

VILLAGE OF LIBERTYVILLE
BOARD OF TRUSTEES
Committee of the Whole
May 17, 2016

President Weppler called to order a Committee of the Whole at 6:30 p.m. in the Village Hall, 118 West Cook. Those present were: President Terry Weppler, Trustees Donna Johnson, Richard Moras, Todd Gaines, Jay Justice, and Scott Adams, and Peter Garrity. All Village departments were represented.

MINUTES APPROVAL

Trustee Johnson moved to approve the minutes of March 29, 2016 Committee of the Whole. Trustee Garrity seconded, and the motion carried on a roll call vote as follows:
AYES: Trustees Johnson, Moras, Gaines, Justice, Adams, and Garrity
NAYS: None

Trustee Justice moved to approve the minutes of the March 29, 2016 Executive Session, and Trustee Adams seconded, and the motion carried on a roll call vote as follows:
AYES: Trustees Johnson, Moras, Gaines, Justice, Adams, and Garrity
NAYS: None

PLACES FOR EATING TAX

President Weppler introduced the 1% food and beverage tax which would be applied to purchases of food and/or beverages for immediate consumption and paid by the customer. The tax would be paid directly to the Village on a monthly or quarterly basis to coincide with the filings to the State of Illinois Department of Revenue. The Mayor asked for Board comments.

Trustee Moras stated that this was a good time to discuss utility and food and beverage taxes. He noted the impact of pensions and the necessity to protect the general fund balances. He also noted the burden and challenge a tax would cause for business owners, and added that he favored an annual sunset clause.

Trustee Johnson acknowledged the impact the tax would have on businesses, but she noted the negative impact the State could have on municipalities. Not knowing what will occur, she noted that the Village had to forecast alternative revenue sources for maintenance and to prepare for deficits.

Trustee Gaines concurred. Trustee Justice concurred and favored adding the sunset clause.

Trustee Adams noted that with the uncertainty of the general fund and the end of the TIF, the added tax could be used broadly in funding Village projects. He asked for business owners' input and any other ideas.

Trustee Garrity expressed concern that fund surpluses would be allocated to pension obligations, and in order to build the general fund, the tax should be considered. The Mayor agreed that pension obligations have put the Village in a deficit. He then opened the discussion to public comments and questions.

Mark Khayat, Austin's, stated that 75% of his customers come from Libertyville, and rather than tax them, he preferred street metering for parking.

Tim Anderson, 821 Bartlett Terrace, questioned who managed the pensions. The Mayor explained that the State of Illinois sets the amount with changing actuarial tables. The Village has a Police and Fire Pension board, but the States sets the guidelines and the amounts to be paid.

Corey Grupe, O'Toole's, stated that the restaurants have invested in the Village and should have something returned to them. He noted that taxes had increased from 6.75% when O'Toole's opened to 11/75% currently. The Mayor explained that as a non-home rule municipality, the State sets the portion of returned income tax while Village costs do not freeze.

John Durning, Pizzeria DeVille and 133 Sunnyside, stated that the tax would be difficult to administer, and he added the importance of a sunset clause and a cap on the tax. He also suggested that the tax collected from a certain district should be used in the districts. He also suggested parking meters.

Chris Searles, Culver's, asked if fines would be imposed and what maintenance would be completed with the tax. Trustee Moras responded that the tax would be added to the General Fund for all Village projects.

Danielle Little, Bagels by the Book, stated that prices would have to be raised to include the tax. She suggested checking with Gurnee to see how much the tax could generate. She also suggested checking to see the possibility of a parking fee. Another resident agreed that \$2.00 for parking would be better than burdening the restaurants.

Jeff Harger, 105 Ashley Lane, questioned how the tax would impact business practices. He noted the additional paper work and the possibility of fines and penalties.

Administrator Bowens explained that the tax would go directly to the Village and would be completed at the same time as the State tax form – monthly or quarterly.

