

MINUTES OF THE PUBLIC HEARING

Public Hearing to consider contributing approximately 18% of total estimated costs up to a maximum of \$2,000,000 to allow certain improvements at the former Bed Bath & Beyond store at Gurnee Mills. Improvements may include, but are not limited to, redesign and renovation of the vacant anchor space to prepare it for two or more new tenants. The total cost of the improvements is estimated to be \$12,000,000.

GURNEE VILLAGE HALL

FEBRUARY 5, 2024

Call to Order

Mayor Hood called the public hearing to order at 6:40 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Austin Pollack, Assistant to the Village Administrator; Bryan Winter, Village Attorney; David Ziegler, Community Development Director; Heather Galan, Public Works Director; Brian Gosnell, Finance Director; Ellen Dean, Economic Development Director; John Kavanagh, Fire Chief; David Douglass, Deputy Fire Chief; Brian Smith, Police Chief.

Roll Call

PRESENT: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

ABSENT: 1- Woodside

Director Dean noted that over the years, Simon Property Group has regularly made investments in Gurnee Mills to renovate and modernize the center and in so doing has enabled Gurnee Mills to maintain low turnover and a vibrant mix of uses. The Bed Bath & Beyond space that became available in January 2023 as part of a nationwide store closure presents an opportunity to accommodate a current tenant's expansion, elevate Gurnee Mills' status as a destination featuring retailers that have very few locations in Illinois and enhance sales tax revenue to the Village.

Director Dean said Boot Barn, a longtime mall tenant seeking expansion, will have only an exterior entrance in the new location and will double its square footage to approximately 16,000 square feet. She then provided some general information about the retailer. Primark will occupy 44,000 square feet of the space and will be the Mall's newest anchor. Only 24 of these stores are in the United States with half of those in Simon Malls. Currently there are only two Primark locations in Illinois – Chicago and Woodfield.

Simon anticipates the cost to renovate the space at approximately \$12 million, of which it has requested the Village participate at 18% or a maximum of \$2 million. Similar to prior agreements, the Village will retain its base (i.e. sales tax previously produced by the space) and then share anything above that up to \$2 million or six years, whichever comes first. Staff has also agreed to waive the first \$20,000 in building permit fees to assist with the project. The completion date per the agreement is December 31, 2026 although staff anticipates it will be completed prior to that.

Jocelyn Gubler, Vice President of Development for Simon, stated Economic Development Director Dean summarized the project nicely. She then provided some clarity on the timing of the project stating that quality tenants take time. She stated plans should be submitted the Village in the next 30 days for review. That will be followed up six months of work by Simon to prepare the space to transfer to the tenants. Following that, the tenants will have six to eight months of buildout before the stores are open. Gubler stated she has built ten of the twelve Primark stores in the Simon portfolio and they typically take seven months.

Gubler then discussed the draw of Primark and the continued importance of brick-and-mortar retail. She stated while e-commerce has its own role in the market, people still want to be together to dine, shop and participate in entertainment. She continued by stating she is very excited about this opportunity and having the ability to bring this new retailer to Gurnee Mills. She believes it will be very impactful to the community.

Trustee Thorstenson asked about the target demographics and the

entrances for Primark. Gubler stated Primark will have both interior and exterior entrances. She continued to state Primark offers apparel and accessories not only for younger individuals, but also for older demographics.

Trustee Thorstenson said she is excited about these changes.

Trustee O'Brien said he is super excited adding he was at the opening of the Primark in Woodfield Mall and over the weekend was shopping at a Primark in Spain.

Director Dean clarified that while Primark allows the customer to select merchandise online, it must be picked up in person. This is another opportunity to increase foot traffic at Gurnee Mills.

Trustee Balmes asked about two openings next to Hobby Lobby. Gubler stated Round One is currently under construction. This will be a great entertainment addition and should open in August. She continued to say that the other section is very good real estate as far as visibility, size and potential for outdoor use. She stated they want this to be a real crown jewel, so they are being very selective as to who will occupy the space.

