Administration and Public Works Committee Meeting
Minutes of October 27, 2014
Council Chambers – 6:00 p.m.
Lorraine H. Morton Civic Center

MEMBERS PRESENT: D. Holmes, A. Rainey, J. Grover, C. Burrus, P. Braithwaite


STAFF ABSENT: D. Stoneback, S. Nagar, S. Robinson, J. Williams-Kinsel, Chief Klaiber, C. Hurley, M. Muenzer, E. Thomas-Smith,

PRESIDING OFFICIAL: Ald. Holmes

I. DECLARATION OF QUORUM
A quorum being present, Ald. Holmes called the meeting to order at 6:12 p.m.

II. APPROVAL OF REGULAR MEETING MINUTES OF OCTOBER 13, 2014
Ald. Burrus moved to approve the minutes of the October 13, 2014 A&PW meeting as submitted, seconded by Ald. Rainey.

The Minutes of the October 13, 2014 meeting were approved unanimously 4-0.

III. ITEMS FOR CONSIDERATION

(A1) City of Evanston Payroll through October 5, 2014 $2,641,880.71

(A2) City of Evanston Bills – October 28, 2014 $2,183,663.39

For Action

Ald. Holmes moved to approve the City of Evanston Payroll (A1) through October 5, 2014, seconded by Ald. Grover. The Committee voted unanimously 4-0 to approve the payroll.

Ald. Holmes moved to approve the City of Evanston Bills through October 28, 2014, seconded by Ald. Grover. The Committee voted unanimously 4-0 to approve the bills.

(A3.1) Approval of Single Source Elevator Service Agreement with ThyssenKrupp Elevator Corp. for the Sherman Plaza Self Park

Staff recommends that City Council authorize the City Manager to execute a five year single source service and maintenance agreement with ThyssenKrupp Elevator Corporation (355 Eisenhower Lane South, Lombard, IL) for the elevators at the Sherman Plaza parking garage at a cost of $34,436.16. The proposed 5-year service agreement is effective April 1, 2014 to March 31, 2019. This agreement includes a cost reduction of $4,747 for the first year, an approximately 12%
decrease when compared to last year's agreement. While ThyssenKrupp reserves the right to an annual increase in years two through five, the potential increase in subsequent years is capped at five percent.

**For Action**

Ald. Burrus moved to recommend City Council authorize the City Manager to execute a five-year single source service and maintenance agreement with ThyssenKrupp Elevator Corporation for the elevators at the Sherman Plaza parking garage at a cost of $34,436.16 effective April 1, 2014 to March 31, 2019, seconded by Ald. Rainey.

Ald. Rainey noted the importance of elevator contracts and why they are an absolute necessity.

The Committee voted unanimously 4-0 to recommend approval of the contract.

**(A3.2) Approval of Contract with Place Consulting, Inc. for Consulting Work to Create a Special Service Area for Main/Chicago and Dempster/Chicago Merchant Districts (RFP 14-50)**

Staff recommends that City Council authorize the City Manager to execute a contract for consulting services for the study and creation of a special service area (“SSA”) for the business districts along Chicago Avenue at the intersections of Main and Dempster Streets inclusive of the Main/Chicago and Dempster/Chicago merchant districts with Place Consulting, Inc. (3701 North Ravenswood Avenue, Suite 204, Chicago, IL) for a total amount of $36,983.78. Funding is provided by the Economic Development Fund’s Redevelopment Consulting Services Account (225.21.5300.62136), with a budget of $75,000.

**For Action**

Ald. Rainey moved to recommend that City Council authorize the City Manager to execute a contract for consulting services for the study and creation of a special service area (“SSA”) for the business districts along Chicago Avenue at the intersections of Main and Dempster Streets inclusive of the Main/Chicago and Dempster/Chicago merchant districts with Place Consulting, Inc. for a total amount of $36,983.78, seconded by Ald. Burrus.

**PUBLIC COMMENT**

Allan Price, owner of properties on Main Street, explained that he has observed the benefits of a SSA and he is in full support of this contract.

