



CITY OF PROSPECT HEIGHTS
AMENDED Tourism District Board Special Meeting Minutes
Wednesday, March 25, 2020 -5 PM

(in compliance to the ongoing COVID-19 outbreak restrictions, and in adherence to Governor Pritzker's Executive Order 2020-07 temporarily allowing meetings to be held remotely during this health emergency)

Call to Order - At 5:00 PM, Chairman Allgauer called to order the Special Meeting of the Tourism District Board Meeting, teleconferenced due to the Coronavirus outbreak.

Roll Call - Roll was called and a quorum was present.

COMMISSIONERS PRESENT – Chairman Allgauer, Commissioners – Helmer, Hager, Schultheis

ABSENT – Commissioner Gaba

OTHER OFFICIALS ANNOUNCED ON THE CALL – Finance Director Graefen, Director of Building and Development Peterson, Public Works Director Roscoe.

Minutes – Approval of the March 6, 2020 Regular Tourism District Board Minutes – **Commissioner Hager moved to approve the March 6, 2020 Regular Tourism District Board Minutes; seconded by Commissioner Schultheis.**

VOICE VOTE: All Ayes, No Nays

Motion carried 4 – 0, Commissioner Gaba Absent.

New Business

A. Consideration of a one-time amendment to City Council Ordinance O-12-22 to allow hotels to use the remaining funds available in the Beautification Fund

- Chairman Allgauer moved to approve one-time amendment to City Council Ordinance O-12-22 to allow hotels to use the remaining funds available in the Beautification Fund; seconded by Commissioner Hager.

Discussion followed. Chairman Allgauer said that there had been various numbers given to her, and that there was confusion as to what was in the fund.

City Finance Director Graefen said that there was no money in the Beautification Fund. She said that the beautification line expense in the budget, by agreement, allotted 15% of net revenues to beautification. She said that this discussion came up in the expense line that if there were to be a loan to the hotels, the budget expense line would be lowered to repay the loan. But that money is not in hand now, as it is budgeted for Fiscal 20/21; so that, money would come in Fiscal 20/21 and expenses paid from Fiscal 20/21. She said that amount being budgeted would be about \$90,000. She reminded the Board that some money would be needed for Public Works, maintenance, watering and power, so that it could not be depleted to zero.

Finance Director Graefen said that the lighting project was going to be utilizing the remaining amount of the funds left over from the Tourism Capital Improvement Transfer, one and half years ago, of \$300,000. That transfer was approved by the Board. that Capital Improvement transfer also paid for the Winkelman and Apple Drive project. She noted that there was no actual money that came out of the Tourism Bank account and that is why it shows up as a liability. The City paid the invoices for the two street projects; and after the projects were completed there is about \$106,000 left that was slated for the lighting project.

Public Works Director Roscoe said that the total cost for the Lighting was estimated to be about \$125,000. He said that is what was presented to Council. he said that the breakdown was - \$15,000 for engineering, \$5,000 for permits and \$105,000 to build. Only the \$15,000 has been approved by Council thus far.

Chairman Allgauer and Commissioner Hager stated that they thought that the monies for the projects were coming from the City. Chairman Allgauer said that it was believed that any money given toward the Winkelman project was being lent to the City. Finance Director Graefen stated that the Tourism Board had approved the \$300,000 transfer, to be used for those two projects.

Commissioner Schultheis confirmed that the Tourism Board had voted to approve the transfer of the money for the projects.

There is no money sitting in the Tourism Bank, and that is why it shows as a liability; but when it does transfer it will be paid back to the City as the funds

become available. She added that the Tourism Board still has a positive equity.

Commissioner Hager stated that the issue was to see if there could be some level of assistance given to the hotels.

Finance Director Graefen said that she has taken a conservative approach when looking at availability, and did not factor in any deposits through July.

Chairman Allgauer said that based upon their projections, the hotels should begin paying taxes again in June or July, when the economy begins to recover. She said that given the amount of money available was so small, it would not take much time for the hotels to pay the deferment back to the City.

Chairman Allgauer stated the letter that she had provided to Council had misinformation on it based on the information that she had been given.