Trustee Garner said he is excited and can see the value of expansion for Boot Barn. He said he has been to a Boot Barn in Houston and it was three times the size of the Boot Barn currently at Gurnee Mills.

Mayor Hood opened the floor for public comment. There was none.

Trustee Garner, motioned, seconded by Trustee Thorstenson, to recommend contributing approximately 18% of total estimated costs up to a maximum of \$2,000,000 to allow certain improvements at the former Bed Bath & Beyond store at Gurnee Mills. Improvements may include, but are not limited to, redesign and renovation of the vacant anchor space to prepare it for two or more new tenants. The total cost of the improvements is estimated to be \$12,000,000.

Roll call,

AYE: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

H. PUBLIC COMMENT

None.

Adjournment

It was moved by Trustee Balmes seconded by Trustee O'Brien to adjourn the Public Hearing.

Voice Vote: ALL AYE: Motion Carried.

Mayor Hood adjourned the Public Hearing at 6:59 p.m.

**Andy Harris,
Village Clerk**

**MINUTES OF THE REGULAR MEETING
OF THE GURNEE VILLAGE BOARD**

**GURNEE VILLAGE HALL
FEBRUARY 5, 2024**

Call to Order

Mayor Hood called the meeting to order at 7:00 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Austin Pollack, Assistant to the Village Administrator; Bryan Winter, Village Attorney; David Ziegler, Community Development Director; Heather Galan, Public Works Director; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Ellen Dean, Economic Development Director; John Kavanagh, Fire Chief; David Douglass, Deputy Fire Chief; Brian Smith, Police Chief.

Roll Call

PRESENT: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

ABSENT: 1- Woodside

Pledge of Allegiance

Mayor Hood led the Pledge of Allegiance.

**A. APPROVAL OF
CONSENT AGENDA**

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve the Consent Agenda as presented.

Roll call,

AYE: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

**B. CONSENT
AGENDA /
OMNIBUS VOTE**

The Village Administrator read the consent agenda for an omnibus vote as follows:

1. Approval of Ord. 2024 - 12 setting forth a legislative finding and declaration pertaining to Ordinance Number 2003-43, approving Annexation Agreement and Planned Unit Development Agreement on the petition of Robert V. Rohrman, for property located at the northeast corner of Grand Avenue and Hutchins Road.
2. Approval of Engineering Division request to set a bid date of March 25, 2024 for the Route 21 Watermain Replacement Project (Grand Avenue north to Prairie Oak Road).
3. Approval of Payroll for period ending January 26, 2024 in the amount of \$983,656.14.
4. Approval of Bills for the period ending February 5, 2024 in the amount of \$432,998.49.

It was moved by Trustee Ross, seconded by Trustee Garner to approve the Consent Agenda for an omnibus vote as read.

Roll call,

AYE: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

**C. PETITIONS AND
COMMUNICATIONS**

1. Approval of a Proclamation designating February 2024 as Black History Month in the Village of Gurnee.

Mayor Hood summarized the Proclamation for the record.

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve of a Proclamation designating February 2024 as Black History Month in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

2. Approval of a Proclamation designating February 11 – 17, 2024 as Future Business Leaders of America-Phi Beta Lambda (FBLA-PBL) Week in the Village of Gurnee.

Mayor Hood summarized the Proclamation for the record.

Jahnavi Kolli, President WTHS FLBA, and Rohita Muralidaran, Social Media Manager WTHS FBLA, introduced themselves to the Board and briefly spoke about the FBLA program

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of a Proclamation designating February 11 – 17, 2024 as Future Business Leaders of America-Phi Beta Lambda (FBLA-PBL) Week in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

3. Approval of a Proclamation designating February 11, 2024 as 211 Day in the Village of Gurnee.

Mayor Hood summarized the Proclamation for the record.

Vice President Resource Development Quinton Snodgrass briefly spoke about the 211 program stating they have already had over 250,000 connections.

It was moved by Trustee O'Brien, seconded by Trustee Garner to approve of a Proclamation designating February 11, 2024 as 211 Day in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

D. REPORTS

1. Presentation by Finance Director Brian Gosnell: Annual Comprehensive Financial Report (ACFR) for the period ended April 30, 2023.

