



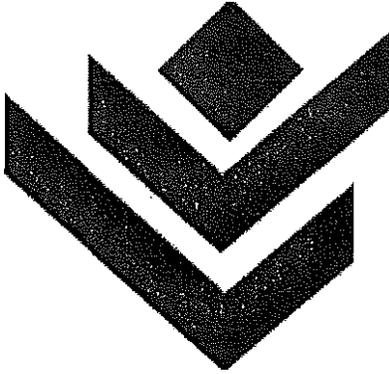
CITY OF
BLOOMINGTON
COUNCIL MEETING
DECEMBER 19, 2016

CONSENT AGENDA

RECOGNITION

REGULAR AGENDA

AGENDA



City Logo Design Rationale

The symbol for the City of Bloomington is multifaceted in its visual and conceptual approach. Visually the symbol and the City's identity represent a modern progressive style which is consistent with the City's government. The symbol is based on three different concepts which combine to represent the City in a contemporary and appropriate way.

First and foremost is the chevron. The City government is a respected agency dedicated to serving the public. In this way, the chevron represents service, rank and authority.

The symbol may also be seen as a three dimensional building. This represents growth and diversity in our community.

Finally, the flower or plant derived from the original name "Blooming Grove," represents a community that is friendly and safe. Progress and growth are also associated with plant life as well as regeneration and renewal.

The symbol's positive upward movement is representative of the City's commitment to excellence!

Brief Summary of Five Council Priorities

Five Priorities

At the September retreat, Council informally selected its top five priorities, and since that time staff has seen that these five areas are the dominant focus of the Council's policy deliberations. The selected priorities are:

1. Economic Development
2. Infrastructure
3. Financial Planning
4. Reduced Emergency Response Times
5. Downtown Implementation Plan

The value in naming priorities is to establish policy direction, make that direction known to stakeholders and guide policy, budget and operational decisions. As we work to develop the City's FY17 budget, staff would find value in formalizing the five priorities for the next fiscal year.

Prior to formalization, we have prepared this brief summary to begin the dialogue about what each priority means, where it stands and what it will take to advance each going forward.

1. Economic Development

- A. Economic development was overwhelmingly recognized by the Council as **essential to the financial sustainability** of the community. It is our prime means to diversify our tax base and expand our revenue streams.
- B. City of Bloomington economic development is undertaken in parallel with **regional collaboration** and economic development initiatives of the EDC, B/N Advantage and others.
- C. The time is right to review our **economic development strategic plan and incentive policy**. Tools such as TIF are invaluable for the redevelopment of areas such as Colonial Plaza, and will be key to our success.
- D. Economic development cannot stand alone and depends on sound infrastructure and quality of life to successfully ensure a financially-sound future for our community.

2. Infrastructure

- A. The City is decades behind in funding much-needed **infrastructure maintenance**, estimated to total \$400M or more. Reliable infrastructure with the capacity to handle growth is essential to economic development, quality of life and the City's financial long-term stability.
- B. Our City's recently completed **infrastructure Master Plans**, encompassing streets, sanitary sewers, storm water, facilities, sidewalks and more provide detailed inventory, condition rating and make it possible for us to assess and prioritize critical needs.
- C. The next essential step is to develop a **five year Capital Improvement Plan** to address the most urgent/timely needs, AND a funding strategy.
- D. Some projects included in the City's Master Plans are prime candidates for borrowing. Financing options are many, and Council will determine a preferred strategy, ranging from conservative to aggressive.

3. Financial Planning

- A. Since the Great Recession, we are all adapting to a new economy that requires us to have a **long-term, continuously evolving plan for financial sustainability**, including a plan for appropriate reserves. We must have a balanced budget to avoid the pitfalls and reputational damage that many other governments continue to experience.
- B. A deficit in the City's General Fund was averted in the near term through Budget Task Force recommendations and the Council's recent adoption of a 1% sales tax increase. However, the City's expenses, especially those tied to Police and Fire pensions and labor costs, will continue to increase over the years. The **potential for a General Fund structural deficit** will continue to threaten future budgets.
- C. It will take all of us, including our citizens, to develop solutions for achievement of financial sustainability. We must focus on refining our financial projections, re-forecasting when appropriate, identifying programs and services, establishing appropriate levels of service performance measures, and prioritization.
- D. A **Capital Improvement Plan and funding** is critical to the City's financial strategy now and going forward.

4. Reduced Emergency Response Times

- A. Despite the excellent efforts of our first responders, the Fire Master Plan identified that **service to the City's northeast portion is inadequate and response times are below our standards**. Long-term, the Master Plan recommends a new Fire Station facility to serve the northeast area of the City. In the short-term, we must identify creative and innovative methods to reduce EMS and fire suppression response times.
- B. Quality public safety services are essential to a community's Economic Development and, with so many financial resources devoted to public safety, **finding efficient solutions to public safety issues** contributes to the long-term financial health of the community.

5. Downtown Implementation Plan

- A. The Downtown Master Plan was adopted by the City Council in 2013 without an Implementation Plan. Increased interest in Downtown economic development, notably in the proposed addition of hotel and/or convention center space, indicates this is the time to **design the City's role** in success of the Downtown.
 - a. It will take inside and outside **resources to vet potential Downtown projects**.
 - b. We must determine the amount and type of **public engagement** that is appropriate for Downtown development proposals.
 - c. Traditionally, municipalities play a role in Downtown **streetscape improvements** and meeting its **parking needs**.
- B. We can **build upon the qualities that make our Downtown special**, such as our ties to President Lincoln and Route 66, both expertly displayed in the new Visitors Center at the McLean County Museum of History. Smart economic development in Downtown will expand on existing assets and attractions like the Museum, the BCPA and the Coliseum.

RESOLUTION NO. 2016 -29

A RESOLUTION ADOPTING A MISSION, VISION AND VALUES STATEMENT FOR THE CITY OF BLOOMINGTON

WHEREAS, the City of Bloomington ("City") is an Illinois home-rule municipality; and

WHEREAS, the City is known as the "Jewel of the Midwest;" and

WHEREAS, the City is a great place to live, work and play; and

WHEREAS, the City Council desires to adopt a statement expressing the Organizational Mission, Vision and Values of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE City Council of the City of Bloomington, McLean County, Illinois, as follows:

Section 1. The above stated recitals are incorporated herein by reference.

Section 2. The City Council of the City of Bloomington hereby formally adopt the following as the City's Organizational Mission, Vision and Values:

Mission: To lead, serve and uplift the City of Bloomington

Vision: A Jewel of Midwest Cities

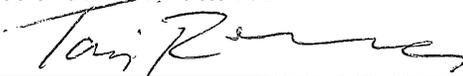
Values: Service-centered, results-driven, inclusive.

Section 3. All resolutions in conflict with this Resolution, as well as any previous statements adopted on the mission, vision and values of the City are hereby repealed.

Section 4. This Resolution shall be in full force and effect immediately after its passage and approval.

APPROVED by the City Council of the City of Bloomington, McLean County, Bloomington, Illinois, July 25, 2016, by a vote of 7 to 1. (Nay: Alderman Kevin Lower) (Absent: Alderman David Sage)

CITY OF BLOOMINGTON



Tari Renner, Mayor

ATTEST



Cherry L. Lawson, City Clerk



CITY COUNCIL MEETING AGENDA

CITY COUNCIL CHAMBERS

109 E. OLIVE STREET, BLOOMINGTON, IL 61701

MONDAY, DECEMBER 19, 2016 7:00 P.M.

- 1. Call to order**
- 2. Pledge of Allegiance to the Flag**
- 3. Remain Standing for a Moment of Silent Prayer**
- 4. Roll Call**
- 5. Recognition/Appointments**
 - A. Appointment of Jesse Smart to the Cultural District Commission.
 - B. Appointment of Emily Vigneri to the Cultural District Commission.
 - C. Appointment of Rodney Smithson to the Property Maintenance Review Board.

6. Public Comment

7. “Consent Agenda”

(All items under the Consent Agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member, City Manager or Corporation Counsel so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda, which is Item #8.)

The City’s Boards and Commissions hold Public Hearings prior to some Council items appearing on the Council’s Meeting Agenda. Persons who wish to address the Council should provide new information which is pertinent to the issue before them.)

- A. Consideration of approving the Minutes of the December 12, 2016 Regular City Council Meeting. *(Recommend that the reading of the minutes of the December 12, 2016 Regular City Council Meeting be dispensed with and the minutes approved as printed.)*

NOTE: Action may be taken by the City Council on the agenda’s action items (those items listed on the Consent Agenda and Regular Agenda) beyond the motions listed and/or staff recommendations. Ordinances and resolutions listed on the agenda may further be amended and/or revised prior to adoption by the City Council. No action will be taken if the agenda item is listed as only informational.

- B. Consideration of Approving Appointments to Various Boards and Commissions. (*Recommend that Jesse Smart and Emily Vigneri be appointed to the Cultural District Commission and that Rodney Smithson be appointed to the Property Maintenance Review Board.*)
- C. Consideration of approving a schedule for Council Meeting and Council related Boards and Commission Meeting dates for the 2017 Calendar Year. (*Recommend that Council approves the 2017 Calendar of Meeting dates for the City Council and Council related Boards and Commissions.*)
- D. Consideration of a purchase for a scheduled replacement of one (1) Street Sweeper for the Storm Water Division of the Public Works Department. (*Recommend that the purchase of one (1) Elgin M4 Broom Bear Street Sweeper from Key Equipment of Bridgeton Missouri using the National Joint Powers Alliance contract number 022014-FSC (valid through 3/18/18) in the amount of \$257,127.75 be approved.*)
- E. Consideration of a Client Agreement with the Vision Service Plan (VSP) for calendar years 2017 and 2018 which provides City employees, City of Bloomington Township, and retirees with a fully insured vision benefit. (*Recommend that the Client Agreement with the Vision Service Plan (VSP) be approved for 2017 and 2018 and the Mayor and City Clerk be authorized to execute the necessary documents.*)
- F. Consideration of a Client Agreement with the Health Alliance Medical Plans (HAMP) for the calendar year 2017 which provides Local 49 Firefighters and fire pension retirees with this benefit. (*Recommend that the Agreement with Health Alliance Medical Plans and the associated insurance premiums be approved, effective January 1, 2017 and the Mayor and City Clerk be authorized to execute the necessary documents.*)

8. “Regular Agenda”

- A. Consideration of an Ordinance approving an Economic Incentive Agreement to support the retention and expansion of The Kroger Co. in the City of Bloomington. (*Recommend that the Ordinance for the proposed Economic Incentive Agreement II between the City of Bloomington and Kroger Limited Partnership I be approved, and authorize the Mayor and City Clerk to execute the necessary documents.*) (*Presentation by Austin Grammer, Economic Development Coordinator 5 minutes, and Council discussion 5 minutes.*)
- B. Consideration of an Ordinance approving an Economic Incentive Agreement to support the retention and expansion of Sam Leman Toyota in the City of Bloomington. (*Recommend that the Ordinance for the proposed Economic Incentive Agreement between the City of Bloomington and Leman Management Company be approved, and authorize the Mayor and City Clerk to execute the necessary documents.*) (*Presentation by David Hales, City Manager and Austin Grammer, Economic Developer, 10 minutes, Council discussion 10 minutes.*)

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- C. Presentation and discussion of Bloomington's Facilities Management Draft 5-Year Capital Improvement Plan. (*Presentation and discussion of Bloomington's Facilities Management Draft Capital improvement infrastructure needs.*) (*Presentation by Steve Rasmussen, Assistant City Manager and Russel Waller, Facility Manager, 20 minutes, Council discussion 20 minutes.*)

- 9. City Manager's Discussion**
- 10. Mayor's Discussion**
- 11. City Aldermen's Discussion**
- 12. Executive Session – *Cite Section***
- 13. Adjournment**
- 14. Notes**

NOTE: Action may be taken by the City Council on the agenda's action items (those items listed on the Consent Agenda and Regular Agenda) beyond the motions listed and/or staff recommendations. Ordinances and resolutions listed on the agenda may further be amended and/or revised prior to adoption by the City Council. No action will be taken if the agenda item is listed as only informational.



COUNCIL AGENDA ITEM NO. 5

RECOGNITION/APPOINTMENT

5. Recognition/Appointments
 - A. Appointment of Jesse Smart to the Cultural District Commission.
 - B. Appointment of Emily Vigneri to the Cultural District Commission.
 - C. Appointment of Rodney Smithson to the Property Maintenance Review Board.



CONSENT AGENDA ITEM NO: 7A

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of approving the Minutes of the December 12, 2016 Regular City Council Meeting.

RECOMMENDATION/MOTION: That the reading of the December 12, 2016 Regular City Council Meeting minutes be dispensed and approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The minutes of the meetings provided have been reviewed and certified as correct and complete by the City Clerk.

In compliance with the Open Meetings Act, Council Proceedings must be approved within thirty (30) days after the meeting or at the Council's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Council Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, C.M.C., City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read "David A. Hales".

David A. Hales
City Manager

Attachments:

- December 12, 2016 Regular City Council Meeting Minutes

Motion: That the reading of the minutes be dispensed and approved as printed.

**SUMMARY MINUTES
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
MONDAY, DECEMBER 12, 2016; 7:00 P.M.**

1. Call to Order

The Council convened in Regular Session in the Council Chambers, City Hall Building, at 7:00 p.m., Monday, December 12, 2016. The Meeting was called to order by Mayor Tari Renner.

2. Pledge of Allegiance to the Flag

The Meeting was opened by Pledging Allegiance to the Flag followed by a moment of silent prayer.

3. Remain Standing for a Moment of Silent Prayer

4. Roll Call

Mayor Renner directed the City Clerk to call the roll and the following members of Council answered present:

Aldermen: Kevin Lower, David Sage, Mboka Mwilambwe, Amelia Buragas, Joni Painter, Karen Schmidt, Scott Black, Diana Hauman, Jim Fruin, and Mayor Tari Renner.

Alderman absent: None.

Staff Present: David Hales; City Manager, George Boyle; Assistant Corporation Counsel, Cherry L. Lawson; City Clerk, Patti-Lynn Silva; Director of Finance, Steve Rasmussen; Assistant City Manager, Brendan Heffner; Police Chief, Brian Mohr; Fire Chief, Jim Karch; Public Works Director, Scott Sprouls; Director of Information Services and other City staff were also present.

5. Recognition / Appointments

The following were presented:

- A. Introduction of Lynn Cannon, Executive Director of the U.S. Cellular Coliseum.

6. Public Comment

Mayor Renner opened the meeting to receive Public Comment. The following individuals provided comments during the meeting.

Alton Franklin
Bruce Meeks
Gary Lambert
Ky Ajayi
Abron Leneve
Scott Stimerling
Barbara Gaffron
Patricia Marton

6. Consent Agenda

The following was presented:

Mayor Renner asked Council whether there were any items to be removed from the Consent Agenda for further discussion.

Motion by Alderman Schmidt, seconded by Alderman Painter, that the Consent Agenda Items be approved as presented.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Lower, Sage, Mwilambwe, Buragas, Painter, Schmidt, Black, Hauman and Fruin.

Nays: None.

Motion carried.

The following was presented:

Item 7A. Consideration of approving the Minutes of the November 28, 2016 Regular City Council Meeting; Special Council Session Minutes of the November 28, 2016 Special Session Meeting; and Council Retreat Meeting Minutes of the November 4 and 5, 2016 Council Retreat Meetings.

The following was presented:

Item 7B. Consideration of approving Bills, Payroll, Procurement Card Purchases and Electronic Transfers in the amount of \$7,339,313.24.

The following was presented:

Item 7C. Consideration of approving Bloomington Police to trade seven (7) used Heckler & Koch Mp5 rifles weapons for five (5) new Rock River Arms AR15 rifles.

The following was presented:

Item 7D. Consideration of approving:

a.) An Illinois Department of Transportation (IDOT) Local Public Agency (LPA) Agreement for Federal Participation (“Agreement”) for the Construction of Benjamin School Trail, Section 16-00359-00-BT; and

b.) A Resolution Appropriating Funds to Pay the Local Public Agency (LPA) Share of Construction Costs.

RESOLUTION: 2016-43

A RESOLUTION BY THE CITY OF BLOOMINGTON COUNCIL
TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF BENJAMIN SCHOOL
TRAIL, SECTION 16-00359-00-BT, CONNECTING THE GROVE ON KICKAPOO
CREEK SUBDIVISION TO BENJAMIN SCHOOL

The following was presented:

Item 7E. Consideration of an Intergovernmental Agreement with District 87 for the Provision of Salt during 2016/2017 Winter Season at a cost of \$53.97 per ton.

The following was presented:

Item 7F. Consideration of approving the purchase of YSI Incorporated buoys; a state sanctioned Limited Source Provider, for Evergreen Lake and Lake Bloomington to assist in collection of water quality data.

The following was presented:

Item 7G. Consideration of approving a Professional Services Contract with Crawford, Murphy & Tilly, Inc. for Professional Engineering Services related to the Electrical Conversion of the Lake Evergreen Pump Station, (RFQ 2016-04, and Resolution 2016-10).

The following was presented:

Item 7H. Consideration of an Ordinance approving the Amended Preliminary Plan, Business Park at Nord Farms, approximately 36.34 acres, located north of W. Washington Street, south of W. Market Street, west of Carole Drive, and west and east of Mitsubishi Motorway.

ORDINANCE NO. 2016-127

AN ORDINANCE APPROVING THE AMENDED PRELIMINARY PLAN,
BUSINESS PARK AT NORD FARMS

The following was presented:

Item 7I. Consideration of an Ordinance approving a Petition KSTT, LLC, for a final plat for Business Park at Nord Farms, 2nd Addition, and approving a Sanitary Sewer Easement for Business Park at Nord Farms 2nd Addition, both located north of W. Washington Street, south of W. Market Street, west of Carole Drive, and west and east of Mitsubishi Motorway.

