood. By the same token, also as the Mayor, I am obligated to review and seek legal counsel, talk with staff with respect to our ordinances and zoning and permitted uses; and from that to make recommendations. I have listened very carefully and will make a recommendation to you after this process is done.

Chrmn. Stellato: Mayor, as Liquor Commissioner, stated he is following the ordinance. We have the right as a committee to overrule that. We have that authority but also will take testimony from the audience, staff, and legal counsel. Who would like to start.

Ald. Payleitner: To honor our process and the zoning issue aside for this moment, and to honor our process to the applicant who complied, I have a few questions of the gaps on the application. The application attached to the agenda was very lacking with information missing. You do have another liquor store?

Manish Patel, 1000 Bowie Drive, Carrol Stream: Yes in Sycamore, IL.

Ald. Payleitner: You never had to have BASSET training for that?

Mr. Patel: No but I am in the process of completing it.

Ald. Payleitner: There is no address given for your corporation.

Mr. Patel: For the corporation, it still has my house address of 1000 Bowie Drive, Carrol Stream. We have to change that address according to when we have the liquor license for the corporation.

Ald. Payleitner: Who will be the manager of this store?

Mr. Patel: I will.

Ald. Payleitner: It was just the lack of attention of what we required. There was no business plan, no drawing.

Mr. Patel: I did fax a copy of the drawing over.

Jerry Rosen, Executive Director of the Beverage Retailer Alliance of Illinois: I apologize for the application as wanting but when it was applied for I was in the hospital recovering from surgery. I was a little lacking and not available to do it. I've put together a handwritten list of my memberships around the state where I represent and do the work for the major retailers in Illinois, big and small.

Ald. Payleitner: What is your role in this particular license application?

Mr. Rosen: I am his mentor and provider of his buying program for buying a product and for layout and design of store. (Showed a picture of a current business in Chicago under construction). We have up-to-date most modern refrigeration cases in the marketplace today installed. We want to make this an outstanding presentation of that store. Right now that store is a disaster. It's a very old mini-mart in very disrepair both inside and out. I have a list here of all the things we intend to invest in that space to make it a credit to the community, to the area, and to the town; as well as to the industry of which I am very much involved in upgrading the quality of liquor sales in the state of Illinois. My role is the guy in the background who gives direction. I've been doing this for two-thirds of a century.

Ald. Payleitner: You develop the plan. You don't do any of the financing?

Mr. Rosen: I don't do any of the financing. He has that already.

Ald. Krieger: What would the hours of operation be?

Mr. Rosen: Normally what we do is fit into the area. Open 9:00-10:00 am and close 9:00-10:00 p.m. in the evening.

Ald. Gaugel: Have you look at any other properties in St. Charles to operate your business out of?

Mr. Rosen: The reason this one was attractive is it's an opportunity for him to own some real estate and that's why he's willing to invest the amount of money that he would have to do to rehab and bring that place up to scale which is a quarter of million dollars to bring it up to scale without inventory. If you are just going to pay rent to use someone else's space it doesn't pay to make that kind of investment.

Ald. Bessner will be abstaining from this vote.

Ald. Lewis: How big is this existing square footage of this store?

Mr. Rosen: 2,500 sq. ft.

Ald. Lewis: And the one you showed in the picture?

Mr. Rosen: That's 3,500 sq. ft. with some warehousing space but the sales area will be the same.

Ald. Lewis: Do you consider that a pretty good size?

Mr. Rosen: It's a minimal size for a newly individual owner or operator to make a very nice living, run a good store, and be a credit to the community.

Ald. Lewis: If you had to classify it as small or mid?

Mr. Rosen: Midsize.

Ald. Payleitner: Did you say, Mr. Patel, you're looking to own this place eventually to buy it now or later?

Mr. Patel: Yes I am and it's in the works depending on the license.

Comments from the audience.

Mary Hill, 1003 S 4th Street: I'm a member of this community and I would like to plead with you to not allow this. My concern is twofold: 1) there's a park/playground across the street with equipment for the little children from this area. 2) All the other establishments for liquor are on Rt. 64 or on the edge of town. This is right among the houses in this small community and it's an inappropriate place for a liquor store. I'm also concern about this becoming a blight in the area.

