

**MINUTES
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
MAY 15, 2018**

President Pro Tem Koch called the meeting to order at 7:27p.m.

IN ATTENDANCE: President Pro Tem Koch, Trustees Hebda, Marquardt, Oppenheim, and Schultz. President Byrne and Trustee Takaoka were absent. A quorum was established.

Also present were: Village Manager Fleischhauer, Assistant Village Manager Carey, Building Commissioner Atkinson, Chief Kreis, Public Works Director Brown, Finance Director Larson, Assistant to the Finance Director Bourdeau, Attorney Hunt, and Recording Secretary Fishbach.

1. APPROVAL OF COMMITTEE OF THE WHOLE MEETING MINUTES OF MAY 1, 2018

Motion by Trustee Marquardt, second by Trustee Hebda, to approve Committee of the Whole Minutes for the May 1, 2018 meeting.

Roll call vote:

AYES: 5 – Koch, Oppenheim, Hebda, Schultz, Marquardt

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

2. REQUEST FROM JEFF OHM IN COOPERATION WITH ERNIE'S TOWING FOR APPROVAL OF AN OUTDOOR SPECIAL EVENTS AT 909 S. MILWAUKEE AVENUE

Jeff Ohm in cooperation with Ernie's Towing was present and requested approval of an outdoor special event. BC Atkinson stated "Ernie's First Annual Truck Night" would take place on Thursday, June 21, 2018. The hours of operation will be 6:00PM to 9:00PM. Proceeds will benefit the Jared Allen Homes for Wounded Warriors Fund.

Classic Trucks would be displayed on the north parking lot adjacent to Milwaukee Avenue. Spectator parking would also be available on the south side of the building. Voting and cash prizes will be awarded for best truck in show. Two signs, approximately 4'-0" x 6'-0" would be located at the along Milwaukee Avenue.

Section 13.7.6 of the Zoning Code authorizes the Village Board to approve outdoor uses within the B-1, General Business District.

The special event application, along with a site plan, was attached to the packet.

Motion by Trustee Hebda, second by Trustee Marquardt, to direct staff to prepare a Resolution approving the special event subject to the following conditions:

1. The Truck show will take place on Thursday, June 21, 2018. The hours of operation will be 6:00 PM to 9:00 PM.
2. Compliance with the application and site plans dated April 9, 2018.
3. Garbage receptacles shall be provided and the general vicinity shall be cleaned immediately following the event.

Roll call vote:

AYES: 5 – Koch, Oppenheim, Hebda, Schultz, Marquardt

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

3. CONSIDERATION OF AN AMENDMENT TO THE LIQUOR CODE CREATING A NEW LICENSE CLASSIFICATION FOR THE COMPLIMENTARY SERVICE OF BEER IN CONNECTION WITH A BARBERSHOP

Background

BC Atkinson stated Rich Kurkowski representing Rooster's Men's Grooming Center, 445 E. Townline Road, has requested an amendment to the Liquor Code to allow the complimentary service of beer in connection with a barbershop. As part of their business concept, one bottle of beer would be offered to customers of legal age. The cost of hair service would be the same regardless of whether the customer chooses to receive the complimentary beverage. Beer will be stored in a separate room designated for employees only. Employees serving beer would be required to be BASSETT trained.

The Village's Liquor Code does not identify a classification for the complimentary service of beer as described above. An amendment creating such a classification and associated fees is therefore required prior to consideration of a liquor license for this facility.

Proposed Amendments:

Amend Chapter 3 Section 3-12 of the Village of Vernon Hills Liquor Code by addition of new Section, 3-12(15) creating Liquor License Classification "O" to read as follows:

3-12(15) Class "O" License: A class "O" license shall authorize the complimentary service of beer only for consumption on premise as an incidental part of a barbershop. Class "O" licenses shall be subject to the following conditions and limitations.