At Ald. Burrus’ inquiry, Mr. Price stated that he is the property owner of Lupita’s, The Wine Goddess, Trattoria DOC and Dave’s Rock Shop.

At Ald. Grover’s inquiry, Economic Development Division Manager Johanna Nyden explained that businesses would no longer be eligible to seek funding from the Great Merchants Grant. Assistant City Manager Lyons added that there could be opportunities for partnerships with the City in the future.

After discussion, the Committee voted unanimously 5-0 to recommend approval of the contract.
(A4) Ordinance 125-O-14, Increasing the Number of Class C-1 Liquor Licenses for Bangers and Lace Evanston LLC d/b/a Bangers and Lace, 810 Grove Street

Staff recommends City Council adoption of Ordinance 125-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(C-1), as amended, to increase the number of authorized Class C-1 liquor licenses from six (6) to seven (7).

For Introduction

Ald. Grover moved to recommend City Council adoption of Ordinance 125-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(C-1), as amended, to increase the number of authorized Class C-1 liquor licenses from six (6) to seven (7), seconded by Ald. Braithwaite.

Ald. Rainey felt that the 3am license was unnecessary. She moved to recommend a 2am license and reconsider 3am after 6-9 months of operation.

At Ald. Burrus’ inquiry, Corporation Counsel Grant Farrar confirmed that there are 6 other downtown establishments with C-1 licenses. He will provide the names of those businesses later in the meeting.

At Ald. Grover's inquiry, Bangers and Lace proprietor Nick Podesta agreed that a 2am license is reasonable and he is comfortable with that suggestion.

At Ald. Holmes’ request to be fair to other businesses in the area with a 3am license, Corporation Counsel Farrar confirmed the businesses with C-1 licenses: Tommy Nevins, Cheesie’s Pub, La Macchina, Prairie Moon, Buffalo Wild Wings and JT’s Bar and Grill.

Ald. Rainey withdrew her motion to recommend the 2am license.

After discussion, the Committee voted unanimously 5-0 to recommend adoption of the ordinance.

(A5) Ordinance 126-O-14, Increasing the Number of Class F Liquor Licenses for Highland Park CVS, LLC d/b/a CVS Pharmacy #8760, 3333 Central Street

Staff recommends City Council adoption of Ordinance 126-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(F), as amended, to increase the number of authorized Class F liquor licenses from eight (8) to nine (9), and permit issuance of a Class F license to Highland Park CVS, LLC d/b/a CVS Pharmacy #8760 (“Company”), 3333 Central Street.

For Introduction

Ald. Braithwaite moved to recommend City Council adoption of Ordinance 126-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(F), as amended, to increase the number of authorized Class F liquor licenses from eight (8) to nine (9), and permit issuance of a Class F license to Highland Park CVS, LLC d/b/a CVS Pharmacy #8760 (“Company”), 3333 Central Street, seconded by Ald. Grover.

Ald. Rainey moved to hold this item in committee until the next meeting. She would like to have a meeting with CVS to discuss the Little Beans project. CVS agreed to give Little Beans Café, funds towards interior improvements to the property they will
be leasing from CVS. The Small Business Association (SBA) requires a letter from CVS confirming that they commit to the funding before the SBA will release the remainder of the funding for the project. CVS refuses to provide a letter on behalf of Little Beans and is essentially stalling the project. She would like to set this issue aside so that CVS can realize that we must all work together in this town.

Ald. Burrus stated that it would be most timely for CVS Corporate to look at their comprehensive engagement in Evanston. She asked CVS to look at a 360 degree approach to their business in Evanston and reconsider their communication.

Ald. Rainey added that Economic Development Division Manager Johanna Nyden had a face-to-face meeting with CVS a week ago and indicated there was no progress on the issue.

Ald. Rainey moved to recommend Ordinance 126-O-14 be held in committee until the next meeting, seconded by Ald. Burrus.

The Committee voted unanimously 5-0 to hold this item in committee.

