

MINUTES OF THE BLOOMINGTON LIQUOR COMMISSION

November 4, 2014

The Bloomington Liquor Commissioner Tari Renner called the Liquor Hearing to order to hear the request of Brandon Raper and Erin Fitzgerald to allow moderate consumption of alcohol at their December 13, 2014, wedding reception to be held at the Miller Park Pavilion. Present at the hearing were Liquor Commissioners Tari Renner, Geoffrey Tompkins and Jim Jordan; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk.

Commissioner Renner opened the liquor hearing and noted that no one was present to address this request.

Tracey Covert, City Clerk, reminded the Commission that this request had been laid over from the Commission's October 14, 2014 meeting. An email had been received from Mr. Raper and Ms. Fitzgerald rescinding their request.

There being no further business before the Commission, the meeting recessed at 4:05 p.m.

The Bloomington Liquor Commissioner Tari Renner called the Liquor Hearing to order to hear the application of 602604, LLC, d/b/a Pub America, located at 602 N. Main St., requesting an TAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Tari Renner, Geoffrey Tompkins and Jim Jordan; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk; and Michael Manna and Phil Charleston, owners/operators, and Rich Marvel, Applicant's attorney and Applicant's representatives.

Commissioner Renner opened the liquor hearing and requested that the Applicant's representatives address this request. Rich Marvel, Applicant's attorney, addressed the Commission. Pub America would be located at the same location as the former Blue Line Night Club. Michael Manna, owner/operator and Applicant representative, owned the building and would be responsible for the structure. Phil Charleston, owner/operator and Applicant representative, would be the Manager. Mr. Marvel cited the Applicants' belief that this corner was underutilized. Pub America would offer a different feel. The plan for the building included renting the three (3) apartments located on the building's upper floor.

Commissioner Renner cited the Council's mandate that there be no new net liquor licenses on Main St. He noted that Blue Line Night Club had been located at this address until July 1, 2014. Pub America seemed to be offering a different concept. He had spoken with the Council. He stated his intention that there be no disconnect between the Commission and the Council. He restated that the Council had no interest in new liquor licenses in this area of the Downtown.

Mr. Marvel restated that Blue Line Night Club held a TAS liquor license at this address. He hoped that the Commission would view this application as a change of ownership. This application would not result in a net increase in the number of liquor licenses in the Downtown.

Phil Charleston, owner/operator and Applicant representative, addressed the Commission. Currently, he was employed at the US Cellular Coliseum as the Events Manager. He also was employed at Pub II, in Normal, as a bartender. He had worked at Pub II since his attendance at Illinois State University. He had completed BASSET (Beverage Alcohol Sellers and Servers Education and Training), training. He cited his twenty (20) years of liquor sales experience. Pub America would be fun and upbeat. The atmosphere would be welcoming and inviting. Pub America would not offer live music or a dj. The atmosphere would be laid back with friendly staff. Mr. Charleston cited the fact the Pub America would be located along Rt. 66. The goal was to reopen the doors and as there was a foundation to build upon.

Michael Manna, owner/operator and Applicant representative, addressed the Commission. He was a long time Downtown developer and resident. He also cited Rt. 66. Pub America would be light tavern. He cited his intention to rent the three (3) upstairs apartments that were currently vacant. He hoped to enhance the overall picture of the Downtown.

Commissioner Tompkins questioned a floor plan. Mr. Manna had reached out to Jack Bataoel, owner/operator and form liquor license holder for Blue Line Night Club. He had hoped that Mr. Bataoel would grant permission to transfer Blue Line's floor plan to Pub America's file. Pub America would offer additional table seating.

Commissioner Tompkins questioned if the Applicants were familiar with Chapter 6. Alcoholic Beverages, (City Code). The Applicants responded affirmatively.

Commissioner Jordan questioned the Council's opinion regarding this application. He expressed his concern regarding the Downtown and the number of people on the streets at closing time. He questioned the occupancy for Pub America. Mr. Manna informed the Commission that the occupancy sticker at Blue Line Night Club stated 273. The inspection had been completed by one of the City's Fire Inspectors.

