

MINUTES OF A SPECIAL MEETING OF THE ZION CITY COUNCIL HELD ON MONDAY, JUNE 28, 2010, AT 4:33 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, ZION, ILLINOIS

.....

Mayor Harrison called the meeting to order.

On call of the roll the following answered present: Commissioners Flammini, Jim Taylor, DeTienne, Shantal Taylor and Mayor Harrison.

EARLY RETIREE REINSURANCE PROGRAM

Under the Federal health care reform, the Department of Health and Human Services has established an Early Retiree Reinsurance Program. This program provides financial assistance for employer health insurance plans, wherein employers can be eligible for reimbursement for a portion of high medical claims for retirees age 55 through 64 for a certain period of time. There is limited federal funding, and applications are reviewed on a first-come, first-served basis. In order to participate, the City would need to submit an application and consider a consulting services agreement with United Actuarial Services for preparation of the application.

It was moved by Commissioner Jim Taylor, seconded by Commissioner DeTienne that a Resolution (10-R-13) be passed authorizing participation in the Department of Health and Human Services Early Retiree Reinsurance Program, as presented, designating the City Clerk as the Plan Sponsor's Authorized Representative. The vote on roll call was: Commissioners Flammini, aye; Jim Taylor, aye; DeTienne, aye; Shantal Taylor, aye; and Mayor Harrison, aye. Motion carried. Resolution passed.

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini that a Resolution (10-R-14) be passed authorizing the disclosure to the Department of Health and Human Services the necessary documentation in compliance with the Early Retiree Reinsurance Program. The vote on roll call was: Commissioners Flammini, aye; Jim Taylor, aye; DeTienne, aye; Shantal Taylor, aye; and Mayor Harrison, aye. Motion carried. Resolution passed.

LAKE COUNTY FIELDERS PROJECT

Delaine Rogers proposed the approval of agreements, allowing for the terms and conditions for all involved parties of the Lake County Fielders project. Ms. Rogers stated the team would pay the City an annual rent, and the City in turn would pay the property owner a portion of this rent.

Attorney Scott Puma stated concerns regarding the length of the terms of these agreements, as well as the financing of the debt service. Attorney Puma requested the opportunity for review by both legal counsel and the City Council prior to approval.

Commissioner Flammini questioned the amount of the rent payments for 2010, noting this only represents a 5-month period for this first year. Rich Ehrenreich, Grand Slam Sports and Entertainment stated the rent is set up as a pass through. The full year rent is \$250,000; therefore \$100,000 is for the remainder of 2010 with the first payment due August 1. Mr. Ehrenreich stated the intended lease term is for 25 years. Commissioner Flammini asked who would be responsible for maintenance of the ditch lines beside the property along Route 173 and Green Bay Road. Dave Delach stated they would be willing to be responsible for this maintenance, and to place this in the agreement. Mr. Ehrenreich stated team areas would include the stadium, offices, concessions, parking, locker rooms, and City areas would include all common areas.

Commissioner Jim Taylor questioned the costs and financing for the development of the full project. Ms. Rogers stated FEMA has promised additional funds, as only reimbursement funds have been used to date. Ms. Rogers stated Partners in Design are currently working on the second year design, based on funding as it becomes available, as the project's costs were always meant to be a pass through. Commissioner Shantal Taylor noted Mr. Ehrenreich has a proven record as a team and business owner, and she is confident he will proceed to make this happen for Zion.

Rich Delisle stated he is comfortable with moving forward, based on the previously approved Indemnification Agreement between the City and Green Bay Crossing LLC, however the Department of Commerce and Community Affairs needs the lease agreement to release funding. Mr. Delisle stated the lease allows them to go forward with the State.

Mayor Harrison recommended Attorney Puma meet with Rich Ehrenreich, Rich Delisle and Dave Delach as soon as possible to address all concerns and questions, noting funding must come from revenue and not from general city funds. Ms. Rogers noted the license and lease agreements are documents reflecting the general business terms discussed several months ago.

Ron Colangelo questioned the number of home games for July. Mr. Ehrenreich stated there are 8 home games in July between July 2 and July 11.

Commissioner Flammini questioned the requirement for prevailing wage rates for janitorial services. Attorney Puma stated the prevailing wage rates do not include janitorial services. Commissioner Flammini questioned how the concessionaires would be handling the City's new requirement for identification for all liquor sales. Mr. Ehrenreich stated they would either stamp the person's hand or provide a bracelet during the initial purchase.

Commissioner Flammini questioned the arrangement for parking attendants. Ms. Rogers stated the ultimate goal is to have private parking attendants, however initially ESDA has agreed to help coordinate parking with a percentage of the parking fees to go back to ESDA. Next year, improvements would be paid for and private parking attendants would be hired by the Fielders. Commissioner Flammini questioned who would be responsible for the grass and garbage maintenance of the Brosten parking lot on the west side of Green Bay Road. Mr. Delisle stated this 5-acre parking area would be maintained. Ms. Rogers stated tailgating would not be allowed, per previous discussions with neighboring residents. Attorney Puma stated the Brosten agreement needs to have a termination clause for the City of at least 30 days, also noting some concerns regarding the real estate clause. Ms. Rogers noted the rent per the lease with Mr. Brosten doesn't start until May 1, 2011, as Mr. Brosten is not assessing rent payments for parking this year. Mr. Ehrenreich recommended a longer notice for a termination clause, as it may take more than one year for parking revenue to exceed the costs. Mayor Harrison suggested a 90-day termination clause for either party, noting the current baseball season would be over. Mr. Ehrenreich stated their current capacity for general admission to the game is approximately 6,000. Ms. Rogers stated they are working with Commonwealth Edison for possible use of their adjoining right of way for a future back-up parking plan.