Jenny Santos 1409 S 3rd Street *(made additional comments at the City Council meeting earlier tonight) I am here to address a liquor license that will be coming up for the business. I did come to the Liquor Commission on June 15 and did voice to the commission my concerns. I am here to reiterate to the whole council that my concerns and my neighbors' concerns are about a liquor store going into the middle of a residential area. We don't believe that would be good for our neighborhood. It is directly across the street from a park where children play. It's on my way to my daughter's school at Thompson Middle School. If it does come up, if you would*

please go with the Liquor Commission as recommended and deny that request. I would greatly appreciate it.

Jenny Santos: I just want to echo Ms. Hill's concerns. I was at the Liquor Commission meeting and from what I understood there that the zoning is like an island; everything else around this store is residential. I lived on 3rd Street for 13 years. We have plenty of liquor stores. If anyone needs alcohol at 9:00 a.m. they can go down Prairie Street, go to Sav-Way in Geneva, go to Jewel/Osco, Blue Goose. There is no reason for there to be alcohol in our neighborhood. I'm not against anybody trying to make a living. I'm a small business owner myself and know how hard it is; but this is not a good fit for our community and our neighborhood for sure.

Emma Santos – daughter, 1409 S 3rd Street: I live just down the street and my friends and I walk to school every morning and would have to pass this liquor store and none of us feel comfortable walking pass that. We like to hang out at the playground and none of us would feel comfortable playing there because we don't know who would be there and wouldn't feel safe. My friends and I like to bike down to the river and Forever Yogurt and we don't feel safe having to pass by a liquor store.

Chrmn. Stellato: A question to our legal counsel. You attached something to our packet tonight. Did you want to make any comment on what we can and cannot do or might be able to do on this issue?

Atty. McGuirk: We've been over most of it. It is a permitted use so it can't be denied on its zoning and everyone understands that. The cases that deal with issuance of denial of liquor licenses generally states that the Liquor Commissioner/Mayor has broad powers to grant and has broad powers to deny, but he doesn't have unbridle discretion to deny. There must be some reason. The cases deal with public health and safety and morals. So if your findings are that those things are affected, it's likely that the matter might sustain a challenge with either the State Liquor Commission or the courts. Those are what the cases provide. I have nothing more to add to that.

Mr. Rosen: About four years ago I put in a store that faced a similar situation as what we are looking at right here. The location is in Lincolnwood, IL directly across from the police and fire stations and a big park. There was the same kind of opposition with the same kinds of comments of a liquor store and today, that's the favorite liquor store in the town and favorite store in town. They gave us all kinds of rules and regulations and that was not a problem because that's what we do. If you want to look at some of my handy work, please look at it.

Ald. Lemke: Do we have any other places where a liquor store is totally enclosed by residential or off of the main retail street?

Deputy Chief Huffman: Yes, we do have One Stop Liquors in the 1400 block on Prairie Street. We also have Lundeen's West on Main Street but its adjacent to residential. We also previously had Parkshore Liquor which is no longer in operation but it was on 4th and West Main across from Lincoln Park.

Ald. Silkaitis: I grew up a block south of that location. I have a problem that it is surrounded by houses on all three sides with Moody Park on the one. Of all the places to put this – this is not really the best choice. I have trouble supporting it. Health and welfare would be my reason for denying the license. It's just not an appropriate place.

Ald. Payleitner: The only that maybe would apply is the 14th Street store. I grew up in that area and as I recall the neighborhood grew up around that area, not the opposite. That place was long ago a tavern and served on the outskirts of town – then the neighborhood grew around it. I don't know if that's the same case where the liquor store comes into the neighborhood. Second, I brought this up at the Liquor Commission meeting that my concern is the same as Ald. Silkaitis and I understand that we are bound by our permitted uses and zoning, but I have to mention to my colleagues that this is a BL zoning, maybe not in its legal description but in its definition, a BL is to serve the neighborhood. That's why it's a little island surrounded by residential. It's BL zoning is meant for it to serve the neighborhood and from what I hear tonight and previous and in my emails/phone calls, etc., the neighborhood does not see this as being a service to them. I'm voicing my opposition to this.

Ald. Turner: According to Atty. McGuirk this would be a health and welfare issue that right now the kids are even fearful of walking passed it even when it's not built already. That qualifies for me as a no vote. I think you got a nice store but a bad location.

Ald. Lewis: To piggyback off of Ald. Payleitner, the BL district says to provide locations for small scale service and retail uses that primarily serves the convenience of the needs. We did establish that this is not a small scale store but more of a mid-size store which fits into the BC community district. They accommodate midsize retail and service developments. I don't see where this fits completely into this BL zoning. We would like to have you look around at some other properties in St. Charles in a different zoning where the size of the store you want to put in would be permitted.

