



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

September 24, 2019

Call To Order

The meeting was called to order at 7:30p.m. Present were Trustees Harlfinger, Huckins, Dustin, Bogdanowski, Bojarski, Murphy and President Ruzanski.

Also present were Village Administrator Jennifer Clough, Assistant Village Administrator/Finance Director Shane Johnson, Deputy Chief of Support Services Mary Frake, Public Works Director Dan Kaup, Community Service Director Fred Mullard, Village Attorney Brad Stewart and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski

Audience Participation: None

Administration:

Presentation from May's Lounge (Liquor License & Video Gaming) Attached please find information regarding a proposed Café. The owner, May's Lake in the Hills LLC, seeks a Class A-2 Liquor License and Video Gaming License in order to open up a May's Lounge at 273 N. Randall Road. The standard for May's is to operate an upscale premium Gaming Café offering locally crafted beers, fine wine, coffee, and a casual food menu including Breakfast, Sandwich's, Pizza, and Sweets.

On August 22, 2019, the Village Board approved a change to Chapter 33.31 Video Gaming Terminals, to allow businesses with 2,001 square feet to have up to six video gaming terminals. May's Lounge meets this requirement with 2,320 square feet.

Amanda Bailey of May's Lounge gave a short presentation explaining the business's concept. Trustee Murphy asked if there was any concern with having other gaming lounges in close proximity. Ms. Bailey stated no because May's Lounge has a completely different concept and attracts different clientele. They focus on high end customer service and a sophisticated atmosphere. President Ruzanski asked if there will be food served and Ms. Bailey stated yes.

Administrator Clough commented May's Lounge is looking for Board approval before they pursue the gaming and liquor licenses. Trustee Harlfinger stated he approves. Trustee Bogdanowski stated he does not like this type of business in the Village. He wanted video gaming in the Village to enhance local establishments. Trustee Murphy agreed with Trustee Bogdanowski and is concerned adding another gaming lounge would hurt other local businesses. Ms. Bailey stated Stella's is a very different atmosphere and they would not be attracting the same patrons.

Trustee Bojarski asked how many locations Mays currently has and will they be cooking food on site. Ms. Bailey stated currently there are 11 locations and the food would only be warmed at the location. The Board gave verbal approval for the business.

Video Gaming License Request for Dino’s Enterprises, LLC d/b/a Dino’s Pizza & Pasta- Presented by Village Administrator Jennifer Clough- Mrs. Mary Mondelli, of Dino’s Pizza & Pasta, presented the Village Board with an expansion plan in June of 2017. When the expansion was complete, a waiver of the square footage requirements per video gaming terminal was requested, along with approval of Video Gaming licenses for three or more video gaming terminals, at the June 12, 2018 Committee of the Whole meeting. The Village Board approved four video gaming terminals at the June 14, 2018 Village Board Meeting.

On August 22, 2019, the Village Board approved a change to Chapter 33.31 Video Gaming Terminals, to allow businesses with 2,001 square feet to have up to six video gaming terminals. Dino’s Pizza & Pasta meets this requirement with 2,100 square feet and is requesting a license for a fifth video gaming terminal.

In addition to the license fees of \$500 per machine, a tax of 30% is imposed on the net terminal income and is collected by the Illinois Gaming Board. One-sixth of this tax is collected and deposited into the Local Government Video Gaming Distributive Fund. These monies are distributed on a monthly basis across those municipalities that have not prohibited video gaming. The amount will be in proportion of the tax revenue generated from video gaming within Lake in the Hills as compared to the total revenue generated statewide.

Financial Impact: \$2,500 annually in license fees and 1/6 of the 30% tax imposed by the state on the net terminal income

Staff recommends a motion to approve the Video Gaming License request from Dino’s Pizza & Pasta and issue another license bringing them up to five. Motion was made to place this item on the Agenda.

Finance: Ordinance – Amending Chapter 34, Occupation and Other Taxes, of the Lake in the Hills Municipal Code-Presented by Assistant Village Administrator/Finance Director Shane Johnson-An informational item concerning recreational cannabis was presented by Village Attorney Stewart at the August 22, 2019 Village Board meeting. One of the central items covered was the additional retailers occupation tax that a municipality may implement in ¼% increments up to a maximum of 3%. This additional tax is in addition to the 1% local sales tax and 1% home-rule sales tax. Based on Village Board discussion that evening the direction was to establish this tax in the amount of 2%. As such, the attached ordinance amends Chapter 34 of the Lake in the Hills Municipal Code by adding section 34.12, Establishment of a Municipal Cannabis Retailers Occupation Tax.

