

**MINUTES**  
**Meeting of the Committee of the Whole**  
**November 5, 2019 – 6:31 p.m.**  
**Village Hall of Tinley Park – Council Chambers**  
**16250 S. Oak Park Avenue**  
**Tinley Park, IL 60477**

Members Present: J. Vandenberg, Village President - Arrived 6:35 p.m.  
C. Berg, Village Trustee  
W. Brady, Village Trustee  
W. Brennan, Village Trustee  
D. Galante, Village Trustee  
M. Glotz, Village Trustee  
M. Mueller, Village Trustee

Members Absent: K. Thirion, Village Clerk

Staff Present: D. Niemeyer, Village Manager  
P. Carr, Assistant Village Manager  
B. Bettenhausen, Village Treasurer  
F. Reeder, Fire Chief  
M. Walsh, Police Chief  
K. Clarke, Community Development Director  
J. Urbanski, Assistant Public Works Director  
D. Sanfilippo, Executive Assistant to the Mayor  
P. Connelly, Village Attorney- Arrived 6:39 p.m.

Others Present:

**Item #1** - The meeting of the Committee of the Whole was called to order at 6:31 p.m.

**Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE MEETING HELD ON OCTOBER 15, 2019.** – Motion was made by Trustee Glotz, seconded by Trustee Mueller, to approve the minutes of the Committee of the Whole meeting held on October 15, 2019.

**Item #3 - DISCUSS AMENDMENT TO LIQUOR ORDINANCE – CREATION OF A TRUCK STOP CLASSIFICATION.** Dominic Sanfilippo, Executive Assistant to the Mayor, presented amendments the Liquor Ordinance. The Liquor Commissioner proposed that the Board consider creating Class U and UV liquor license classes, or “Truck Stop” classes. This would regulate liquor and gaming at Village establishments that meet the definitions of a truck stop under the Illinois Video Gaming Act (ILCS Ch. 230, Act 40 § 5). All Class U and UV licensed establishments would be subject to Village ordinances & regulations. A motion was made by Trustee Mueller, seconded by Trustee Berg to recommend an ordinance amended the liquor code to create a Class U and UV liquor license class, or “Truck Stop” class to be forwarded to the Village Board. Vote by voice. Trustee Glotz declared the motion carried.

**Item #4 – DISCUSS AMENDMENTS FOR VIDEO GAMING REGULATIONS.** Dominic Sanfilippo, Executive Assistant to the Mayor, presented amendments to the Video Gaming Ordinance. On June 28th, 2019, Illinois Governor J.B. Pritzker signed SB 690 into law, which prompted an array of changes in video gaming regulations statewide. One such change increased the upper limit on video

game terminals (VGTs) in any one establishment from five (5) to six (6). Since this change in state law, numerous establishments and terminal operators have contacted the Mayor's Office inquiring what the status of Tinley Park's local regulations are with respect to the new state VGT cap.

The Village of Tinley Park Code of Ordinances § 132.23.C states that "no more than five (5) video gaming terminals may be located, maintained or operated in any one establishment."

The Mayor's Office encourages the Administrative and Legal Committee to initiate discussion as to whether the Village should consider changing § 132.23.C to allow for six (6) video gaming terminals, in line with state law. It is the understanding of the Mayor's Office that other surrounding communities with video gaming are similarly considering such a change. Note that it is the prerogative of the Village to establish its own cap, and establishments may not add an additional sixth machine without permission (via ordinance change) of the Village Board of Trustees.

Out of 34 licensed, VGT-active establishments in Tinley Park, 27 currently operate the maximum allowed 5 VGT's. Based on current licensing fees and recent revenue reporting from the Illinois Gaming Board, internal projections from Finance show that if all 27 establishments were to add a sixth machine, the projected & combined additional Village revenue would range from \$116,000 to \$120,000 annually.

The Mayor's Office first brought this item to the Admin & Legal Committee on October 8, 2019. At that meeting, the Committee suggested that the entire Board of Trustees review the item. The Mayor's Office suggests that the Board consider changing the maximum cap on VGT's to six machines per establishment across all license categories in the Village of Tinley Park.

