

MINUTES OF THE PUBLIC HEARING

**Public Hearing to consider amending Ordinance
#2004-105, a hotel tax revenue sharing agreement, to support redevelopment of 1700
Nations Drive.**

**GURNEE VILLAGE HALL
FEBRUARY 6, 2017**

Call to Order

Mayor Kovarik called the public hearing to order at 6:45 p.m.

**Other Officials in
Attendance**

Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator/Community Development Director; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Fred Friedl, Fire Chief; Kevin Woodside, Police Chief; Sandra Campbell, Deputy Police Chief; Willie Meyer, Deputy Police Chief; Ellen Dean, Economic Development Director; Jack Linehan, Assistant to the Administrator.

Roll Call

PRESENT: 6- Garner, Thorstenson, Balmes, Hood, Wilson, Ross
ABSENT: 0- None

Mr. Muetz said the Village of Gurnee has a revenue sharing agreement in effect for KeyLime Cove. The original Agreement from 2004 provides for a 50% rebate of the combined Hotel Tax and Resort Tax. The agreement was capped at \$22 million or 20 years, whichever came first. The agreement is scheduled to expire in 2028. The Village was recently approached by Great Wolf Resorts regarding a possible acquisition of the KeyLime Cove with the intent of a comprehensive redevelopment and rebranding of the property. In order for the project to be feasible, Great Wolf would need access to the entire \$18 million remaining on the agreement. In order to earn it, Great Wolf is requesting a 100% rebate of hotel tax but only after the Village receives a "base" amount of revenue which is actually higher than the current revenue and grows year-to-year in accordance with the Consumer Price Index (CPI). The base was set at \$550,000 in the first year.

Mr. Muetz reviewed highlights of the agreement, which include a \$65 million investment in the property, as well as minimum 20,000 square foot addition to the indoor water park and a new outdoor pool area. The agreement also includes contribution to Visit Lake County (VLC) beginning in Year 13, increasing from \$20,000/year to \$50,000/year. The total required contribution to VLC over eight years will be \$280,000.

Mr. Muetz continued to say the agreement would be paused for one year, which is the expected timeframe the resort would be closed for renovations. He then introduced Bryson Heezen, Director of Development for Great Wolf Resorts.

**Bryson Heezen
Director of
Development
Great Wolf Resorts**

Mr. Heezen from Great Wolf presented a PowerPoint to the Board. He explained who Great Wolf is, what makes them an industry leader in indoor water parks and the changes that they plan on making to the existing KeyLime facility. He said the target market is families with children 2 to 12 years old. He continued to say that Gurnee already has excellent amenities that attract this market base. Mr. Heezen said Great Wolf focuses on creating family traditions one family at a time. They strive to create an all-inclusive atmosphere. He continued to say Great Wolf plans on spending \$65 million dollars to upgrade and add their branding to the location. Other improvements include dry play amenities, multiple food and beverage options, unique spaces, and significant lobby renovations to name a few. He also stressed the importance of being involved in the community. He stated Great Wolf prides itself on partnering with the local community in order to make charitable donations.

Mayor Kovarik said the Village is only extending the current agreement by one year and no additional revenue is on the table compared to the current agreement in place. She stated the internal workings of the agreement are being modified.

Trustee Balmes asked if Great Wolf has convention facilities.

Mr. Heezen said the facility already has meeting spaces and they will be bringing their expertise to increase its utilization. He stated there are no plans to expand it at this time.

Trustee Balmes asked if they will be bumping out the walls towards the interstate in order to expand the water park.

Mr. Heezen said that is likely the only way to do it. He stated tubes will remain on the exterior of the building.

Public Comment

None.

Trustee Balmes motioned, seconded by Trustee Wilson, to recommend amending Ordinance #2004-105, a hotel tax revenue sharing agreement, to support redevelopment of 1700 Nations Drive.

Roll call,

AYE: 6- Garner , Thorstenson, Balmes, Hood, Wilson, Ross

NAY: 0- None

ABSENT: 0- None

Motion Carried.

Adjournment

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

Voice Vote: ALL AYE: Motion Carried.

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

**Andrew Harris,
Village Clerk**