ORDINANCE NO. 2016-128

AN ORDINANCE APPROVING THE FINAL PLAT OF BUSINESS PARK AT NORD
FARMS SECOND ADDITION

ORDINANCE NO. 2016-129

AN ORDINANCE APPROVING A SANITARY SEWER EASEMENT AT BUSINESS PARK
AT NORD FARMS

The following was presented:

Item 7J. Consideration of the application of Bloom Happy Hour, Inc., d/b/a Happy Hour, located at 716 S. Eldorado Rd., requesting a RAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.

The following was presented:

Item 7K. Consideration of the application of Mickey's Kitchen, Inc., d/b/a Mickey's Kitchen, located at 1709 S. Veterans Pkwy. Suite A, requesting an RBS liquor license which would allow the sale of beer and wine only by the glass for consumption on the premises seven (7) days a week.

The following was presented:

Item 7L. Consideration of the application of LGP Enterprises, LLC, d/b/a Lucca Bar and Grill, located at 116 E. Market St., requesting a RAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.

The following was presented:

Regular Agenda

The following was presented:

Item 8A. Consideration of:

- a) An Ordinance approving the 2016 Tax Levy for the Bloomington Public Library.

ORDINANCE 2016 - 130

AN ORDINANCE LEVYING TAXES FOR THE CITY OF BLOOMINGTON – LIBRARY,
MCLEAN COUNTY, ILLINOIS FOR THE FISCAL YEAR BEGINNING MAY 1, 2016 AND
ENDING APRIL 30, 2017 FOR THE CITY OF BLOOMINGTON

Ms. Hamilton stated the Bloomington Public Library is requesting Council approve the final 2016 Library Property Tax Levy in the same amount approved for the estimated 2016 Property Tax Levy on November 14, 2016 in the amount of \$4,683,111.00.

Alderman Lower asked whether the Library has discussed any other ways to pay for this Tax Levy other than to raise property taxes.

Ms. Hamilton responded there is a line for donations that is accepted within the community as well as a per capita grant that is received from the State.

Alderman Lower asked if the Library has considered a user fee.

Ms. Hamilton stated user fees are not assessed because members using the Library are paying their taxes. This is the standard of operation throughout the State of Illinois.

Alderman Schmidt stated that the Library is a public good that assists many people who could not afford a user fee. She asked Ms. Hamilton to explain what the Property Tax Levy would specifically be used for.

Ms. Hamilton stated this Levy helps with the reduction that has occurred within the State budget received over the past few years. There is discussion of hiring a new position within the Library to help Outreach in the Community. The Fixed-Asset Fund is part of planning for the future expansion to the building. A tech-mobile has been discussed, which would supply the community with technology that may not have otherwise been available to them.

Alderman Black stated there is no doubt of the public good that comes from the Bloomington Library. For the amount of work that is being done within the Library, a three (.03) cent raise to tax payers is well worth it. He suggested the historic area of Bloomington not be forgotten about and that the tech-mobile would reach out to this area as well. Books of different languages within the book mobile would be a great new idea. The City should not be excluding anyone with these outreach opportunities.

Alderman Fruin stated that seniors also need to be considered as most are trying to learn new technology and need assistance in doing so.

Motion by Alderman Schmidt, seconded by Alderman Hauman that Council approves the Ordinance adopting the 2016 Property Tax Levy for the Bloomington Public Library in the amount of \$4,683,111, and authorize the Mayor and City Clerk to execute the necessary documents.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Sage, Buragas, Painter, Schmidt, Black, Hauman and Fruin.

Nays: Aldermen Kevin Lower and Mboka Mwilambwe.

Motion carried.

b) An Ordinance approving the 2016 Tax Levy for the City of Bloomington.

ORDINANCE 2016 - 131

AN ORDINANCE LEVYING TAXES FOR THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS FOR THE FISCAL YEAR BEGINNING MAY 1, 2016 AND ENDING APRIL 30, 2017 FOR THE CITY OF BLOOMINGTON

Mr. Hales stated that this Levy for the City of Bloomington is the same as what was previously discussed among Council in the Work Session. Included in the increase total assess value is funding allocated to new growth. The Tax Levy shows that even with the increase of \$20,061,384.00, this actually represents a \$1.00 decrease in the actual tax payment for home owners. There would be approximately \$545,000.00 associated with this Levy that would be used in the upcoming 2018 fiscal year budget to work on reducing the overall emergency response time, primarily in the area of ambulance services. Even though this particular part will not be approved tonight, it will be presented to Council in the upcoming fiscal year, towards the end of February 2017.

Alderman Lower stated he supports the City lowering response times, however, the problem is in funding many other things that are not as high of a priority in terms of need. The City is continuing to hurt the economy.

Alderman Fruin stated Mr. Hales came out to an organization a week back, which many had questions on the Property Tax Levy. Members as well as the public were invited to come and ask questions and receive proper information. The group, as a whole, left with a better understanding and appreciation for the City of Bloomington expenses. A lot of the problem is lack of education. The community needs education on where their money is going.

Motion by Alderman Mwilambwe, seconded by Alderman Schmidt, that Council approves the Ordinance to adopt the 2016 Property Tax Levy for the City of Bloomington in the amount of \$20,061,384, and authorize the Mayor and City Clerk to execute the necessary documents.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Mwilambwe, Sage, Buragas, Painter, Schmidt, Black, Hauman and Fruin.

Nays: Alderman Kevin Lower.

Motion carried.

The following was presented:

Item 8B. Consideration of approving two Resolutions for the abatements of property taxes for the 2016 Tax Levy.

- a.) A Resolution abating all or a portion of the taxes levied to pay debt service on certain general obligation bonds of the City of Bloomington, McLean County, Illinois, and

RESOLUTION NO 2016 -44

A RESOLUTION ABATING ALL OR A PORTION OF THE TAXES HERETOFORE LEVIED TO PAY DEBT SERVICE ON A CERTAIN GENERAL OBLIGATION BONDS OF THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS.

- b.) A Resolution abating a Tax Levy for rent payable under lease agreement between The Public Building Commission, McLean County and the City of Bloomington for the Old Champion Building and the expansion of the parking garage.

RESOLUTION NO. 2016 - 45

A RESOLUTION ABATING TAX LEVY FOR RENT PAYABLE UNDER LEASE AGREEMENT BETWEEN THE PUBLIC BUILDING COMMISSION, MCLEAN COUNTY AND THE CITY OF BLOOMINGTON FOR THE OLD CHAMPION BUILDING AND THE EXPANSION OF THE PARKING GARAGE

Ms. Silva stated there is a few million dollars out in debt services. If the City wants to keep the Tax Levy flat, the City needs to abate the debt service for the \$2,000,000 so that it can be paid from other City resources. This is done every year and the amount of debt service has not changed.

Motion by Alderman Schmidt, seconded by Alderman Painter, that the Resolutions for the abatement of a total \$6,515,559.46 of property taxes for the 2016 Tax Levy for debt service and rent payments be adopted, and authorize the Mayor and City Clerk to execute the necessary documents.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Lower, Sage, Mwilambwe, Buragas, Painter, Schmidt, Black, and Fruin.

Nays: None.

Motion carried.

The following was presented:

Item 8C. Consideration of approving a Lease for a Police Sub-Station located at 828 W. Jefferson, Bloomington, IL.

Mr. Hales stated ever since Chief Hefner was hired as Chief of Police for the City of Bloomington, they have had many discussions as to what particular strategies and tactics the Police Department can use to continue to address some of the crime and other issues, especially associated with the West side of Bloomington. They have discussed tactics of other communities, including can Bloomington have more Police Officers live or rent over on West side. The idea of a substation came up as another option that is used in other communities and has been shown to help crime rates.

Mayor Renner stated this is a public outreach tactic to get Police out within the community.

Chief Hefner stated the idea of a substation was his idea. It is different from substations in other cities. Ever since he was appointed Chief of Police, he has had residents on the West side of Bloomington ask him to put up a substation due to crime in that area. It has been asked numerous times that more Police presence be put within the community. Chief Hefner felt if there was another location within the community, where Police could reach out to residents and residents reach out to the Police, in a non-enforcement capacity, it might be a great asset to the community. The facility would not be staffed 24/7, but it can be used by police on each shift; to do reports, eat meals, and have breaks. It can be a drop-in for youth and residents as well as being used for neighborhood meetings. The lease is for a year. It can be re-assessed at that time. The lease would only cost \$12.00 a year; \$1.00 per month.

Ms. White, with Mid-Central Community Action, stated that neighborhood safety and vitality are overall goals. Communities are strengthened when individuals and organizations work together. It was very apparent that neighborhood safety is needed in this West side location. (91) ninety-one % of respondents to the Community Impact Measurement Survey indicated they felt unsafe in their neighborhood.

Ms. Tutt stated this project is not to push enforcement but rather build relationships between the neighborhood residents and law enforcement. Provision 1.1.1, within the lease, states the property be used for limited services intended to serve the immediate neighborhood. The property should be equipped so that officers can complete reports, meet with the public, or conduct other small office business. The property will not have regular hours, can be used for community events, and it will not be a storage for fire-arms.

Alderman Black stated this has been an ongoing idea since he was appointed. The motion tonight lacked a lot of the details that were given through the presentation materials. Residents have been misinformed about the use of this substation. What the City wants to do with this project is very different from what has been portrayed to residents. There has to be education before confrontation. Alderman Black suggests more community feedback and more discussion on this substation before a vote is taken for action.

Alderman Hauman stated she is in favor of this substation long-term. People are not necessarily against the idea, they just need to be given more time to ask questions and understand the concept.

Alderman Mwilambwe stated he doesn't feel a sense of urgency. This item can wait another month for proper discussion and education to be given to residents. He suggested that Mid-Central Community Action do more public outreach.

Alderman Lower stated he will put together an event where officers can come by answer questions that residents may have.

Motion by Alderman Black, seconded by Alderman Schmidt that the lease for the home located at 828 W. Jefferson, Bloomington, IL to be used as a police sub-station, be delayed until January 23, 2017.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Lower, Sage, Mwilambwe, Buragas, Painter, Schmidt, Black, Hauman and Fruin.

Nays: None.

Motion carried.

The following was presented:

Item 8D. Presentation of Parks, Recreation and Cultural Arts (PRCA) Five-Year Capital Improvement Program.

Mr. Tetzloff stated most of the projects have been prioritized and budgeted by previous Parks, Recreation and Cultural Arts (PRCA) directors. The last comprehensive plan was done in 1997. The last update to the plan was done in 2009. There are three pieces of top priority that will need to be looked at in the near future. The first is creating a Comprehensive Master Plan. The second is conducting a feasibility study for O'Neil Park, which includes the pool. The last item is conducting a feasibility study for the Recreation Center.

Within the Five Year Capital Improvement Plan there are multiple projects that have been considered and brought forward, through materials, for Council to consider. The BCPA facility is an older building that needs repairs. The Creativity Center has two proposed projects that are privately funded. Constitution Trail projects are funded through an Intergovernmental Agreement with the County. The golf course improvement projects have already been budgeted for. The Miller Park Zoo exhibit projects are non-expansive. The old exhibits would be taken out and replaced.

These are private-public partnership funded projects. The Zoo infrastructure is in great need of replacing. The parking lot has become a safety concern. The Zoo Concession Stand and Roof Replacement project is considered to be a loan-based project. When park playground projects go underway, most of those businesses have a half price or 1:1 match. For example, if the City buys \$100,000.00 in playground equipment, only \$50,000.00 is paid for. Park facilities such as the Miller Park Pavilion, need to be updated and invested in. There are new park creation projects also within the Capital Improvement Plan. The total cost requested over the five (5) years is \$21,128,150.00. Forty-seven (47) % of this total is for O'Neil Park.

Alderman Sage asked whether the PRCA is firm on the two park projects presented, or if those parks could change. Mr. Tetzloff stated this is the order of prioritization from staff as to where funding is needed the most.

Alderman Sage asked how the PRCA solicits funding for park projects other than City funds. Mr. Tetzloff stated they research and find other grant opportunities from any source.

Alderman Mwilambwe asked what the PRCA thought about naming rights for park amenities. Mr. Tetzloff stated it has been discussed internally, but there have not been many discussions regarding this.

Alderman Schmidt asked what does the term Aquatic Center meant in terms of size and amenities provided. Mr. Tetzloff stated it would be a modern day pool with slides, much bigger in scope then it currently is. There are many options within the parameters of the design that could be chosen.

Alderman Fruin stated that he is pro-parks and hopes these are projects, over the next five (5) years that get passed and accomplished.

Alderman Lower asked if there was an estimated cost per acre in the existing parks. From an expense standpoint he does not think the City, in a down economy, needs to spend money at this point in time. Mr. Tetzloff stated the upkeep and mowing costs are roughly \$800.00 per acre.

City Manager's Discussion

Mr. Hales stated he had no items of discussion.

Mayor Discussion

Mayor Renner stated he had no items of discussion.

City Alderman's Discussion

Alderman Schmidt acknowledged the PRCA for how wonderful Downtown Bloomington looks with all the decorations and being kept clean.

Adjournment

Motion made by Alderman Black, seconded by Alderman Schmidt, to adjourn the meeting at 8:44 p.m.

Motion carried (viva voce).

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk



CITY OF
Bloomington ILLINOIS
CONSENT AGENDA ITEM NO. 7B

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of Approving Appointments to Various Boards and Commissions.

RECOMMENDATION/MOTION: That Jesse Smart and Emily Vigneri be appointed to the Cultural District Commission and that Rodney Smithson be appointed to the Property Maintenance Review Board.

STRATEGIC PLAN LINK: Goal 4. Strong neighborhoods.

STRATEGIC PLAN SIGNIFICANCE: Objective 4e. Strong partnership with residents and neighborhood associations.

BACKGROUND: The Mayor of the City of Bloomington has nominated and I ask your concurrence in the appointment of:

Cultural District Commission. Jesse Smart of 13 Prairie Vista Court, Bloomington, Illinois 61704, to the Cultural District Commission. He will be completing the unfulfilled term previously held by Kiasha Henry who resigned March 9, 2016, and whose term will expire 4-30-18. Application is on file in the Administration Office.

Emily Vigneri of 20 Brickyard Drive, Apt. J3, Bloomington, Illinois 61701, to the Cultural District Commission. She will be completing the unfulfilled term previously held by Matthew Giordano who resigned June 28, 2016, and whose term will expire 4-30-18. Application is on file in the Administration Office.

Property Maintenance Review Board. Rodney Smithson of 53 Brookshire Green, Bloomington, Illinois 61704, to the Property Maintenance Review Board. He will be completing the unfilled term previously held by Valerie Dumser whose term will expire 4-30-17. Application is on file in the Administration Office.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Mayor contacts all recommended appointments.

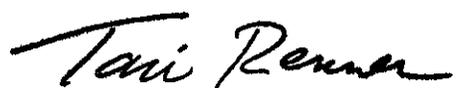
FINANCIAL IMPACT: None.

Respectfully submitted for Council consideration for approval.

Prepared by:

M. Beth Oakley, Executive Assistant

Recommended by:



Tari Renner
Mayor

Attachments:

- Roster

Motion: That Jesse Smart and Emily Vigneri be appointed to the Cultural District Commission and that Rodney Smithson be appointed to the Property Maintenance Review Board.