Trustee Brady asked if the establishment had to have all six (6) machines. Mr. Sanfilippo stated that it would be the establishment's choice, on how many machines they would have.

Trustee Mueller asked about preventing the establishment scaling back their business once they received the video gaming license. Mr. Sanfilippo stated that this concern had been brought up in committee discussions in the past, but believes that they would be amenable to that discussion.

Trustee Mueller also asked about the additions to item G and if some provisions in the ordinance were covered under state law. Mr. Sanfilippo stated that this is draft language from the attorney.

Trustee Galante asked about the verbiage to prevent an establishment from becoming a gaming parlor making sure that the revenue from gaming is not larger than the main revenue of the business. Mr. Sanfilippo referred the Video Gaming Hall Ordinance stating that they would then fall under that Ordinance.

Motion by Trustee Mueller, seconded by Trustee Brennan to recommend an ordinance amending § 132.23.C to allow for six (6) video gaming terminals, in line with state law to be forwarded to the Village Board. Vote by voice. Trustee Mueller declared the motion carried.

**Item #5 – DISCUSS ECONOMIC INCENTIVE AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND BANGING GAVEL, PROPERTIES, LLC.** D. Niemeyer, Village Manager, invited Jim Richert to discuss modifications to the incentive agreement.

Pilsen Breweries, Inc. d/b/a Banging Gavel Brews (BGB) purchased the Vogt building located at 6811 Hickory Street on June 30, 2017. The Village and owner of the property entered into an economic incentive agreement on April 3rd, 2017. The incentive agreement would allow the developer to redevelop the property in order to feature a brewery and restaurant with an outdoor patio. The incentive agreement granted \$850,000 in assistance; \$600,000 of the request includes a \$450,000 Historic Preservation grant plus an estimated \$150,000 for public land purchase. The purchase of the public land was completed. The remaining \$250,000 came in the form of a sales tax rebate providing an operating incentive over the first ten (10) years. The owner was entitled to 50% of the sales tax revenue received in excess of incentive base (\$6,000), with the Village retaining the remaining 50% of the excess over the incentive base.

The owner of the property, met with staff on July 31st to discuss some of the obstacles they have faced with redeveloping the property. It took from July 19, 2017 to November 18, 2018 to obtain conditional approval from the State Historical Preservation Offices (SHPO), the National Parks Service (NPS) & comply with local building code. As of this date, BGB has expended a sum in excess of \$110,000 in architectural, \$23,000, in civil engineering and \$17,000.00, related to mechanical expense. A vast majority of these expenses is directly tied to addressing the NPS requirements of this project. This does not include their contractor expense or other holding costs. The exact schedule for opening has not been finalized at this point. Everything is conditioned on final approval plans by the Village, final loan approval and obtaining a letter from the State to waive the need for an elevator.

The Petitioner is asking the Village Board to amend the incentive agreement to allow the redevelopment of the project for phase 1 to include only the brewery, taproom and outdoor patio. The second phase will include the 2nd floor kitchen and second floor special event room. At the completion of the second phase and issuance of an occupancy permit, the Village would pay the developer a total incentive of \$450,000. This amended agreement should include language about timing of each phase as did the original agreement.

Trustee Galante wanted to know if the restaurant will be open after phase 1 is complete. Mr. Richert stated that it would.

Trustee Berg is concerned about the financing. D. Niemeyer and Mr. Richert discussed the incentive based sales tax rebate. She also wanted to know if the rest of the plans will be reviewed before releasing the \$150,000. P. Connelly confirmed. There was also a question about the financing. Mr. Richert stated they are with a new bank and the bank will be using the \$150,000 as collateral. She also stated that the restaurant business is risky and she was not comfortable with the Village being in that business. President Vandenberg stated that the \$150,000 was an investment in the restoration of a historical building as opposed to a business.

Trustee Galante asked if the \$150,000 requested was always part of the agreement. Mr. Richert clarified that it is part of the original \$450,000. They are requesting the \$150,000 be placed in a joint construction escrow. He also stated that at the completion of phase 1, 100% of the historical renovated work will be completed.