Ms. Rogers stated invoices are submitted to the State, and the State wants to see the lease in order for them to release the reimbursement. Ms. Rogers questioned who would be providing the insurance policy prior to finalizing the lease. Mr. Ehrenreich stated he would provide Mr. Delisle with a certificate of insurance.

Mayor Harrison stated Attorney Puma will meet with all parties yet this week. Mayor Harrison encouraged the Council to review the draft documents and relay all questions to Attorney Puma as soon as possible, so everyone can make educated decisions. The Council agreed to recess this special meeting, and to reconvene on Wednesday, June 30 at 5:00 p.m.

RECESS

At 5:47 p.m., it was moved by Commissioner Flammini, seconded by Commissioner Shantal Taylor and unanimously approved the meeting be recessed until Wednesday, June 30, 2010 at 5:00 p.m. Motion carried.

Mayor Harrison reconvened the meeting on June 30, 2010 at 5:15 p.m.

On call of the roll the following answered present: Commissioners Flammini, Jim Taylor, DeTienne, Shantal Taylor and Mayor Harrison.

LAKE COUNTY FIELDERS PROJECT

Attorney Puma stated he has met with all involved parties regarding the following agreements:

Permit and Operating Agreement between the City of Zion and Grand Slam Sports & Entertainment, L.L.C. (“the Club”)

- Term: The original term of this agreement commences June 30, 2010 and terminates December 31, 2012. Prior to the termination date, the parties agree to negotiate terms of an extension to September 30, 2035.
- Facility: For the original term, the facility is identified as the temporary grandstand; therefore as construction proceeds, an amendment will be needed to include the future development.
- Facility Use Fee: For the 2010 season, the Club shall pay \$100,000, payable in 5 equal installments beginning on August 31, 2010, to the City. For the 2011 and 2012 seasons, the City shall receive the greatest of 6% of the Club’s gross revenue from the use of the facility to a maximum of \$250,000.
- Parking Lot: The parking lot includes areas adjacent to the temporary grandstand and those off site parking areas to the north.
- Parking: During the original term, the Club shall be responsible for maintaining and cleaning up the parking lot after all baseball and Club events at the facility. Revenue from parking fees shall be divided between the City and the Club.
- Advertising: All advertising material, signs and banners shall be in keeping with a family atmosphere.
- Security: The Club shall provide all security at its cost and expense.
- Taxes: The parties intend that the subject property be exempt from real estate taxes.
- Representatives: In order to resolve any ongoing issues, the City’s primary contacts will be Delaine Rogers and Ron Colangelo.

It was moved by Commissioner Shantal Taylor, seconded by Commissioner DeTienne to approve a license and operating permit with Grand Slam Sports and Entertainment for the Lake County Fielders project. The vote on roll call was: Commissioners Flammini, aye; Jim Taylor, aye; DeTienne, aye; Shantal Taylor, aye; and Mayor Harrison, aye. Motion carried.

Ground Lease between Green Bay Crossing, LLC and the City of Zion

- Term: The term of this lease ends on September 30, 2035.
- Use: If baseball is not played on this property, the City has the right to terminate the lease.
- Development of the land: This allows for future retail development on the south and west sides of the stadium.

It was moved by Commissioner Flammini, seconded by Commissioner Jim Taylor to approve a lease with Green Bay Crossing LLC for the Lake County Fielders project. The vote on roll call was: Commissioners Flammini, aye; Jim Taylor, aye; DeTienne, aye; Shantal Taylor, aye; and Mayor Harrison, aye. Motion carried.

Lease Agreement between the City of Zion and Larry Brosten

Ms. Rogers stated the parking lot north west of the stadium is owned by Larry Brosten and is zoned commercial. The house on this property will remain. Attorney Puma recommended a termination clause with Mr. Brosten of 12 months or sooner if baseball operations were to cease, noting these terms still need to be verified with Mr. Brosten. Ms. Rogers recommended deferring the lease with Mr. Brosten until the July 6 Council meeting, in order to finalize the details.

The Council agreed to defer the lease with Larry Brosten pertaining to the parking for the Lake County Fielders project until the July 6 Council meeting.

TREE REGULATIONS & REPLACEMENTS

A memo (10-DOC-56) was received from Ron Colangelo, requesting a waiver of the tree replacement regulations and fee for the parking facility on the west side of Green Bay Road across from the Lake County Fielder's site, as the City would be leasing and developing this property.

It was moved by Commissioner Flammini, seconded by Commissioner DeTienne to grant a waiver for the tree replacement regulations and fee for the parking facility across from the Lake County Fielder's site, as recommended. The vote on roll call was: Commissioners Flammini, aye; Jim Taylor, aye; DeTienne, aye; Shantal Taylor, aye; and Mayor Harrison, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Shantal Taylor, seconded by Commissioner Flammini and unanimously approved the meeting be adjourned at 6:02 p.m. Motion carried.

City Clerk

Approved July 6, 2010