Cultural District Commission

Mayor Appointed	Staff/Chair	First Name	Last Name	Expiration	Appointment Date	Year First Appt	Email	Street	City	Zip	Ward				
x		Ryan	Huette	04/30/18	05/11/15	2015	ryan@nuway.com	1502 Kickapoo Creek Rd.	Bloomington	61705	8				
x		Angelique	Racki	04/30/17	02/08/16	2016	breakingchains116@gmail.com	322 E Mulberry St	Bloomington	61701	4				
x		Tricia	Stiller	04/30/19	10/24/16	2015	triciastiller@msn.com	305 W Monroe #5	Bloomington	61701	6				
x		Kellie	Williams	04/30/19	11/14/16	2016	Kelliedw@gmail.com	2804 Powell Drive	Bloomington	61704	9				
x		Scott	Koets	04/30/18	11/28/16	2016	skoets@gmail.com	2001 Fallen Oak Road	Bloomington	61704	1				
x	resigned 6/28/16	Matthew	Giordano	04/30/18	04/13/15	2012	matgiordano@normal.il.gov	2 Turtleback Ct	Bloomington	61705	2				
x		Nikita	Richards	04/30/19	11/28/16	2016	ndrcommunications@gmail.com	202 Packard Street	Bloomington	61701	6				
x		Mike	Kerber	04/30/19	04/25/16	2009	mkerber44@gmail.com	1014 Broadway Ave	Normal	61761					
x		Jessielee	Hinshaw	04/30/18	06/08/15	2015	jessielcgb@hotmail.com	1410 Fell Avenue	Bloomington	61701	4				
x		Carole	Ringer	04/30/19	03/28/16	2010	carole.ringer@gmail.com	110 Hawthorne Lake Dr	Bloomington	61704	3				
x	resigned	Karen	Schmidt	04/30/17	05/12/14	2008	karen11013@gmail.com	409 E Grove	Bloomington	61701					
x	Chair	Vicki Lynn	Tilton	04/30/18	02/23/15	2012	vltfx@fox-n-hounds.com	200 W Monroe, #501	Bloomington	61701	6				
x	rsqnd 3/9/16	Kiasha	Henry	04/30/18	7/27/2015	2015	kiashahenry@gmail.com	702 W Mill Street	Bloomington	61701	6				
x		Jamie	Mathy	04/30/17	05/12/14	2014	jamie@jamiemathy.com	611 E Washington	Bloomington	61701	1				
	Staff	Jay	Tetzloff				jtetzloff@cityblm.org								434-2825
	Staff	Tina	Salamone				tsalamone@cityblm.org								434-2764
	Staff	Brandy	Maloney				bmaloney@cityblm.org								434-2785

Details:

Term: 3 years
 Term Limit per City Code: 3 terms/9 years
 Members: 14 members
 Number of members the Mayor appoints: 14
 Type: Internal
 City Code: Chapter 2, Section 81
 Required by State Statute: No
 Intergovernmental Agreements: None
 Funding budgeted from COB for FY2014: None
 Meetings: 2nd Thurs of each month at 7:30 am - Creativity Center Conference Room

Number of Vacancies: 3
 Number of Expired Board Members (Blm Appointments only): 0
 Number of Expired Board Members Eligible for Reappointment: 4

Appointment/Reappointment Notes:

Property Maintenance Review Board

Mayor Appointed	Staff/Chair	First Name	Last Name	Expiration	Appointment Date	Year First Appt	Ward	Email	Street	City	Zip					
x	Tenant	Brittany	Mitchell	4/30/17	07/25/16	2016	6	brittany.am12@gmail.com	104 W Washington Apt. 3	Bloomington	61701					
x	Contractor	Mark	Fetzer	4/30/19	03/14/16	2013		mfetzer@core3pm.com	1305 Winterberry Cir	Bloomington	61705					
x	Large Landlord	John	Capodice	4/30/17	03/24/14	2011		john@johnncapodiceproperties.com	2827 Capodice Rd	Bloomington	61704					
x	Citizen At Large	Julie	Morgan	4/30/17	03/24/14	2011	7	jmorg1967@yahoo.com	705 Ohara	Bloomington	61701					
x	Small Landlord	Valerie	Dumser	4/30/17	03/24/14	2011	7	grandmavalerie@gmail.com	809 W Washington St	Bloomington	61701					
x	Contractor	Brent	Moore	4/30/18	05/11/15	2012		brent.moore09@gmail.com	8273 Idlewood Drive	Bloomington	61705					
x	Tenant	Mark	Williams	4/30/19	04/11/16	2013	5	w_mark81@yahoo.com	602 Bradley Dr	Bloomington	61704					
	Staff	Carey	Snedden						115 E Washington	Bloomington	61701					
	Staff	Tom	Dabareiner						115 E Washington	Bloomington	61701					
	Staff	Nancy	Tague						115 E Washington	Bloomington	61701					

Details:

Term: 3 years
Term Limit per City Code: 3 terms/9 years
Members: 7 members
Term Limit per City Code: 3 terms/9 years
Number of members the Mayor appoints: 7
Type: Internal
City Code: Chapter 45, Section 1000.0
Required by State Statute: No
Intergovernmental Agreements: None
Funding budgeted from COB for FY2014: None
Meetings: 4th Thurs of January, April, July & October at 3:00pm - Council Chambers, members given 48 hours+ notice before a meeting

Number of Vacancies: 1
Number of Expired Board Members (Blm Appointments only): 0



CONSENT AGENDA ITEM NO. 7C

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of approving a schedule for Council Meeting and Council related Boards and Commission Meeting dates for the 2017 Calendar Year.

RECOMMENDATION/MOTION: that Council approve the 2017 Calendar of Meeting dates for the City Council and Council related Boards and Commissions.

STRATEGIC PLAN LINK: (Goal 4.) Strong Neighborhoods

STRATEGIC PLAN SIGNIFICANCE: (Objective: e/f.) Strong partnership with residents and neighborhood associations, and residents increasingly sharing/taking responsibility for their homes and neighborhoods.

BACKGROUND: Each year before the end of the calendar year, the City Clerk's Office in cooperation with other City departments who have a staff liaison for the City Council Boards and Commissions determine the meeting schedule for the following calendar year. Setting this calendar allows the public and the City to have a predetermined list of dates that the City Council and each appointed Board and/or Commission will meet. Once approved by the City Council, this information will be posted and placed on the City's website calendar. This annual notice must include the meetings of regularly scheduled committees or subcommittees of the board or council, as well as meetings of any formally created advisory groups, per 5 ILCS 120/2.02.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Residents, businesses and others that either attend city meetings or have a vested interest in the conduct of city business.

FINANCIAL IMPACT: No impact.

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: None

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, City Clerk

Legal review by: George Boyle, Assistant Corporation Counsel

Recommended by:

A handwritten signature in black ink, appearing to read "Charles H. Hester".

David A. Hales, City Manager

Attachments:

- 2017 Calendar of Scheduled Meetings

Motion: that Council approves the 2017 Calendar of Meeting dates for the City Council and Council related Boards and Commissions.

**MEETING DATES AND TIMES OF CITY COUNCIL AND BOARDS AND COMMISSIONS
OF THE CITY OF BLOOMINGTON, ILLINOIS - CALENDAR YEAR 2017**

BLOOMINGTON CITY COUNCIL

**Second and Fourth Monday of each month
7:00 p.m. prevailing time – City Hall**

01/09/17
01/23/17
02/13/17
02/27/17
03/13/17
03/27/17
04/10/17
04/24/17
05/08/17
05/22/17
06/12/17
06/26/17
07/10/17
07/24/17
08/14/17
08/28/17
09/11/17
09/25/17
10/09/17
10/23/17
11/13/17
11/27/17
12/11/17
12/18/17 (3rd Monday)

BUILDING BOARD OF APPEALS

**Bi-Annually on the first Tuesday of the month
and as needed
1:30 p.m. prevailing time – Council Chambers**

06/6/17
12/05/17

CITIZENS BEAUTIFICATION COMMITTEE

**Fourth Thursday of each month
6:00 p.m. prevailing time –BPD Osborn Room**

01/26/17
02/23/17
03/23/17
04/27/17
05/25/17
06/22/17
07/27/17
08/24/17
09/28/17
10/26/17
11/16/17 (3rd Thursday)
12/28/17

**BLOOMINGTON TOWNSHIP
BOARD OF TRUSTEES**

**Fourth Monday of each month
6:30 p.m. prevailing time – Council Chambers**

01/23/17
02/27/17
03/37/17
04/24/17
05/22/17
06/26/17
07/24/17
08/28/17
09/25/17
10/23/17
11/27/17
12/18/17 (Third Monday)

COMMITTEE OF THE WHOLE

**Third Monday of each month
5:30 p.m. prevailing time – Council Chambers**

01/17/17 (Tuesday)
02/20/17
03/20/17
04/17/17
05/15/17
06/19/17
07/17/17
08/21/17
09/18/17
10/16/17
11/20/17

MEETING DATES AND TIMES OF CITY COUNCIL AND BOARDS AND COMMISSIONS
OF THE CITY OF BLOOMINGTON, ILLINOIS - CALENDAR YEAR 2017

CULTURAL DISTRICT BOARD

Second Thursday of each month
7:30 a.m. prevailing time – Creativity Center Conference Room (107 E. Chestnut)

01/12/17
02/09/17
03/09/17
04/13/17
05/11/17
06/08/17
07/13/17
08/10/17
09/14/17
10/12/17
11/09/17
12/14/17

HUMAN RELATIONS COMMISSION

Second Wednesday of each month
6:00 p.m. prevailing time – Council Chambers

01/11/17
02/08/17
03/08/17
04/12/17
05/10/17
06/14/17
07/12/17
08/09/17
09/13/17
10/11/17
11/08/17
12/13/17

FIRE AND POLICE COMMISSION

First Tuesday of each month
4:00 p.m. prevailing time – Conference Room

01/03/17
02/07/17
03/07/17
04/04/17
05/02/17
06/06/17
07/18/17 (3rd Tuesday due to Holiday)
08/01/17
09/05/17
10/03/17
11/07/17
12/05/17

JAPAN SISTER CITY COMMITTEE

First Monday of each month
6:30 p.m. prevailing time – CIRA 2nd floor conference room

01/09/17 (2nd Monday)
02/06/17
03/06/17
04/03/17
05/01/17
06/05/17
07/10/17 (2nd Monday)
08/07/17
09/11/17 (2nd Monday)
10/02/17
11/06/17
12/04/17

HISTORIC PRESERVATION

Third Thursday of each month
5:00 p.m. prevailing time – Council Chambers

01/19/17
02/16/17
03/16/17
04/20/17
05/18/17
06/15/17
07/20/17
08/17/17
09/21/17
10/19/17
11/16/17
12/21/17

LIQUOR COMMISSION

Second Tuesday of each month
4:00 p.m. prevailing time – Council Chambers

01/10/17
02/14/17
03/14/17
04/11/17
05/09/17
06/13/17
07/11/17
08/08/17
09/12/17
10/10/17
11/14/17
12/12/17

**MEETING DATES AND TIMES OF CITY COUNCIL AND BOARDS AND COMMISSIONS
OF THE CITY OF BLOOMINGTON, ILLINOIS - CALENDAR YEAR 2017**

ZONING BOARD OF APPEALS

Third Wednesday of each month

4:00 p.m. prevailing time – Council Chambers

**01/18/17
02/15/17
03/15/17
04/19/17
05/17/17
06/21/17
07/19/17
08/16/17
09/20/17
10/18/17
11/15/17
12/20/17**

PROPERTY MAINTENANCE BOARD

Fourth Thursday of January, April, July & October

3:00 p.m. prevailing time – Council Chambers

**01/26/17
04/27/17
07/27/17
10/26/17**

PLANNING COMMISSION

Second and Fourth Wednesday of each month

4:00 p.m. prevailing time – Council Chambers

**01/11/17
01/25/17
02/08/17
02/22/17
03/08/17
03/22/17
04/12/17
04/26/17
05/10/17
05/24/17
06/14/17
06/28/17
07/12/17
07/26/17
08/09/17
08/23/17
09/13/17
09/27/17
10/11/17
10/25/17
11/08/17
12/13/17**



CONSENT AGENDA ITEM NO. 7D

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of a purchase for a scheduled replacement of one (1) Street Sweeper for the Storm Water Division of the Public Works Department.

RECOMMENDATION/MOTION: That the purchase of one (1) Elgin M4 Broom Bear Street Sweeper from Key Equipment of Bridgeton Missouri using the National Joint Powers Alliance contract number 022014-FSC (valid through 3/18/18) in the amount of \$257,127.75 be approved.

STRATEGIC PLAN LINK: Objective 1. Financially Sound City Providing Quality Basic Services.

STRATEGIC PLAN SIGNIFICANCE: In order to be responsive to citizen needs, adequate resources must be provided to employees to fulfill the goal of providing quality basic services.

BACKGROUND: Storm Water Division of the Public Works Department has a 2003 Elgin Eagle Street Sweeper with 66,620 miles and 5,728 hours that is due for replacement in Fiscal Year 2017. The maintenance cost to date for this unit is \$255,574.51. Recent repairs include engine, electrical, air brake system, A/C system, suspension, conveyor and bearings, and exhaust. This unit will be used daily to comply with Illinois Environmental Protection Agency NPDES Permit for Storm Water Discharges from Municipal Separate Storm Sewer Systems (MS4) BMP # F6- Other Municipal Controls.

Goal: The performance measure for the street sweeping program is number of curb miles swept in a year. Typically, the City is able to clean approximately 9,000 curb miles of street each year to remove material that otherwise may have entered the MS4. During NPDES audit meetings with the Illinois Environmental Protection Agency, they have expressed that this is a very good service level for the community. Street sweeping is a Best Management Practice to meet the permit requirements. It is used to pick up leaves in the fall. Other uses include downtown clean up after events and removal of debris after water main, sewer, and road milling repairs.

An older unit will be moved to backup status when this unit is put into service. The City has been operating Elgin Eagles for several years. After observing demonstrations of several types of sweeping units, contacting several municipalities and private contractors, the Elgin Broom Bear was chosen for its performance, ease of maintenance, and lower operating cost with the elimination of an auxiliary drive engine. The replaced unit will be declared surplus and be sold on public auction at Publicsurplus.com. It is expected to bring \$20,000.00 at auction.

NJPA is a nationally recognized joint purchasing cooperative, of which we have been members for a long time and made a number of purchases through them for several years.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: See attached.

FINANCIAL IMPACT: Budgeted funds totaling \$260,590 are included in the FY 2017 Budget under the Capital Lease-Capital Outlay Equipment Other than Office account (40110135-72140). Stakeholders can locate this in the FY 2017 Budget Book titled “Other Funds & Capital Improvement Program” on pages 92 and 96.

Respectfully submitted for Council consideration.

Prepared by: Rob Kronen, Superintendent of Fleet Maintenance

Reviewed by: Rob Henson, Superintendent of Solid Waste

Reviewed by: Jim Karch, PE CFM, Director of Public Works

Financial & budgetary review by: Chris Tomerlin, Budget Analyst
Carla Murillo, Budget Manager

Legal review by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments:

- 4M Broom Bear NJPA Proposal
- Broom Bear Brochure
- Elgin Street Sweeper Picture

Motion: That the purchase of one (1) Elgin M4 Broom Bear Street Sweeper from Key Equipment of Bridgeton Missouri using the National Joint Powers Alliance contract number 022014-FSC (valid through 3/18/18) in the amount of \$257,127.75 be approved.



Corporate Office
P.O. Box 2007
Maryland Heights, MO 63043
314-298-8330

Branch Office
P.O. Box 11035
Kansas City, KS 66111
913-371-8260

Branch Office
P.O. Box 692109
Tulsa, OK 74169
918-809-8011



July 28, 2016

Mr. Rob Krones
City of Bloomington
109 East Olive Street
Bloomington, Illinois 61701

Dear Mr. Krones:

Please find attached the cost breakdown for purchasing a Elgin Broom Bear per NJPA Contract #022014-FSC. The Elgin Broom Bear is equipped with the following equipment:

- ELGIN 4 M BROOM BEAR DUAL with belt conveyor \$142,500.00
- IH Chassis Alterations \$ 3,250.00
- Air conditioning
- Back-up alarm, electric
- Battery, maintenance free,
- Brakes, full air
- Broom side, 46" steel vertical digger 5 segments
- Broom side, pneumatic floating suspension with adjustable pin stops, pneumatic deploy
- Broom, main, 34" diameter, 60" side prefab, disposable
- Camera, Rear View with in-cab monitor (Color Camera)
- Conveyor, flushing system
- Conveyor, cleated belt, adjustable height
- Conveyor raise in reverse
- Conveyor stall alarm
- Dirt shoes, heavy duty single row carbide steel (rubber isolated)
- Fresh air ventilator/heater/defroster
- Fuel tank, 50 gallon
- Hopper inspection door
- Hopper, 4.5 Cu Yd with window and skylight
- Hopper, variable height dump, 38" to 9'6"
- Hopper up indicator with beep
- Hose, hydrant fill, 16' 8" (5080 mm) with strainer and coupling
- Hydraulic oil level gauge w/ external thermometer and in-cab level light
- Hydraulic system, load sensing with selectable transmission driven PTO pump
- Hydraulic Float Mainbroom Suspension
- Hydraulic Sidebroom
- Lights, automatic backup
- Lights, 2 combination, tail/stop lights
- Lights, flood light, one per broom and main broom
- Lights, headlights, 2 dual rectangular
- Manuals, operator and parts
- Mirrors, West Coast type with 8" diameter convex, both sides
- Rear broom cover and anti-carryover wrap
- Rear broom spray bar
- Sidebroom speed control, external to cab

- Sweep resume/raise in reverse
- Signals, self-canceling directional with hazard switch
- Sun visors
- Tactile controls for all sweep functions
- Tow loops or tow pins, front only; tie-down hooks, rear
- Transmission, Allison 3500 RDS
- Water spray, anti-siphon fill
- Water tank, molded polyethylene, 360 gallon total nominal capacity
- Water level indicator in cab
- Wheels, dual rear with tubeless radial tires
- Windshield washer
- Windshield wipers, two-speed, intermittent feature

Product Enhancements:

• Midwest Autolube Sweeper Dual	\$ 4,835.00
• Side Broom Tilt RH & LH with Indicator	\$ 2,400.00
• Single Rear/Single Hopper Beacon, LED with Guard	\$ 1,930.00
• Hydraulic Oil High Temperature, Low Level PTO Off with Display	\$ 510.00
• LED Stop/Tail/Turn	\$ 340.00
• (2) Rear High Mounted Oval Amber LED Flashers	\$ 560.00
• Rubber Mounted Carbide Drag Shoes Two-Row (ILO Standard)	\$ 760.00
• AM/FM Stereo Radio	\$ 890.00
• Front Spray Bar	\$ 975.00
• (1) National Air Ride Seat Cloth RH	\$ 2,200.00
• Conveyor Only Rotate for Washdown	\$ 465.00
• Fender Mounted Mirror Left Hand	\$ 505.00
• Broom Bear Service Manual	\$ 95.00
• Freight, St Louis	\$ 1,530.00
• Water Switches for SBs and Main Broom	\$ 860.00
• Water Switch for Front Spray Bar	\$ 970.00
• Hydraulic Float Mainbroom Suspension	N/C
• Hydraulic Sidebroom	N/C
• Rubber Belt Conveyor	N/C
Total	\$164,045.00
NJPA Discount	\$ -4,967.25
Discounted Price	\$159,077.75
2017 International 4400 N9 w Heated Mirrors	\$ 95,800.00
PDI, Delivery, Training, Warranty Travel by Key Equipment	\$ 2,250.00
Total NJPA Price	\$257,127.75

Please review the information. I will contact you to answer any questions you may have. Thank you for your consideration of the Elgin Sweeper Company and Key Equipment. We appreciate the opportunity to serve you.