Trustee Glotz asked if they are finished with all of the red tape. He fears that with the building being historical, he may run into more issues. Mr. Richert hopes that with all of the reviews that the project has been though there will be nothing further.

Trustee Mueller is not a fan of how the money is being moved, but is happy that a historical building will be renovated.

Motion by Trustee Brady, seconded by Trustee Glotz to recommend amending the incentive agreement between the Village of Tinley Park and Banging Gavel, Properties, LLC to be forwarded to the Village Board. Vote by voice. Ayes, Galante, Glotz, Mueller, Brennan, Brady. Nays: Berg Trustee Mueller declared the motion carried.

**Item #6 – DISCUSS APPROVING A FOUNDATION ONLY PERMIT (FOP) FOR UNION SQUARE TOWNHOMES (PHASE 2, BUILDING A).** Kimberly Clarke, Community Development Director, requested Resolution 2019-R-113 be approved for a foundation only permit for Union Square Townhomes (Phase 2, Building A) located on the North side of 179<sup>th</sup> Street at Oak Park Avenue. Mike Halleran, is requesting a Foundation Only Permit (FOP) for Building A in Phase 2 of his townhome development located on the north side of 179th Street at Oak Park Avenue. He is requesting the FOP so that he can complete construction of the building by spring as part of his pre-sale obligations for 3 of the 5 units. A building permit cannot be issued due to the expiration of the MWRD permit for the project. An extension for the permit has been applied for but it is uncertain as to when it will be issued. The granting of this permit will allow the developer to commence work on the foundation immediately.

Motion by Trustee Mueller, seconded by Trustee Berg to approve a foundation only permit (FOP) for Union Square Townhomes (Phase 2, Building A) to be forwarded to the Village Board. Vote by voice. Trustee Mueller declared the motion carried.

**Item #7 – DISCUSS 2020 TAX LEVY.** Brad Bettenhausen, Village Treasurer, presented the 2019 Tax Levy Options. Option 1. Same as last year (Hold the levy at the prior year request) - Following the passage of the Home Rule Sales Tax, the prior Village Board had expressed a desire to hold increases in the Levy for up to five years if it could be sustained. Tax year 2018 would have represented the fifth levy year under that objective. However, that initiative did not consider that the fifth year would coincide with the termination of the Oak Park Avenue TIF.

Due to costs connected to strategic plan priorities established by the Village Board for staffing, and capital projects, this option is not recommended by staff.

Option 2. Prior extended levy (Levy the prior year extended levy amount) - Cook County automatically adds a Loss and Cost factor to each levy item. The default/standard rates are 3% for all levy items, except debt service at 5%. This is done to compensate for post-issuance adjustments (changes to the amount owed after tax rates have been determined and bills produced) to tax bills (e.g. Certificate of Error and appeal adjustments), and unpaid tax bills, to help to ensure that taxing bodies receive as close to the full amount of their levy request by the end of the tax year's distributions. For the past six years, in approving and submitting the tax levy documents, the Board had requested that Cook County use lower Loss and Cost factors (1% for all levy items, except debt service at 3%) than their standard rates.

In general, in review of our tax collections, the Village seemingly has not experienced significant issues with post-issuance adjustments and delinquencies. Utilizing the lower Loss and Cost factors in recent years has not seemed to have had a significant impact on the net tax collections the Village has received. However, we have become aware of a number of incidents of tax bill adjustments

subsequent to determination of rates and production of the tax bills that adversely impact collections. It is recommended that we return to utilize the default Loss and Cost rates, as deviating from the “standard” increases risk of errors occurring in the extension of the Village levy.

Option 3. Village tax cap formula - As a Home Rule community, the Village is not subject to the Property Tax Extension Limitation Law (PTELL; a.k.a. “Tax Cap”). However, the Board's traditional tax cap formula as memorialized in the Fiscal Policies Manual uses the rate of inflation plus new growth to determine the extent the levy could be allowed to increase over the prior year's extended levy.

Staff recommendation is to go with Option 3. The rate of inflation applicable for the 2019 levy year is 1.9% (same as last year).

