

Long Grove Plan Commission & Zoning Board of Appeals (PCZBA) Regular Meeting Minutes ---February 4, 2014

Present: Chairman Fred Phillips, Commissioners Jeff Kazmer, Charles Cohn, Shelly Rubin, Wendy Parr, Michael Dvorak and Bill Peltin.

Also present: Village Planner James Hogue, Victor Filippini, Village Attorney, Jodi Smith, PCZBA Secretary, Bridget Lane of BDI Consultants, Gerald Forsythe representing petitioner New Midwest Capital, and members of the public.

2. Call to Order: Chairman Phillips called the meeting to order at 7:05 p.m.

3. New Business: Public Hearing: Consideration of Amendments to the Zoning Code of the Village of Long Grove regarding Permitted and Special Uses in the B-1 Historic District including Video Gaming.

a) Presentation by Bridget Lane, BDI Consultants, including an analysis of current conditions, community aspirations and marketplace opportunities for downtown Long Grove. (Documents provided to the board for review included an outline of Ms. Lane's power-point presentation, and a memorandum from Ms. Lane to the Village Board comparing permitted uses by Long Grove with permitted uses allowed by nearby communities.)

b) Consideration of a request by New Midwest Capital for a text amendment of Title 5 of the Village Code to allow video gaming within the B-1 Historic District within the Village of Long Grove. (Documents provided to the board for review in consideration of this request included collections of articles and memoranda on regulatory gaming, "con"-gaming, and "pro"-gaming, along with a memorandum from Village Planner Hogue outlining the goal of Ms. Lane's presentation as it relates to this request, and discussing feedback from other Illinois communities on their experiences with video gaming.)

Chairman Phillips read the public hearing items into the record and swore in witnesses who were to give testimony.

Public Hearing #1 regarding Permitted and Special Uses in downtown Long Grove. Planner Hogue introduced Bridget Lane of BDI Consultants. Ms. Lane explained that she had given a similar presentation to the Long Grove Village Board in November and that the goal of the presentation is to understand the position of downtown in relation to particular permitted or special uses. Ms. Lane made a power point presentation outlining retail trends and permitted uses versus special uses in Long Grove and surrounding communities. A summary of the power point presentation was made available to the zoning board in advance of the meeting. Ms. Lane emphasized that the Long Grove list of permitted uses is not consistent with the NAICS categories commonly used in her analysis.

Commissioner Parr questioned Long Grove's list of special uses stating, for example, that Long Grove has a jewelry store but it is not a specifically listed use. Ms. Lane clarified that although specific words are used in our code, it is a matter of interpretation as to what is included or excluded. Looking at the NAICS codes, uses with few numerical digits can be interpreted very broadly, while those with 5-6 digits are more restrictive. Long Grove does not mimic this code and Commissioner Parr is concerned that the public may misunderstand what is allowed under our permitted uses. Planner Hogue and Attorney Filippini explained that the issue becomes complicated when people request a certain use that Long Grove does not specifically classify. Long Grove has used a broad interpretation of its listed uses but some uses are unable to fit within a defined classification and that can cause problems. Commissioner Kazmer suggested looking to the NAICS code and possibly adopting their code specifications. Planner Hogue explained that in adopting that code, Long Grove has a choice of going with broad classifications (3 digits) versus more specific limitations. Ms. Lane clarified that within the NAICS, each code has a definition /explanation of each use, identifying generally what it includes and does not include. She stated that there really is no correct approach. Planner Hogue clarified that with our existing code any use not listed can be requested as a special use. It is built into our code to ask for any kind of business. Chairman Phillips and Commissioner Cohn questioned whether businesses would opt go to other communities if the neighboring code clearly allows a use, rather than petition Long Grove for a special use.

A discussion ensued regarding the best way to identify or list Long Grove's uses. Commissioner Parr noted that the zoning board has reviewed its uses periodically but that it needs to be done more frequently, and asked Planner Hogue for a recommendation. Planner Hogue agreed that the code needs to be revisited, and followed up by asking Ms. Lane whether downtown Long Grove as a "destination" is still a viable goal? Ms. Lane replied that the current fear of any retail community is the impact of internet sales, and its affect on a shrinking retail market. She stated that Long Grove needs to become an "experience" location as well as a "destination". She emphasized that Long Grove needs more destination businesses such as a skating rink, playhouse, bistros, etc. She emphasized that the Long Grove brand is still valued but the question remains what to do with that brand. The idea of a destination is changing. Long Grove needs more community involvement and needs something more than four festivals a year, such as the weekly beer tents and nightly entertainment done in Highwood. Commissioner Parr and Planner Hogue recommend looking at the codes once again, comparing it to Ms. Lane's list, as a framework for thinking about the goals of downtown and possible uses to achieve that goal. The NAICS list is a good start.