Sincerely,

James E. Bone
Territory Manager
Key Equipment & Supply Company

ELGIN®

Subsidiary of Federal Signal Corporation

Broom Bear®



ELGIN BROOM BEAR[®]

POWERFUL, PROVEN, SINGLE ENGINE MECHANICAL SWEEPER

When contractors and municipalities need a durable sweeper that's easy and comfortable to operate, the Elgin Broom Bear is the sweeper of choice. From heavy duty construction debris, like millings or gravel, as well as light street maintenance, the Broom Bear has proven to be one of the most rugged and efficient sweepers in the industry. And the short wheelbase enhances maneuverability and makes the sweeper ideal for sweeping in tight cul-de-sacs.

Mounted on a commercially available conventional chassis with fully dualized controls and an intelligent single engine design that utilizes the chassis engine to power the sweeper, the Broom Bear features a large hopper and water tank, which means more productive sweeping time and fewer scheduled stops. A variable dumping height and 11 inch (279 mm) of hopper side-shift ensures easy dumping.



APPLICATION SOLUTIONS

Elgin Sweeper doesn't offer just one sweeping technology — we take an application-based approach to solving our customers' sweeping needs. Our team works with each customer to ensure that you get a machine that fits your specifications, with the right truck, engine configuration, fuel requirements, and options.

POWERFUL SUPPORT

Elgin sweepers are built for clean, backed for life. Throughout the life of the sweeper, we offer training to your team on proper use and maintenance. We have a world-wide network of experienced dealers with factory trained technicians and a local stock of OEM parts and accessories to ensure total customer peace of mind.

UNMATCHED QUALITY

The Broom Bear became part of the Elgin lineup 15 years ago and has been continuously improved. Manufactured in an ISO:9001 certified plant, Elgin Sweepers are quality inspected and functionally tested prior to shipment. Paint prior to assembly ensures uniform, durable coverage. Broom Bears are proudly assembled in the U.S.A.



HIGH PRODUCTIVITY SWEEP SYSTEM

- High torque diesel engine is teamed with Freightliner® M2 or International® Durastar® chassis to create one of the most powerful and reliable single engine packages in the industry.
- The control console, located between the operator stations, provides quick, easy access. All sweep function switches have tactile-feel surfaces, so operators can work the panel while keeping their eyes focused forward, for increased productivity and safe operation.
- Dual free-floating gutter brooms that adjust to variable road surfaces, a sweep path of 120 inches (3048 mm) with an additional extension of up to 144 inches (3657 mm) when both brooms are pinned to outer points, and a powerful free floating direct drive main broom, ensure reliable and complete pickup of debris.
- Superior dust control is maintained with in-cab zone controlled, dual diaphragm water pumps and a 360 gallon (1363 L) water tank for long sweep times between refills.
- The 4.5 cubic yard (3.4 cu meter) hopper features a double-scissor lifting mechanism that is center mounted for greater stability and trouble free operation. Dumping height is variable up to 10 feet (305 cm) and an 11 inch (279 mm) side shift enables a cleaner more efficient unloading of material. Optional 5.4 cubic yard (4.1 cu meter) hopper available.
- The chassis cab is dualized with OEM parts, including full factory controls, steering, and OEM gauge package that is identical for both left and right operator stations.



EASY TO OPERATE. EASY TO MAINTAIN. BUILT TO LAST.



MAIN BROOM

The main broom is attached to a fully floating trailing arm to better conform to road contours. Performance is optimized using mechanical main broom suspension that dynamically adjusts to various road conditions while on-the-go. Lift and lower functions are controlled from the cab. Main broom arm bearings are sealed, can be re-lubricated and are self-aligning for self-adjustment when experiencing an uneven load which decreases wear and increases main broom life.

SIDE BROOMS

46 inch (1168 mm) trailing arm, free-floating side brooms offer four-way motion and protection against damaging impacts. Pneumatic lift and extension control enhances performance while sweeping within a 10 foot (3048 mm) wide path. Steel plate disc construction adds durability. Broom speed is controlled by hydraulic motors. Broom speed is constant and matched to the conveyor speed for optimal loading performance. Automatic settings control down-pressure, digging-pressure and wear-control. In-cab side broom pressure gauges and down-pressure control are standard.



SQUEEGEE TYPE CONVEYOR

A steel roller chain drives an 11-flight, squeegee-type conveyor to load debris into the hopper. The chain operates on polyurethane sprockets, which last longer. Conveyor speed is constant and matched to the broom speed for optimal loading performance. Conveyor operating height can be raised from the cab up to 3 inches (76 mm) to avoid larger debris and other obstacles. Conveyor bearings are sealed and self-aligning for longer life.

HYDRAULIC SYSTEM

The Broom Bear features a 23 gallon (87 L) reservoir with an external level indicator and thermometer. The system includes twin pumps that are direct driven variable displacement piston type with load sensing to adjust flow based on hydraulic oil demand in sweeping gear to maximize efficiency and reduce heat.

SIMPLE, EASY-ACCESS MAINTENANCE

The Broom Bear was designed so that systems are accessible and easy to service. The hydraulic system with o-ring face seal fittings is designed for long life and leak-free operation. Heavy-duty waterproof electrical connectors and color-coded wires have stamped identification for quick location during troubleshooting. A stainless steel toolbox provides additional storage.



COMMERCIAL CHASSIS/SINGLE ENGINE

A high torque diesel engine is teamed with a Freightliner Business Class or International Durastar chassis to create one of the most powerful and reliable single engine packages in the industry. The straight forward, single engine layout provides greater fuel efficiency and simple maintenance.

POWER TRAIN

An Allison 3500 RDS transmission, a 10,000 lb (4536 kg) front axle and a 23,000 lb (10433 kg) twin air spring suspension 2-speed rear axle complement the powerful single engine and provide the operator with hours of comfortable ride.

SUPERIOR MECHANICAL SWEEPER DESIGN

LARGE VARIABLE HEIGHT DEBRIS HOPPER

The Broom Bear features a variable-height, right side dump hopper with a capacity of 4.5 cubic yard (3.4 cu meters) volumetric. All hopper lift and dump controls are hydraulic and easily operated from in-cab console mounted controls. A 50 degree dump angle allows material to easily slide out.

A unitized, twin-cylinder, double scissors lift rated at 11,000 lbs (4990 kg) unloads material at a minimum of 38 inches (965 mm) and a maximum of 10 feet (3048 mm). Payload capacity is 10,000 lbs (4536 kg) per load. An 11 inch (279 mm) side shift allows material to be unloaded into the center of a truck or container for cleaner dumping. A full hopper can dump and retract in 20 seconds for short intervals and up to 70 seconds at top height.



SUPERIOR DUST SUPPRESSION

A 360 gallon (1363 L) removable water tank is made of corrosion resistant polyethylene. A 16 foot, 8 inch long (5.1 m) fill hose and water level indicator light located on the control console are standard. Water flow for the side and main brooms is in-cab zone controlled. The self-priming diaphragm pumps (run dry type, 40 psi) provide effective dust control. Three spray nozzles are positioned on each side broom and three on the main broom. Dual water pumps are standard.

MEMORY SWEEP®

Elgin's exclusive Memory Sweep feature allows the operator to resume all previous sweeper settings, even broom tilt if so equipped, with one touch control. This feature enhances operator productivity and reduces operator fatigue. Memory Sweep incorporates a multiscreen display that indicates engine hours and water tank level as well as system diagnostics. This screen also displays optional features such as broom tilt angle and broom hours.



UNIQUE APPLICATION VERSATILITY

CONVEYOR FLEXIBILITY

The Broom Bear comes standard with a squeegee type conveyor designed to provide versatile and reliable performance in a wide range of applications including aggregate and granular material pick up of gravel and millings, ideal for road construction contractors as well as general municipal sweeping, trash, leaves, and other organics.

The Broom Bear is also available with a belt conveyor for applications such as highway sweeping and general municipal sweeping where large debris is encountered.

THE ELGIN SQUEEGEE CONVEYOR

- Chain side-plate constructed from hardened steel for long life and smooth operation.
- Three-piece design for easy service without removing complete assembly.
- Thick, multi-ply rubber-edged flights provides efficient movement of debris into the hopper.
- Unique, interlocking, wavy-plate joint design prevents excessive wear and “thumping” over plate seams.
- Abrasion-resistant steel floor for durability.
- Direct-drive hydraulic motor for optimal power transfer to the conveyor system.



THE ELGIN BELT CONVEYOR

- Full-width cleats move more material quickly to the hopper for maximum productivity.
- Direct-drive hydraulic motor for optimal power transfer to the conveyor system.
- Improved hopper fill by throwing debris towards center of hopper.
- Heavy-duty belt construction resists stretching and requires fewer adjustments.
- Ribs between cleats enhance effectiveness of moving fine debris into the hopper.



The Broom Bear conveyors are designed to be interchangeable should a customer have different applications throughout the sweep season.



LOW EMISSIONS – ALTERNATIVE FUEL OPTION

The Elgin Broom Bear is available in a compressed natural gas (CNG) configuration. The Broom Bear single-engine mechanical sweeper is powered by the Cummins Westport ISL G natural gas engine, making it a fully certified EPA/CARB emission compliant street sweeper. Three 3600 psi composite fuel tanks are conveniently packaged in the rear compartment minimizing impact to chassis wheelbase. The Broom Bear has a generous 51 diesel gallon equivalent fuel capacity - providing ample sweeping range.



OPTIONAL ENHANCEMENTS



LIFELINER® HOPPER SYSTEM

The LIFELINER® hopper system is a specially designed hopper liner and finish system that greatly improves the life, durability, and functionality of a sweeper hopper.



IN-CAB SIDE BROOM TILT AND EXTENDED REACH

Allows operator to sweep effectively in variably-pitched gutters. On-the-go pitch adjustment with a simple variable rocker switch that displays proper broom angle. Extended reach allows the side broom to follow curbs and tight cul-de-sacs.



LIGHTING PACKAGES

The Broom Bear Sweeper can be equipped with a variety of optional lighting packages. Lighting packages are designed for flexibility based on customer requirements and can include strobes, beacons and arrow sticks.

ADDITIONAL OPTIONS:

- Outside cab, side broom down pressure control
- In-cab, side broom speed control
- 5.4 cubic yard hopper (4.1 cu meter)
- Hydraulic float main broom suspension
- PM10 compliance package
- Functional water control
- Automatic lubrication system
- Front spray bar

SPECIFICATIONS:

SWEEP PATH

Main broom only:
60 in (1524 mm)

Main broom & one side broom:
90 in (2286 mm)

Main broom and 2 side brooms:
120 in (3048 mm) up to 144 in (3657 mm)
with pins in outer points

HOPPER CAPACITY

Volumetric Capacity: 4.5 yd³ (3.4 m³)
Material volume: 3.3 yd³ (2.5 m³)

HOPPER DUMPING

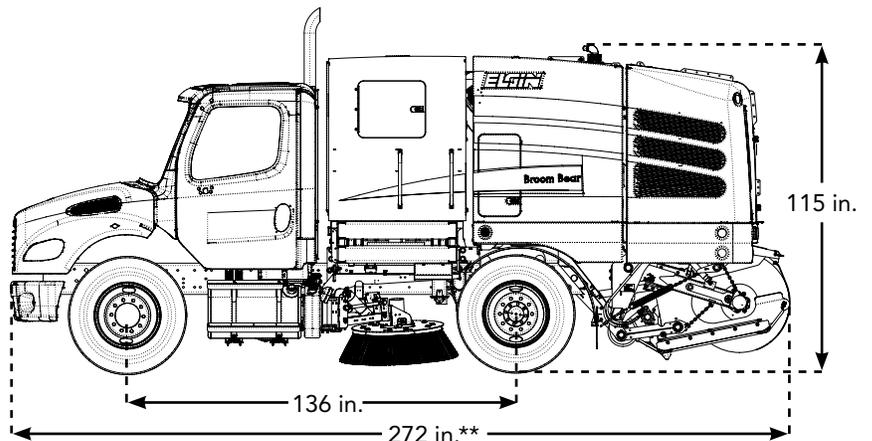
Minimum dump height: 38 in (965 mm)
Maximum dump height: 10 ft (3048 mm)

WATER SPRAY SYSTEM

Tank capacity: 360 gal. (1362 L)

CHASSIS

Conventional



*Consult factory for warranty details **Transport mode

ELGIN SWEEPER IS YOUR PARTNER...

IN THE PLANNING

Instead of one-size-fits-all solutions, we'll work with you to select the sweeping technology that fits your specific needs.



IN THE STREETS

We're here to help you maintain your Elgin and train your operators to ensure the job is done right.



INTO THE FUTURE

Our dealers don't just sell you an Elgin; they're available to answer your questions and provide service for the life of the machine.



WARRANTY

Elgin Sweeper Company backs the Broom Bear sweeper with a one-year limited warranty. The Broom Bear is warranted against defects in material or workmanship for a period of 12 months from the date of delivery to the original purchaser. Optional extended warranty packages are available. Consult your Elgin dealer for complete warranty information.

Your Local Elgin Dealer Is:



elginsweeper.com

1300 W. Bartlett Road • Elgin, IL 60120 U.S.A.
(847) 741-5370 Phone • (847) 742-3035 Fax

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**! SLOW
DOWN**
TO GET **AROUND**

ELGIN Eagle



R56

SE8000





CONSENT AGENDA ITEM NO. 7E

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of a Client Agreement with the Vision Service Plan (VSP) for calendar years 2017 and 2018 which provides City employees, City of Bloomington Township, and retirees with a fully insured vision benefit.

RECOMMENDATION/MOTION: That the Client Agreement with the Vision Service Plan (VSP) be approved for 2017 and 2018 and the Mayor and City Clerk be authorized to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1e. Partnering with others for the most cost-effective service delivery.

BACKGROUND: The City provides a vision benefit option for its full time employees, employees of the City of Bloomington Township and the retirees of both entities. There are currently 665 enrollees in this plan plus dependents. Of these 492 are active City of Bloomington employees. Employees who enroll in the VSP plan pay 50% (fifty percent) of the premium cost and the City contributes the other half. Retirees pay the full premium and the Township fully reimburses the City for their employee vision benefit costs. The provision of this benefit option is included in all but one (IATSE) collective bargaining agreement. The plan year for this benefit is January to December and the contract provides a two year rate guarantee. The City has obtained discount pricing for VSP through its membership in the Heartland Healthcare Coalition.

The table below provides current premiums, the premiums which would be in place for both calendar 2017 and 2018 and the percent increase (11.8% in 2017 with no increase for 2018). These rates are shown in Attachment 1, Rate sheet, Column 1 as the Current and Renewal Option.

Vision Service Plan (VSP) – Employee/Retiree Vision Benefit Plan

Enrollment Tier	Jan. 2015 – Dec 2016	Jan. 2017 – Dec 2018	Percent Change (Over 2 Years)
Single	\$8.21	\$9.18	11.8%
Employee + 1	\$13.06	\$14.60	11.8%
Family	\$17.89	\$20.00	11.8%

The following table estimates the full cost and the City share of the premiums in the current and upcoming fiscal year.

	FY 2017 (Projected)	FY 2018 (Projected)	Percent Change
Average Enrollees	664*	664	0%
Total Premium Cost	\$111,026	\$119,429	7.6%
City Share of Premium Cost	\$44,870	\$48,267	7.6%

*Includes retirees. Retirees pay 100% of the premium for their coverage.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT:

This item is budgeted for FY 2016/2017 in Vision fund divisions 60200250 and 60280250.

Respectfully submitted for Council consideration.

Prepared by: Laurie Wollrab, Payroll and Benefit Manager

Reviewed by: Nicole Albertson, Director of Human Resources

Legal review by: Emily Reid Peterson, Outside Counsel for Sorling,
Northrup Attorneys at Law

Recommended by:



David A. Hales
City Manager

Attachments:

- Rate Sheet – See “Current and Renewal” Rates in Column 1
- Specimen Contract

Motion: That the Client Agreement with the Vision Service Plan (VSP) be approved for 2017 and 2018 and the Mayor and City Clerk be authorized to execute the necessary documents.



	Current & Renewal Choice Plan		Renewal Choice Plan Option 1		Renewal Choice Plan Option 2	
	VSP Provider	Open Access Amount	VSP Provider	Open Access Amount	VSP Provider	Open Access Amount
Exams						
Exam:	\$10 Copay	Up to \$45	\$10 Copay	Up to \$45	\$10 Copay	Up to \$45
Contact Lens Fitting and Evaluation	\$60 max copay		\$60 max copay		\$60 max copay	
Frequency:	Every calendar year		Every calendar year		Every calendar year	
Lenses						
Single Vision Lenses	\$10 Copay	Up to \$30	\$25 Copay	Up to \$30	\$25 Copay	Up to \$30
Lined Bifocal Lenses	\$10 Copay	Up to \$50	\$25 Copay	Up to \$50	\$25 Copay	Up to \$50
Lined Trifocal Lenses	\$10 Copay	Up to \$65	\$25 Copay	Up to \$65	\$25 Copay	Up to \$65
Lenticular	\$10 Copay	Up to \$100	\$25 Copay	Up to \$100	\$25 Copay	Up to \$100
Frequency:	Every calendar year		Every calendar year		Every calendar year	
Frames						
Retail Frame Allowance:	\$130 Allowance	Up to \$70	\$150 Allowance	Up to \$70	\$130 Allowance	Up to \$70
Frame up to plan allowance, then 20% off overage: In-network						
Frequency:	Every other calendar year		Every other calendar year		Every other calendar year	
Contact Lenses <i>In lieu of eyeglass benefit, material copay applies to NCL.</i>						
Elective Contact Lenses (ECL)	\$130 Allowance	Up to \$105	\$130 Allowance	Up to \$105	\$130 Allowance	Up to \$105
Medically Necessary (NCL)-Prior Auth	\$10 Copay	Up to \$210	\$25 Copay	Up to \$210	\$25 Copay	Up to \$210
Frequency:	Every calendar year		Every calendar year		Every calendar year	
Non Covered Lens Enhancements						
Anti-Reflective, Progressive, Polycarbonate Lenses and Other Add-Ons & Services	25% Avg savings on in-network lens options	N/A	25% Avg savings on in-network lens options	N/A	25% Avg savings on in-network lens options	N/A
Monthly Rates						
	Current	2017 & 2018				
Employee Only	\$8.21	\$9.18	\$8.95		\$8.78	
Employee + One	\$13.06	\$14.60	\$14.24		\$13.97	
Employee + Family	\$17.89	\$20.00	\$19.50		\$19.14	

Commissions = Flat 1.5%

RENEWAL ACCEPTANCE

To renew your contract with VSP and ensure continuous service, please have the appropriate representative review this information, sign and return this Renewal Agreement to the address or email below. VSP produces your Plan Policy upon receipt of your confirmation of renewal. Your new Plan Policy may contain some provisions that are changed from those in your current Policy, so you should review the new Policy carefully upon receipt. Please file this Agreement with your VSP contract as it serves as your notice of renewal.