Last year, “new property” for purposes of PTELL (and as an indicator of new growth in the tax base) was nearly \$39.5 million, but primarily included EAV released by the end of the Oak Park Avenue (Convention Center) TIF (OPA TIF) of approximately \$30.8 million. The overall Village EAV decreased in 2018 from 2017 levels primarily as a result of a decrease in the Cook County Equalization Factor, and as a result, this “new growth” did not serve to increase the Village tax base as expected. Review of recent building permit activity for new construction reflects small but steady growth for the past several years. A growth factor of 1% has been used for the new construction component of the Village levy formula.

With consideration of this normal growth, under the Board's formula (prior year levy + inflation + new growth), the resulting rate of increase to the levy amount would be 2.9%. Using this rate, the Board's formula would produce a total levy request of \$21,566,852 for the Village, which represents an increase of \$607,812 over the prior year's levy request.

Considering staffing and capital priorities that have been expressed by the Village Board, and the increase in the police pension funding requirement, staff is suggesting a levy request following option 3B.

Motion by Trustee Berg, seconded by Trustee Brady to recommend Option 3 above which uses the rate of inflation plus new growth to determine the extent the levy could be allowed to increase over the prior year's extended levy. The rate of inflation applicable for the 2019 levy year is 1.9% (same as last year). Vote by voice. Trustee Glotz declared the motion carried.

**Item #8 – RECEIVE PRESENTATION FROM RICK HEIDNER REGARDING THE RACINO.** Rick Heidner made a statement regarding his personal and professional reputation in reference to the Chicago Tribune article. Gold Rush Gaming attorney, Patrick Collins also made a statement regarding Mr. Heidner's compliance with the gaming board.

Trustee Brady questioned how Mr. Heidner was awarded racing dates prior to this. Mr. Collins stated the Mr. Heidner complied with all gaming rules and processes. Patrick Connelly clarified that the Village was not at the point in this process that would have placed them before gaming board.

Trustee Galante want to know what the Village's next steps are with the state, as the Village lost the opportunity to have the property cleaned up. Mr. Connelly responded that the Village has been dealing with Illinois Department of Central Management Services (CMS) since 2014 regarding cleaning up the property. Kathleen Abbott from CMS sent a letter to the Village reporting that the State was no

longer interested in selling the property to the village. The Village responded requesting a meeting with CMS and they have not replied. Trustee Glotz agreed with Trustee Galante.

At this time Trustee Glotz reports that a meeting was held on November 5, 2019 with Village, County and State representatives regarding road repairs on 175<sup>th</sup> street between Ridgeland and Oak Park Avenue. The State will be providing \$150,000 and Cook County will be providing \$500,000. This will be detailed in an inter-governmental agreement.

**Item #9 – RECEIVE COMMENTS FROM THE PUBLIC** – A citizen stated that his FOIA request was returned with the response that there are no records responsive to the request. Mr. Connelly replied that they will look at the FOIA request. He also made a statement regarding Rick Heidner.

A citizen made a statement regarding cleaning up the Tinley Park Mental Health Center property.

A citizen made a statement regarding Rick Heidner and cleaning up the Tinley Park Mental Health Center property.

**Item #10 - ADJOURN TO EXECUTIVE SESSION TO DISCUSS:** Motion was made by Trustee Mueller, seconded by Trustee Berg, at 7:36 p.m. to adjourn to executive session to discuss;

- a. THE PURCHASE OR LEASE OF REAL PROPERTY FOR THE USE OF THE PUBLIC BODY, INCLUDING MEETINGS HELD FOR THE PURPOSE OF DISCUSSING WHETHER A PARTICULAR PARCEL SHOULD BE ACQUIRED.
- b. THE SETTING OF A PRICE FOR SALE OR LEASE OF PROPERTY OWNED BY THE PUBLIC BODY.

Vote by voice call. President Trustee Glotz declared the motion carried.

Motion was made by Trustee, Glotz, seconded by Trustee Brady, to adjourn the Committee of the Whole. Vote by voice call. Trustee Glotz declared the motion carried and adjourned the meeting at 8:15 p.m.

## **ADJOURNMENT**

dm