The matter is opened for public comments:

Tobin Fraley, merchant, spoke about looking at comparable towns and using their lists as a good way to evaluate our uses. He stated that Long Grove Community Partners is also discussing this issue and is working on ways to help the village achieve this goal.

Susan Crouse, 2531 RFD, stated that Long Grove has such a small list of uses and asked if there was a historical reason for this. Chairman Phillips replied that in the past, the merchants association wanted to keep downtown's historic feel and value and let that feeling direct the permitted uses. As time went on, the uses broadened and more recently it was decided to review and consider expanding those uses. Ms. Crouse asks that the board use discretion in expanding its uses.

Russ Olsen, 3335 RFD, expressed surprised that the public paid \$18,000 to come to our festivals, and is concerned whether that will be a deterrent in the future. Ms. Lane responded that she thinks the public will still pay admission and Commissioner Parr added that there are other communities that charge as well.

Carol Macintosh, 2562 RFD, suggested looking at the approach she saw used in Anchorage, Alaska, where the merchants competed heavily for the tourist business and used a craft market as a solution. She thought that a mixed use would attract businesses and customers.

Bob Dinaro, 3323 RFD, stated that Long Grove could be a destination but that we need to be a different kind of destination. We need to build around our assets such as the covered bridge, parks and winery.

Caroline Dinaro, 3323 RFD, commented that Long Grove has lost its "quaintness". It is her opinion that many aging residents see more value in a variety of eating experiences and she does not understand why the village never went in that direction. Chairman Phillips referred to Ms. Lanes' presentation and her outline of the restaurant construction costs being quite prohibitive of new restaurants. Ms. Dinero responded that Long Grove does not need big fancy restaurants but rather a variety of small charming eateries.

Chairman Phillips suggested that the board continue the public hearing to the next meeting. Commissioner Peltin made a motion to continue the permitted and special uses discussion to the next meeting. Commissioner Kazmer seconded the motion. On a voice vote, all aye. Motion passes.

Chairman Phillips closed the public hearing on special uses.

Public Hearing #2 regarding Consideration of video gaming in Long Grove.

Chairman Phillips introduced the second matter up for consideration which is a public hearing on the consideration of a request by New Midwest Capital for a text amendment of Title 5 of the Village Code to allow video gaming within the B-1 Historic District within the Village of Long Grove. Chairman Phillips read the request into the record and swore in witnesses wishing to give testimony relating to this request.

Planner Hogue gave some background as to this petition, and stated that the Village Board referred this petition item to the plan commission. Planner Hogue distributed to the board members prior to the meeting, a packet of materials relating to the pros and cons of video gaming. He noted that video gaming has been approved by the state of Illinois since 2009, and he referenced an expression that video gaming is “neither the devil nor the savior” of our community, but rather it is a use that we need to consider. The issue revolves around whether video gaming would reflect on the character and values of our community. Planner Hogue referred to the discussions in his materials and noted that Lake County has not seen an increase in reported incidents of crime related to video gaming in other villages. He reiterated that control of gaming is dictated by the state and that as a non-home-rule authority the village may not have much added restrictive authority.

Attorney Filippini was asked about state gaming laws and he responded that state law governs gaming, and that if we allow it, a code amendment would be needed. The zoning board would have to determine if it should be a permitted use, a special use, or a permitted use with certain standards. There is a lot to consider on this issue. For our purposes it has to be determined how, and to what extent, video gaming would tie in with the existing liquor license regulations. Those licenses are regulated locally and Long Grove may have some regulatory controls through the liquor code.

Commissioner Parr inquired about additional application fees or some way to generate additional revenue for the village. Attorney Filippini responded that there could be a minimal application fee but that it adds no real additional revenue. Chairman Phillips and Attorney Filippini discussed the possibility of two layers of liquor licenses, one with gaming and one without.

The issue was opened for public discussion.

Gerald Forsythe, representative of New Midwest Capital, spoke regarding the request. He owns several buildings in Long Grove and previously provided the village board with a petition signed by many shop owners and tenants in Long Grove that favor the video gaming. Mr. Forsythe has experience with video gaming in three communities and they have been a great benefit to the businesses. In response to questions from the board, Mr. Forsythe stated that he currently has hotels in Antioch, Elk Grove Village and Rock Falls with video gaming. He lived in long grove for over 20 years and has purchased several downtown buildings in 2012 and 2013. He stated that regulations limit any one location to a maximum of five video gaming machines with the exact number to be determined by the operator.

Commissioner Rubin questioned the type of video gaming machines included in this request. Mr. Forsythe responded that each machine has up to 15 different types of games with a \$2 maximum bet and a \$500 maximum payout. The license fee varies

from \$200 to \$500. Commissioner Rubin commented that the revenue to the village seems to be minimal and wants to know if it will bring more people to Long Grove.