(A6) Ordinance 127-O-14, Increasing the Number of Class O Liquor Licenses for Dil Foods, Inc. d/b/a Shell Gas Station, 2494 Oakton Street
Staff recommends City Council adoption of Ordinance 127-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(O), as amended, to increase the number of authorized Class O liquor licenses from zero (0) to one (1).

For Introduction
Ald. Burrus moved to recommend City Council adoption of Ordinance 127-O-14, which amends Evanston City Code of 2012 Subsection 3-4-6-(O), as amended, to increase the number of authorized Class O liquor licenses from zero (0) to one (1), seconded by Ald. Grover.

Ald. Rainey moved to suspend the rules and give final approval to this item tonight, seconded by Ald. Burrus.

The Committee voted unanimously 5-0 to suspend the rules and adopt the ordinance.

IV. ITEMS FOR DISCUSSION
   (APW1) City of Evanston Liquor Tax and Collected Liquor Tax Revenue
Staff has provided a summary of information on the tax assessed and the revenue collected by the City.

For Discussion
Economic Development Division Manager Nyden explained that a reference was made to the Administration and Public Works Committee at the October 6, 2014 Rules Committee to investigate the City’s Liquor Tax Rate and whether this places Evanston-based retailers of alcohol at a competitive disadvantage.

The City’s tax on alcohol for on-and off-premise consumption is known in the City Code as the “Tax on the Privilege of Purchasing Alcoholic Liquor.” The City’s levy for such beverages is at a rate of 6% of the purchase price, exclusive of any
other tax charged for alcoholic liquor. The Code permits the dealer to retain 2% of the total amount collected for services rendered in the collection and payment of the tax. The funds collected on the privilege of purchasing alcoholic liquor are deposited in the City’s General Fund.

Economic Development Division Manager Nyden explained that it is difficult to derive an understanding of Evanston’s competitive disadvantage because liquor sales in adjacent municipalities are not publicly available information.

Ald. Rainey thought the report was excellent and the Evanston liquor tax has no effect on liquor sales.

At Ald. Grover’s inquiry, Economic Development Division Manager Nyden stated that Chicago has a 0.25% retail tax on food for dine-in establishments, 29 cents per gallon tax on beer and sliding scale tax on liquor per gallon.

Ald. Wilson, 4th Ward, was very concerned with the impact that Evanston’s liquor tax has on retailers. He felt that the 6% tax is punitive and anti-competitive for retailers. It unfortunate that we have grown accustomed to the income from this tax. He added that it is no accident that some of the alcohol vendors and retailers are on the border of Evanston.

Larger retailers, like supermarkets, are able to cover the impact of this tax because they are selling other products at different markup levels. This tax is a danger to small retailers and smaller shopping districts. He asked to revisit this issue with a broader perspective.

Mr. Price added that patrons will go to other areas to avoid the tax for case quantities. He was concerned that smaller retailers will disappear from the cultural framework of Evanston.

Diana Hamann, proprietor of the Wine Goddess, explained that the liquor tax is especially harmful to her small boutique shop. She noted the huge difference between businesses like hers and that of a restaurant that has other items to offset their gross sales. She feels that the smaller retailers have to pay more because more than 95% of their business is only liquor.

Mayor Tisdahl noted that she tends to buy a bottle of wine at Whole Foods because of her time restriction. She has not received any complaints from residents about a liquor tax, however restaurants have stressed that a food and beverage tax would not be appreciated in Evanston.

Ald. Grover noted the budget implications of reducing the liquor tax by even 1% would cost the City approximately $413,000.

Ald. Braithwaite thought the speaker was looking for a different set of rules only for the 4 small retailers in town. Ald. Rainey responded that there is no graduated tax at the state level and there should not be one here. She felt the City does recognize smaller liquor retailers in terms of the liquor license fees.
Ald. Rainey supports referring this issue back to the Liquor Commission.

The Committee voted 5-0 to refer this item to the Liquor Commission.

VI. COMMUNICATIONS

VII. ADJOURNMENT

Ald. Grover moved to adjourn, seconded by Ald. Braithwaite.

The Committee voted unanimously 5-0 to adjourn. The meeting was adjourned at 7:16p.m.

Respectfully submitted,
Janella Hardin