Commissioner Jordan restated that Pub America would not offer live music and/or a dj. Mr. Charleston informed the Commission that Pub America might offer acoustic music. He planned to obtain a dance license. He restated that the plan included renting the three (3) upstairs apartments.

Commissioner Jordan understood that this application involved new ownership at an address which had recently held a tavern liquor license. He viewed this application as a new license. He recommended that the Commission refer this application to the Council without a recommendation. It appeared that the Applicant understood the requirements and had liquor sales experience. They also were familiar with Downtown issues. They would need to remain conscious of these facts. All Downtown taverns were heavily scrutinized.

Mayor Renner restated that there would be no net increase in the number of liquor licenses. This application involved a change of ownership. Blue Line Night Club had been at this address and held a Tavern liquor license. There would not be a net increase in the number of liquor licenses in the Downtown.

Commissioner Tompkins believed that two (2) Downtown Taverns had closed recently. (*Blue Line Night Club and Illinois Brewing Company which had been located at 102 n. Center St.*)

Commissioner Renner added that other Downtown establishments had closed, (*Lancaster's which had been located at 513 N. Main St. and Laugh Comedy Club which had been located at 108 E. Market St. Both establishments held Restaurant liquor licenses*).

Commissioner Renner questioned if there was anyone present who wished to speak in support of or in opposition to this application. No one came forward to address the Commission.

George Boyle, Asst. Corporation Counsel, addressed the Commission. He questioned the impact on the neighborhood.

Clay Wheeler, Asst. Police Chief, addressed the Commission. The Police Department benefitted from less liquor licenses in the Downtown. He would have no objection if the Council chose to reduce the number of liquor licenses in the Downtown.

Commissioner Jordan restated his recommendation to defer a decision regarding this application to the Council. An additional 270 people on the Downtown streets had a potential to create issues. Pub II in Normal was a different operation. Pub II was well managed. Problems occur in the Downtown when individuals exit the licensed establishments.

Commissioner Tompkins disagreed with Commissioner Jordan. He cited the occupancy, 273. It was not the Commission's role to defer reaching a decision. He did not believe that issuing a liquor license for Pub America meant that an additional 273 individuals would come to the Downtown.

Commissioner Jordan noted that Lancaster's held a Restaurant liquor license. It attracted a different clientele. Pub America would be a tavern and would not offer any food for sale. The Commission's action should be prudent. He added that he would understand if the Council voted to deny this application. This application was an opportunity for issues.

Motion by Commissioner Tompkins, seconded by Commissioner Jordan to recommend to the Council that a TAS liquor license for 602604, LLC, d/b/a Pub America, located at 602 N. Main St., be approved contingent upon compliance with all health safety codes.

Motion carried, (viva voce).

Commissioner Renner informed Mr. Marvel, Mr. Manna and Mr. Charleston that this item would appear on the Council's December 8, 2014 meeting agenda. He encouraged them to attend same.

There being no further business before the Commission, the meeting recessed at 4:21 p.m.

The Bloomington Liquor Commissioner Tari Renner called the Liquor Hearing to order to hear the application of Around the Corner, Inc., d/b/a D R McKay's Bar & Grill, located at 909 N. Hershey Rd. Unit 2, requesting an TAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Tari Renner, Geoffrey Tompkins and Jim Jordan; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk; and Don Jones, owner/operator and Applicant's representative.

Commissioner Renner opened the liquor hearing and requested that the Applicant's representative address this request. Don Jones, owner/operator and Applicant's representative, addressed the Commission. His role would be operating manager and partner. Gary Biddle was the other corporate officer. Mr. Biddle held interest in two (2) other corporations with liquor licenses: Coppertop, Inc., d/b/a Coppertop Lounge located at 1107 W. Locust and Treehouse Lounge of Bloomington, Inc., d/b/a Treehouse Lounge located at 2060 Ireland Grove Rd. Both establishments held TAPS, (Tavern, All types of alcohol, Packaged sales, Sunday sales), liquor licenses. D R McKay's Bar & Grill would be located at the former Entourage Lounge.