Ald. Gaugel: I too was very familiar with the store having grown up in the Davis School neighborhood. I know this location and its always been in the middle of a residential neighborhood. The townhouses to the north of there used to be single family homes as well. Having only been alderman here since May, there has only been one issue that has lit of my phone and emails as much as this has. There hasn't been on comment that's been made in support of this being a liquor store. I too don't believe that this serves the neighborhood as a necessity that we look for. I do encourage you to look around St. Charles where this would be more suited for. I would encourage you to talk to our Economic Development Department to have them help you find a different location other than this one.

Ald. Krieger: I agree with everything that's been said. This is in the center of a neighborhood with lots of young children and don't feel this is where a liquor store belongs.

Ald. Bancroft: It just comes down to the health and welfare of the neighborhood.

Mayor Rogina: The neighborhood is very important and we heard some articulate comments. I would take exception to any reference to the word blight. You can't presume that somebody who

establishes a business is going to automatically be a blight in the neighborhood. To the health and welfare issue – I get that, but to the same token I don't think I've seen any concrete evidence that the impact is going to be negative. I read the case law and I think what Counsel McGuirk suggested shapes my opinion to some extent. Right now we heard, and I'm not going to say it is because I haven't been in that establishment that often, but the indication was that the building in its current form is in poor shape. I would speculate as others have that if this license was not to go through – what might happen to that building then? Would that become a blight in the neighborhood? I feel with the advice and consent from council because you indicated that's part of the ordinance, but as Liquor Commissioner I have to uphold the ordinance that was created by all of us currently or past, and on that point, we just went through a Comprehensive Plan and zoning at some point could have been changed. It hasn't been and it is an island, but having said all that as Liquor Commissioner and Mayor have to uphold the ordinance. My recommendation is for approval of the Class A1 liquor license for Depot 2 to be located at 710 S 3rd Street, St. Charles.

Motion by Ald. Krieger, second by Gaugel to deny the liquor store license at 710 S 3rd Street.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Lewis, Silkaitis; Nays: None; Abstain: Besner. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

Chrmn. Stellato: The application is denied.

5. Finance Department

a. Presentation of budget and recommendation to approve funding for the Downtown St. Charles Partnership (DSCP) in the amount of \$218,500 for Fiscal Year 2015-2016.

Chris Minick: We are seeking a motion to approve funding for the Downtown St. Charles Partnership (DSCP) in the amount of \$218,500 for Fiscal Year 2015-2016 and that amount reflects previous City Council direction to reduce the funding levels to outside organizations by 10%. The City does routinely and annually provide funding to the DSCP and that funding support is provided by the proceeds of Special Service Area 1B and that SSA was established for the purposes of downtown revitalization and applies primarily to commercial properties in historic downtown of the City of St. Charles. Representatives are present to fulfill their obligation to present their workloads for FY15/16 and I will turn this over to Lynne Schwartz.

Lynne Schwartz, Executive Director of Downtown St. Charles Partnership: The Downtown St. Charles Partnership has had a productive year and I thank you for the opportunity to share some of our accomplishments.

Events – The DSCP organizes four events throughout the year

- The Electric Christmas and St. Patrick's Parades each had record-breaking attendance, breaking the previous year's records.
- Holiday Homecoming festivities brought almost 20,000 people downtown during the weekend.
- 17,500 people in attendance for the parade.

- Opportunity for us to showcase Small Business Saturday and shopping local.
- Approximately 850 visited Santa during the holiday season.
- St. Patrick's Parade attendance estimated at 18,500, up from 10,000 in 2014. There were an additional 650 people at the Dance Show, and 505 voters in the Deck out Your Lucky Dog Contest. The parade is at capacity with 80 entries.
- Jazz Weekend was also very successful in 2014, with 9 music venues. Survey of participating businesses - 100% of respondents reported an increase in business during their scheduled performances and all plan to participate again this year.
- The Fine Art Show brought an estimated 10,000 people to downtown St. Charles over Memorial Day weekend in 2014, with reports by local business of increased sales.

In addition to events, we provide a number of services to our business community.