Commissioner Hager added that the cancellations are starting to affect May and June. He said that he would hope that the hotels would get back to a normal level of operations within the next 60-90 days. He said that the Crowne Plaza is down to two rooms per day in use from a 300-room hotel. They need sustainability for the next 90-days.

Mayor Helmer asked if they meant that the \$55,000 from the landscaping amount that was sent to bid should be used instead for sustainability? He said that some money for maintenance would be needed. Director Roscoe said that Landscape Concepts had the winning bid for landscaping and maintenance. Their bid came in at \$47,387 – a bid that will be presented at the City Council Meeting to follow. But there are more costs than just landscaping. There is water and power and repairs to irrigation in the Spring. There are required funds that are needed. Landscape Concepts has said that they will itemize the bill for the City, as an option. The barest of bones contract, with landscape Concepts, would be about \$11,000 for maintenance and mowing. And irrigation money needs to stay in line with Illinois American and power with ComEd. Total lowest cost would be about \$20,000 per year.

Chairman Allgauer asked what the City could do to assist the hotels? She added that there were many Prospect Heights residents that worked for the hotels that were laid off or furloughed, and this money could be used to bring them back to work.

Mayor Helmer said that even at bare bones with the Beautification maintenance, there would not be much money per hotel. Chairman Allgauer said that the money the hotels were seeking would be the \$90,000 that would be allotted by the City for Beautification. Finance Director Graefen said that the question was whether or not the Council would be willing to advance

money that would be paid over the next year. How much would be needed, and how much would the Council be willing to loan? The City would have to take the money from their own funds.

Mayor Helmer said that his initial thought of a loan that would be repaid to the City was stopped by the Attorney and some of the Council members. He noted that even if the Council voted to proceed with some sort of financial assistance to the hotels, it would take another meeting to ratify.

Finance Director Graefen corrected a comment that she had made to Chairman Allgauer about the amount of people allowed on the Zoom teleconference. She corrected that there could be more than ten people. Chairman Allgauer noted that the hotels were under the impression that there was a larger amount of money available; and now see that there is really no cash available; but the hope is still for assistance of \$200,000 for the six hotels. She hoped that it would be paid out like the grant percentages. She emphasized that \$200,000 was the amount that was needed.

Between Crowne Plaza and the Hilton there are 192 workers laid off. Chairman Allgauer said that the help from the government is only for small businesses. Hilton and Crowne Plaza do not qualify for the grants from the government.

The Mayor asked the Chairman Allgauer and Commissioner Hager join in for the City Council meeting to present their situation.

Commissioner Hager asked if the City could loan the \$200,000 to the hotels and then get repaid by keeping the allocation grant money until the loan is paid off. Chairman Allgauer said that typically the quarterly allocation of about \$67,000. She said that at that rate the loan would be paid back in less than a year. The hotels would forego the disbursements. Finance Director Graefen said that the risk to the City would be that the money that is used for distribution is based upon money coming in from the hotels. - so that the six hotels would still need to be contributing in.

B. Table the Tourism District lighting project until FY 21-22

C. Reduce Landscaping Contract for FY 20-21

Chairman Allgauer noted that she felt today's Special Meeting was to recap the current situation for the hotels in the Tourism District.

Chairman Allgauer moved for an omnibus motion to TABLE the Items Consideration of a one-time amendment to City Council Ordinance O-12-22 to allow hotels to use the remaining funds available in the

Beautification Fund; Tourism District lighting project until FY 21-22; and Reduce Landscaping Contract for FY 20-21 fir further discussion; seconded by Commissioner Hager.

ROLL CALL VOTE: AYES- Helmer, Hager, Allgauer, Schultheis
 NAYS - None
 ABSENT - Gaba

Motion carried 4 - 0, one absent

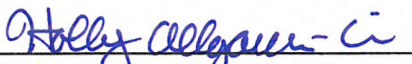
Public Comments - None

ADJOURNMENT - Next Regular Meeting scheduled for Friday, June 5, 2020 at City Hall, 8 North Elmhurst Road, Prospect Heights, IL
At 5:59 PM; Commissioner Schultheis moved to Adjourn; seconded by Chairman Allgauer.

VOICE VOTE: All Ayes, No Nays

Motion carried 4 - 0, Commissioner Gaba Absent.

Approved by the Tourism District Board on this the 5th day of June, 2020.


Chairman Holly Allgauer