

MINUTES OF THE PUBLIC HEARING

Public Hearing to consider rebating 100% of the Municipal Sales Tax and 50% of the Municipal Home Rule Sales Tax for a period of six months to retain operation of Crate & Barrel at 6050 Gurnee Mills Circle East. Rebate not to exceed \$50,000.00.

**GURNEE VILLAGE HALL
MARCH 15, 2021**

Call to Order

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

Other Officials in Attendance

Patrick Muetz, Village Administrator; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; Ellen Dean, Economic Development Director, Jack Linehan, Assistant to the Administrator

Roll Call

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

Village Administrator Patrick Muetz gave a brief introduction and stated Economic Development Director Ellen Dean would provide greater detail. Administrator Muetz stated the opportunity to retain Crate & Barrel for an additional six-months to allow it to see Gurnee in its prime shopping/retail power season. This will require participation from the Village in the form of sales tax sharing.

Director Dean stated Toys R Us closed in June 2018. A year later, the property was acquired via auction by Centrum Development. Centrum has been marketing the property and was able to acquire a six-month lease with Crate & Barrel for a warehouse location. The warehouse locations are temporary while they clear out merchandise. The location closed after its six-month term. Crate & Barrel would not yet commit to a permanent store at the location, but was agreeable to an additional six-month lease operating as an outlet location. Director Dean stated the agreement is with the property owner, not the tenant. The lease has been approved contingent on Village participation. The Village will share 100% of the municipal sales tax and 50% of the home rule sales tax. The proposed sales tax sharing agreement is a term of 6-months or \$50,000, whichever comes first. The Village will retain the other 50% of home rule sales tax that is dedicated to capital. There are only nine outlet locations in the United States, with the only other outlet in Illinois being located in Naperville and no outlet in Wisconsin.

Questions from the Board:

Trustee Thorstenson asked about revenue potential and its ability to hit the maximum of \$50,000.

Director Dean stated she expects they will have no issue hitting the \$50,000 maximum and stated the Village will retain the other 50% of home rule sales tax that is dedicated to capital.

Trustee Thorstenson asked about a warehouse verses an outlet.

Director Dean stated the outlet will be a step-up from the warehouse.

Trustee O'Brien asked if the property could apply for a reduced property tax since it was vacant for longer than a year.

Director Dean stated she does not believe that would apply in this instance.

H. PUBLIC COMMENT

None.

It was moved by Trustee Thorstenson, seconded by Trustee Garner to recommend the agreement be voted on at the regular Village Board meeting.

Roll call,

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

NAY: 0- None
ABSENT: 0- None
Motion Carried.

Adjournment

It was moved by Trustee Garner, seconded by Trustee O'Brien to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the Public Hearing at 6:57 p.m.

Andrew Harris,
Village Clerk