Financial Impact: Based on the Illinois Economic Policy Institute projecting \$1.62 billion in annual cannabis sales in Illinois, the Village of Lombard’s analysis and calculation estimated roughly \$437,000 in potential revenue from a single dispensary at the maximum 3% tax rate. Based on establishing a 2% tax as proposed in the Ordinance, the potential revenue would be estimated at roughly \$350,000.

Staff recommends a motion to adopt the Ordinance and approve amendments to Chapter 34 of the Village’s Municipal Code.

Trustee Huckins asked if this could be amended in the future. Attorney Stewart stated yes in ¼ percent increments.

Motion was made to place this item on the Agenda.

Police:

Amending Chapter 1; Section 1.05, Section 1.06 of General Provisions and Chapter 15; Section 15.04, Section 15.05 of Code Hearing Department, of the Municipal Code-Presented by Deputy Chief Frake-

Attached please find an Ordinance amending Chapter 1; Section 1.05, Section 1.06 of General Provisions and Chapter 15; Section 15.04, Section 15.05 of Code Hearing Department, of the Municipal Code. In June 2019 the Village entered into a service agreement with Duncan Solutions for the processing and management of local ordinance violations. In addition to several other components, the outsourcing of this operation streamlines and specifies efforts in the areas of late penalty application and collections. Specifically, a late penalty will be applied after (21) days if the violation has not been fully paid or a hearing request has been received. The current practice applies the late penalty after seven days. In the area of collections, if payment has not been received after (90) days, debt collection services will be provided by Duncan Solutions, or their designee, using a full service secondary collections process. The current practice for collections is the utilization of the Illinois Local Debt Recovery Program.

The service further provides for an expansion of the administrative adjudication process. Defendants will now have the option to contest their violation via the internet and not solely by personal appearance with the Hearing Officer.

The changes highlighted above required the noted Chapters to be modified accordingly.

Staff recommends a motion to approve the ordinance amending changes to Chapter 1, Section 1.05; Section 1.06, General Provisions and Chapter 15, Section 15.04; Section 15.05, Code Hearing Department, of the Municipal Code. Motion was made to place this item on the Village Board Agenda.

Community Service:

1511 Imhoff Drive Sketch Plan Review- Presented by Community Service Director Fred Mullard- The applicant proposes development of a recreational vehicle storage area on the vacant lot at 1511 Imhoff Drive. The applicant believes there is a need for additional recreational vehicle storage in the area. This facility would supplement their existing storage businesses at Big Stuff Storage, 1400 Industrial Drive, and Pyott Road Self Storage, 1401 Industrial Drive. Both are located about 300 feet to the south. The developer presented the plan to the Planning and Zoning Commission on September 16, 2019, and they were generally in favor of the plan.

This lot is considered for manufacturing or industrial use in the Comprehensive Plan. Outdoor storage of vehicles as a principle use would require approval of a conditional use in this zoning district. This type of use is common on parcels near this one, but is not commonly the only improvement to the parcel. A conditional use for outside storage of vehicles was approved in 2010 at 1440 Imhoff Drive.

In addition to the request for conditional use approval, the applicant intends to request variations to the Zoning Ordinance related to setbacks. Section 9 of the Zoning Ordinance requires a 30 foot minimum setback in the front yard, along Imhoff Drive. The current plan calls for pavement up to 12 feet from the front property line. Additionally, a chain link fence would be placed outside the pavement and Section 15 does not allow fences in front yards. The applicant was granted a variation in 2001 to place a chain link fence in the front yard of the parcel at 1401 Industrial Drive. In 2004, a variation was granted to place a chain link fence in the front yard of the parcels at 1470 and 1480 Imhoff Drive.

Side yard fences would be placed along the property lines and the pavement is ten feet from the lot line, which is permitted. The applicant desires to allow the vehicles to overhang the edge of the pavement. Section 9 does not allow for the storage of vehicles within ten feet of a side yard lot line. This would also require a variation.