Director Gosnell presented a PowerPoint on the Fiscal Year 2022/2023 Annual Comprehensive Financial Report or audit.

Gosnell reviewed information regarding the audit process including:

- Independent Auditor - Lauterbach & Amen
- New Audit Team in FY2022
- 6-month Process
 - May – October
- Concurrent Processes
 - Pension Fund Audits (Eder Casella & Co.)
 - Pension Funding Actuary Reports (Lauterbach & Amen)
 - GASB 67/68 Total Pension Liability (Lauterbach & Amen)
 - GASB 75 Other Post-Employment Benefits (OPEB) (Foster & Foster)

He next reviewed the Annual Comprehensive Financial Report and what is included in each section, noting the following:

- Introductory Section (pg. 1)
- Independent Auditors Report (pg. 14)
- Management Discussion & Analysis (pg. 18)
- Basic Financial Statements (pg. 33)
 - Government-Wide Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
- Required Supplementary Information (pg. 97)
- Other Supplementary Information (pg. 115)
- Statistical Information (pg. 142)

Gosnell reviewed the Introductory Section and noted the following:

- Principal Officials
- Organizational Chart
- Transmittal Letter
- IGFOA Certificate of Achievement - received every year since FY 1994/1995

He continued by reviewing the Independent Auditor's Report noting the Village received a clean opinion in addition to the following:

- Responsibilities of management - provide Accurate Information
- Auditor's Responsibilities - perform audit to obtain reasonable assurance information is free of material misstatement

Gosnell next reviewed the Management Discussion and Analysis (MD&A) section noting:

- Prepared by staff as Village perspective on audited statements
- What's in the statements and how to read
- Village-wide and fund level analysis
- Budget highlights
- Debt and economic factors

Gosnell reviewed the Basic Financial Statements section including:

- Government-Wide Statements
 - Statement of Net Position
 - Includes Net Pension Liability and OPEB
 - Capital Assets
 - Statement of Activities
 - Income Statement by Function
 - General Government
 - Public Safety
 - Highways and Streets
 - Business Type
- Financial Highlights
 - Net Position increased by \$4.4m to \$158.0m
 - Government-Wide Revenues \$72.8m
 - Government-Wide Expenses \$68.4m
- Fund Financial Statements
 - Balance Sheet
 - Near -Term Focus
 - Assets & Liabilities
 - Fund Balance Breakdown
 - Statement of Revenues, Expenses & Changes in Fund Balance (Income Statement)
- Financial Highlights
 - Government Funds Cash \$40.5m
 - General Fund Cash \$29.3
 - Ending Fund Balance \$30.3m
 - \$4.5m Transfer from General Fund

Next, he reviewed the supplementary information sections including:

- Employer Pension Contributions Pg. 98
 - Police Overfund \$606k
 - Fire Overfund \$250k
- Funded Ratios Pg. 100-105
 - IMRF 89%
 - Police & Fire 79%
- Changes in Net Pension Liability
 - Police/Fire
- Pension Investment Returns
 - Police/Fire
- Other Post-Employment Benefits Liability
 - Village-Wide
- Budget to Actual Statements
- Combining Statements
 - General & Health Insurance Pg. 115
 - Non-Major Funds
 - Pension Trust Funds
- Budgetary Comparison Schedules
 - General Fund
 - Major Governmental Funds
 - Non-Major Gov't Funds
 - Enterprise Funds
 - Pension Trust Funds
 - Custodial Funds (NLCC-ETSB)

Gosnell reviewed the Statistical Section prepared by staff noting:

- Financial Trends
 - Fund Balance Pg. 146

- Revenue Capacity
 - EAV Pg. 150
 - Sales Tax Pg. 156
- Debt Capacity
 - Outstanding Debt Pg. 159
- Demographic & Economic information Pg. 163
- Operating Information Pg. 166

Gosnell concluded by reviewing the Management Letter noting there were no findings this year and the negative commingled cash comment from last year has been corrected. He noted the current recommendations included:

