

Village of Riverwoods
Plan Commission Meeting

Meeting Minutes

September 2, 2021

A meeting of the Village of Riverwoods Plan Commission was held via Zoom on Thursday, September 2, 2021. Chairperson Laurie Breitkopf called the meeting to order at 7:30 PM.

Present electronically were:

Karl Blalock
Laurie Breitkopf, Chairperson
Stephen Levin
Carey Rothbardt

Absent were:

Jay Datt
Sherry Graditor

Also Present:

Bruce Huvad, Village Attorney
Henry Hollander, Village Trustee

1. Visitors wishing to address the Plan Commission

There were no visitors wishing to address the Plan Commission in person, via email or on Zoom on non-agenda items.

2. Old Business

There was no Old Business.

3. New Business

Public Hearing to consider (a) a Text Amendment to provisions of the Riverwoods Zoning Ordinance concerning the Neighborhood Business District B-1, particularly Section 9-5B-2-A governing certain retail uses in a mixed use planned development and (b) an amendment to Special Use Ordinance 02-8-23 under which a Special Use for a mixed unit planned development was granted for property at 2001-2055 Milwaukee Avenue, Riverwoods, Illinois and known as Shoppes of Riverwoods.

Mr. Huvad explained the purpose of the Public Hearing is to consider a Text Amendment and an amendment to a Special Use. Section 9-5B-2-A lays out a number

of uses that can be authorized in a mixed-use Planned Unit Development (PUD) on 3.5 or more acres. The Shoppes of Riverwoods was approved as a mixed-use PUD in 2002. Any mixed-use PUD can operate with any use listed in the zoning ordinance if it is so listed and authorized in the special use ordinance approving the mixed-use PUD. The Shoppes of Riverwoods had a number of retail uses approved in 2002 and there have been a number of additions authorized throughout the years including a cannabis dispensary. A tobacco store is similar to uses that have been previously approved, and it is logical to recommend addition of a tobacco store as a listed use.

Tonight's applicant desires to open a video gaming parlor, which is currently not listed as a possible use. Therefore, the text of the Zoning Ordinance must be amended to allow that type of use. Staff has drafted an amendment for a "licensed establishment", which requires a zoning change as well as an Ordinance repealing the opt-out choice made about 10 years ago. The Village would also need to authorize a liquor license for the video gaming parlor, as is required by the State. If any of the restrictions are violated, the Village has the authority to revoke the liquor license which would, in essence, cause the video gaming parlor to close.

The Plan Commission also must consider whether a video gaming parlor should be recommended as a Special Use for the mixed-use PUD in the Shoppes of Riverwoods. The Village Board will determine if a video gaming parlor would advance the public welfare and enhance the neighborhood. The criteria include that the amendment to a Special Use is deemed beneficial for the public convenience at that location; is so designed, located and proposed to be operated that the public health, safety, morals and welfare and interest will be protected; and will not cause substantial injury to the value of other property in the neighborhood in which it is located.

In advance of the Hearing, the Village sent notices of the proposed actions by mail and publication in the Northwest Daily Herald. Persons wishing to testify were sworn in.

Tony Mestan of Accel Entertainment, and Thomas Pekic and Michael Somen, owners of Baby Vegas Café, were present via Zoom. Mr. Mestan presented for the applicant.

Mr. Mestan explained Accel Entertainment was built from growing local partnerships of independent gaming parlors. At Baby Vegas Café in Riverwoods, all operations would be handled internally; they would not outsource service, collections or relationship management. They would handle all compliance and day-to-day operations. In Hoffman Estates, the Baby Vegas Café outperforms all other parlors in the municipality and has outperformed the statewide average in growth in gaming parlors. Mr. Mestan believes Baby Vegas Café in Riverwoods would provide the best gaming experience. He stated that the expected annual revenue based on the IGB data qualifiers for Riverwoods would be approximately \$43,000 - \$49,000 annually. The ownership of Baby Vegas Cafe is exceptional and Mr. Mestan believes the Riverwoods operations will exceed the performance of the Hoffman Estates facility.

