

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JANUARY 4, 2016**

1. Opening of Meeting

The meeting was convened by Chairman Stellato at 7:44 p.m.

2. Roll Call

Members Present: Chair. Stellato, Ald. Silkaitis, Payleitner, Turner, Bancroft, Krieger, Gaugel, Lewis. Ald. Lemke attended via telephone conference.

Absent: Ald. Bessner

3. Motion to approve Ald. Lemke to attend this meeting via telephone due to a personal illness.

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

4. Omnibus Vote – None

5. Police Department

- a. Recommendation to approve a proposal for Onesti Entertainment Corp. for a new Class B license for Club Arcada to be located on the 3rd floor of 105 E Main Street, St. Charles.**

Chief Keegan: The Onesti group has been here in the City of St. Charles for 10 years under a D license and is coming forward tonight to request a separate B license to be located on the 3rd floor. They are also asking for a 1:00 a.m. late night permit to go with this B license. Mr. Onesti is here and can answer any questions you may have.

Ald. Lewis: I have questions about the safety on the 3rd floor. I talked with the Chief and he stated you have submitted plans to address this and before I can move forward with granting a liquor license, I need to see what those plans are – a little more detailed business plan. I don't think, at this point, I have enough information to move forward. I would like to see the plans approved before I move forward with granting this liquor license.

Ron Onesti, 105 E Main Street, St. Charles: What plans specifically are you looking for?

Ald. Lewis: The ones you submitted for approval.

Ron: You haven't received those? Was I supposed to send those to you?

Ald. Lewis: No, I don't think so. I'm uncomfortable in putting a night club up on the 3rd floor for safety reasons until I see how that all works out.

Chrmn. Stellato: If a liquor license, hypothetically, is granted to anybody, taking Ron out of the picture, this is a question about protocol. We approve a liquor license, that person is not granted that license until the Fire Department, Building Department, everyone approves the methods of ingress/egress.

Chief Schelstreet: We are going through the normal process that any developer would go through. We had a site meeting with Mr. Vann and Fire Prevention in attendance. We went through the concept with Mr. Onesti who then submitted a plan, we had some questions, he was sent a letter, a second meeting was held to answer his questions on what the requirements are, and now he's going to be answering our questions with another submittal. Where we are involved, Fire and BC/E, is issuance of a certificate of occupancy. If the Council grants a liquor license, there will still be no ability for him to operate the business until he is issued such certificate.

Chrmn. Stellato: Good, that's what I was getting at that we sometimes approve a liquor license before the place is even built out.

Chief Schelstreet: In doing some research with Tina, what I would offer as a comparison is the old Ray's Evergreen. They had a liquor license but they did not open immediately because they had some code things that they had to work through.

Chrmn. Stellato: Does that help? I'm questioning why we're signaling him out is where I'm going.

Ald. Lewis: I don't feel like I'm signaling him out.

Chrmn. Stellato: If we do this for everybody, we grant the liquor license and tell them once they have that license you go get approve through the Zoning and Fire Departments, why is this any different?

Ald. Lewis: I think this is the first one we're approving up on 3rd level that makes it more of a safety issue for me in a 100-year old building.

Chrmn. Stellato: Okay we can address that?

Bob Vann: This is little different because it's not on the first floor, but if you remember there was a dance studio a while ago and when that was there a requirement was to add a stairwell that is there now. So there's an enclosed stair tower and another exit through the older part of the building; so there's some existing safety features there already. The building is mostly sprinkled, there's a fire alarm system so there's a safety net for those. So we are looking at all the safety requirements for the code.

Ald. Lewis: I don't doubt that you're not. I've stated how I feel about it and I don't know what more else I can say.

Bob: Mr. Onesti does have to answer more questions and get approval from the Health Department as well. We're going through that process.

Ald. Lewis: I would like to just table this for another month until some of this is worked on.

Ald. Turner: I'm a little leery on having this on the 3rd floor too. I would actually like to go up there for the inspections with the Chief – that whole building kind of scares me; and if it's approved I know you did your job, but I would like to see this thing before I vote on this license.

Ron: My concern frankly, with all due respect, I was told the process that happens, I talked with the Police, Fire, Building, Health Departments. I did all my homework. I talked with the Mayor and City Administrator. I was here a couple of weeks ago and have done everything I was supposed to be doing. It's questionable to me why an alderman is asking for the plans when I duly submitted the plans to the City. If you don't have communication between your own departments, and you say how do you know you're going to see the plans – is it my responsibility to drop off plans to you.