Mr. Jones informed the Commission that he had twenty (20) years of restaurant experience. He was currently employed at Mugsy's Pub, 1310 N. Main St. D R McKay's would offer a pub atmosphere. There would be TV for watching sporting events. D R McKay's would offer lunch specials and carry out service. It would be a nice place to grab a burger with friends. The emphasis would be on home cooked food. Four to five (4 – 5) craft beers would be on tap plus domestics. Entourage offered a great space with potential. He believed that there would be a good response from the community. People were looking for an alternative to the chain restaurants. There would be a manager on staff. Mr. Jones held the food service certificate and was also BASSET, (Beverage Alcohol Sellers and Servers Education and Training), certified.

Commissioner Renner questioned if there were other Tavern licenses in the area. Mr. Jones noted that there were a number of nearby restaurants.

Commissioner Tompkins cited the plan for home cooked food. Mr. Jones stated that due to the fact the percentage of food sales was unknown; the decision was reached to apply for a tavern license.

Commissioner Tompkins noted that the floor plan showed a gaming room. Mr. Jones informed the Commission that there would be dart boards and two (2) video gaming terminals. In addition, D R McKay's had a room for private parties.

Commissioner Renner questioned if Entourage had video gaming. Mr. Jones responded affirmatively, (*Entourage had been licensed for three/3 video gaming terminals*).

Commissioner Jordan noted that there was not a tavern located in this area. He questioned the logic of a tavern application. D R McKay's would offer comfort food and carry out service. He added that if there was no food available, then an establishment would need to offer

entertainment. The Council had expressed concerns regarding video gaming. He noted that Mr. Jones was not comfortable committing to an “R” liquor license.

Mr. Jones reminded the Council that he had a business partner. Mr. Jones would oversee the day to day operations. His partner was the investor. Concerns had been raised regarding the percentage of food sales.

Commissioner Renner requested that City staff verify the type of license held by Entourage. *(Entourage held an RAS liquor license.)*

Commissioner Jordan believed that a Tavern license would open the door to video gaming.

George Boyle, Asst. Corporation Counsel, addressed the Commission. Video gaming was allowed if an establishment had a liquor license which allowed sale by the glass.

Commissioner Jordan stated that video gaming could be introduced at this establishment. He questioned neighborhood impact.

Commissioner Tompkins stated his comfort level with an RAS liquor license.

Commissioner Renner added that the City had recently amended the City Code to more clearly define the “R” license with an emphasis on food sales. He thought that this application represented a change of ownership. The Commission would not be setting a precedent.

Commissioner Jordan stated that there would not be live entertainment. D R McKay’s would offer some food. Video gaming would be a revenue source. He questioned the level of control. Liquor sales could not stand alone. Managing a liquor establishment was hard work. He expressed his concern as there was not a tavern in the area. He restated that video gaming would be a revenue stream.

Mr. Jones addressed his vision for D R McKay’s. He believed that there would be \$500,000 in food sales in the first year. The goal was fifty percent (50%) in food sales. Video gaming represented additional revenue. He believed that every tavern in the City offered video gaming.

Commissioner Renner cited a recent liquor violation hearing. He believed that the combination of a liquor license and video gaming can have a negative impact upon a neighborhood. D R McKay’s was not located in a residential neighborhood.

Commissioner Renner questioned if there was anyone presented who wished to speak in support of or in opposition to this application.

Rachel Jones, 1210 Bancroft Dr., Mr. Jones’ wife, addressed the Commission. She had been a frequent customer at Entourage. D R McKay’s would sell food. Her husband had twenty (20) years of experience in the restaurant business. This business opportunity was her husband’s dream. She requested that the Commission give consideration to this application. She added that there were numerous businesses in the City that offered video gaming.

Commissioner Tompkins questioned changing this application from a TAS to an RAS.