Mr. Mestan explained they would have six terminals, which is what is allowed in the State of Illinois. They would be open the same hours as allowed by the liquor license. 9 AM to 1 AM are standard hours. The owners of Baby Vegas Café are independent customers of Accel Entertainment. Mr. Mestan believes they would be a great partner for Riverwoods based on the way they run their café in Hoffman Estates. Mr. Pekic previously worked as a marketing manager. Every server would be Basset certified and they pride themselves on providing exceptional guest experiences.

Mr. Levin questioned whether this use fits in the neighborhood. He believes gaming and alcohol paint a picture and asked about the culture of the patrons. Mr. Levin does not know if Riverwoods residents would embrace this use. Mr. Mestan explained the patrons would come from Riverwoods and surrounding suburbs. He explained there are two other gaming establishments within a mile of Riverwoods. The demographics of the patrons are 45-75-year-old women with 55-years and up being the primary participants. Most men that patronize gaming establishments are retirees. This is not a tavern; they have to serve alcohol based on State requirements. Mr. Somen explained the liquor sales are very small. Most patrons come in for the gaming. Mr. Mestan explained they also get a number of patrons from nearby hotels.

Mr. Blalock asked about enforcement. He asked if the Gaming Board has compliance checks. Mr. Mestan explained they would go through the gaming application process that is vetted by the State and the Department of Justice. Within 3 – 6 months of opening, the State would make unannounced inspections and would hold subsequent inspections every year. The State would also inspect whether all the licenses are up-to-date as well as ensure the taxes being paid. The State also spot checks for liquor sales to minors and gaming by minors. Local police departments do not oversee gaming parlors. Mr. Blalock asked if there were any interactions with local police departments. Mr. Somen explained they have not had any problems in Hoffman Estates and would not want to do anything to jeopardize this.

Mr. Rothbardt noted the business would be open until 1:00 am. Mr. Mestan explained the average closing M-F is around 1:00 am. The normal opening is 8:00 – 9:00 am. Mr. Soman explained the business is based on people's schedules. In Hoffman Estates, he could have a 3:00 am license, but chooses not to. They are not a nightclub. Mr. Rothbardt asked if Riverwoods has other establishments open until 1:00 am. Mr. Huvard explained they do not. Resident Douglas Bank noted the other nearby gaming establishments are open until 1:00 am.

Mr. Huvard asked if Baby Vegas Café could function without Accel Entertainment if the agreement was terminated. Mr. Mestan explained if Baby Vegas Café chose no longer to do gaming and left the facility, they could not open under the same name in a different venue without some compensation. Mr. Huvard explained Baby Vegas Café is the lessee, but could continue operating in the space. Accel Entertainment would not have a claim on the space. Mr. Huvard clarified the Village does not have a way to verify the numbers presented in terms of revenues. It is not based on license fees; rather, the Village share of the gaming revenue is determined by State law. Mr. Mestan

took the numbers from Hoffman Estates on the Illinois Gaming Board website. Mr. Huvard explained the State audits the number and remits the money to the municipality. The Village could license the terminals. License fees range between \$50 and \$1500 per machine. Mr. Somen explained Hoffman Estates charges \$400 per machine per year.

Village residents then addressed the Plan Commission.

Ms. Schaffer is opposed to this business in Riverwoods as it does not promote welfare. She believes it would be ridiculous in Riverwoods. The proposed location on the west side is close to many homes. She does not believe the traffic, noise and hours would be appropriate in Riverwoods. People constantly call the police based on noise. Ms. Schaffer does not believe this is what Riverwoods is about. The proposed gaming parlor is not needed or wanted in Riverwoods. Ms. Schaffer asked the Village to not allow this. People moved to Riverwoods to appreciate the environment. Ms. Schaffer does not believe this is a good fit or suitable for the community.