- We conduct regular retention visits in addition to welcoming new businesses, in order to
- understand their needs and best assist them.
- Provide ideas and assistance with in-store events planning whether it be an opening or anniversary.
- Write and distribute press releases specific to the business, such as, Wilson Travel and Cruise received front page photo and full page feature article as a result; President Janet Foster interviewed on WBBM News Radio and as a result of that received several new bookings.
- Business Exchanges – opportunity to connect with other businesses and provides education.
- Educate through “Retail Minded” magazine and Business Newsletter providing links for
- information that is relative to their businesses.
- This year we issued three Storefront Improvement Grants to Smallcakes, Diamondaire, and The Bend General Store.
- Offer free marketing through our website, What's Up Downtown, and social media

Public Art

Contributed money toward the Bob Leonard Memorial Sculpture in 2014 and organized Art Around the Corner event.

Marketing & Promotions was extremely busy overseeing and implanting a number of new and existing programs.

- Continued STC Live!, delivering free, live entertainment throughout downtown on Wednesday and Friday evenings during the summer.
- Work began on the Chair-ity promotion which we are seeing the result of now.
- Collaborated with the City's Economic Development Department on holiday advertising to promote shopping downtown and entertainment.
- Another project with city partnership was our branding initiative. Last year, we completed the research and creative development, and successfully launched the new downtown brand, “Discover Your City Side”. Since the Branding Launch Party we had:
 1. Street Banners with the new logo and tagline
 2. Integrated the branding into our Social Media Makeover – Facebook, Instagram,

- Twitter, Newsletters, and email signatures all integrated.
3. Contracted for a full page in Neighbors magazine, highlighting different aspects of downtown's City Side.
 4. Business Workshop to help businesses integrate the brand.
 5. Updated all of our event materials, starting with the Fine Art Show this year.

Fiscal Year Ending 2016 Goals and Objectives: We have had a very busy year and, as we look ahead, we plan to keep the pace.

- Since May 1 of this year, we have already had a successful Fine Art Show, kicked off STC Live, Art Around the Corner, and the Chair-ity promotion.
- We will continue to support our business community through advocacy, education and support services.
- We will once again partner with the City to promote downtown St. Charles during the holiday season through an advertising campaign, starting in November. At this time, the City and DSCP have each allocated \$7,000 of our budget for this in the coming fiscal year. We will continue to positively showcase our downtown through the events that we organize. All event materials will incorporate the new look and logo, and every activity we put in place will be reviewed to be sure it supports and enhances this new brand for our downtown.
- Of course, our Branding efforts have only just begun. Our City Side creative and messaging will be integrated into all of our marketing and advertising initiatives.
 1. We will continue to work with businesses to help them use this brand messaging to their benefit.
 2. Kiosks .
 3. Vacant window panels.
 4. Holiday Advertising Campaign.

As we move forward, we continue to focus on our organizational goals of strengthening our downtown business community for the benefit of all of our constituents. In order to do this, we continually seek feedback, assess our programs and services, and seek opportunities to provide value. We will also make it a high priority to ensure that anything we do enhances our new brand.

Financial Report

- The budget for the coming year is included in your packet. The Downtown St. Charles Partnership is respectfully requesting funding in the amount of \$218,500.00 to further continue our efforts.
- We are also requesting that the City once again allocate \$7,000 of their budget in a partnership with the DSCP for the Holiday Advertising campaign.
- Consistent with our presentation last year, the second and final phased payment for the Branding rollout is included in our FY15/16 budget. As you recall, that is in the amount of \$25,000.

Thank you for your time and consideration. I am happy to answer any questions you might have. Motion by Ald. Turner, second by Bancroft to recommend approval of funding for the

Downtown St. Charles Partnership (DSCP) in the amount of \$218,500 for Fiscal Year 2015/16.

Motion by Ald. Turner, second by Bancroft to recommend approval of funding for the Downtown St. Charles Partnership (DSCP) in the amount of \$218,500 for Fiscal Year 2015-2016.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

- b. Recommendation to approve a Resolution Authorizing an Amendment for the City Administrator to Execute a Third One-Year Renewal Period and Approving a One-Year Renewal (May 1, 2015 – April 30, 2016) of the License Agreement By and Between the City of St. Charles and the Downtown St. Charles Partnership.**

Chris Minick: In 2012 the City and the Downtown St. Charles Partnership entered into a license agreement to allow the DSCP use of office facilities and various office equipment and office systems here at City Hall. That particular agreement that was passed back in 2012 provided for a series of annual renewals until April 30, 2015. Each and every year staff brought forward a renewal request and the City Council approved this every year of that licensing agreement. Enclosed in the packet is a resolution allowing for one final additional one-year extension through April 30, 2016. This is made pursuant to a request received from DSCP in June to extend the existing license agreement for one additional year at the terms and conditions that were originally agreed to. Other than the term of the agreement, there are no other changes to the conditions/terms of the license agreement and staff respectfully requests approval.