Commissioner Renner believed that there had been a tavern at this location in the past. *(VIV held a Tavern, Beer & wine only, Packaged sale, Sunday sales liquor license. This establishment closed in 2006)*

Commissioner Tompkins questioned if there would be an emphasis on video gaming, (i.e. signage). Mr. Jones informed the Council that D R McKay's would be listed on a joint sign.

Commissioner Jordan expressed his appreciation to Mrs. Jones for her comments. Good food sells itself. He cited the applicant's comfort level regarding an RAS license. A liquor license that allowed sales by glass would be eligible for video gaming. D R McKay's would be advertised as a bar and grill. The Commission needed to be in line with the Council.

Commissioner Renner questioned if there were issues with Entourage. Clay Wheeler, Asst. Police Chief, addressed the Council. There had been calls for service. The incidents were not described as major.

Motion by Commissioner Tompkins, seconded by Commissioner Renner to recommend to the Council that a TAS liquor license for Around the Corner, Inc., d/b/a D R McKay's Bar & Grill, located at 909 N. Hershey Rd. Unit 2, be approved contingent upon compliance with all health safety codes.

Motion carried, (viva voce).

Commissioner Renner informed Mr. Jones that this item would appear on the Council's December 8, 2014 meeting agenda. He encouraged him to attend same.

There being no further business before the Commission, the meeting recessed at 4:45 p.m.

The Bloomington Liquor Commissioner Tari Renner called the Liquor Hearing to order to hear the application of Asia, LLC, d/b/a Asia, located at 407 N. Hershey Rd., requesting an RAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week. Present at the hearing were Liquor Commissioners Tari Renner, Geoffrey Tompkins and Jim Jordan; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk; and Mike Liu, owner/operator and Applicant's representative.

Commissioner Renner opened the liquor hearing and requested that the Applicant's representatives address this request. He noted that this application had also appeared on the Commission's October 14, 2014 meeting agenda. Mike Liu, owner/operator and Applicant's representative, addressed the Commission. The business plan was to open a restaurant and serve alcohol with dinner.

Mr. Liu noted that this was his second application. He had attended Heartland Community College's BASSET, (Beverage Alcohol Sellers and Servers Education and Training), class which

had been held on November 3, 2014. The restaurant's planned opening was the end of November.

Commissioner Renner noted that Asia's location had formerly operated as Ming's Restaurant. Mr. Liu noted that the restaurant offered a dining area with a small bar. He restated his hope to be granted a liquor license. Asia would offer Asian cuisine. It would be a formal dining restaurant.

Commissioner Tompkins noted that Mr. Liu had been encouraged to fine tune his application. Mr. Liu stated that Asia's floor plan would be the same as Ming's Restaurant. He had reached out to the former owner and requested a copy of the restaurant's floor plan. He had also called the realtor. He had tried to obtain the document. He restated that there would be no changes to the building's interior.

Commissioner Tompkins noted that items on the Questionnaire lacked a proper answer. Mr. Liu had worked with Lyndel Armstrong, attorney/CPA, (Certified Public Accountant), regarding the application.

Commissioner Renner believed that there were inconsistent answers.

Commissioner Jordan questioned if Mr. Liu had consulted with an attorney. Mr. Liu informed the Commission that his attorney had reviewed the application.

Commissioner Jordan questioned the bar area. Mr. Liu informed the Commission that the bar had three (3) stools and served as the restaurant's service bar.

Commissioner Jordan noted that Mr. Liu had purchased the building.

Commissioner Tompkins questioned the Emergency Call-in Sheet. Mr. Liu stated that staff interviews were being conducted.

Motion by Commissioner Jordan, seconded by Commissioner Renner to recommend to the Council that an RAS liquor license for Asia, LLC, d/b/a Asia, located at 407 N. Hershey Rd., be approved contingent upon compliance with all health safety codes with the following conditions: 1.) the application be reviewed by Mr. Liu's attorney and 2.) floor plan be provided prior to the Council's November 24, 2014 meeting.

Ayes: Commissioner Jordan and Renner.

Nays: Commissioner Tompkins.

Motion carried.