Patrice Sutton, Director of Finance, stated that the tax could be collected electronically.

Village Attorney David Pardys explained that the State statute allows for a business district to impose a sales tax, but the area must be identified prior to imposing the sales tax. The Mayor noted that the tax is needed for the entire Village, not just one area.

Lee Kueber, Milwaukee Trace/Taco, questioned why residents should have to pay this tax, and he asked if the utility tax would be phased out. He favored shifting the tax to others rather than residents. The Mayor again noted the limitations of a non-home rule municipality. Trustee Moras noted the differences in the two taxes. The utility tax was imposed when the Village was headed for insolvency and was reduced and partially eliminated. The State's financial situation put a hold on eliminating the entire tax. Utility tax impacts all residents, but the proposed tax would be applied to a discretionary activity.

John Durning asked if the Village could charge for parking or add meters and fines. The Mayor noted that additional manpower that would be required and added that costs would have to be weighed. Trustee Gaines suggested checking with surrounding municipalities, and Administrator Bowens stated that the information was available. Trustee Johnson stated that free parking add to the convenience of choosing a Libertyville restaurant. The Mayor stated that parking meters would require State approval.

Anna Draa, 1020 Ashley Lane, asked why only restaurant owners were being impacted. Adding parking meters would spread the costs.

Tim Anderson stated that parking meters would be the wrong direction. He then asked how the tax could be reversed. The Mayor explained that annual sunset clause. Trustee Moras stated that maintenance and the general fund growth were the motivation for the tax increase. The Mayor and Trustee Moras also explained that rebate program with the local car dealerships.

Danielle Little asked when the decision regarding the tax would be made, and the Mayor stated that no date was set. The matter was just in the discussion state.

The group discussed the percentage of local residents dining in the restaurants. Kyle Cashman, O'Toole's, stated that he preferred electronic payment since the tax would require more work. Lee Kueber stated that a 1% overall would level the playing field. Trustee Gaines noted that .40 on a \$40.00 bill was no much impact. He was far more concerned with the impact on owners and the burden of collection. Mark Khayat stated that he was concerned with increases to his customers. Trustee Gaines stated the importance of a cap and a sunset clause. Mark Khayat noted that other towns include restaurant incentives.

Chris Searles stated that the tax was not as big an issue as the collection, time, and fees involved.

President Wepler stated that a parking fee for the garages would be expensive, and meters on Milwaukee Avenue would require State approval. Trustee Moras stated that he would like to get all information on costs and revenues. Trustee Johnson asked for comparative data. Trustee Gaines asked for costs and revenue. Trustee Moras asked for information on the cost of a referendum and information on non-home rule sales and property taxes.

Maria Mandarino, The Green Room, asked for a comparison of revenue brought in by restaurants versus car dealerships. She asked if there were any benefits for restaurateurs. The Mayor noted the Libertyville Eating guide, the work of the Village Economic Development coordinator and commission, and the Lake County Visitors' Bureau. He added that the manufacturers dictate that dealerships remodel and make improvements and that they provide substantially more sales tax. Trustee Johnson suggested consideration of restaurant incentives proportionate to the businesses.

Trustee Adams thanked everyone for their input and expressed appreciation for all the businesses and MainStreet have done.

Trustee Garrity stated that he did not favor parking fees, but if owners preferred that, he stated it required serious consideration if it could be easily administered.

PROPOSED DEVELOPMENT OF THE TRIMM PROPERTY

President Wepler introduced Mr. Rick Swanson to discuss his proposal for Station Square Development. The Mayor invited members of the Plan Commission, Economic Development Commission, and the Appearance Review Commission to attend the meeting. Preliminary plans include:

Train Station - Renovations to the existing train station and a total of 461 parking spaces

Roundabout – Addition of a central feature with a clock tower

Attached Single-Family Residential Units – Addition of units with approximately 2,200 square feet with rear-loaded garages

Luxury Apartments – Construction of two four-story, 56 unit buildings with 46-enclosed parking spaces underground and an additional 50-outdoor spaces. Ninety-two of the units would be set at market price, and 18 units would be established as affordable housing.