1. The complimentary service of beer on the premises shall be permitted only in connection with a barbershop. For the purpose of these requirements, a "Barbershop" is a business establishment, having a minimum gross floor area of 1,500 square feet that offer personal hair cutting and styling services including the trimming of beards and neck or facial shaving.
2. The complimentary service of beer intended for consumption on premise shall be limited to one individual serving as part of hair, beard or shaving services and shall be served in accordance with Section 3-37 of the Liquor and License Code
3. It is intended that the complimentary service of beer is merely an adjunct to the operation of a barbershop and that the facility shall not be advertised or otherwise held out to be a drinking establishment.
4. Hours for the complimentary service of beer shall be in accordance with Section 3-23 of the Liquor Code. It shall be prohibited to serve or consume beer outside of normal business hours.
5. Not more than one (1) class "O" licenses shall be issued at any one time in the Village.

Amend Chapter 25 Section 25-3 of the Village of Vernon Hills Code of Ordinances by addition of the following fee for a class "O" Liquor License to read as follows:

25-3. Fee required: Class "O" Liquor License fees shall be \$300 for new license applications and \$1,000 for the annual license fee.

Motion by Trustee Schultz, second by Trustee Marquardt, to direct staff prepare an Ordinance creating the new liquor license classification and fee.

Roll call vote:

AYES: 5 – Koch, Oppenheim, Hebda, Schultz, Marquardt

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

4. CONSIDERATION OF AN AMENDMENT TO THE LIQUOR CODE, AMENDING LIQUOR LICENSE CLASSIFICATION "J" AUTHORIZING THE SALE AND SERVICE OF ALCOHOL IN A GROCERY STORE (WHOLE FOODS) (BC ATKINSON)

Background

BC Atkinson stated representatives of Whole Foods, 851 North Milwaukee Avenue were present and have requested an amendment to license classification "J" of the Liquor Code. The Class "J" license was created in 2007 in connection with the new Mariano's and allows the sale and service of alcohol in connection with a grocery store. Three types of sales activities are permitted under the Class "J" license:

1. Packaged alcohol for off-premise consumption: This includes the pre-packaged sale of beer, wine and spirits offered for sale at the store and consumed off-premise. The point of sale could be in the liquor department or at the main check-out registers.
2. Sale of Beer, Wine or Sake for consumption on premise: These items are offered by the glass for consumption on premise. Individual servings are sold by trained employees. Customers could not purchase packaged alcohol and pour their own drinks on premise. Consumption of beer, wine or sake is limited to a designated seating/serving area.
3. Beer and Wine Sampling: Occasional beer and wine samples are allowed to promote certain products or groups of products. Trained employees and/or vendors within designated areas would provide limited quantity samples.

Whole Foods would comply with the requirements for the sale of packaged alcohol for consumption off premise; however, certain amendments are requested to allow the sale, service and sampling of alcohol for consumption on premise. These amendments include:

1. Reducing the minimum required store size from 50,000 square feet to 44,000 square feet.
2. Allowing the sale/service of beer, wine and spirits for consumption on premise rather than only beer wine and sake; and
3. Allowing "Sip and Shop" experience whereby customers are allowed to consume beer, wine or spirits while shopping. Current requirements limit consumption to designated seating areas.
4. To allow the sampling of spirits in addition to beer and wine

Proposed Amendments:

1. Amend Chapter 3 Section 3-12(10), "Class "J" License" of the Village of Vernon Hills Liquor Code to read as follows:

3-12(10) Class "J" License: A class "J" license shall authorize the sale of packaged alcoholic liquors for consumption off the premises and the sale of beer, wine and ~~sake~~ spirits for consumption on the premises as an incidental part of a grocery store that has a minimum gross floor area of ~~50,000~~ 44,000 square feet. Class "J" licenses shall be subject to the following conditions and limitations.