Polly Claney
 Market Director
 2 CityPlace Drive, Suite 200
 St. Louis, MO 63141
 314.991.6881 Phone / polly.claney@vsp.com

By: _____
 Title: _____
 Date: _____

Please circle renewal option

VSP Proprietary & Confidential

VISION SERVICE PLAN OF ILLINOIS, NFP
3333 QUALITY DRIVE
RANCHO CORDOVA, CALIFORNIA 95670
(800) 852-7600

CLIENT VISION CARE POLICY

Client Name

Policy Number

State of Delivery ILLINOIS

Effective Date

Policy Period

In consideration of the statements and agreements contained in the Client Application, if applicable, and in consideration of payment by the Client of the premiums as herein provided, VISION SERVICE PLAN OF ILLINOIS, NFP ("VSP") agrees to insure certain individuals under this Client Vision Care Policy ("Policy") for the benefits provided herein, subject to the exceptions, limitations and exclusions hereinafter set forth. This Policy is delivered in and governed by the laws of the state of delivery and is subject to the terms and conditions recited on the subsequent pages hereof, including any Exhibits or state-specific Addenda, which are a part of this Policy.

Kate Renwick-Espinosa, President

SAMPLE

VISION SERVICE PLAN OF ILLINOIS, NFP
CLIENT VISION CARE POLICY
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I.

TERM, RENEWAL AND TERMINATION

1.01. **Term:** This Policy shall commence on the Effective Date noted on the front page of this Policy, and shall remain in effect for the Policy Period, also noted on the front page of this Policy.

1.02. **Renewal:**

(a) VSP shall issue written renewal notice to the Client at least sixty (60) days before the end of the Policy Term and this Policy shall be automatically renewed for an additional period of time and at premium rate(s) specified in such notice. Such renewal shall take effect, without any lapse in coverage, on the first calendar day following the last day of the Policy Term described herein. Client may refuse renewal by notifying VSP in writing at least thirty (30) days prior to renewal.

1.03. **Termination:**

(a) This Policy may be terminated by either the Client or VSP upon expiration of a Policy Period as set forth in paragraph 1.02.

(b) This Policy may also be terminated by VSP immediately upon written notice, if Client fails to:

(i) Pay premiums by the dates defined in paragraph 3.04.

(ii) Report a material change in accordance with paragraph 3.03.

(c) If Client terminates this Policy as of any date other than the end of the Policy Period, such termination will be treated by VSP as a breach by Client.

(d) If this Policy is terminated under paragraph 1.03(b) or (c), coverage is terminated and VSP is released from all obligations of this Policy, effective as of the termination date (except for preexisting obligations specifically set forth in Section 1.03 (e), below). Client will remain liable to VSP for the lesser amount of any deficit incurred by VSP or the payments which Client would have paid for the remaining term of this Policy, not to exceed one year. A deficit incurred by VSP will be calculated by subtracting the cost of incurred and outstanding claims, as calculated on an incurred date basis with a claim run-out not to exceed six months from the date of termination, from the net premiums received by VSP from Client. Net premiums shall mean premiums paid by Client minus any applicable retention amounts and/or broker

commissions. Client shall also be responsible for any legal and/or collection fees incurred by VSP to collect amounts due under this Policy.

SAMPLE

(e) If this Policy is terminated for any cause as stated in this section 1.03, VSP is not required to pay for services provided after such termination date, except for any outstanding, unexpired benefit that is authorized before termination, or any other claim obligations that arose prior to termination.

SAMPLE

II.

OBLIGATIONS OF VSP

2.01. Coverage of Covered Person: VSP will enroll for coverage, as directed by Client, each eligible Enrollee and his/her Eligible Dependents (if dependent coverage is provided), all of whom shall be referred to upon enrollment as "Covered Persons." To institute coverage, VSP may require Client to complete, sign and forward to VSP a Client Application along with information regarding Enrollees and Eligible Dependents, and all applicable premiums.

Following the enrollment of the Covered Persons, VSP will provide Client with an Evidence of Coverage for distribution to Covered Persons by Client. Such Evidence of Coverage and Member Benefit Summaries will summarize the terms and conditions set forth in this Policy.

2.02. Administration of Plan Benefits: Through VSP Preferred Providers (or through other licensed vision care providers where a Covered Person is eligible for, and chooses to receive Plan Benefits from, an Open Access Provider) VSP shall provide Covered Persons such Plan Benefits listed in the Schedule of Benefits (Exhibit A(s)) and when purchased by Client, the Additional Benefit Rider (Schedule C(s)) attached hereto, subject to any limitations, exclusions, or Copayments therein stated. VSP Preferred Providers have agreed to accept payments for services with no additional billing to the Covered Person other than Copayments, applicable tax, co-insurance and any amounts for non-covered services and/or materials.

A Benefit Authorization must be obtained before a Covered Person can use Plan Benefits from a VSP Preferred Provider. When a Covered Person seeks Plan Benefits from a VSP Preferred Provider, the Covered Person must schedule an appointment and identify himself/herself as a VSP Covered Person so the VSP Preferred Provider can obtain a Benefit Authorization from VSP. VSP shall provide a Benefit Authorization to the VSP Preferred Provider to authorize the administration of Plan Benefits to the Covered Person. Each Benefit Authorization will contain an expiration date and must be used by the Covered Person to obtain Plan Benefits prior to the date the Benefit Authorization expires. VSP shall issue Benefit Authorizations in accordance with the latest eligibility information furnished by Client and the Covered Person's past service utilization, if any. Any Benefit Authorization so issued by VSP shall constitute a certification to the VSP Preferred Provider that payment will be made to VSP Preferred Provider, irrespective of a later loss of eligibility of the Covered Person, as long as Plan Benefits are utilized prior to the Benefit Authorization expiration date.

VSP shall pay or deny claims for Plan Benefits provided to Covered Persons, less any applicable Copayment, within a reasonable time but not more than thirty (30) calendar days after VSP receives a completed claim, unless special circumstances require additional time. In such cases, VSP may obtain an extension of fifteen (15) calendar days by providing notice to the claimant of the reasons for the extension.

2.03. Open Access Provider Services: When Covered Persons elect to utilize the services of an Open Access Provider, benefit payments for services from such Open Access Provider will be determined according to the Plan's Open Access Provider benefit fee schedule if Open Access Provider reimbursement is available. COVERED PERSONS MAY BE LIABLE FOR MORE THAN THE COPAYMENT. The Open Access Provider may bill Covered Persons for that Provider's standard rates, regardless of the amount of VSP's Plan Benefits. If Covered Person is eligible for and obtains Plan Benefits from an Open Access Provider, Covered Person remains liable for the provider's full fee. Covered Person will be reimbursed by VSP in accordance with the Open Access Provider reimbursement schedule shown on the attached Schedule of Benefits (Exhibit A (s)) and Additional Benefit Rider (Schedule C(s)) (if purchased by Client), less any applicable Copayments.

2.04. Information to Covered Persons: Upon request, VSP shall make available to Covered Persons necessary information describing Plan Benefits and instructions for use. A copy of this Policy shall be provided to Client and will be made available at the offices of VSP for any Covered Persons. Covered Persons may obtain information on VSP's Preferred Providers through VSP's website at , VSP's Customer Care toll-free number (1-800-877-7195), or by written request. If Client supplies email addresses of Covered Persons to VSP, VSP may use the email addresses to communicate information to Covered Persons about their vision benefits.

2.05. Preservation of Confidentiality: VSP shall hold in strict confidence all Confidential Matters and exercise its best efforts to prevent any of its employees, VSP Preferred Providers, or agents, from disclosing any Confidential Matter, except to the extent that such disclosure is permitted or required under 45 CFR Part 160, 162 and 164 ("HIPAA Privacy Rule") and in accordance with applicable law.

2.06. Urgent Vision Care: When vision care is necessary for Urgent Conditions, Covered Persons may obtain Plan Benefits by contacting a VSP Preferred Provider or Open Access Provider, if Open Access benefits are available. Services for conditions of a medical nature are covered by VSP only under supplemental eyecare plans. If Client purchased one of these plans, such coverage will be evidenced in an Additional Benefit Rider (Schedule C). If Client has not purchased one of these plans, Covered Persons are not covered by VSP for such services and should contact a physician under Covered Persons' medical insurance plan for care.

For situations of a non-medical nature, such as lost, broken or stolen glasses, Covered Person should call VSP's Customer Care toll-free number (1-800-877-7195) for assistance. Reimbursement and eligibility are subject to the terms of this Policy.

2.07. Coordination of Benefits: Unless otherwise agreed to by Client and VSP, the following rules governing coordination of benefits shall apply. When VSP is the primary insurer, it will pay benefits according to the terms of this Policy, subject to any applicable state or federal codes, statutes or regulations. When VSP is the secondary insurer, it will coordinate those vision care services and materials that were considered by the primary insurer as allowable expenses. VSP will pay the lesser of:

- a) The normal Plan Benefit, in the absence of other coverage, or
- b) The remaining balance up to Covered Person's Plan Benefits, not to exceed the billed amount.

III.

OBLIGATIONS OF CLIENT

3.01. **Identification of Eligible Enrollees**: An Enrollee is eligible for coverage under this Policy if he/she satisfies the enrollment criteria specified by the Client, and in accordance with applicable state and federal law. Client shall provide VSP with required eligibility information, in a mutually agreed upon timeframe, format and medium, to identify all Enrollees who are eligible for coverage under this Policy.

3.02. **Retroactive Eligibility Terminations**: Retroactive eligibility changes are limited to the month in which notification is received by VSP, plus two prior months. VSP may refuse retroactive termination of a Covered Person if Plan Benefits have been obtained by, or authorized for, the Covered Person after the effective date of the requested termination.

3.03. **Change of Client Composition**: Client's percentage of Enrollees covered under the Policy as well as Client's contribution and eligibility requirements are factors used to determine rates and are considered material to VSP's obligations under this Policy. During the term of this Policy and in accordance with section 1.03, Client must provide VSP with written notification of any changes that will significantly impact utilization of the benefits and such changes must be agreed upon by VSP. Nothing in this section shall limit Client's ability to add Enrollees or Eligible Dependents under the terms of this Policy.

3.04. **Payment of Premiums**: Upon receipt of VSP's billing statement, Client shall remit to VSP the premiums as set forth in Exhibit B. The premiums set forth in Exhibit B shall remain in effect for the term of this Policy unless the Client requests a change in the Schedule of Benefits and/or Additional Benefits Rider (if purchased by Client), or there is a material change in Policy terms or conditions, provided any such change is mutually agreed upon in writing by VSP. Client premium payments are due upon receipt of VSP's billing statement and shall become delinquent after thirty-one (31) days. If the premium payment remains unpaid the coverage may be cancelled and the Client will be responsible for payment for all Plan Benefits provided to Covered Persons. Client shall also be responsible for any legal and/or collection fees incurred by VSP to collect amounts due under this Policy.

3.05. **Distribution of Required Materials**: Client shall provide to Enrollees any materials required by any regulatory authority, within the timeframe required under applicable law.

3.06. **Communication Materials:** Communication materials created by Client which relate to this Vision Care Policy may be submitted to VSP for review and approval. VSP's review of such materials shall be limited to approving the accuracy of Plan Benefits and shall not encompass or constitute certification that Client's materials meet any applicable legal or regulatory requirements including, but not limited to, ERISA requirements. In the event of any dispute between the communication materials and this Policy, the provisions of this Policy shall prevail.

SAMPLE

IV.

OBLIGATIONS OF COVERED PERSONS UNDER THE POLICY

4.01. **General**: This Policy provides coverage for Client's Enrollees. If Client offers dependent coverage, this Policy will also cover Enrollees' Eligible Dependents. This Policy may be amended or terminated by agreement between VSP and Client without the consent or concurrence of Covered Persons. This Policy with any and all Exhibits and/or attachments constitutes the entire obligation of VSP to Covered Persons.

4.02. **Copayments for Services Received**: Any Copayments required under this Policy shall be the personal responsibility of the Covered Person receiving Plan Benefits. Copayments are to be paid at the time services are rendered or materials ordered. Amounts which exceed Plan allowances, annual maximum benefits or any other stated Plan limitations are not considered Copayments but are also the responsibility of the Covered Person.

4.03. **Obtaining Services from VSP Preferred Providers**: To utilize Plan Benefits, Covered Persons must select a VSP Preferred Provider, schedule an appointment and inform the doctor's office that they are Covered Persons of VSP. The VSP Preferred Provider will contact VSP to obtain a Benefit Authorization. If a Covered Person receives Plan Benefits from a VSP Preferred Provider without a Benefit Authorization, any services or materials received from the doctor will be treated as benefits from an Open Access Provider.

4.04. **Open Access Provider Benefits**: If required by state law, or if purchased by Client, this Policy provides Plan Benefits for services and materials received from Open Access Providers. Covered Persons or Open Access Providers may submit requests for reimbursement to VSP. VSP will pay available Plan Benefits to Covered Persons, or directly to Open Access Providers when claims include a valid Assignment of Benefits. VSP may deny any claims received after three hundred sixty-five (365) calendar days from the date services are rendered and/or materials provided.

4.05. Complaints and Grievances: Complaints and grievances may be submitted by Covered Persons to VSP in writing, by telephone, online or through Covered Persons' VSP Preferred Providers, as explained in the Evidence of Coverage for this Policy. VSP will resolve all complaints and grievances within thirty (30) calendar days following receipt unless special circumstances require an extension of time. Where such extension is required, VSP will resolve all complaints and grievances as soon as possible, but not later than one hundred twenty (120) calendar days after receipt. If VSP determines that a complaint or grievance cannot be resolved within thirty (30) calendar days, it will notify Covered Person of the expected resolution date. VSP will notify Covered Person in writing of the final resolution of all complaints and grievances.

4.06. Claim Denial Appeals: If a claim is denied in whole or in part, under the terms of this Policy, a request may be submitted to VSP by Covered Person or Covered Person's authorized representative for a full review of the denial. Covered Person may designate any person, including their provider, as their authorized representative. References in this section to "Covered Person" include Covered Person's authorized representative, where applicable.

a) Initial Appeal: All requests for review must be made within one hundred eighty (180) calendar days following denial of a claim. The Covered Person may review, during normal business hours, any documents held by VSP pertinent to the denial. The Covered Person may also submit written comments or supporting documentation concerning the claim to assist in VSP's review. VSP's response to the initial appeal, including specific reasons for the decision, shall be communicated to the Covered Person within thirty (30) calendar days after receipt of the request for the appeal.

b) Second Level Appeal: If Covered Person disagrees with the response to the initial appeal of the denied claim, Covered Person has the right to a second level appeal. A request for a second level appeal must be submitted to VSP within sixty (60) calendar days after receipt of VSP's response to the initial appeal. VSP shall communicate its final determination to Covered Person within thirty (30) calendar days from receipt of the request, or as required by any applicable state or federal laws or regulations. VSP's communication to the Covered Person shall include the specific reasons for the determination.

c) **Other Remedies:** When Covered Person has completed the appeals stated herein, additional voluntary alternative dispute resolution options may be available, including mediation or arbitration. Additional information is available from the U. S. Department of Labor or the insurance regulatory agency for Covered Persons' state of residency. Additionally, under the provisions of ERISA (Section 502(a) (1) (B) [29 U.S.C. 1132(a) (1) (B)], Covered Person has the right to bring a civil action when all available levels of reviews, including the appeal process, have been completed. ERISA remedies may apply in those instances where the claims were not approved in whole or in part as the result of appeals under this Policy and Covered Person disagrees with the outcome of such appeals.

4.07. **Time of Action:** No action in law or in equity shall be brought to recover on this Policy prior to the Covered Person exhausting his/her rights under this Policy and/or prior to the expiration of sixty (60) calendar days after the claim and any applicable documentation has been filed with VSP. No such action shall be brought after the expiration of any applicable statute of limitations, in accordance with the terms of this Policy.

4.08. **Insurance Fraud:** Any Covered Person who intends to defraud, knowingly facilitates a fraud, submits a claim containing false or deceptive information, or who commits any other similar act as defined by applicable state or federal law, is guilty of insurance fraud. Such an act is grounds for immediate termination of the coverage under this Policy of the Covered Person committing such fraud.

V.