Ald. Lewis: I think you misunderstood what I said. I want to wait until the plans were approved by the City. I don't necessarily have to see them. I don't see any reason why the plans wouldn't be approved but what difference does it make if you get your license this month or next month if your build-out and occupancy isn't even going to be there until its approved?

Ron: It makes a big difference because every week and month that goes by is a big deal. I had planned on opening this process earlier but I wanted to allow other things up there that is going to require additional permitting, but what I don't understand is I'm going by what is told to me and my understanding was that the City Council was to vote in agreement or disagreement to allow a liquor license but all that's pending if you guys say it's okay. And if you were to vote for a liquor license tonight, it's not like I would get one as I'm walking out of the building. It's got to be fire and building code departments to say okay and then I get one. I would assume that if they all say it's okay – then it's okay.

Ald. Lewis: That's my point if they approve your plans then you get it at that point – I don't understand...

Ron: It's an additional month that's what's wrong.

Ald. Lewis: You can't start your building until they approve that anyways and you'll get occupancy in May?

Ron: February. There is not a whole lot of things to be done in the grand scheme of things. There's no load bearing walls coming down, no electrical, no plumbing – just minor stuff; so realistically I can open so May is a NO. Everyone has been very kind and accommodating in

other departments to do what they need to do to try and help me with this. Again I did everything I was supposed to do that was asked of me and to table it for another month is something I'm very disappointed with if that's the situation.

Ald. Bancroft: As a council member and as a council, our reliance point is on staff and they're going to tell us through a certificate of occupancy and a variety of other mechanisms that they employ that it's safe to conduct business in. I think it's a completely different issue to the granting of a liquor license and to be frank I would be very upset if I were you Mr. Onesti because why would I want to go for the next month of work that has to get in working with this city with this hanging in the balance when they're two completely unrelated issues. I don't understand it.

Ald. Silkaitis: I don't need to go to the 3rd floor to look at it. We have staff, we pay them well, and their job is to make sure that it meets our ordinances. If it meets our ordinances – fine; we can grant them a license now. I'm all in favor of a license. My vote would be not to table this but I do not believe we need to hold this up for a liquor license since we have never done this before. I never remember stopping a liquor license because we haven't seen a plan or staff hasn't approve the safety or health issues. I don't understand where this is going and this is all new to me that we are going to change process.

Ald. Payleitner: I apologize I wasn't at the last liquor commission meeting because this is something I usually bring up there. I've been a long, long proponent that a business plan be attached to the liquor license because, excuse my French, we've been screwed in the past. We approve a license and then somebody decides they're going to do a whole different business plan. Since that happen I've always said we need to attach a business plan and it's in our ordinance. For clarification of a couple of things I see that are missing is there's a brief business plan that says service of wine, beer, and spirits to theatre patrons before and after shows which is in our ordinance. I see a wonderful description of cocktails you're going to offer and a floor plan which is also required. My question is occupancy, was that anywhere on our packets of what the occupancy is going to be.

Ron: That still needs to be determined by the mathematics of building code and that's what we're working on right now.

Ald. Payleitner: It's usually attached as part of the floor plan of what the occupancy is so that's different than what the building inspection is. Secondly is your plan to just have it for theatre patrons before and after shows?

Ron: It will be an entity that will be billing supper as well independently.

Ald. Payleitner: Again that wasn't in the business plan. My holdup is that prior coming to Council that be corrected and that's what has happen before. There's not an issue with your business plan; I don't see it and would like to see it address before it comes before Council.

Ron: Once again the Police Department has the various stipulations and parameters, description

of the business operations as well and it met their expectations. So once again if this is more of a rule than a parameter... whatever was in the requirements that the Police Department is supposed to get from... it met their requirements. So they are the ones that are determining whether it should be kicked back or not.

Ald. Payleitner: Chief do you have that information that just wasn't included in our packet?

Chief Keegan: Are you looking at the scope of business plan? He does state in the business plan that he wants open on Wednesdays through Sundays to 1:00 a.m. so it would be closed Monday/Tuesdays.

Ald. Payleitner: On the brief business plan description on the application it says services of wines, beers, spirits to theatre patrons before and after shows; so I just assume it was shows Wednesdays through Sunday. It's semantics perhaps.

Ron: Those attachments that you are asking for were submitted. I don't know if you received them and that was my concern with Ald. Lewis; if you're not getting information that I'm submitting into the City... because I got all that there.