- a) The sale of alcohol, in original packages, unopened only, shall be permitted for consumption off premise, subject to the following conditions:
 - 1) Not more than ten percent (10%) of the retail sale square footage area shall be devoted to the sale of liquor products

- 2) Alcohol sold in original packages and intended for off-premise consumption shall not be opened or consumed on premise or in any designated seating/serving area.
 - 3) Wine, Beer and spirits sampling tasting shall be permitted on premises in accordance with State law.
 - 4) Hours for the sale of packaged liquor, for consumption off premise, shall be in accordance with Section 3-23 of the Liquor and License Code.
- b. The sale of beer, wine and sake spirits ~~only~~ shall be permitted for consumption on premise subject to the following conditions:
- 1) The sale of liquor intended for consumption on premise shall be limited to individual servings of beer, wine or sake spirits and shall be dispensed in accordance with Section 3-37 of the Liquor and License Code
 - 2) The sale of beer, wine or sake spirits on the premises shall be permitted only where facilities are provided that include an area where food is prepared and regularly served on the premises. Such food shall include hot or cold sandwiches, appetizers, tapas, sushi, baked goods or other similar foods.
 - 3) The seating/serving area for customers consuming beer, wine or sake spirits on premise shall be limited to five percent (5%) of the gross retail square footage.
 - 4) ~~Consumption of beer, wine and sake on the premises shall be limited to the designated seating/serving area.~~
 - 5) It is intended that the service of alcoholic liquor is merely an adjunct to the operation of a grocery store and that the facility shall not be advertised or otherwise held out to be a drinking establishment.
 - 6) Hours for the sale of beer, wine or sake, for on-premise consumption shall be in accordance with Section 3-23 of the Liquor and License Code, but in no case shall the sale of alcohol take place outside of the normal business hours of the grocery store.
- c. No more than ~~one~~ two Class "J" licenses shall be issued at any one time in the Village.

Motion by Trustee Schultz, second by Trustee Oppenheim, to direct staff to prepare an Ordinance amending the requirements for a Class "J" liquor license as referenced herein and put in necessary language to acquire any new application to have additional training/review by the Liquor & License Commission.

Roll call vote:

AYES: 5 – Koch, Oppenheim, Hebda, Schultz, Marquardt

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

5. RIVER'S EDGE - APPROVAL TO AMEND THE SPECIAL USE PERMIT FOR A PLANNED UNIT DEVELOPMENT TO ALLOW FOR THE INCREASE IN DENSITY FOR THE RESIDENTIAL BUILDING FROM 40 UNITS TO 52 UNITS ALONG WITH CERTAIN VARIATIONS BUT NOT LIMITED TO REDUCTION IN SIZE REQUIREMENTS FOR MULTI-FAMILY DWELLING UNITS (AVM CAREY)

Item was pulled. AVM Carey stated this item would appear at the COW meeting of June 5. The HOA has been notified and confirmed they are available to attend the meeting.

6. CONSIDERATION OF RECOMMENDATION FROM THE PLANNING & ZONING COMMISSION APPROVING REGULATIONS FOR SHORT AND LONG TERM RENTALS (BC ATKINSON)

Staff Report: The Planning & Zoning Commission discussed this topic at a public hearing on April 25, 2018. The Commission was advised of an issue that arose last fall whereby the Village became aware of a residence that was being advertised and used for short-term rental. The owners were notified that Zoning Code regulations do not allow lodging and similar short-term rental uses in residential districts. At the owner's request, the Village Board reviewed this topic at its COW meeting on October 3, 2017. After review and discussion, the Board determined that short-term rentals are not appropriate in residential neighborhoods and should remain prohibited.

Since that time, the Village has received inquiries about renting a home on a monthly basis. It was determined that the Zoning Code provides no allowance for home rentals. As such, homes cannot be rented on a monthly basis, or for that matter, any period of time.

Although short-term rentals are clearly not permitted, the question, and the subsequent review of the Zoning Code, does raise questions as to the appropriateness of long-term rentals. Staff is recommending further review and refinement of the Zoning Code to clearly differentiate between short term and long term rentals, and to consider the appropriateness of long term rentals in residential neighborhoods (12 months or longer).