Howard Grill agrees with Ms. Schaffer. He questioned if there is a customer base in Riverwoods. Riverwoods, Deerfield and Lincolnshire are not the type of communities with late business hours. 45-75-year-old females would not play at 1 am. Mr. Grill noted Hoffman Estates is not Riverwoods. He is not in favor of this project as it does not fit in the community. Mr. Mestan explained Betty's Café, which is ¼ mile away, brings in \$462,000 per month and Café Mistiko brings in about \$250,000 per month which is how demand was calculated.

William Lauth believes the applicants are very optimistic, but agrees with Mr. Levin. He moved to Riverwoods for the culture. Mr. Lauth believes there would be other locations that would be better suited for video gaming. He asked what cultural advantage would be brought to the community. Mr. Lauth explained Riverwoods residents like trees, silence and isolation. He asked what Baby Vegas Café would be offering to Riverwoods. He does not believe they could offer anything to the Village. Mr. Mestan explained they are filling a vacant space in a strip mall on a busy street to provide gaming. There is a demand, as proven by the two businesses less than a mile away. Mr. Mestan explained there is not a lot of noise. Their alcohol sales are very small. People come to game. Mr. Mestan believes this would be a good location.

Laura Millman does not know anyone in Riverwoods or the neighboring communities that would come to Riverwoods for gaming. There are school buses that pass the corner all the time. She would not want children to see gambling. She thinks it is pathetic to target senior citizens. Ms. Millman understands there can be a lot of money made. Mr. Mestan explained the demand is there. Ms. Millman noted there may not be crime at the specific location, but people will look to take advantage of the area. She asked if crimes, such as car theft, have increased in the area. Mr. Mestan does not foresee anything of a criminal nature happening at the Riverwoods operation. He does not think this is a dangerous business.

Douglas Bank has never really gambled and would not patronize this place. The Village could use the revenue. There are other businesses like this very close to Riverwoods. Mr. Bank would rather the strip mall not have vacant stores. What happens on Milwaukee Avenue does not reflect what happens in Riverwoods. Mr. Bank has a problem with the name. He did not know Café Mistiko and Betty's Café are gaming parlors. The name, Baby Vegas Café, is more troubling to him.

Matt Eisenstein lives in Meadowlake, which backs up to the Shoppes of Riverwoods. He opposes the proposed facility. Mr. Eisenstein explained there was a lot of vehicular noise when the Estonian House had late-night activities. Riverwoods is a quiet community. Mr. Eisenstein explained the Village and County made Estonian House change their hours. He believes the late-night hours of the proposed facility would negatively affect his neighborhood. Mr. Somen explained he wants to be part of the community. They are an entertainment venue. Most people stay for an hour or an hour and a half. The operation would not have big sound systems or DJs. They provide an experience; the décor includes photographs of Elvis and artwork. Mr. Mestan explained the Village of Palatine is looking to opt in and found there is no difference in crime. It is a safe environment. Mr. Somen explained if there is no business late at night, they will close early. They have never had an issue. Mr. Somen noted a few people mentioned there is nothing to do in Riverwoods. Mr. Huvad asked about capacity. Mr. Mestan explained with six terminals plus staff, they would not have more than 12 people in the facility at a time. He wants something different for people to enjoy. Mr. Somen explained the State statute requires a liquor license but the Village could limit the type of liquor to beer and wine only.

Brian Moss lives in Meadowlake. He moved out of the city to get away from businesses like this and the elements this type of business draws. Mr. Moss does not believe the revenue is as important as the safety of residents and children. He suggested alcohol mixed with gambling will influence peoples' behavior and they will make poor decisions.