Motion by Ald. Krieger, second by Lemke to recommend approval of a Resolution Authorizing an Amendment for the City Administrator to Execute a Third One-Year Renewal Period and Approving a One-Year Renewal (May 1, 2015 – April 30, 2016) of the License Agreement By and Between the City of St. Charles and the Downtown St. Charles Partnership.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

- c. Presentation of budget and recommendation of consideration of the Convention and Visitor's Bureau funding request of \$526,500 for FY2015/16.**

Ald. Bessner recused himself from this item.

Chris Minick: Each year the City out of the proceeds from the hotel/motel tax, does provide funding support to the Convention and Visitor's Bureau (CVB) and for FY2015/16 we are respectfully requesting and recommending a funding allocation of \$526,500. Again as with the Downtown Partnership, that amount does reflect and is consistent with the City Council's direction to reduce the funding to outside agencies by 10% for FY2015/16. They are under the same requirement to come forward each and every year to make a formal request of the City and

ultimately City Council to make a presentation to update the committee on their activities and results of operations for the last fiscal year.

DeAnn Wagner, Associate Director of the Greater St Charles CVB: I come before you this evening to thank you for the support the City of the St. Charles has provided our bureau since its founding in 1983. In the past 32 years, our bureau has been dedicated to the mission of promoting St. Charles as a destination for meetings, motor coach groups, sporting events and leisure travelers.

The reports provided in advance were Year-to-Date numbers for July 1st – March 31st. This evening, I will be presenting our year-end numbers. I am happy to report that our Bureau can point to a potential return of \$18.67 for each of the \$585,000 the city awarded to us in Fiscal Year 2015.

That return on investment is based upon:

- Estimated spending from visitors outside the Fox Valley who attended Scarecrow Fest 2014.
- Potential spending from 3,391 room nights generated from 38 pieces of NEW business our sales team brought to St Charles.
- Estimated spending of 20,662 leisure visitors who have contacted our bureau for information since July 1 of last year.

Not included in that ROI figure are the nearly 600,000 unique visits to our websites or any spending by the 49 groups for which we provided complimentary convention services. Our ROI does not include the 30,537 room nights reflected in 116 leads for new business our sales team sent to our hotels – business they discovered by attending ten meetings, motor coach and sports tradeshows all over the country and meeting personally 212 planners who have potential business for St. Charles.

Accomplishments for FY 2015 include:

- Leisure advertising placements with circulation to reach nearly 2.3 million.
- Managing online housing for two Premier Girl's Fastpitch Tournaments. The Qualifier generated 878 room nights with 568 of them at St. Charles hotels. Midwest Championship has generated 1,098 room nights at St. Charles hotels of the 2,666 booked thus far.
- The Bureau is working with this organization on a third event that will fall over Columbus Day weekend.
- Pheasant Run Resort, Kane County Fairgrounds, and the Bureau have been working to bring Holstein Association USA to St. Charles since 2012. Once the contracts were signed, the Bureau continued to assist the group by providing convention services. The group brought more than black and white cows to our community. It consumed 1,388 room nights, had 1,086 attendees, and had potential direct spending of \$666,528.
- Scarecrow Fest is named by Fodors Travel as one of 15 best small town festivals in the country

- Receipt of a 2015 Successful Meetings Magazine's Pinnacle Award as one of the country's best visitors bureaus – an accolade received by only one other Illinois bureau – the Springfield CVB.
- Scarecrow Fest 2015 will have new street banners to promote the event as well as enhancements to the contest including new categories and judging to encourage more participation.
- By the end of this month, our brand new and responsive visitstcharles.com will be live.

Since July of last year, local hotel tax collections have increased approximately 9% compared to 2014. Obviously, this is a trend we hope to see continue and will do our best to support by ensuring that the reduced dollars the Bureau will receive in fiscal year 2015 compared to the 33% we were awarded this past year, will enable the bureau to continue to provide a solid return on investment, bringing more visitor revenue to the City's general fund and helping to reduce the tax burden on the residents of St. Charles.

That is the power of tourism. CVB uses visitor dollars to fund initiatives to bring in more visitors. More visitors bring in more tax dollars. More tax dollars reduces the tax burden for the residents and funds the Bureau and the Visitors Cultural Commission.