Chief Keegan: You're looking at the narrative piece at the bottom of the application that was submitted? The scope of the business plan is a little bit broader, but your intention is to be open Wednesdays through Sundays?

Ron: Yes.

Chief Keegan: A B license is a restaurant license so there is an element of food there and part of the process that we do in our background is we look at Mr. Onesti and his business plan, but also his history of serving and having alcohol consumed on his premise, we check with the Illinois Liquor Commission, we look at his general conduct as a businessman in town, and obviously to make sure of what he is applying for meets the criteria of our ordinance. The B license application as it stands with the 1:00 a.m. late night permit request and his background and conduct of business for the last 10 years – I feel comfortable advocating for a recommendation.

Ald. Payleitner: With us just now having this conversation, it is now on the record and somewhat satisfies me even though it isn't in our packet, at least now we know that we can come back and say yes his intention was to have it be...

Ron: I respect what you're looking for but as you mention, for lack a better word, the City has been screwed before by people; if at any time I would hope my reputation, my 10 years having a liquor license and not having one ticket, one issue, not one police call – I would hope I would have a little bit of weight in this situation.

Ald. Silkaitis: On this business plan I don't personally need to know what kind of food you are going to serve, to me it's not important, if it meets the seating arrangement. A business plan to me is saying here is what I'm going to sell, here are the hours – personally that's all I need to

know because the ordinances are going to take care of everything else. It's nice to see the food, but it's not essential for me to vote yes/no because I don't know what kind of food or drinks you're serving. If you have a liquor license you can either say no you not going to outlet it to theatre people or you can – it's not my job. The liquor license says you can sell to anyone over 21 and between certain hours.

Mayor Rogina: A couple of points and I think there's a solution that perhaps you follow the course of what the Liquor Commission did. Liquor Commission recommended that Ron receive a liquor license subject to all the parameters in meeting of the ordinances, building and code, and subsequent issuance of the certificate of occupancy. To Ald. Turner's point, I wouldn't disagree with him at all if he feels it's important to take a look at the place and to hone down on what the occupancy would be. You can always do what the Liquor Commission did which is grant the liquor license subject to all the ordinances being met for the purpose of the certificate of occupancy taking place. If that doesn't happen, Ron doesn't move in. At least Ron goes into the process knowing that he has the liquor license. He's working on the other stuff knowing that the liquor license is not the obstacle to Ald. Silkaitis' point.

Chrmn. Stellato: Another question regarding timing – this is just the committee and it goes to Council in two weeks. If it's going to move forward and does at that point, what do you think will happen in the next two weeks? Will we have more information, more of a study done so we can determine the occupancy?

Bob: Currently Mr. Onesti has a list of items that we need for revisions on the plans which hopefully I will see in the near future. The Health Department has contacted us and they have received some information from Mr. Onesti on the items they needed to do; so things are moving forward until we get the revisions back – that's where we're at right now.

Chrmn. Stellato: So this will be in front of the City Council in two weeks if that happens and by that time we'll know more?

Bob: My hope is we're going to see plans before that time. February is coming up pretty quick and by the time plans get back, we review them, he starts the construction he needs to do, etc.

Ald. Turner: What do you mean by partially sprinkled building 3rd floor?

Bob: The dance studio that was up there (Copeland) occupied that 3rd floor and when that happened the exit staircase had to go in and had to be sprinkled up there. So they got the sprinkle on the corridors, but the building is not sprinkled in the Starbucks or candy store and the theatre.

Ron: Yes it is, we spent \$40K for fire alarms.

Bob: Yes, fire alarms but we're talking about sprinklers. We're comfortable where it's at right now and would like to see it fully sprinkle but that takes time.

Ald. Payleitner: Looking at your floorplan, what's a VIP room?

Ron: It's a separate room, such as, if a customer buys 20 tickets for a separate show and would want a pre-show of horde'ourves, etc. – that's what that is for.

Ald. Payleitner: Okay so that is for private parties?

Ron: Yes and as far as sprinklers I did a very in-depth walk-through with Lt. Bryan Burns and we went through every room...

Chief Schelstreet: What I offer to the Council is if you would like to see where we are in the process and what we've asked of Mr. Onesti, I am happy to share that with you any time. It's a transparent process and we have been communicating back and forth with Ron and that's how we determine what the code requirements will actually be. I would be more than happy to show you what we've requested from Mr. Onesti.