Commissioner Renner informed Mr. Liu that this item would appear on the Council's November 24, 2014 meeting agenda. He encouraged Mr. Liu to attend same. He added that the floor plan needed to be provided to the City Clerk's Office as soon as possible.

Commissioner Jordan encouraged Mr. Liu to contact his attorney regarding an application review.

George Boyle, Asst. Corporation Counsel, requested that Mr. Liu have Mr. Armstrong contact him directly.

There being no further business before the Commission, the meeting recessed at 4:52 p.m.

The Bloomington Liquor Commissioner Tari Renner opened the consideration of an increase to Liquor License fees and the establishment of a per terminal Video Gaming fee. Present at the hearing were Liquor Commissioners Tari Renner, Geoffrey Tompkins and Jim Jordan; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk

Commissioner Renner introduced the discussion. He noted that liquor license fees had not been increased since 1982. He cited the cost to administer liquor licenses. He specifically cited the recent liquor violation hearing. The inflation rate since 1982 had been 240%. The City's liquor license fees might have been on the high end in 1982 but were low today. He planned to discuss these fees with the Council during their retreat or at the November 17, 2014 Committee of the Whole meeting. He planned to open a discussion with the Council prior to the Commission making a recommendation to them. Any fee increase would be phased in. He cited the cost of the Downtown hire back program. He also addressed Video Gaming Terminal (VGT) fees. There had been issues at some establishments. These establishments were not located in the Downtown. In addition, there were issues with liquor license enforcement. Cities our size have VGT fees. There was a range of costs. He had background information. Citing political realities, the Commission needed to wait for the Council. He welcomed comments regarding VGT.

Commissioner Jordan noted the video gaming was a reality. There was a burden for the City. It also was a revenue stream for the businesses and the City. He stated his support for these fee increases if there were implemented over time. The City needed to determine the average fee and then phase one in. He suggested a three (3) year time line. There was the potential for a liquor license fee increase.

Commissioner Tompkins recommended that the VGT fee be set at \$500. The City needed additional revenue. He cited the Police Department's hire back program. There was the cost of enforcement. The City needed to cover its costs. Dollars could be earmarked for City services, (i.e. Downtown clean up).

Commissioner Renner acknowledged that liquor license fees did not cover costs. A fee increase would defray some costs. The Town of Normal had a \$200 per VGT fee. If \$500 was selected, then it would be phased in.

Commissioner Tompkins described VGT as lucrative.

Commissioner Jordan expressed his understanding that there would be a fee. The fee needed to be fair. No one liked fees and/or fee increases. He cited perceptions of same. There were establishments that have not had policing issues. Costs were being passed on to the taxpayers. The City needed to determine the starting and ending points for any fees/fee increases. The time line should be three (3) years. He did not believe that anyone would be happy with the final decision but this was the reality.

Commissioner Renner questioned the state Liquor Control Commission.

George Boyle, Asst. Corporation Counsel, addressed the Commission. There were home rule municipalities with significant VGT fees. The City would be within its home rule powers to adopt a VGT fee. The Commission had discussed this item for sometime.

Commissioner Renner restated that Normal's fee was \$200 per VGT. He recommended that the proposal to the Council mirror Normal's fee.

Commissioner Renner opened the discussion to public input.

Bill Flessner, Account Manager with Midwest Electronics, 600 N Main St., addressed the Commission. He stated that the City received revenue from the state. He believed that the City would receive \$537,000 annually from video gaming.

Commissioner Renner questioned total video gaming revenue, (estimated at \$10 million).

Mr. Flessner stated that the City acted like it was not receiving any revenue when the state provided \$537,000.

Art Donaldson, owner/operator of Times Past Inn, located at 1216 Towanda Ave., addressed the Commission. He believed that the City had received \$398,000 for the first nine (9) months of this calendar year. He estimated annual revenue at \$513,000. He questioned calls for service. Liquor license holder provided \$800,000 in revenue to the City. Video gaming represented new revenue and the City wanted to charge the business for same.