Mr. Swanson explained a possible land swap with the Village and noted that contaminants would be removed. A retention pond was also included in the plans. The Mayor asked for questions. Trustee Johnson asked for apartment unit sizes, and Mr. Swanson noted approximate numbers and sizes: studio - 550-650 sq. ft.; one bedroom – 750 sq. ft.; two bedroom – 1,100 sq. ft.; and three-bedroom – 1,250-1,350 sq. ft. He added that approximately 50% of the units would be one bedroom, 25% two bedroom, 10% three bedroom, and the balance studios.

There was discussion of dynamics of apartment residents, price ranges, and resident compatibility. Trustee Johnson stated the importance of property management performance and accessibility.

Trustee Garrity asked about the impact on traffic at Brainerd and Lake Street. Mr. Swanson stated that although there would be more traffic, there would be more available parking. Plus the plan will prepare for future development of a boulevard.

Trustee Moras noted the absence of a grocery store. The Mayor stated that Metra is doing a TOD study, noting that there is no transportation to and from a grocery store or a store within walking distance.

Trustee Moras stated that he liked the overall plan. Trustee Johnson questioned the volume of traffic and the number of apartment types. Trustee Justice questioned the cost of cleanup, and Mr. Swanson stated that his group was willing to absorb the cost of removal of contaminants. Trustee Gaines questioned the parking space size, and Mr. Swanson stated the spaces would be 8'6", which Director Spoden approved. Trustee Adams asked if there were a possibility of a connection with the development on Winchester Road. Mr. Swanson stated that Metra had denied access. The Mayor suggested pursuing a walkway to Butler Lake Park with the cemetery board. Trustee Garrity questioned the impact on local school districts.

Mr. Joe Wilson, resident and member of the Cemetery Board, stated his concerns with: fencing or a berm between properties, the lack of green space, the retention basin, dog issues, and traffic flow.

Mr. Jim Engdahl and Mr. Ken Stemke both expressed concern with traffic at the intersection of Lake and Brainerd and suggested a second access to the property.

EXCEPTION FROM OFF STREET PARKING

President Wepler introduced the discussion the zoning code entitled "Exception from off-Street Parking Requirements for Existing Buildings and uses in the C-1 Downtown Core Commercial District." The existing rule has allowed parking spaces to go from office to retail to restaurant without the requirement to provide additional parking. The

discussion was whether to keep the current policy or require that the increase in intensity of use should also require for additional parking or pay in lieu of providing the required parking spaces. The Mayor asked for Board comments and questions.

Trustee Adams stated that he favored changing the code to accommodate additional parking. Trustee Moras stated the need to be fair and equitable and questioned the impact of the change with higher density. Trustee Garrity favored an overall parking plan.

Trustee Gaines noted his sensitivity to property owners and favored further discussion.

Mr. Jeffrey Lovinger asked if the change would apply to all tenants or just first-floor tenants. Trustee Moras stated that the requirement would not be case-by-case and favored further discussion. The Mayor stated that he did not want to impact the positive current businesses.

Mr. Ken Stemke did not favor scaring off businesses with parking requirements.

Trustee Johnson noted that the type of restaurant and type of liquor license should be reviewed. The current variety and price range are good, but she expressed concern with too many restaurants.

The Mayor suggested referring the issue to a committee. Director Spoden noted that the issue would eventually come before the Plan Commission. The Mayor referred the issue to the License and Permits Committee.

ADJOURNEMENT

With no further business to come before the Committee of the Whole, the Mayor asked for a motion to adjourn. Trustee Adams moved to adjourn, Trustee Moras seconded, and the motion carried on a unanimous voice vote at 9:25 p.m.

Respectfully submitted,

Kevin J. Sowens, Deputy

Sally A. Kowal

Village Clerk