Tonight, we come before your committee to officially request funding of \$526,500 for fiscal year 2016, a reduction of \$58,500. This reduction mirrors the same reductions being felt by other local organizations receiving financial support from the City of St Charles. In addition to this local reduction, we are anticipating a loss of \$94,000 in state tourism grant dollars – resulting in an overall funds decrease of \$152,550 to our fiscal year 2016 budget – necessitating significant reductions in our program of work:

- we have cancelled the web-based Cvent e-advertising and promotion partnership which brought St Charles to the attention of 30,000 planners across the country,
- we have reduced our tradeshow schedule by half and will be attending only five between now and June 30, 2016, and
- we have reduced by 20% dollars allocated to leisure advertising and promotions.

As you are aware, our Executive Director Amy Egolf has accepted the position of Director of Sales & Marketing for Hilton's Indian Lakes Resort and will be leaving our Bureau on Friday, July 24. Tomorrow, our Board of Directors will be meeting with Amy to discuss "next steps" in regards to how her resignation will impact the Bureau's fiscal year 2016 budget and program of work.

In closing, our staff and Board of Directors join me in thanking you for your consideration of our fiscal year 2016 funding request in the amount of \$526,500. We also respectfully request a reconsideration of this reduction in the event that passage of the state's fiscal year 2016 budget does NOT result in a 50% reduction of the city's LGDF allocation.

At this time, I'd like to open the floor for your questions?

Ald. Payleitner: I have few clarification questions. I understand the service you give to hotels

when they request it. Is there a bottom line percentage of new business that the CVB brings to St. Charles of your total numbers? What percentages is direct service to hotels and what percentage is to new businesses, events, and groups. I did request this information and got some numbers. What I see are numbers for events that would of come to St. Charles any ways, such as, Fox Valley Marathon. I don't think your organization brought that event to St. Charles, but you absolutely serviced them; Charlies Center for Arts that was happening and you accommodated them, but that wasn't new. I want to know if you have a number of what was brought to St. Charles new that wouldn't of come except for the CVB?

DeAnn: There is just a little bit of repeat business, e.g., Premier Girl's Fastpitch Tournaments has been in the area for 2-3 years now, but everything else listed on that document has not been to the community before.

Ald. Payleitner: Of those numbers, what did CVB bring to the City?

DeAnn: The 3,300 room nights.

Amy Egolf: Came forward to try to explain the number on the sheets stating they 2014 numbers not 2015.

Ald. Payleitner: I'm looking for what is the definition of new business.

Amy: It's pieces of business that have not been in St. Charles in the past with the exception of something that might be a repeat piece of business of that client who has asked for a different hotel.

Ald. Payleitner: I understand that was assisted by the CVB...

Amy: New business is business that the bureau identifies, sends a lead out to the hotels for, and the hotels have contracted that business. If it's repeat pieces of business those are tracked under convention servicing. The report you just pulled for me was a year old.

Ald. Payleitner: Yes, but the things that are on here are events that would be coming to St. Charles anyways.

Amy: In 2014, they may have been using new hotels.

Ald. Payleitner: Is the CVB literally bringing business to the hotel or is the hotel saying here CVB we are doing this – help us?

Amy: No the hotels would not support that at all.

Ald. Payleitner: Fox Valley Marathon, for example, you accommodate once they come to you, but what new people have you gone out and brought in?

Amy: That is new pieces of businesses. Even though the event was held in the past, it doesn't mean those athletes were exactly the same athletes, so Fox Valley asked us to work with them so that we could capture those room nights for the St. Charles area.

Ald. Payleitner: I get that and that falls into the category that you provide direct services to the event and hotel. What I'm asking is what new events, since you send people out to all these conventions, etc. – what new events have come to St. Charles as a result of them.

Amy: Those events are reflected in the booked business that we provided you on the report. (Dialogue continued between Amy and Rita discussing what is and isn't considered new business brought into the City from the CVB).

Motion by Ald. Turner, second by Lemke to recommend consideration of the Convention and Visitor's Bureau funding request of \$526,500 for FY2015/16.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

Ald. Bessner returned.

d. Recommendation to approve a Resolution of Official Intent Regarding Capital Expenditures to be Reimbursed from Proceeds of an Obligation to be Issued by the City of St. Charles, Kane and DuPage Counties, Illinois.

Julie Herr: I am here tonight to request approval of a Resolution of official intent for a bond issue that will take place later this year. This action does not obligate the City to issue the bonds, but it does reserve our right to reimburse ourselves for any expended project funds for when the time comes that we do issues the bonds, we can reimburse ourselves for those proceeds. I included a list of some the projects in the agenda packet that we're contemplating bonding for this fiscal year. These are all projects that were part of the FY15/16 budget. We are planning on issuing bonds later this year, we haven't started that process but this is the initial step to reserve the right for reimbursement when that time does come.