Mary Ann Ullrich, Village Tavern owner, spoke on the issue. Ms. Ullrich feels that it will be a major benefit to her business. She needs more revenue without more overhead. She straw -polled customers of the tavern and they agreed that it would be a great idea. It is good for owners and she surveyed other townships and businesses and sees no real downside.

Attorney Filippini interjected that there are 9 current liquor licensees in Long Grove including the country clubs. It was later clarified that the requested amendment relates only to downtown Long Grove, which excludes the country clubs and some restaurants, which means that there are only 5 liquor licenses in downtown Long Grove. If each establishment had the maximum number of machines, it would be 25 machines.

Commissioner Peltin asked Ms. Ullrich if she felt that business is being lost because Long Grove does not have video gaming. She replied that she believes business will be lost to other communities that have this entertainment. The tavern is a family restaurant but they feel that they can incorporate video gaming in a discrete and appropriate way.

Susan Crouse, 2531 RFD, strongly objects to video gaming and addressed several questions to Mr. Forsythe. She believes that the branding of Long Grove will be tarnished and she believes that the proposal will have a negative impact particularly on gambling addiction. She asked Mr. Forsythe "why historic downtown?" Mr. Forsythe replied that the downtown businesses are struggling and that they will benefit financially by the machines. She asked whether, if it was agreed to allow them and the economy recovers, could they remove them? Mr. Forsythe replied that yes, they can be removed. They are typically 1-2 year contracts renewable by the establishment if they choose to do so. She asked how the revenue is distributed and if there is any way to increase the villages cut? Attorney Phillips stated that the revenue distribution is regulated by the state and that the zoning board has no control over that.

Pam Besbeas, 1508 RFD, is a long grove resident and business owner for 15 years. She understands Ms. Crouse's concerns but sees no other viable solution to the financial problems of the merchants. Long Grove has to do something to generate business and visitors, and hopefully the profit from video gaming will be reinvested into the downtown and in expanding existing businesses. The merchants are not looking to advertise gambling in our community and they can be discrete.

Bill Handal, 3876 RFD, questioned whether the gaming machines would be exclusive to establishments with liquor licenses. Attorney Filippini stated that the state limits the types of businesses that are allowed to have such machines and that it is very restrictive. Mr. Handal questioned how to handle problems that arise with the

gaming. Attorney Filippini stated that there would have to be a violation of the liquor license which would then lead to a fine and revocation of that license, but that there is a lengthy process of review and appeal. It is not easy. Mr. Handal stated that the issue of gaming versus not gaming is whether it could save our community. He feels that it would not. He believes that Long Grove needs to find a way to get more traffic into the town and that gaming is not a priority. Mr. Forsythe responded that he believes that video gaming will go in the right direction of helping save the businesses' financial difficulties and will bring people into the community. His Antioch hotel adds \$15,000 to its bottom line each month and that is significant.

Carol Macintosh, 2562 RFD, questioned the board as to whether there is any mechanism to decide to eliminate video gaming down the road once it has been permitted. Attorney Filippini responded that yes, the village can terminate a permitted use but that there are limitations and it could take quite some time. The village does not have to increase the number of liquor licenses it makes available but typically, once issued, liquor licenses are decreased only if a business closes. Commissioners Cohn and Rubin noted that although historic downtown has only 5 businesses with current liquor licenses that might request video gaming, businesses outside of the downtown, such as the country clubs, will likely request that use as well.

Tom Macintosh, 2562 RFD, stated that he spoke with Enzo and Lucias and reported that they are not going to include video gaming. He also agrees that the two-tiered license structure makes sense if video gaming is allowed.

Lisa Phillips, 3316 RFD, questioned Mr. Forsythe as to his personal financial benefit in the licenses and he responded that he would not benefit personally from the machines. Ms. Phillips is concerned about what we would give up as a community in comparison to what we would gain. Giving up our brand or image is significant. If the image declines, there is no going back.

Andy Balbirer, 4112 RFD, is a 12-year resident. It is his opinion that video gaming is not a morality issue. There is limited upside for some, and more downside for the village as a whole. The bigger issue is that residents are not spending money to support the town. They spend elsewhere. He feels that Long Grove needs to preserve its charm rather than keep up with the times and that the village needs to consider what expanded uses will attract residents.

Chairman Phillips stated that the board received last minute communications from Rick Levy and Kathryn Wagner against the video gaming request and that these documents will be added to the record. Chairman Phillips closed the public hearing. The board agreed to continue the public hearing to the next meeting if necessary, and opened up comments from the commissioners.