P&Z Recommendation:

The Commission voted on a motion to recommend the following amendments to Appendix C of the Ordinance, being the Vernon Hills Zoning Ordinance:

1. Amend Article 3, Section 3.2, "Definitions" by adding a new definition, "Long Term Rental," attached hereto as exhibit A; and
2. Amend Article 3, Section 3.2, "Definitions" by adding a new definition, "Short Term Rental," attached hereto as exhibit A; and
3. Amend Article 4, Section 4.7.3, "Home Occupations in Residential Districts" by addition of a new section, 4.7.3.15, attached hereto as exhibit A; and
4. Amend Article 4, Section 4.7.3, "Home Occupations in Residential Districts" by addition of a new section, 4.7.3.16, attached hereto as exhibit A.

EXHIBIT A
PROPOSED AMENDMENTS TO ARTICLE THREE AND FOUR

- Amend Article 3, Section 3.2, "Definitions" by adding a new definition, "Long Term Rental" to read as follows.

"Long Term Rental: A residential dwelling located in a residential zoning district being rented or otherwise let as a single housekeeping unit to a person(s) other than the owner of the subject property for a period or term of not less than twelve (12) months."

- Amend Article 3, Section 3.2, "Definitions" by adding a new definition, "Short Term Rental" to read as follows.

"Short-Term Rental: All or part of a residential dwelling unit located in a residential zoning district, being rented or otherwise let as an accessory use and/or occupancy to a person(s) other than the owner of the subject property for a period or term that is less than twelve (12) months. For the purpose of this definition, short-term rental shall not include multi-family buildings or developments held in common ownership whereby all dwelling units are rented or otherwise let as a single occupancy and not individually owned."

- Amend Article 4, Section 4.7.3, “Home Occupations in Residential Districts” by addition of a new section, 4.7.3.15 to read as follows:

“Long Term rentals as defined herein, that is occupied as a single housekeeping unit to a person(s) other than the owner of the subject property for a period or term of not less than twelve (12) months is hereby permitted.”

- Amend Article 4, Section 4.7.3, “Home Occupations in Residential Districts” by addition of a new section, 4.7.3.16 to read as follows:

“Short Term rentals as defined herein, all or part of which being rented or otherwise let to a person(s) other than the owner of the subject property for a period or term that is less than twelve (12) months is hereby prohibited.”

Upon roll call, the following vote recorded:

Ayes: 5 - Ballowe, Hezner, Heidner, Mulcrone, Cotton

Nays: 0 - None

Absent: 2 – Morris, Gorog

The motion was approved unanimously. This matter was forwarded to the Village Board with a recommendation from the Planning Zoning Commission to approve the zoning amendments as referenced herein.

Motion by Trustee Schultz, second by Trustee Oppenheim, to direct staff to prepare the necessary changes to the specified Ordinance to amend Section 3 and 4 of the Zoning Code in accordance with the recommendation from the Planning & Zoning Commission.

Roll call vote:

AYES: 5 – Koch, Oppenheim, Hebda, Schultz, Marquardt

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

7. ADJOURNMENT

Motion by Trustee Oppenheim, second by Trustee Schultz, to adjourn the Committee of the Whole.

Roll call vote:

AYES: 5 – Oppenheim, Hebda, Schultz, Marquardt, Koch

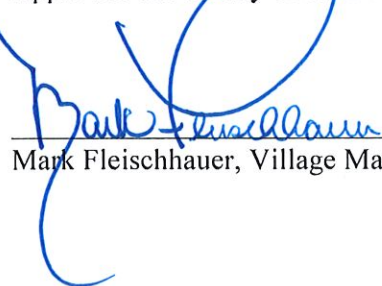
NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

Meeting adjourned 8:05 p.m.

Approved this 5th day of June 2018



Mark Fleischhauer, Village Manager



Thom Koch, President Pro Tem