Motion by Ald. Silkaitis, second by Turner to recommend approval of a Resolution of Official Intent Regarding Capital Expenditures to be Reimbursed from Proceeds of an Obligation to be Issued by the City of St. Charles, Kane and DuPage Counties, Illinois.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

6. Public Works Department

- a. Consideration to petition the Federal Aviation Administration to restrict air traffic over St. Charles and join O'Hare Noise Compatibility Commission as requested by Mr. Robert Gunther.

Peter Suhr: This agenda is in regard to the petition that can be found in your packet which was given to staff on behalf of Mr. Robert Gunther of 11 Stonewood Drive. Mr. Gunther is here tonight seeking your approval of the petition to the Federal Aviation Administration to restrict air traffic over St. Charles, and also to join the O'Hare Noise Compatibility Commission. Your packet also includes a brochure from O'Hare Noise Compatibility Commission that identifies their highlights and accomplishments over the years.

City Staff contacted the Village of Bartlett who is a member of this commission and asked them about their involvement with this group. They said they joined this commission in 2003 and were originally fairly active with this organization but that activity has ceased over the past 8-10 years. Even though staff does receive current and informative information from this group, that is helpful to some extent when they have residents that call in to ask questions, that's what they really utilize this commission for. The Village of Bartlett received 2-3 calls annually; which is more than what St. Charles receives on an annual basis about noise complaints according to our logs.

Even though we appreciate Mr. Gunther's cause and certainly don't want to see any excessive air noise over St. Charles, staff is not in support of Mr. Gunther's request to petition Federal Aviation Administration into joining their Noise Compatibility Commission. Our recommendation is based on a few reasons.

1. In review of the information that was provided by the commission, they provided a map that is called a noise contour map and the City of St. Charles is well outside of that map. This may be an impacted problem for villages/cities that are closer to O'Hare but not necessarily what was recorded by the data that we were given by that commission.
2. The City receives very little complaints, if any, from our residents and that certainly is part of our condition for recommendation.
3. We considered the feedback we received from Bartlett.

While Mr. Gunther's opinion is quite different from ours, he is here to speak with you tonight.

Mr. Rob Gunther, 11 Stonewood Drive, St. Charles: I have no hard feelings, I knew this was a long shot. Read an article from the Tribune last October. The new east/west runway was opened two years ago and has slowly been implemented. The first year after the east/west runway was initiated, there were nearly 30,000 noise complaints in August of last year. Just in one month the complaints exceeded 30,000 than the entire year. Towns that are relatively distant from O'Hare in which noise complaints were received for the first time in August included Batavia, St. Charles, South Elgin, West Chicago, and Winfield. I would suggest when there are complaints, there are plenty of websites and venues for people to approach the City government as well as the FAA. So they're probably not calling the City of St. Charles; they're approaching other places. As to the O'Hare Noise Compatibility Commission, what's interesting in this document is this is the first east/west runway that's opened up and there are two more plan. I fly nearly every other week and seek out pilots who sit on the airplanes and I strike up conversations and take my complaints to them, and when I do, they generally shake their head and say this is the tip of the iceberg. They are slowly implementing the other two east/west runways. Most of the noise around St. Charles seems to be the same flight pattern. It depends on the day or cloud

cover, but generally the most traffic is over North High School and down Red Gate Bridge and Army Trail. It's a continuous stream on some days. You don't stop hearing the first plane before the next one kicks in. It's just the beginning for our city and could certainly affect more residents. There are nifty apps you can put on your I-phone that shows the level of air traffic. We also have DuPage Airport that's right on our border so we are listening to small single engine planes at 500 to 1,000 feet but we're also listening to the noise pollution of commercial jets from 4,000 – 5,000 feet.

Ald. Payleitner: Is noise strictly your issue or are you trying to redirect traffic for other reasons.

Mr. Gunther: If I could smell fumes, I would throw that in, but its primarily noise.

Ald. Lewis: I agree and I live on the border of St. Charles/Geneva and a couple of weeks ago, I timed a jet every minute and they were low enough that we could see almost what airlines they were. It's not every night, but most nights around the late afternoon it's just non-stop. I understand that maybe there's no complaints, but the people in our neighborhood are complaining to each other. I think we feel we're not complaining to the City because what can St. Charles really do about it. So they don't call, but I do agree with you that it's only going to get worse.