While the sketch plan does not show it, the parcel would drain to the existing detention facility immediately south of this parcel. Lighting, fencing, and landscaping will also be added based on input provided from the sketch plan. These would be similar to the existing conditions on their two nearby lots.

The developer would like to know about any concerns the Village Board might have about this development so it can make a final decision on the viability of the project.

The purpose of this submission is to allow the Village and applicant an opportunity to discuss layout, and other considerations before detailed engineering is done. It is not intended in any way to replace the preliminary plan, but rather to give the applicant guidance in preparing the much more detailed preliminary plan. Recommendations and comments made in response to Sketch Plan submission shall in no way be regarded as an official approval, nor shall such action grant any legal rights to the applicant or immunity from full compliance with requirements and procedures set forth for preliminary and final plans.

President Ruzanski asked if there are any concerns about drainage. Director Mullard stated it is in the preliminary stages and cannot comment. Trustee Huckins asked if it will gravel or cement. Director Mullard stated now it is turf and will be paved to asphalt. Trustee Dustin asked what type of vehicles will be stored. Director Mullard stated large vehicles as in campers and boats. Trustee Bogdanowski asked if the Planning and Zoning Committee had any concerns with this proposal and if any neighboring areas would be affected. Director Mullard stated the Planning and Zoning Committee had no concerns and that this business is in an industrial development and is far from any residential area.

Proposed Cannabis Business Zoning Concepts- Presented by Community Service Director Fred Mullard- In response to the State of Illinois approval of the Cannabis Regulation and Tax Act that takes effect January 1, 2020, staff is preparing a text amendment to the Zoning Ordinance related to regulation of cannabis businesses. The Village has the ability to establish zoning regulations that do not conflict with the Act. Attached are the proposed concepts to the key elements of the text amendment for the Village Board to provide input on to guide the final development of the text amendment.

The current Zoning Ordinance contains regulations related to Medical Cannabis Businesses that would require changes. The following concepts are provided for consideration.

- Section 3, Definitions – Remove the existing definitions for “Cannabis Cultivation Center” and “Cannabis Dispensing Organization” that only apply to the Compassionate Use of Medical Cannabis Pilot Program Act.
- Section 11, Permitted and Conditional Use Chart - Remove the existing references to “Cannabis Cultivation Center” and “Cannabis Dispensing Organization” that only apply to the Compassionate Use of Medical Cannabis Pilot Program Act.

New material is proposed to be added to the Zoning Ordinance based on the following concepts.

- Section 3, Definitions – Add the definitions shown in the attached Cannabis Business Establishments list to include all cannabis-related businesses in the new Cannabis Regulation and Tax Act.
- Section 11, Permitted and Conditional Use Chart – Add the permitted use for cannabis business establishments as shown in the attached Cannabis Permitted Uses list. Also attached are maps of the affected areas.

- Create a new Section 30, Cannabis Business Establishments, and renumber the existing Sections 30 through 33. The new Section 30 will contain the concepts listed in the Cannabis Zoning Regulation attachment.

The focus of these concepts is to allow reasonable locations for dispensing establishments in our most robust business districts and generally allow cannabis businesses within our industrial and agricultural districts. Setbacks are established to help ensure cannabis-related businesses maintain a reasonable separation from residences, schools, and public parks. These regulations are intended to allow the Village to be in a position to effectively compete with other municipalities for these types of businesses and the tax revenue gained by their presence.

The concepts do not address the following issues already covered in the Cannabis Regulation and Tax Act.

- Buildings shall comply with zoning and building codes
- Lighting and security cameras shall be kept in good working order
- Building shall be free from infestations
- Dispensary operations are only allowed between 6 am and 10 pm
- Dispensary operations shall not operate a drive-through window or allow use of cannabis vending machines
- Dispensaries shall not be located within 1,500 feet of another dispensary
- Craft growers shall not be located within 1,500 feet of another craft grower or cultivation center
- Cultivation and infusion only in an enclosed, locked facility
- Craft grower or infuser may not be located in an area zoned for residential use
- Infusers, craft growers, and dispensaries may be co-located

Results from the Village Board discussion on this topic will be used in preparing a text amendment to the Zoning Ordinance and presented to the Planning and Zoning Commission for their consideration. Staff anticipates a public hearing on a text amendment before the end of the year. Staff requests any inputs the Board wishes to provide concerning development of the text amendment.