CONTINUATION OF COVERAGE

5.01. **COBRA**: If, and only to the extent, COBRA applies to the parties to this Policy, VSP shall make the required COBRA continuation coverage available to Covered Persons in accordance with the provisions of COBRA.

5.02. **Replacement Coverage**: VSP reserves the right to offer replacement VSP coverage to individuals whose previous VSP coverage has terminated or is subject to termination. Any such offer of replacement coverage shall be separate and distinct from, and not in lieu of, any COBRA-required offer of continuation coverage.

SAMPLE

VI.

DISPUTE RESOLUTION

6.01. **Dispute Resolution:** VSP and Client agree that all disputes arising out of or relating to this Policy shall be resolved, wherever possible, through mediation. When such negotiation is not successful, both parties agree to try in good faith to settle disputes by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. All efforts shall be made by both parties to avoid arbitration, litigation, or other dispute resolution procedures.

6.02. **Choice of Law:** If any matter arises in connection with this Policy which becomes the subject of arbitration or legal process, the law of the State of Delivery of this Policy shall be the applicable law.

SAMPLE

VII.

NOTICES

7.01. **Notices:** Any notices required under this Policy to either Client or VSP shall be in written format. Notices sent to the Client will be sent to the address or email address shown on the Client's Application unless otherwise directed by Client. Notices to VSP shall be sent to the address shown on the front page of this Policy. Notwithstanding the above, any notices may be hand-delivered by either party to an appropriate representative of the other party. The party effecting hand-delivery bears the burden to prove delivery was made, if questioned.

SAMPLE

VIII.

STANDARD PROVISIONS

8.01. **Entire Agreement**: This Policy, the Client Application, the Evidence of Coverage, and all Exhibits and attachments hereto, constitute the entire agreement of the parties and supersede any prior understandings and agreements between them, either written or oral. Any change or amendment to this Policy must be mutually agreed upon by both VSP and Client. No agent has the authority to change this Policy or waive any of its provisions. Communication materials prepared by Client for distribution to Enrollees do not constitute a part of this Policy.

8.02. **Indemnity**: VSP agrees to indemnify, defend and hold harmless Client, its shareholders, directors, officers, agents, employees, successors and assigns from and against any and all liability, claim, loss, injury, cause of action and expense (including defense costs and legal fees) of any nature whatsoever arising from the failure of VSP, its officers, agents or employees, to perform any of the activities, duties or responsibilities specified herein. Client agrees to indemnify, defend and hold harmless VSP, its members, shareholders, directors, officers, agents, employees, successors and assigns from and against any and all liability, claim, loss, injury, cause of action and expense (including defense costs and legal fees) of any nature whatsoever arising or resulting from the failure of Client, its officers, agents or employees to perform any of the duties or responsibilities specified herein.

8.03. **Liability**: VSP arranges for the provision of vision care services and materials through agreements with VSP Preferred Providers. VSP Preferred Providers are independent contractors and are responsible for exercising independent judgment. VSP does not itself directly furnish vision care services or supply materials. Under no circumstances shall VSP or Client be liable to each other for the negligence, wrongful acts or omissions of any doctor, non-VSP owned laboratory, or any other person or organization performing services or supplying materials in connection with this Policy.

8.04. **Assignment**: Neither this Policy nor any of the rights or obligations of either of the parties hereto may be assigned or transferred without the prior written consent of both parties hereto, except as expressly authorized herein.

8.05. **Severability**: Should any provision of this Policy be declared invalid, the remaining provisions shall remain in full force and effect.

8.06. **Governing Law**: This Policy shall be governed by and construed in accordance with applicable federal and state law. Any provision that is in conflict with, or not in conformance with, applicable federal or state statutes or regulations is hereby amended to conform with the requirements of such statutes or regulation, now or hereafter existing.

8.07. **Gender**: All pronouns used herein are deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity(ies) of the person(s) may require.

8.08. **Equal Opportunity**: VSP is an Equal Opportunity and Affirmative Action employer.

SAMPLE

IX.
DEFINITIONS

The key terms in this Policy are defined:

9.01. **ADDITIONAL BENEFIT RIDER**: The document, attached as Exhibit C to this Policy (when purchased by Client), which lists selected vision care services and vision care materials which a Covered Person is entitled to receive under this Policy. Additional Benefits are only available when purchased by Client in conjunction with a Plan Benefit offered under Exhibit A.

9.02. **ADMINISTRATIVE SERVICES PROGRAM**: A self insured vision care plan whereby Client pays VSP for the Plan Benefits in addition to a monthly administrative fee.

9.03. **ASSIGNMENT OF BENEFITS**: A written order signed by a Covered Person eighteen (18) years of age or older and included with each claim, directing VSP to pay available Plan Benefits to a named Open Access Provider.

9.04. **BENEFIT AUTHORIZATION**: A process used to confirm eligibility of an individual named as a Covered Person of VSP, and identifying those Plan Benefits to which Covered Person is entitled.

9.05. **CLIENT**: An employer or other entity which contracts with VSP to provide coverage under this Policy for its Enrollees and their Eligible Dependents.

9.06. **CLIENT APPLICATION**: The form signed by an authorized representative of the Client to apply for Enrollee coverage under this Policy.

9.07. **COBRA**: The Consolidated Omnibus Budget Reconciliation Act of 1985.

9.08. **COMPLAINTS and grievances**: Disagreements regarding access to care, quality of care, treatment or service.

9.09. **CONFIDENTIAL MATTER**: All confidential information concerning the medical, personal, financial or business affairs of Covered Persons acquired by VSP in the course of providing Plan Benefits hereunder.

9.10. **COORDINATION OF BENEFITS**: A procedure which allows more than one insurance plan to consider a Covered Person's vision care claims for payment or reimbursement.

9.11. **COPAYMENTS**: Those amounts required to be paid by or on behalf of a Covered Person for Plan Benefits which are not fully covered, and which are payable at the time services are rendered or materials ordered.

- 9.12. **COVERED PERSON:** An Enrollee or Eligible Dependent who meets Client's eligibility criteria and on whose behalf premiums have been paid to VSP, and who is covered under this Policy.
- 9.13. **ELIGIBLE DEPENDENT:** Any dependent of an Enrollee who meets the criteria for eligibility established by Client.
- 9.14. **ENROLLEE:** An employee or member of Client who meets the criteria for eligibility established by Client.
- 9.15. **EVIDENCE OF COVERAGE ("EOC"):** A summary of the provisions of this Policy, prepared by VSP and provided to Client for distribution to Enrollees by Client.
- 9.16. **OPEN ACCESS PROVIDER:** Any optometrist, optician, ophthalmologist or other licensed and qualified vision care provider who has not contracted with VSP to provide vision care services and/or vision care materials to Covered Persons of VSP.
- 9.17. **PLAN or PLAN BENEFITS:** The vision care services and vision care materials which a Covered Person is entitled to receive by virtue of coverage under this Policy.
- 9.18. **POLICY PERIOD:** The length of time this Policy is in effect, as shown on the front page of this Policy.
- 9.19. **RENEWAL DATE:** The date when this Policy shall renew or terminate if proper notice is given.
- 9.20. **RETENTION:** VSP's administrative fee deducted from net premiums paid by Client.
- 9.21. **RISK PROGRAM:** A fully insured vision care plan whereby VSP will calculate a rate per Enrollee to cover the cost of claims incurred and administrative costs. Under the arrangement, VSP assumes the risk of utilization exceeding the rate per Enrollee over the full Policy Term.
- 9.22. **SCHEDULE OF BENEFITS:** The document, attached as Exhibit A to this Policy, which lists the vision care services and vision care materials which a Covered Person is entitled to receive under this Policy.

9.23. **SCHEDULE OF PREMIUMS**: The document, attached as Exhibit B to this Policy, which defines the payments a Client is obligated to pay to VSP on behalf of a Covered Person to entitle him/her to Plan Benefits.

9.24. **STATE OF DELIVERY**: The State in which this Policy is being issued, delivered or renewed.

9.25. **TERMINATION**: Cancellation of the Policy as stated in Article I.

9.26. **URGENT CONDITION**: A condition with sudden onset and acute symptoms which requires the Covered Person to obtain immediate care; or an unforeseen occurrence calling for immediate action.

9.27. **VISION CARE POLICY or POLICY**: The Policy issued by VSP to a Client, under which the Client's Enrollees or members, and their Eligible Dependents, are entitled to become Covered Persons of VSP and receive Plan Benefits in accordance with the terms of such Policy. The Policy includes any and all Exhibits and/or attachments thereto.

9.28. **VSP PREFERRED PROVIDER**: An optometrist or ophthalmologist licensed and otherwise qualified to practice vision care and/or provide vision care materials who has contracted with VSP to provide Plan Benefits to Covered Persons of VSP.

SAMPLE

EXHIBIT A

SCHEDULE OF BENEFITS VSP Choice Plan®

GENERAL

This Schedule of Benefits lists the vision care services and materials to which Covered Persons of VISION SERVICE PLAN OF ILLINOIS, NFP("VSP") are entitled, subject to any Copayments and other conditions, limitations and/or exclusions stated herein, and forms a part of the Policy or Evidence of Coverage to which it is attached.

VSP Preferred Providers are those doctors that have agreed to participate in VSP's Choice Network.

ELIGIBILITY

The following are Covered Persons under this Plan, pursuant to eligibility criteria established by Client:

- Enrollee
- Legal Spouse or civil union partner of Enrollee
- Any unmarried child of Enrollee, including a natural child from the date of birth, child of a civil union, legally adopted child from the date of placement for adoption with the Enrollee, or other child for whom a court or administrative agency holds the Enrollee responsible.

Unmarried dependent children are covered up to age – or to age – if full-time students.

A dependent, unmarried child over the limiting age may continue to be eligible as a dependent if the child is incapable of self-sustaining employment because of mental or physical disability, and chiefly dependent upon Enrollee for support and maintenance.

PLAN BENEFITS VSP PREFERRED PROVIDERS

COPAYMENT

There shall be a Copayment of \$.00 for the examination payable by the Covered Person at the time services are rendered. If materials (lenses and frames) are provided, there shall be an additional \$.00 Copayment payable at the time the materials are ordered.

SAMPLE

COVERED SERVICES AND MATERIALS

EYE EXAMINATION- Covered in full* once every -- months**

Comprehensive examination of visual functions and prescription of corrective eyewear.

LENSES - Covered in full* once every -- months**

Lenses (Single, Lined Bifocal, Lined Trifocal or Lenticular)

Polycarbonate lenses are covered in full for dependent children up to age --.

SAMPLE

FRAMES - Covered up to the Plan allowance* once every -- months**

The VSP Preferred Provider will prescribe and order Covered Person's lenses, verify the accuracy of finished lenses, and assist Covered Person with frame selection and adjustment.

CONTACT LENSES

ELECTIVE

Elective Contact Lenses (materials only) are covered up to \$.00 once every -- months**

The Elective Contact Lens fitting and evaluation services are covered in full once every -- months, after a maximum \$.00 Copayment.

NECESSARY

Necessary Contact Lenses are covered in full* once every -- months**

Necessary Contact Lenses are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's VSP Preferred Provider.

Contact Lenses are provided in place of spectacle lens and frame benefits available herein.

*Less any applicable Copayment.

** beginning with the first date of service.

LOW VISION

Professional services for severe visual problems not correctable with regular lenses, including:

Supplemental Testing: Covered in full*.

-Includes evaluation, diagnosis and prescription of vision aids where indicated.

Supplemental Aids: 75% of VSP Preferred Provider's fee, up to \$1000.00*

*Maximum benefit for all Low Vision services and materials is \$1000.00 every two (2) years and a maximum of two supplemental tests within a two-year period.

Low Vision Services are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's VSP Preferred Provider.

EXCLUSIONS AND LIMITATIONS OF BENEFITS

Some brands of spectacle frames may be unavailable for purchase as Plan Benefits, or may be subject to additional limitations. Covered Persons may obtain details regarding frame brand availability from their VSP Member Doctor or by calling VSP's Customer Care Division at (800) 877-7195.

NOT COVERED

1. Services and/or materials not specifically included in this Schedule as covered Plan Benefits.
2. Plano lenses (lenses with refractive correction of less than $\pm .50$ diopter), except as specifically allowed under the SunCare enhancement, if purchased by Client.
3. Two pair of glasses instead of bifocals.
4. Replacement of lenses, frames and/or contact lenses furnished under this Plan which are lost or damaged, except at the normal intervals when Plan Benefits are otherwise available.
5. Orthoptics or vision training and any associated supplemental testing.
6. Medical or surgical treatment of the eyes.
7. Refitting of contact lenses after the initial (90-day) fitting period.
8. Contact lens modification, polishing or cleaning.
9. Local, state and/or federal taxes, except where VSP is required by law to pay.

SAMPLE

**REIMBURSEMENT SCHEDULE
OPEN ACCESS PROVIDERS**

COPAYMENT

There shall be a Copayment of \$.00 for the examination payable by the Covered Person at the time services are rendered. If materials (lenses and frames) are provided, there shall be an additional \$.00 Copayment payable at the time the materials are ordered.

COVERED SERVICES AND MATERIALS

EYE EXAMINATION: Up to \$.00* once every -- months**
Comprehensive examination of visual functions and prescription of corrective eyewear.

SPECTACLE LENSES

Single Vision Up to \$.00* once every -- months**

Bifocal Up to \$.00* once every -- months**

Trifocal Up to \$.00* once every -- months**

Lenticular Up to \$.00* once every -- months**

FRAMES: Covered up to \$.00* once every -- months**

CONTACT LENSES

Elective
Elective Contact Lenses are covered up to \$.00 once every -- months**

The Elective Contact Lens allowance applies to both the doctor's fitting and evaluation fees, and to materials.

Necessary

Necessary Contact Lenses are covered up to \$.00* once every -- months**

Necessary Contact Lenses are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's Doctor.

Contact Lenses are provided in place of spectacle lens and frame benefits available herein.

*Less any applicable Copayment.

** beginning with the first date of service.

LOW VISION

Professional services for severe visual problems not correctable with regular lenses, including:

Supplemental Testing: Up to \$125.00*.

-Includes evaluation, diagnosis and prescription of vision aids where indicated.

Supplemental Aids: 75% of VSP Preferred Provider's fee, up to \$1000.00*

*Maximum benefit for all Low Vision services and materials is \$1000.00 every two (2) years and a maximum of two supplemental tests within a two-year period.

Low Vision Services are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's VSP Preferred Provider.

SAMPLE

EXCLUSIONS AND LIMITATIONS OF BENEFITS

OPEN ACCESS PROVIDERS

- Exclusions and limitations of benefits described above for VSP Preferred Providers shall also apply to services rendered by Open Access Providers.
- Services from an Open Access Provider are in lieu of services from a VSP Preferred Provider.
- There is no guarantee that the amount reimbursed will be sufficient to pay the cost of services or materials in full.
- VSP is unable to require Open Access Providers to adhere to VSP's quality standards.

SAMPLE

PLAN BENEFITS AFFILIATE PROVIDERS

GENERAL

Affiliate Providers are providers of Covered Services and Materials who are not contracted as VSP Preferred Providers but who have agreed to bill VSP directly for Plan Benefits provided pursuant to this Schedule. However, some Affiliate Providers may be unable to provide all Plan Benefits included in this Schedule. Covered Persons should discuss requested services with their provider or contact VSP Customer Care for details.

COPAYMENT

There shall be a Copayment of \$.00 for the examination payable by the Covered Person at the time services are rendered. If materials (lenses, frames or Necessary Contact Lenses) are provided, there shall be an additional \$.00 Copayment payable at the time the materials are ordered. The Copayment shall not apply to Elective Contact Lenses.

COVERED SERVICES AND MATERIALS

EYE EXAMINATION- Covered in full* once every -- months**

Comprehensive examination of visual functions and prescription of corrective eyewear.

LENSES - Covered in full* once every -- months**

Spectacle Lenses (Single, Lined Bifocal, or Lined Trifocal)

Polycarbonate lenses are covered in full for dependent children up to age .

FRAMES - Covered up to the Plan allowance* once every -- months**

CONTACT LENSES

ELECTIVE

Elective Contact Lenses are covered up to \$ -- once every -- months**

The Elective Contact Lens allowance applies to materials only.

NECESSARY

Necessary Contact Lenses are covered up to \$ -- * once every -- months**

Necessary Contact Lenses are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's Doctor.

Contact Lenses are provided in place of spectacle lens and frame benefits available herein.

*Less any applicable Copayment.

**beginning with the first date of service.

LOW VISION

Professional services for severe visual problems not correctable with regular lenses, including:

Supplemental Testing: Up to \$ 125.00†

-Includes evaluation, diagnosis and prescription of vision aids where indicated.

Supplemental Aids: 75% of Affiliate Provider's fee up to \$1000.00†

†Maximum benefit for all Low Vision services and materials is \$1000.00 every two (2) years and a maximum of two supplemental tests within a two-year period

Low Vision Services are a Plan Benefit when specific benefit criteria are satisfied and when prescribed by Covered Person's Doctor.

EXCLUSIONS AND LIMITATIONS OF BENEFITS

1. Exclusions and limitations of benefits described above for VSP Preferred Providers shall also apply to services rendered by Affiliate Providers.
2. Services from an Affiliate Provider are in lieu of services from a VSP Preferred Provider or an Open Access Provider.
3. VSP is unable to require Affiliate Providers to adhere to VSP's quality standards.
4. Where Affiliate Providers are located in membership retail environments, Covered Persons may be required to purchase a membership in such entities as a condition of obtaining Plan Benefits.

SAMPLE

VISION SERVICE PLAN OF ILLINOIS, NFP (VSP)
SCHEDULE OF PREMIUMS
VSP Choice Plan®

VISION SERVICE PLAN OF ILLINOIS, NFP (“VSP”) shall be entitled to receive premiums for each month on behalf of each Enrollee and his/her Eligible Dependents, if any, in the amounts specified below.