Commissioner Jordan noted that the City was one of the only municipalities that did not have a VGT fee. In addition, there had not been an increase to the liquor license fees in over thirty (30) years. There were social ramifications to gambling. He believed that the City would see a decline in the number of VGT. There was a saturation point.

Mr. Donaldson disagreed. He believed that VGT revenue would continue to increase.

Commissioner Jordan questioned the number of VGT in the community.

Commissioner Renner cited the recent liquor violation hearing which involved the interaction of liquor and video gambling.

Phil Boulds, owner/operator of Mugsy's Pub, located at 1310 N. Main St., addressed the Commission. He had contacted the City's Finance Department regarding the Prepared Food & Beverage Tax. This two percent (2%) tax generated \$2.1 million in revenue. He estimated video gaming revenue at \$600,000. The restaurant/tavern industry had been burdened by the City. There were no calls for service regarding video gaming. The issues at Eric's located at 903 W. Wood, were due to clientele. He recalled the smoking ban. Nonsmokers claimed that they would visit establishments. This was untrue. VGT made up for lost revenue from the smoking ban. The City planned to raise liquor license fees and establish a VGT fee. He questioned when the City would stop.

Mike Shabah, manager of Convenient Food Mart, located at 1102 N. Hershey Rd., addressed the Commission. He supported the City matching Normal's VGT fee. He noted past practices.

Commissioner Tompkins cited Mr. Donaldson's claim of \$800,000 in VGT revenue and Mr. Boulds' claim of \$600,000. He restated his belief that video gaming was a lucrative business.

Jim Waters, representative for John H. Kraus VFW Post #454, 1006 E. Lincoln St., addressed the Commission. He planned to present a different perspective compared to businesses with a liquor license and VGT. He cited the expense to the business for the machines. The VFW put money back into the community to benefit same. Fee increases would impact same. Expenses continued to increase. The VFW spent \$8,000 on a security system due to the installation of VGT.

Commissioner Renner stated that consideration could be given to nonprofits, (i.e. fee exempt).

Tony Wargo, owner/operator of Joe's Pub, located at 3907 GE Rd., Ste. #2, addressed the Commission. He questioned the Commission's comments regarding revenue from VGT. Businesses had made an investment in VGT in order to make a profit. The government had no right to take same. He requested that the City repeal the Food & Beverage Tax. The City had placed a burden on businesses and their patrons. The proposed fee increases would result in less revenue.

Commissioner Jordan noted that Mr. Wargo operated a business in the City and in Normal. He questioned if there had been lost revenue in Normal. Mr. Wargo noted that the Normal location was not large enough to offer VGT.

Commissioner Jordan restated that no one wanted to pay more. He acknowledged that the restaurant/tavern industry was hard work. The issue was fairness. The City was facing financial issues. The City granted a liquor license to sell by the glass. The City received money from the state. Other cities charged a VGT fee. Each municipality received a percent from the state.

Commissioner Renner summarized the license holders' comments: it appeared that the City received money from the state but that it wanted more.

Commissioner Jordan believed that the City would be leveling the playing field with Normal. The City had more issues in the Downtown and the City needed revenue to address same. He restated his opinion that any fee increases be implemented by incremental steps.

Commissioner Renner had spoken with Normal and had been encouraged to adopt the same fee level. It appeared that there was no consensus on the Commission. The Council would discuss same. He would be able to gauge their comfort level by absorbing their comments. There were enforcement issues beyond the Downtown. The City needed to do the right thing. The City wanted to encourage a business investment. There were comments that there were too many VGT. Questions had been raised if video gaming was paying a fair share. He restated his intention to speak with the Council. These fees would be addressed next month.

Commissioner Renner presented the recommended list of meetings for calendar year 2015.

Motion by Commissioner Tompkins, seconded by Commissioner Jordan to accept the recommend list of meetings for calendar year 2015.

Motion carried, (viva voce).

There being no further business before the Commission, the meeting adjourned at 5:28 p.m.

Respectfully,

Tracey Covert, CRM, CMC, RMC
City Clerk