Commissioner Dvorak made several comments:

1. Video gaming does not reflect the character of our village.

2. With respect to other communities with video gaming, if we also allow it, we become less unique. Maybe people will come here because we do not have gaming.

3. The village should try to solve its downtown problems by expanding the permitted uses.

4. Video gaming only benefits the petitioner who has not been in the community for very long, and Commissioner Dvorak is concerned with the personal financial motives of the petitioner. Mr. Forsythe took issue with Commissioner Dvorak's comments that the request for video gaming may be self-serving, and Mr. Dvorak apologized to Mr. Forsythe for any comments that may have been deemed insensitive or offensive.

Commissioner Cohn agrees with comments opposing video gaming in Long Grove. He sees it as an image issue and does not see much benefit for retailers other than those with liquor licenses. It is his opinion that video gaming is a mistake for Long Grove and the decision will be difficult to reverse if it goes off course.

Commissioner Peltin chooses not to address the moral issue of video gaming, but he does not see much upside benefit based on materials presented by Ms. Lane. Her comparison puts us up against communities without video gaming and that is where we should consider our uses. Commissioner Peltin recommends a wait and see approach.

Commissioner Parr sees little impact on the character of Long Grove if there are gaming machines. Some restaurants will want it and some will not. It is a potential positive for businesses and the decision should be about increasing revenue for our businesses.

Commissioner Rubin reflects over downtown Long Grove and states that it is no longer a destination other than four times a year. The village really needs to consider how to get the community involved with uses such as a community center, post office, library, playhouse, ice rink, and the like, to attract people from all areas. As for video gaming, he does not want to aid and abet a gambling addiction.

Commissioner Kazmer stated his opinion that video gaming is neither a good nor a bad thing. It will likely help restaurants but not other businesses. He believes that we need more input from village residents and we should consider polling residents by referendum or by an online survey and get community response. Let the residents decide.

Chairman Phillips shared his opinion that the image of downtown has changed over the years. The village used to attract people by the busloads but the times have changed. We have traffic issues and parking limitations. The image of Long Grove is no longer the "covered bridge". He is concerned about Long Grove's image and how

it relates to housing values. He feels that video gaming would decrease housing values and that is a significant reason why he is opposed to it.

A motion was made by Commissioner Cohn, seconded by Commissioner Rubin, that the plan commission recommend that the Long Grove Village Board deny the request for a text amendment to Title 5 of the Village Code to allow video gaming within the B-1 Historic District within the Village of Long Grove.

On a voice vote 4 ayes (Commissioners Rubin, Peltin, Dvorak and Cohn) , 1 nay (Commissioner Parr), 1 abstention (Commissioner Kazmer). The motion carries.

Attorney Filippini clarified to the board and members of the public that this vote is a recommendation that there be no change to the zoning code to allow video gaming. The village board will still be able to consider this matter independently and they can either accept or reject the plan commission's recommendation, or they can remand it back to the plan commission further review. It is referred back to the village board for their meeting next Tuesday and he encourages all interested parties to attend that meeting and discussion. Chairman Phillips cannot be present at the Tuesday board meeting and Commissioner Rubin agreed to be the zoning board representative at that meeting.

4. Old Business. None.

5. Approval of Minutes: November 5, 2013.

A motion was made by Commissioner Kazmer, seconded by Commissioner Cohn, to accept the May 7, 2013 minutes with any grammatical corrections. On a voice vote; all aye.

6. Other Business.

Chairman Phillips asked Planner Hogue about any new development applications. Planner Hogue responded that not many applications have been submitted other than an application relating to a cell tower. Commissioner Parr noted that the village needs to look at the structural soundness of the tower before we approve or disapprove any applications. She cited a recent cell tower collapse and is concerned that we need to review their structural integrity.

Chairman Phillips initiated a discussion on how to improve village finances through housing permits. He suggested the possibility of senior housing or cluster housing with higher density such as condos or apartments, which would generate many building permits. Attorney Filippini concurred that senior housing/cluster housing would require zoning amendments but that it is possible. Chairman Phillips hopes to keep retirees in the village with senior housing alternatives and believes that it is a viable solution to our financial problems as well as a senior housing alternative. A discussion ensued as to possible locations for a senior housing development in Long Grove and the need to explore this further. Commissioner Kazmer stated that senior housing is a hot market and that it would not really change the character of our village but that we would need to make it special use for zoning purposes. Lastly,

Attorney Filippini commented that an affordable housing plan proposal would soon be coming before the zoning board for discussion.

6. Adjournment

Commissioner Rubin made a motion to adjourn, seconded by Commissioner Peltin. On a voice vote; all ayes. Meeting was adjourned at 9:25 pm.

7. Next Regular Meeting: March 4, 2014

Respectfully Submitted, Jodi Smith, PCZBA Secretary