Ald. Lewis: This is a different concept and you stated such but at the end of the day I have a responsibility to the citizens of St. Charles and we all trust our staff to do their job, but when something goes wrong I can't just say that I trusted staff and sorry I guess that didn't work. So, for me I just want to make sure that this is a safe environment to put these 200 people in that are going to be walking in and out. Apparently you don't have to have a ticket to see a show to get in there? What is the total capacity going to be? Is it going to hold it all? I just want to have that due diligence done.

Ron: I understand and I need to understand what I am supposed to do. I'm basically going to go through the process and go through different departments and regardless if they say it's good or not, you have to sign off even if Building & Code says it meets code you can say I feel there are too many people or you may have issues with whatever department reports to you. Has that ever been done before?

Chrmn. Stellato: No that hasn't been done before.

Ald. Lewis: But that doesn't mean it can't be done in a new situation. I'll talk to the fire chief and come down tomorrow and see what he has.

Ald. Bancroft: We rely on our professionals for this – it's that simple. I have no independent ability to analyze the things that are going to be analyzed by staff who are our professionals in doing that and I reject completely any notion that we have some level of oversight that is over and above the professionals we employ to do the jobs that they do.

Ald. Lewis: I wasn't implying that.

Ald. Bancroft: I know, but I'm for the record saying how I feel because I don't want anyone thinking that Todd Bancroft is going to go up there and begin doing code inspections of the Arcada.

Ald. Lewis: I completely agree with you.

Motion by Ald. Bancroft, second by Silkaitis to recommend approval for Onesti Entertainment Corp. for a new Class B license for Club Arcada to be located on the 3rd floor of 105 E Main Street, St. Charles.

Ald. Lemke: Could you repeat the motion that we move for approval?

Chrmn. Stellato: Approval for the liquor license as proposed contingent upon full staff sign-off on building, police, fire departments and all code compliances and this would be sent only to City Council – this is only a committee vote.

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

Ald. Payleitner: I would like to add it's just a matter of paper work that I was looking for – the business plan with t's crossed and I's dotted. With the business plan, you implied that the chief has that already and that is in our ordinance that the business plan be attached to the license. It has nothing to do with staff or building inspections. It has to do with your business plan being attached.

Ron: I know now that I should not only submit my plans to the powers that be here but also submit a copy to each and every one of you.

Ald. Payleitner: What you submitted wasn't complete is what I'm saying.

b. Recommendation to approve a proposal for a class B liquor license for Title House to be located at 101 E Main Street (former Starbuck's location).

Chrmn. Stellato: Is Title House still on the agenda?

Tina: No, the applicant called today and asked to be moved to the January 19 Government Operations Committee meeting. She still has things that need to be worked out.

Motion by Ald. Turner, second by Bancroft to move this item of a recommendation to approve a proposal for a class B liquor license for Title House to be located at 101 E Main Street (former Starbuck's location) to January 19, 2016 Government Operations Committee.

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

6. Public Works Department

a. Recommendation to approve a Real Estate Purchase Agreement for 904 South Avenue, St. Charles.

Karen Young: This was the property we brought before you previously at 904 South Avenue. It's within the 7th Avenue Creek project limits. It is listed as a tier 2 property. The property went into foreclosure and is owned by a bank. We've negotiated a price with the bank in the amount of \$158K for the property which was below the threshold that we agreed at the previous meeting. Unless there are other questions, we would like to make a motion to recommend to approve a Real Estate Purchase Agreement for 904 South Avenue, from the City of St. Charles for the amount of \$158K with Caliber Real Estate Services, LLC.

Ald. Gaugel: The estimated closing cost is at \$4K to \$6K; maybe our city attorney could clarify this?

Atty. McGuirk: It won't be that high.

Ald. Gaugel: What's typical for closing costs?

Atty. McGuirk: They're paying for title, less than \$1,000, I would think.

Motion by Ald. Silkaitis, second by Gaugel to recommend to approve a Real Estate Purchase Agreement for 904 South Avenue, St. Charles.

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

Motion by Ald. Turner, second by Gaugel to enter into Executive Session to discuss Land Acquisition at 8:15 p.m.

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

7. Executive Session – None.

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

Motion by Ald. Turner, second by Bancroft to come out of Executive Session at 8:40 p.m.

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

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

9. Adjournment

Motion by Ald. Krieger, second by Turner to adjourn meeting at 8:40 p.m.

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