

MINUTES OF THE PUBLIC HEARING

Public Hearing to consider contributing 20% of the total costs, up to a maximum of \$500,000, to allow certain interior renovations at Gurnee Mills in the space formally occupied by the Sears department store. Interior renovations may include, but are not limited to, certain durable improvements necessary to prepare tenant space for a national arts and crafts retailer as well as to create other tenant spaces.

GURNEE VILLAGE HALL

APRIL 19, 2021

Call to Order

Mayor Kovarik called the public hearing to order at 6:30 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Bryan Winter, Village Attorney; Heather Galan, Acting Public Works Director/Village Engineer; Brian Gosnell, Finance Director; Ellen Dean, Economic Development Director; Jack Linehan, Assistant to the Administrator

Roll Call

PRESENT: 6-Thorstenson, Ross, Garner, O'Brien, Balmes, Hood
ABSENT: 0-None

Economic Development Director Dean reviewed past renovations and modernizations that have taken place at Gurnee Mills, highlighting the common area renovations, the four radio stations, Portillo's and most recently Top Shelf Ice Arena. Director Dean said the agreement before the Village Board addresses the former Sears Grand space. The space has been vacant since 2018 and at 200,000 square feet it is not tenable as a single tenant space for most retailers in the market today. Gurnee Mills has envisaged a plan to demise the space to accommodate multiple tenants' space and configuration needs. Proposed Hobby Lobby will take first 55,000SF making it easier to lease the remaining spaces. She stated they would like to start construction in May and be open before the holiday shopping season. Village participation will assist with dividing the space into three. The Village's portion is limited to 20% and there will be sales tax revenues from Hobby Lobby to offset it.

Specific Agreement terms include:

- Parties: Village of Gurnee and Simon Properties
- Durable Improvements:
 - Storefront; Interior Finishes; Lighting; Electric; HVAC; Plumbing; Fire Alarm; Life Safety including Sprinkler; Project Development / Finance Fees
- Estimated Project Cost: \$2.5 Million; Village Participation Maximum \$500,000 or 20% of Actual
- \$100,000 Annual Maximum
- Agreement Term begins in FY 2021/2022

Director Dean stated securing Hobby Lobby and completing the finish on the other two spaces will make it easier to secure tenants in those spaces.

Trustee Thorstenson asked how does Hobby Lobby taking the middle impact the ability to fill the other two spaces.

Director Dean stated it will improve the chances in filling these spaces. She continued to state on reason Hobby Lobby took the middle is to use an existing entrance.

Trustee O'Brien asked where the Village's contribution will come from.

Administrator Muetz explained staff has been working on the proposed agreement for some time, allowing it to include the appropriate funding in the FY 21/22 Approved Budget.

Trustee Garner asked about the annual return on investment.

Director Dean said based on national sales average, Hobby Lobby will generate in excess of \$100,000 and therefore cover the Village's portion. She further stated the closest two stores to Gurnee are Round Lake Beach and Kenosha and she expected there will be regional demand and draw.

Trustee O'Brien motioned, seconded by Trustee Thorstenson, to recommend approval of contributing 20% of the total costs, up to a maximum of \$500,000, to allow certain interior renovations at Gurnee Mills in the space formally occupied by the Sears department store.

Roll call,

AYE: 6- Thorstenson, Ross, Garner, O'Brien, Balmes, Hood

NAY: 0- None

ABSENT: 0- None

Motion Carried.

**H. PUBLIC
COMMENT**

None.

Adjournment

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

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the Public Hearing at 6:41 p.m.

**Andrew Harris,
Village Clerk**