Trustee Murphy had concern a cultivation center would be only 100 feet from a school. She also asked about signage for these businesses. Director Mullard commented the definition of school can vary and most of our schools are not near business centers. Most of the companies work business to business and the signage is low key. Any transfer of cannabis is done inside the facility. All trucks cannot have logos displayed.

Trustee Harlfinger stated he would like these business to be able to be housed in mixed use areas. There are some business parcels in residential areas and they should be allowed to be used. He does want the Board to be stringent with the retail space. President Ruzanski stated the dispensary could ask for a variance. Trustee Huckins commented yes, but they would not look at these parcels if they are not zoned properly. Trustee Bojarski stated the state will be issuing the licenses. She expects most licenses will be given to large corporations not small businesses. The Village needs to be concerned about where these businesses are located. They have a potential to bring in high car and foot traffic. It may be best that they are placed in business areas not in mix use or residential portions of the Village. Trustee Murphy agreed residents may not want these businesses in their neighborhood.

Trustee Harlfinger disagreed with the comment that only large corporations will be issued licenses. He reiterated his opinion of allowing dispensaries in mix use and residential areas because this is where the public shops.

Trustee Dustin commented the Village will most likely receive one dispensary license and believes the owners would like it in a highly visible area. Trustee Harlfinger stated he looks more long term. There may be more lose restrictions in the cannabis laws and we do not want to hinder anyone wanting to start a business. Trustee Bogdanowski stated the Village should proceed with caution to where these businesses are located.

Attorney Stewart stated a business can ask for a use variance or for alternative zoning. Trustee Harlfinger stated he would like the process more stream line and easy for businesses.

A discussion ensued to what parcels are available and where each type of cannibals business could be housed. Director Mullard asked the Board if what has been presented is satisfactory or does it need to be amended. The Trustees agreed to proceed with the current plan.

Variations to Section 15.3-1C, Front Yards, and Section 13.5-1, Permitted Accessory Structures- Presented by Community Service Director Fred Mullard- There are two variations to the Zoning Ordinance requested for this property.

The first variation is to allow for installation of a five-foot, 30 percent open wooden fence in the front yard (side) at 5400 Avalon Lane. The Village submitted the variation request for the property owner due to a staff error that approved placement of a fence in the front yard (side) of this property. Section 15.3-1.C allows the fence in the location it was approved except where the fence extends to the front yard of the adjacent lot. Where the fence is currently located extends about 25 feet along the front yard of the adjacent lot. There is one other property within 1000 feet with a similar situation that was previously approved by variation. No complaints have been received related to this parcel. The property owner properly requested a permit and installed the fence as approved in the permit. This is solely a mistake on the part of the Village staff. The variation will protect the property owner from being forced to relocate the fence in the future.

The second variation is to allow a swimming pool in the front yard (side) of the subject property inside the existing fence. Section 13.5-1 only allows swimming pools in rear yards. Due to the layout of the corner lot, existing utility easements, and the existing patio in the rear yard, the only location a 24 foot round pool will fit is in the corner of the fenced yard which is within the front yard (side) of the home. The largest pool that could fit the existing space is only about a 12 foot diameter.

The Planning and Zoning Commission conducted public hearings for each variation on September 16, 2019. There were no public comments and Commissioners voted 7-0 to recommend approval of the variations as requested.

Staff recommends a motion to approve an ordinance accepting variations to Section 15.3-1C, Front Yards, allowing a wooden fence in the front yard (side) and Section 13.5-1, Permitted Accessory Structures, to allow a swimming pool in the front yard (side) within the fenced area at 5400 Avalon Lane on Parcel 18-15-453-005.

President Ruzanski asked if the current fence is up to code. Director Mullard stated yes the owner complied with the Village. It was not known until after approval the Village approved the fence which did not comply with the ordinance. Trustee Huckins asked then what the issue is. Director Mullard stated if the variance is not allowed any future changes would cause the owner to lose most of his/her fence.

Motion was made to place this item on the Village Board Agenda.

Board of Trustees:

Trustee Harlfinger – None at this time

Trustee Dustin – None at this time.

Trustee Huckins- None at this time

Trustee Bojarski- None at this time

Trustee Bogdanowski- None at this time

Trustee Murphy- None at this time

President Ruzanski: None at this time

Audience Participation: None

Adjournment: There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:45 pm.

Submitted by,

Cecilia Carman
Village Clerk