Lee Zeidman is a fan of revenue and believes Riverwoods definitely needs revenue. It is a value question. Mr. Zeidman asked if the value to the Village is worth upsetting residents. He is a fan of business, but questioned what would be generated by this business and what the Village would gain. Mr. Mestan explained this is just one gaming parlor. A lot of municipalities use gaming revenue for police, schools and infrastructure. Every suburb that has allowed video gaming has used the money for the good of the Village. If this facility did not open in Riverwoods, another one would open in unincorporated Lake County. Mr. Zeidman appreciates the idea that this is just one small gaming business. He is concerned that the contribution to the Village is the equivalent of property tax of 1.5 houses in Riverwoods. The Village has to determine if it is worth it to the community. Mr. Somen explained Park Ridge used to be a dry town. They have now brought in some beautiful, tasteful restaurants with alcohol that have been very well received and brought down property taxes in the Village. He wants to bring something tasteful to Riverwoods. Mr. Zeidman does not object to the type of business but questions the location. Mr. Huvad explained the revenue contribution would not be the same as 1.5 houses because the Village's share of property tax is only

about 2% of a tax bill – so a business that generates \$50,000 per year would provide much more revenue directly to the Village than a few houses. To give a frame of reference, the Village property tax levy in 2020 was \$824,000 for the entire Village.

Trustee Hollander asked whether the estimated revenue to the Village could be structured as a guarantee to the Village if the estimated revenues do not come through, perhaps for 3 years. Mr. Mestan explained he could not guarantee the estimated revenue; the estimate is based upon the revenue from Baby Vegas Café that the State provides to Hoffman Estates. Mr. Mestan explained they have to abide by the Illinois statute. Based on the statute, the operators cannot give a guarantee to the Village. The municipality's revenue is based on funds taken in by the operator and the amount the State provides to the municipality.

Mr. Levin moved to close the Public Hearing. Mr. Blalock seconded the motion. The motion passed by the following vote:

AYES: Blalock, Levin, Rothbardt, Breitkopf (4)

NAYS: None (0)

Discussion

Mr. Blalock does not believe this business belongs in Riverwoods. Mr. Levin does not believe the problem is with this facility; rather, Riverwoods has an idea of the type of businesses it wants to welcome. Mr. Rothbardt, from an emotional standpoint, does not believe this is a good idea. From a business standpoint, it will bring money into the community. Mr. Blalock suggested if the expected revenue was significantly higher, he would put more stock into it. He would rather pay \$38 more in property taxes than have this type of establishment in the Village.

Mr. Levin noted this was never a thriving shopping center. If the Village wants to be successful, it has to determine what it wants on the entire corner. He would not want this type of business to dominate the Shoppes.

Mr. Huvad explained the Plan Commission is advisory to the Village Board. The applicant has requested a favorable recommendation to the Village Board to permit a video gaming parlor as a Special Use in the Shoppes of Riverwoods. Mr. Rothbardt would like to do more research and look at other operations before making a decision tonight.

Mr. Levin does not have an issue with the Text Amendment. He questioned the philosophy of this type of commerce in the Village and would like more direction from the Trustees.

Ch. Breitkopf noted the Plan Commission is a recommending body but the Trustees can choose to make a decision that differs from the Commission's recommendation.

Mr. Blalock moved that the Plan Commission recommend denial of the application by the Village Board. Mr. Levin seconded the motion. Mr. Levin explained if the Trustees were adamant about approving this as this is the philosophy moving forward, he would be comfortable changing his vote. Trustee Hollander explained the Trustees wanted the Plan Commission to make a recommendation. The question came up that if the Trustees were against it, they would not have directed the petition go to the Plan Commission.

AYES: Blalock, Levin, Rothbardt, Breitkopf (4)

NAYS: None (0)

Mr. Huvard explained Thorntons has been solving some challenges with the access to their site because of the Deerfield Road improvements planned by Lake County. They now are revising plans to complete their engineering. Thorntons will need some more time before meeting with the Plan Commission.

4. Public Comment

There was no additional public comment.

Adjournment

There being no further business or discussion, Mr. Rothbardt moved to adjourn the meeting. Mr. Levin seconded the motion. The motion passed by the following vote:

AYES: Blalock, Levin, Rothbardt, Breitkopf (4)

NAYS: None (0)

The meeting was adjourned at 9:38 pm.

The next regular Plan Commission meeting is scheduled for October 7, 2021 at 7:30 pm.

Respectfully submitted,

Jeri Cotton
Secretary