\$
\$
\$
\$

NOTICE: The premium under this Policy is subject to change upon renewal (after the end of the initial Policy Term or any subsequent Policy Term), or upon change of the Schedule of Benefits or a material change in any other terms or conditions of the Policy.

SAMPLE

VISION SERVICE PLAN OF ILLINOIS, NFP
ADDENDUM TO
CLIENT VISION CARE POLICY
FOR THE STATE OF ILLINOIS

1. The following is added as paragraph (b) (iii) in Section 1.03:

“(iii) commits fraud or misrepresentation in respect to this Policy as stated in Section 4.08.”

2. The following is added after the last sentence of Section 2.02, Administration of Plan Benefits:

“Should claim payment exceed 30 days, VSP will pay interest to the VSP Preferred Provider at the rate of 9% per year from the 30th day after receipt of a complete claim to the date of late payment. Reimbursement to Enrollees for services received from an Open Access Provider will be pursuant to the Reimbursement Schedule, if any, attached to the Schedule of Benefits or Additional Benefit Rider.

SAMPLE

SAMPLE



CONSENT AGENDA ITEM NO. 7F

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of a Client Agreement with the Health Alliance Medical Plans (HAMP) for the calendar year 2017 which provides Local 49 Firefighters and fire pension retirees with this benefit.

RECOMMENDATION/MOTION: That the Agreement with Health Alliance Medical Plans and the associated insurance premiums be approved, effective January 1, 2017 and the Mayor and City Clerk be authorized to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Budget with adequate resources to support defined services and level of services.

BACKGROUND: The City of Bloomington has, according to collective bargaining agreements and policy provided an HMO health insurance option to its full time employees and retirees. For most employees and retirees beginning January of 2017 the HMO option will be provided through Blue Cross per a vote taken by Council on July 25, 2016 permitting the City to join the Intergovernmental Personnel Benefit Cooperative (IPBC). Currently, the City is still engaged in collective bargaining with the Firefighters Local 49 and they are the only group electing not to switch to the Blue Cross HMO in 2017. The wording in their collective bargaining agreement (Attachment 1) which expired in April 2015, specifically refers to the Health Alliance HMO as an insurance option. The union declined to make a change to the Blue Cross HMO while their contract is still open.

As a result, the City has obtained from its insurance consultant, A.J. Gallagher the following quote for the 2017 plan year so that this plan can be offered to Local 49 and fire pension retirees. This is a fully insured health plan which currently has 23 enrollees among Local 49 employees. No projections are shown for FY 18 because a date for Local 49 to change insurance plans has not yet been set although they have tentatively agreed to do so.

Health Alliance Medical Plan Monthly Premiums. Currently offered to all full-time employees. In 2017 only Local 49 Firefighters and Fire pension retirees will be able to enroll.

Enrollment Tier	Full Premiums Jan. 2016 – Dec 2016	Full Premiums Jan. 2017 – Dec 2017	Percent Change
Single	\$811.00	\$699.00	-13.8%
Employee + 1	\$1,593.00	\$1373.00	-13.8%
Family	\$2,204.00	\$1,900.00	-13.8%

Health Alliance Medical Plan Employee Monthly Premiums. Employees pay 25% of premium costs

Enrollment Tier	Jan. 2016 – Dec 2016	Jan. 2017 – Dec 2017	Percent Change
Single	\$202.75	\$174.75	-13.8%
Employee + 1	\$398.25	\$343.25	-13.8%
Family	\$551.00	\$475.00	-13.8%

Health Alliance Medical Plans – Projected City Cost

	Projected May 2016 – Dec 2016	Projected Jan 2017 – Dec. 2017	Projected FY 17
Average Enrollees	91*	23**	
Total Premium Cost	\$1,335,688	\$453,804	\$1,486,956
City Share of Premium Cost	\$921,688	\$340,353	\$1,035,140

*Current enrollment up through December 2016 which includes retirees and Bloomington Township Employees. **Projected Local 49 enrollments only.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None

FINANCIAL IMPACT: Employees in groups other than Local 49 who want an HMO option have enrolled in the Blue Cross HMO through IPBC. Local 49 has tentatively agreed during negotiations to change HMO options at some time after their contract is settled.

This item is budgeted for FY 2016/2017 in Health Alliance/HMO fund divisions 60200232 and 60280232.

Respectfully submitted for Council consideration.

Prepared by: Laurie Wollrab, Payroll and Benefits Manager

Reviewed by: Nicole R. Albertson, HR Director

Legal review by: Emily Reid Peterson, Outside Counsel, Sorling Northrup Attorneys at Law

Recommended by:



David A. Hales
City Manager

Attachments:

- Wording from Local 49 Collective Bargaining Agreement
- Sample Group Enrollment Agreement between Health Alliance Medical Plans and the City of Bloomington
- 2017 Premium Rates

Motion: That the Agreement with Health Alliance Medical Plans and the associated insurance premiums be approved, effective January 1, 2017 and the Mayor and City Clerk be authorized to execute the necessary documents.

facilities; provided, however, that the exercise of any of the above rights shall not conflict with any of the express written provisions of this Agreement.

ARTICLE 17 GROUP INSURANCE

The City of Bloomington provides more than one health plan for its members of Local 49. Since more than one plan is offered, the City will provide an annual period during which employees may choose to switch between health plans.

Employees covered under this Agreement may, select coverage under the Revised Preferred Provider (PPO) Plan or the Health Alliance Health Maintenance Organization (HMO) Plan. Effective January 1, 2012 the Plans will be replaced with the Wellness Plans.

- a) The City agrees to pay for all full-time employees 75% of the premium for single, employee-plus one and family coverage. (Example of Family Coverage Formula: Full family coverage premium X 75% equals City share; full family coverage premium X 25% equals employees share.)
- b) The City will offer a group dental insurance plan to Local 49. The City agrees to pay fifty percent (50%) of the dental insurance premium for employee coverage and fifty percent (50%) of the dental premium for dependent coverage.
- c) The City will offer a group vision insurance plan to its members of Local 49. The City agrees to pay fifty percent of the vision insurance premium for employee coverage and fifty percent (50%) of the vision insurance premium for dependent coverage.

**GROUP ENROLLMENT AGREEMENT
BETWEEN**

Health Alliance Medical Plans, Inc.

AND

CITY OF BLOOMINGTON

2016-01-01

Thru

2016-12-31

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GROUP ENROLLMENT AGREEMENT

THIS AGREEMENT, executed in duplicate, each of which shall be considered an original, is made and entered into between Health Alliance Medical Plans, Inc. (“Health Alliance”), an Illinois domestic stock insurance corporation, with its principal office at 301 South Vine Street, Urbana, Illinois 61801 and CITY OF BLOOMINGTON ; PO BOX 3157 BLOOMINGTON IL 617023157 (“Plan Sponsor”).

RECITALS

WHEREAS, Health Alliance is a domestic stock insurance corporation validly organized, duly authorized, and certified to do business in the State of Illinois to underwrite and issue health insurance products, including but not limited to, HMO, PPO and POS type products; and

WHEREAS, Plan Sponsor employs individuals or has members (“Eligible Participants as defined by Plan Sponsor”) for whom it desires to obtain coverage for health care services for said Eligible Participants and their eligible Dependents from Health Alliance in accordance with the terms and conditions of the health welfare benefit plan (“Plan”) established by the Plan Sponsor; and

WHEREAS, Health Alliance and Plan Sponsor desire to enter into an agreement by which Plan Sponsor will make available to said Eligible Participants as defined by Plan Sponsor and their eligible Dependents under the Plan the option of obtaining coverage for health care services through health insurance products issued by Health Alliance.

NOW, THEREFORE, in consideration of the promises, the above-stated recitals, which are incorporated herein by this reference, and other valuable consideration, the adequacy and receipt of which is hereby acknowledged, Health Alliance and Plan Sponsor agree as follows:

Section 1. GENERAL PURPOSE

1.1 The intent of this Agreement is to establish a harmonious relationship between Health Alliance and the Plan Sponsor in regard to making available to Eligible Participants the option of electing coverage for health care services under the terms and conditions of this Agreement and the health insurance products underwritten and issued by Health Alliance.

Section 2. DEFINITIONS

2.1 The definitions contained in Exhibit A, the health insurance product(s) offered by the Plan Sponsor and elected by Eligible Participants, together with any Description of Coverage Worksheet, Amendments and Riders attached thereto, (“Policy”), in effect from time-to-time and issued by Health Alliance to Eligible Participants who elect coverage under such health insurance product are incorporated herein by this reference and shall, for the purposes of this Agreement, have the same meaning and effect as set forth therein. True and correct copies of the

forms of the Policy presently in effect for the health insurance products to be offered by the Plan Sponsor to Eligible Participants under this Agreement are attached hereto and marked singularly or collectively as Exhibit “A”.

Pursuant to the Affordable Care Act (ACA) Uniform Summary of Benefits and Coverage (SBC) Final Rule, the SBC in effect for the health insurance product(s) offered by the Plan Sponsor to its Eligible Participants under this Agreement is attached hereto as Exhibit D.

Section 3. OBLIGATIONS OF PLAN SPONSOR

3.1 Plan Sponsor is the Administrator of the Plan.

3.2 Eligibility and Enrollment: Plan Sponsor shall make available to Eligible Participants the opportunity to elect coverage for health care services pursuant to the terms and conditions of the health insurance products issued by Health Alliance, identified in Exhibit “A” referred to in Section 2, and pursuant to the terms and conditions of the Eligibility and Enrollment Requirements that are attached hereto and marked as Exhibit “B” and which by this reference are both incorporated herein.

3.2.1 SBC: Under the ACA SBC Final Rule, Plan Sponsor shall provide SBC(s) at the time of its Eligible Participants’ initial enrollment application.

3.2.2. Electronic data submission: In the event Plan Sponsor transmits eligibility and enrollment data to Health Alliance electronically, Plan Sponsor or its designee shall comply with Exhibit “E” Trading Partner Agreement, which by this reference is incorporated herein.

3.3 Contribution Requirements: Plan Sponsor shall contribute towards the payment of the monthly premium for each Eligible Participant's coverage under the selected Policy an amount equal to or greater than the Health Alliance minimum employer contribution referred to in Exhibit “B”. Such contributions shall not financially discriminate against Eligible Participants electing coverage pursuant to the Policy and shall be proportionately equal to Plan Sponsor's contributions for Eligible Participants who elect other plans of coverage offered by Plan Sponsor.

3.4 Remittance of Premiums: Coverage under the Policy shall commence for each Member on the date specified in writing by the Plan Sponsor to Health Alliance, notwithstanding the fact that the day specified may not be the first day of a calendar month. Therefore in accordance with Exhibit “B,” Plan Sponsor shall collect and remit to Health Alliance the full monthly premiums on behalf of any Member for coverage under the Policy attached hereto as follows:

Coverage Effective Date:

1st - 15th day of the month

Premium Payment Due:

Full month of premium due on or before month coverage commences.

16th - 31st day of the month

No premium is billed or due for that month

Plan Sponsor shall collect and remit all monthly premiums for continuation coverage provided pursuant to this Agreement. Plan Sponsor shall not be obligated to remit premiums for continuation coverage of any Member in the event Plan Sponsor does not receive payment for the same from the Member. In the event Plan Sponsor does not receive timely payment of said premium from the Member, Plan Sponsor shall send written notice to Health Alliance of Member's termination of continuation coverage.

All premiums, including those for continuation coverage, shall be due on the first day of each month commencing with the effective date of this Agreement. If the premium for any Member is not paid within thirty-one (31) days after it becomes due, the Member's coverage under the Policy shall be terminated as of that date or as otherwise may be provided by law. During this 31 day grace period, Plan Sponsor will remain liable for payment of premium for the time group coverage was in effect.

3.5 Termination and Premium Remittance: For a Member whose coverage under the Policy is terminated because of termination of employment or membership, relocation outside of the Service Area, change in status as a Dependent, divorce or legal separation from a Member, death of a Member, becoming entitled to Title 18 Social Security Benefits, or otherwise, and the Member does not elect continuation coverage, Plan Sponsor shall not be required to collect and remit monthly premiums on behalf of such a Member, if the effective date of coverage termination occurs on or between the first (1st) and the fifteenth (15th) day of a calendar month. If the effective date of Termination occurs on or between the sixteenth (16th) and the thirty-first (31st) day of a calendar month, Plan Sponsor shall remit to Health Alliance the full monthly premium on behalf of the Member for that month on or before 1st day of the month in which coverage terminates.

3.6 Effective Dates of Coverage and Termination: Plan Sponsor shall, within ninety (90) days of the date coverage commences and/or terminates for each Member under the applicable Policy, send written notice to Health Alliance of the effective date of each of such events. Health Alliance shall be entitled to rely on such notice as the warranty of Plan Sponsor and its representatives concerning the effective date of commencement and termination of the Member's coverage. Plan Sponsor shall not be entitled to receive a refund of any portion of a premium paid to Health Alliance as a result of Plan Sponsor's failure to accurately notify Health Alliance, in writing, of the effective date of termination of the Eligible Participant's employment or membership.

3.7 Continuation Coverage Notice to Members: Upon the occurrence of a qualifying event, as defined in the Consolidated Omnibus Budget Reconciliation Act (COBRA), Public Law 99-272, (29 U.S.C. Section 1161, et seq.) as amended from time-to-time, and as defined in the Illinois Insurance Code (215 ILCS 5/), the Plan Sponsor shall provide to each Member notice of the Member's right to elect continuation coverage pursuant to the provisions of COBRA and/or state continuation. Continuation coverage is subject to timely provision of election notices by the Plan Sponsor to the Member.

3.8 **Notice of Termination of Agreement:** Plan Sponsor shall promptly notify Health Alliance of the occurrence of any of the following events, which constitute “causes” for termination of this Agreement under Section 8.2:

- (i) dissolution of the Plan Sponsor, by operation of law or otherwise;
- (ii) Plan Sponsor withdrawing its business, or a portion thereof, from the Service Area and no longer maintaining business activities within the Service Area utilizing full-time active employees.

3.9 **Continuation of Coverage For Non-Renewal of Contract After Termination of Agreement:** Notwithstanding any other provision of this Agreement to the contrary, a Member’s right to elect or receive continuation coverage under the terms of this Agreement shall not survive the termination of this Agreement. Continuation coverage for Members who elected such coverage prior to the termination of this Agreement shall terminate upon the effective date of the termination of this Agreement. Plan Sponsor shall provide notice to each Member who has elected continuation coverage under the terms of this Agreement of the effective date of termination and of the Members’ rights to elect conversion coverage thereafter pursuant to the provisions of COBRA.

3.10 **Member Non-Liability:** In no event, including but not limited to, nonpayment by Health Alliance under this Agreement, Health Alliance’s insolvency, or breach of this Agreement by Health Alliance, shall Plan Sponsor seek any type of payment from, bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against any Member, persons acting on the Member’s behalf (other than Health Alliance), if any, for services provided pursuant to this Agreement, except for applicable premiums.

3.11 Plan Sponsor shall provide its tax ID number and its total number of employees on the Exhibit B, which is required for Health Alliance to perform its obligations as a Responsible Reporting Entity to the Centers for Medicare and Medicaid Services. Plan Sponsor shall provide employee social security numbers, which is also required for Health Alliance to perform its obligations as a Responsible Reporting Entity to the Centers for Medicare and Medicaid Services.

3.12 Plan Sponsor shall have no obligation with respect to the Policy or with respect to the health care services described therein, except to the extent of its obligation under this Agreement.

Section 4. OBLIGATIONS OF HEALTH ALLIANCE

4.1 **Acceptance for Enrollment:** Health Alliance shall accept for enrollment Plan Sponsor’s Eligible Participants as set forth in Exhibit “B” attached hereto.

4.1.1 **Electronic data submission:** In the event Plan Sponsor transmits eligibility and enrollment data to Health Alliance electronically, Health Alliance shall accept such electronic transmission and shall comply with Exhibit “E” Trading Partner Agreement, which by this reference is incorporated herein.

4.2 **Health Care Services Pursuant to Policy:** Commencing with the effective date of this Agreement set forth in Section 8.1, Health Alliance shall arrange for and/or pay for covered health care services described in the Policy issued by Health Alliance to Eligible Participants, and as amended by Health Alliance from time-to-time during the terms of this Agreement. Health Alliance's obligation to arrange for and/or pay for covered health care services under the respective Policy shall also be subject to the limitations, copayments, coinsurance or deductible amounts set forth in Exhibit "A", and eligibility requirements set forth in Exhibit "B."

4.2.1 Health Alliance does not deliver services to Members. Health Alliance has undertaken through its various products to arrange for and/or pay for the coverage of health care services to Members and has entered into agreements with various health care providers for the purpose of providing and delivering health care services to Members entitled to such services under the terms and conditions of the Policy. Among the provisions of these agreements is the reimbursement of the health care providers for the cost of the health care services delivered and provided to Members. Health Alliance and the health care providers are independent contractors with each responsible for the performance of their respective duties under the contracts. The decision to receive or decline any health care service is the sole responsibility of the Member, the Member's legal guardian or the Member's authorized representative.

4.2.2 Health Alliance has provided in its agreements with the providers with whom it contracts "Providers" (referred to as Participating Providers or Preferred Providers) that in the event of Health Alliance's insolvency or other cessation of operations, the Providers will provide Medically Necessary covered services to Members through the period for which a premium has been paid to Health Alliance. Providers will provide Medically Necessary covered services to Members confined in an inpatient facility on the date of insolvency or other cessation of operations until their discharge.