- Current Recommendations
 - GASB 94-Public Partnerships
 - GASB 96-Subscription Based IT Arrangements. Gosnell noted GASB 96 would include a significant amount of work for staff and has already engaged the IT Division.
 - GASB 100-Accounting Changes & Error Correction
 - GASB 101-Compensated Absences
- Prior Recommendations
 - GASB 87-Leases - Implemented
 - Commingled Cash - Implemented

2. Presentation by Bittersweet Golf General Manager Cathy Ralston: 2023 Season Recap and 2024 Season Preview.

General Manager Ralston said 2023 was a great year for Bittersweet. She said they had a record of 31,290 rounds played. The weather was a major reason for breaking that record. She said they continue to reinvest into the course and have added more community events. General Manager Ralston said for 2024 they project 28,000 rounds adding that rates will increase slightly.

Grounds Superintendent Brad Anderson briefly reviewed maintenance projects they are working on over the winter. He said that thanks to a very good golf season he has been able to keep staff over the winter to help make improvements, mainly addressing vegetation concerns. Superintendent Anderson said when the course is covered with snow, they have turned their attention to indoor activities including refurbishing course equipment and improving the maintenance shop.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Approval of Ord. 2024 – 13 approving a Redevelopment Agreement – 2024 between the Village of Gurnee and the Mall at Gurnee Mills, LLC to renovate vacant tenant space (former Bed Bath & Beyond store).

Public Hearing topic. Administrator Muetz provided a brief summary stating the Bed Bath & Beyond (BBB) store at Gurnee Mills closed about a year ago. Recently the Mills reached out to the Village regarding renovating the space for a Primark and relocation of the existing Boot Barn from inside the Mall to the BBB space. Simon anticipates the cost to renovate the space at approximately \$12 million, of which it has requested the Village participate at 18% or a maximum of \$2 million. Muetz stated similar to prior agreements, the Village will retain its base (i.e.: sales tax previously produced by the space) and then share anything above that up to \$2 million or six years, whichever comes first.

It was moved by Trustee Garner, seconded by Trustee O'Brien to approve of Ord. 2024 – 13 approving a Redevelopment Agreement – 2024 between the Village of Gurnee and the Mall at Gurnee Mills, LLC to renovate vacant tenant space (former Bed Bath & Beyond store).

Roll call,

AYE: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

2. Approval of Administration Department recommendation to award 2024 Resident and Business Community Survey Services to ETC Institute at a cost of \$34,500.00.

Administrator Muetz said one of the initiatives of the 2023-2026 Strategic Plan is collecting more information from the residents and businesses. He mentioned that the Village conducted a community survey in relation to the strategic plan process and additional surveys will build off that. He stated that Assistant to the Administrator Pollack did a lot of the work and will review the proposal.

Assistant to the Administrator Pollack said there are two leaders in the area of community surveys: the ETC Institute and Polco. What they do from a functional standpoint is that they gather and combine public opinion. The Village can use that information to better serve the public. He stated that the ETC Institute aims to achieve a sample representative of the demographics of the community and claims to be able to repeat the survey with statistical accuracy. He stated that it seems to provide a more equitable approach to survey sampling than simply gathering public opinion. Additionally, he stated that the Village could then benchmark the results against itself in the future, other comparable/local communities that have utilized this platform as well as region specific results.

He mentioned that ETC provided a lower cost than the competitor Polco did. Since the Village used Polco last time, it can compare the feedback and determine which one gave a better level of engagement. He then recommended that Village approve the ETC Institute proposal.

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Administration Department recommendation to award 2024 Resident and Business Community Survey Services to ETC Institute at a cost of \$34,500.00.

Roll call,

AYE: 5- Ross, Garner, O'Brien, Balmes, Thorstenson

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

G. PUBLIC COMMENT

None.

Closing Comments

None.

Adjournment

It was moved by Trustee Balmes, seconded by Trustee Garner to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

Mayor Hood adjourned the meeting at 7:36 p.m.

**Andrew Harris,
Village Clerk**