Mr. Gunther: When it's pointed out to you, it seems one hasn't really noticed it before until its mentioned.

Chrmn. Stellato: The committee has some options to make as to whether or not to join this group or the other option is to take no action and allow us more time to see what happens as these east/west runways open, which in sense leaves this opportunity open for discussion as opposed to tabling it and staff would have to bring it up every so often.

Mr. Gunther: There is legislation right now on Governor Rauner's desk regarding closing the diagonal runways. That's the petition of a lot of communities to keep those diagonal runways open and spread out the noise amongst all the communities that are affected and that would greatly affect St. Charles. Right now the diagonal runways are being used and if they close them and no longer use them, then the east/west runways become even more prevalent.

Chrmn. Stellato: In this case when that happens, this could become more topical for us to take some further action down the road. So at this point if you're okay with us leaving it like this, we don't want to burden staff with bringing this up, but at some point if something new happens, please let us know and we can take action at a later date.

b. Recommendation to approve a Resolution Authorizing an Application to the Kane/Kendall Council of Mayors for STP/LAFO Grants and Execution of all Necessary Documents.

Karen Young: This is in regards to grant funding opportunities that staff would like to apply for

several projects. It's through the Kane/Kendall Council of Mayors. There are two types of funding all related to street resurfacing and reconstruction. Staff would like to apply for these as it's a great opportunity to leverage our finances and gets several projects paid for out of grant funding with a relatively small contribution to the project size from the City.

There are several projects with the first being STP funding which is reconstruction projects. There are two projects, one from Kautz Road from Rt. 64 to Rt. 38 which is a partial reconstruction and resurfacing project. We are proposing to partner with the city of Geneva as that will help in the ranking of this project and are also looking to reconstruct their portion of roadway as well. We had some conversation with West Chicago who would also be in support of this project and this would help our funding application. If we receive funding for this joint project this would break down our financial obligations for those projects.

The second project proposed for reconstruction is Ohio Avenue from Kirk Road to Kautz Road. This is in the City's east side industrial park. It's proposed in this application as two different things. The reconstruction of this roadway didn't rank as high as the last time we applied for it, but we like to submit it and see how it will rank against the other projects that are being applied for from the other communities.

The next set of projects are LAFO resurfacing projects. This is for typical grind off the top surface of the roadway to provide a smooth riding surface and extend the duration of life for those roadways. We have several projects listed: Ohio Avenue, Campton Hills, Production Drive, 3rd Street, and 7th Avenue. All of these roadways qualify for this type of funding. There is a \$500,000 max limit on this type of funding so the breakdowns for most of those projects are requesting funding of \$500,000 from the Councils of Mayors.

In terms of timing of these projects, they are doing a different process this time for call for projects. The STP reconstruction projects are asking for specific years to be called in the memos. Both of the projects listed on there are already proposed in our budget for the out years. The LAFO projects are being put on a B-list; basically if funding becomes available, a municipality can propose those projects into a specific year that we can talk about that later and bring back to Council to try and get them on a specific budget year. This is a great way to leverage. This has happen several times over the course of the years for this funding where they had funding become available and people have been able to pull their projects up and get them funded. This is a great resource for our community and have proposed so many projects that we know are in our out years to be constructed.

We are recommending a resolution to support these projects which allows us to receive more funding and rankings on our applications. It makes our projects rank higher and shows the community supports the projects as well.

Chrmn. Stellato: On Kautz Road I've received complaints on the railroad crossing – there's a dip on both sides of it. Is that part of this to correct that?

Karen: It will be part of it to correct it, but we also have some correspondence going with the railroad company to see if they can do something in the short term to maintain it. It's the railroad company's maintenance responsibility and not the City's.

Motion by Ald. Krieger second by Lemke to recommend approval of a Resolution Authorizing an Application to the Kane/Kendall Council of Mayors for STP/LAFO Grants and Execution of all Necessary Documents.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

Motion by Ald. Lemke second by Turner to enter into Executive Session at 9:07 p.m. to discuss Property Acquisition.

Roll Call: Ayes: Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, Lewis, Silkaitis; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

5. Executive Session

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

Motion by Ald. Payleitner, second by Bancroft to come out of Executive Session at 9:26 p.m.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

6. Additional Items from Mayor, Council, Staff or Citizens.

7. Adjournment

Motion by Ald. Bessner, second by Gaugel to adjourn meeting at 9:27 p.m.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**

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