4.2.3 Health Alliance has provided in its agreements with Providers that it will provide the Providers with initial information and adequate notice of change in benefits, copayments, and all operational policies and procedures with which Providers must comply as a condition of participation.

4.3 **Premium Payments:** Premium payments payable each month on behalf of Members for coverage under the respective Policy during the term of this Agreement as specified in Section 8.1, and any adjustments thereto, shall be as set forth in Exhibit "C", which is attached hereto, and by this reference is incorporated herein.

4.4 **Premium Changes:** Except as set forth below, Health Alliance will not increase the premiums for coverage of health care services described in the Policy issued to an Eligible Participant pursuant to their election of coverage hereunder during the term of this Agreement. Health Alliance may, at any time upon the occurrence of one or more of the following events, increase or decrease the premiums for coverage of health care services described in the Policy:

- (i) a change due to age as specified in the Exhibit "C"; or

- (ii) a change in the number of eligible Dependents as specified in Exhibit “C”;
or
- (iii) a change in Medicare status.

4.5 Premium Rate Changes: Except as set forth below, Health Alliance will not increase the premium rates during the term of this Agreement. Health Alliance may, at any time upon the occurrence of one or more of the following events, increase or decrease the premium rates set forth in Exhibit “C”:

- (i) the number of Eligible Participants changes by more than 20%; or
- (ii) a change in federal or state law that effects the level of health care services Health Alliance is required to provide under the Policy that results or may result in a change in the level of the cost of health care services to Health Alliance; or
- (iii) discovery subsequent to the date of this Agreement of information if known to Health Alliance at the time the Agreement was entered into would have materially affected the acceptance of the risk by Health Alliance; or
- (iv) a change in the demographic mix.

4.6 Forms: Health Alliance shall provide Plan Sponsor with all forms necessary for Plan Sponsor’s Eligible Participants to elect coverage for the health care services under the health insurance products identified in Exhibit “A” and to effectuate the other terms of this Agreement.

4.6.1 Health Alliance shall provide HIPAA-compliant certificates of creditable coverage to Members (HIPAA is the Health Insurance Portability and Accountability Act of 1996) and shall provide documentation to Plan Sponsor of such provision.

4.6.2 Pursuant to the ACA SBC Final Rule, Health Alliance shall provide to Plan Sponsor a SBC for each health insurance product issued by Health Alliance offered by the Plan Sponsor to its Eligible Participants. SBC(s) shall be provided to Plan Sponsor at least thirty (30) days prior to the end of the Agreement year. In the event this Agreement is not timely renewed as provided in Section 8.1, SBC shall be provided to Plan Sponsor no later than seven (7) business days after Plan Sponsor’s acceptance of Agreement renewal or receipt of written confirmation of intent to renew, whichever is earlier.

Health Alliance shall provide SBC(s) to Plan Sponsor’s Eligible Participants that have elected coverage both at renewal of this Agreement and at any applicable enrollment period as provided in Exhibit B.

Section 5. INELIGIBLE PARTICIPANTS

- 5.1 Persons not eligible to participate in Health Alliance through the Group are:
- (i) proprietors, partners, stockholders, directors and their relatives unless they are on the payroll and meet the hours worked and minimum employer contribution requirements;

- (ii) employees not included on the employer's payroll for Social Security and Federal Income tax withholding;
- (iii) former employees unless covered pursuant to COBRA or state continuation; or Group retiree coverage if applicable
- (iv) consultants, lawyers and individuals retained on an advisory basis;
- (v) agents and independent contractors;
- (vi) temporary or substitute employees; and
- (vii) if Dependent coverage is provided, individuals who do not meet the definition of Dependents as specified in the Policy.

5.2 Early retirees may be eligible as set forth in Exhibit "B." The Group must establish reasonable age and service requirements for retirees to be covered.

5.3 Plan Sponsor certifies the accuracy of Eligible Participant data passed to Health Alliance. Any claims incurred by a non-eligible participant are not the responsibility of Health Alliance.

5.4 During the term of this Agreement and for three years following the termination of this Agreement, Health Alliance reserves the right to inspect, evaluate and audit any pertinent contracts, books, documents, papers and records that pertain to eligibility for participation under this Agreement.

Section 6. LEGAL RELATIONSHIP BETWEEN PARTIES

6.1 **Independent Contractors:** Notwithstanding any of the provisions of this Agreement, each party is acting independently of the other in their respective capacities concerning the provisions of this Agreement; and further, this Agreement shall not be construed to mean that either of the parties is acting as the agent, employee or representative of the other, but, in fact, each party recognizes that it is acting in the capacity of an independent contractor concerning the obligations of each pursuant to this Agreement.

6.2 **No Implied Rights or Authority:** Neither Health Alliance or Plan Sponsor now has, or at any time in the future shall have, any express or implied rights or authority to assume or create any obligation or responsibility on behalf of, or in the name of, the other, unless such obligation or responsibility is mutually agreed to by the parties and is evidenced by an amendment in writing to this Agreement signed by both parties.

6.3 **ERISA Reporting:** Plan Sponsor shall prepare and file all reports required pursuant to the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001, et. seq.) and the United States Internal Revenue Code, as amended from time-to-time. If some or all of the information necessary to enable the Plan Sponsor to comply with the above-referenced requirements is maintained by Health Alliance, it shall provide that information to Plan Sponsor upon request.

Section 7. RIGHTS OF PARTIES AND MEMBERS

7.1 Nothing in this Agreement, whether expressed or implied, is intended to confer

any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subordination or action over or against any party to this Agreement.

7.2 The rights of each Member arise out of, and are subject to, the terms and provisions of the Policy issued to them by Health Alliance and not out of any of the terms or provisions of this Agreement.

7.3 Health Alliance is obligated by federal and state law to protect and keep confidential certain information it receives and/or maintains with respect to Members. Under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), the "Privacy Rule" protects all "individually identifiable health information" (protected health information [PHI]) held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper, or oral. Upon request, Health Alliance shall provide eligibility, enrollment, disenrollment information to Plan Sponsor and summary health information that does not identify an individual, for the purpose of 1) obtaining premium bids from other health plans for providing health insurance; or 2) modifying, amending or terminating the Plan. Additional PHI may be provided to Plan Sponsor or its authorized representative only 1) upon receipt of certification by Plan Sponsor that the Plan Sponsor is in full compliance with the Privacy Rule and that the Plan documents have been amended to incorporate the provisions outlined in the Privacy Rule; or 2) presentation by Plan Sponsor of an authorization signed by the Member or the Member's legal representative, which authorization is in a form acceptable to Health Alliance and which specifies the information to be released.

Section 8. TERM AND TERMINATION OF AGREEMENT

8.1 **Effective Date and Term:** The effective date of this Agreement shall be 2016-01-01, and the term shall extend to and include 2016-12-31, unless sooner canceled or terminated as provided for herein. At the end of the first year of this agreement and at the end of each year thereafter, this Agreement shall automatically be renewed for an additional one (1) year term, unless written notice by Plan Sponsor of its intent not to renew the Agreement is given at least ninety (90) days prior to the end of the Agreement year. Exhibits will be renewed each year in a like manner unless notice of any change in the Exhibits by either party is given to the other party at least thirty (30) days prior to the end of the Agreement year. Such amended Exhibits shall be attached hereto and by this reference incorporated herein.

8.2 **Termination for Cause:** This Agreement may be terminated by either party "for cause" by giving the other party thirty (30) days notice in writing of such intention to terminate this Agreement. For the purposes of this Paragraph, "termination for cause" is defined as termination for:

- (i) an intentional or willful violation of any of the provisions of this Agreement by a party;
- (ii) failure by a party to abide by all applicable state and federal laws and

- regulations that pertain to them;
- (iii) dissolution of the Plan Sponsor, by operation of law or otherwise;
- (iv) Plan Sponsor's current membership level falling below the minimum participation level as specified in Exhibit "C";
- (v) Plan Sponsor withdrawing its business, or a portion thereof, from the Service Area and no longer maintaining business activities within the Service Area utilizing full-time active employees.
- (vi) nonpayment of premiums, subject to the grace period provisions in accordance with Section 3.4

8.3 **Right to cure.** The Group agrees to continuously maintain the required participation level established in (iv) above and understands that if the required participation level is not maintained, the Group shall have sixty (60) days to cure the minimum participation level violation.

8.4 **Termination Due to Group Size:** This Agreement will terminate on the renewal date following the first day of the plan year in which the employer fails to have at least two (2) participants who are current employees.

Section 9. HEALTH ALLIANCE INSOLVENCY

9.1 Health Alliance has taken the following steps, in addition to the requirements of federal and state law applying to it relating to Member non-liability, to ensure in the event of its insolvency the provision to Members of the covered health care services to which they are entitled under the Policy issued to them by Health Alliance:

9.1.1 Health Alliance has in place and shall maintain at all times during the term of this Agreement the minimum capitalization and deposit requirements required by the provisions of the Illinois Insurance Code (215 ILCS 5/) and the Illinois Department of Insurance, and the federal Health Maintenance Organization Act of 1973 (Public Law 93-222);

9.1.2 Health Alliance has in place and shall maintain at all times during the term of this Agreement a policy of reinsurance covering the cost of claims in excess of the per Member per year amounts presently in force; and

9.1.3 Health Alliance shall timely pay all assessments tendered by the Illinois Health Maintenance Organization Guaranty Association during the term of this Agreement.

Section 10. AMENDMENTS OR ASSIGNMENTS

10.1 **Amendments:** Except as otherwise expressly set forth herein, including without limitations Section 10.1, 12.3 and 16.4, this Agreement shall not be amended, altered, changed or assigned at any time without the express written consent of each of the parties hereto and any such amendments of this Agreement shall be by written amendment signed by each of the parties

and made a part of this Agreement. The foregoing notwithstanding, Health Alliance shall have the right to amend this Agreement upon thirty (30) days notice to Plan Sponsor in order to conform the terms and provisions hereof to applicable state and federal law.

10.2 **Assignments:** The specific duties and obligations of the parties as set forth in this Agreement shall not be assigned or transferred to other persons or entities without the express written consent of both parties hereto, which written consent shall not be unreasonably withheld.

Section 11. NON-DISCRIMINATION

11.1 **Health Alliance:** Health Alliance shall not deny benefits on the basis of age, sex, race, ethnicity, religion, national origin, health status, physical or mental disability.

11.2 **Plan Sponsor:** Plan Sponsor shall not deny benefits on the basis of age, sex, race, ethnicity, religion, national origin, health status, physical or mental disability.

Section 12. APPLICABLE LAW AND DISPUTE RESOLUTION

12.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

12.2 For purposes of this Section, "Dispute" means any conflict, disagreement, demand or claim between Plan Sponsor and Health Alliance arising out of or related to the interpretation or application of this Agreement or breach thereof.

12.3 Disputes between the parties not otherwise resolved by other procedures described in this Agreement or informally resolved by the appropriate representatives of the parties within ninety (90) days of the date written notice of the Dispute is given by the complaining party to the other, or within such time as is mutually agreed upon by the parties in writing shall be subject to arbitration in accordance with the provisions hereof.

- a. If Plan Sponsor and Health Alliance do not reach a solution within the period of good faith dispute resolution described above, then, upon notice by either party to the other (the "Arbitration Demand"), the dispute shall be finally settled by binding arbitration administered by the American Health Lawyers Association Alternative Dispute Resolution Service ("AHLA Service") in accordance with its Rules of Procedure for Arbitration, except as modified by this provision. In the event the AHLA service is unwilling or unable to administer such arbitration, or if the parties agree then the arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Rules, except as modified by this provision. In connection with any arbitration hereunder, the following rules will apply:
 - i. Unless all parties to the arbitration agree otherwise, the arbitration shall be conducted by a single arbitrator who shall be chosen in accordance with the Rules of Procedure for Arbitration of the arbitration service chosen.
 - ii. The parties shall be entitled to reasonable discovery in connection with the

- arbitration including; (1) exchange of documents relevant to the dispute; (2) depositions, limited to (a) persons directly involved in the subject matter of the dispute employed by or under contract to Plan Sponsor (b) persons directly involved in the subject matter of the dispute employed by or under contract to Health Alliance; and (c) any expert witnesses who will testify on behalf of a party. Ordinarily, depositions shall be limited to a maximum of three persons per side (excluding experts), but the arbitrator may permit additional depositions upon a showing of good cause.
- iii. Absent a determination of the existence of extraordinary circumstances by the arbitrator, all discovery shall be completed within 120 days after the delivery of the Arbitration Demand. If all parties to the arbitration agree to mediation after an Arbitration Demand is served, the time expended in mediation shall not be counted towards the above discovery deadline.
 - iv. Absent a determination of the existence of extraordinary circumstances by the arbitrator, the arbitration proceedings shall be completed no later than 180 days after the delivery of the Arbitration Demand. Any motion permitted by the arbitrator shall be replied to by the other party within 10 days of the filing of the motion and ruled upon by the arbitrator within 20 days following the filing of the motion, whether or not a reply thereto has been filed. An award shall be issued within 30 days after the conclusion of the arbitration hearing.
 - v. The arbitration shall be held in Urbana, Illinois, or such other location as all parties agree.
 - vi. The arbitrator shall have authority to grant any remedy or relief that the arbitrator deems just or equitable, including but not limited to, money damages, specific performance, and/or injunctive relief, except that the arbitrator shall have no authority to award punitive or other damages not measured by the prevailing party's actual damages.
 - vii. The arbitrator shall award to the prevailing party, if any, as determined by the arbitration, all of its costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, attorneys' fees and expert witness fees.

12.4 Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties.

12.5 An arbitration provision in no way affects a party's ability to file a complaint with the Illinois Department of Insurance in connection with a claim or any other dispute. To contact the Department write to: Illinois Department of Insurance, Office of Consumer Health Insurance, 320 W. Washington Street, Springfield, Illinois 62767.

Section 13. INDEMNIFICATION

13.1 Plan Sponsor agrees to indemnify and hold harmless Health Alliance from any and all liability, loss, damage, claim or expense of any kind, including costs and attorneys' fees, that result from the failure of Plan Sponsor, its agents or employees to perform any of its duties and obligations under this Agreement.

13.2 Health Alliance agrees to indemnify and hold harmless Plan Sponsor from any and all liability, loss, damage, claim or expense of any kind, including costs and attorneys' fees, that result from the failure of Health Alliance, its agents or employees to perform any of its duties and obligations under this Agreement.

Section 14. NOTICES

14.1 Any notice required under the terms of this Agreement shall be sent by United States mail with postage prepaid thereon, addressed as follows:

CITY OF BLOOMINGTON	Health Alliance Medical Plans
Attn: Benefits Administrator	Attn: Marketing Department
PO BOX 3157	301 South Vine Street
BLOOMINGTON IL 617023157	Urbana, IL 61801-3347
	clientsupport@healthalliance.org

Notice sent by United States mail shall be effective upon the earlier of (i) receipt by the party to whom it is addressed or (ii) one (1) day after such notice is sent.

14.2 In the alternative, notice may be hand-delivered to the parties specified above at the address stated and the person delivering such notice shall obtain a written receipt specifying the date, time, place and to whom the notice was hand-delivered.

Section 15. ENTIRE CONTRACT

15.1 This Agreement constitutes the entire contract between Health Alliance and Plan Sponsor with respect to making available to Eligible Participants the option of electing coverage for health care services under the terms and conditions of this Agreement and the health insurance products underwritten and issued by Health Alliance. This Agreement supersedes any and all previous agreements, whether verbal or written, between the parties relating thereto. This Agreement may be changed, modified or amended only by a written agreement executed by Health Alliance and Plan Sponsor.

Section 16. MISCELLANEOUS

16.1 **Severability and Supervening Laws:** The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect any other provision hereof which shall remain in full force and effect. Except that the parties recognize that this Agreement at all times is to be subject to applicable state, local and federal law. The parties further recognize that

this Agreement shall be subject to amendment in such laws and regulations and to new legislation. Any provisions of the law that invalidate, or otherwise are inconsistent with, the terms of this Agreement or that would cause one or both of the parties to be in violation of law, shall be deemed to have superseded the terms of this Agreement, provided however, that the parties shall exercise their best efforts to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the requirements of law. In the event the parties are unable to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the amended requirements of law, then this event shall be an additional “cause” for termination under Section 8.2.

16.2 References and Section Headings: Any reference to the singular shall include reference to the plural, and vice versa. The headings of the various sections of this Agreement are not a part hereof, and are inserted merely for convenience in locating different provisions and shall be ignored in construing this Agreement. Any reference herein to a “Section” shall be interpreted as relating to the identified section of this Agreement unless otherwise stated.

16.3 Authority: Each individual signing this Agreement warrants that such execution has been duly authorized by the party for which he or she is signing. The execution and performance of this Agreement by each party has been duly authorized in accordance with all applicable laws and regulations and all necessary corporate action has been taken, and this Agreement constitutes the valid and enforceable obligation of each party in accordance with its terms.

16.4 Survival: It is the express intention and agreement of the parties hereto that Sections 11.1, 11.2, 12.1, 12.2, 12.3, 12.4, 13, 16.1, 16.6, 16.7 and Exhibit E shall survive the termination of this Agreement for any reason.

16.5 Other Contracts: The parties to this Agreement agree to execute, acknowledge, deliver, file and record any and all other notes, contracts or documents reasonably necessary for the execution and performance of the terms, conditions, and intent of this Agreement or to comply with the requirements of any regulator or judicial authority, upon the approval of their respective legal representatives.

16.6 Attorneys’ Fees: In the event of any litigation by any party to enforce or defend its rights under this Agreement, including but not limited to, arbitration of disputes as provided for in Section 12, the prevailing party, in addition to all other relief, shall be entitled its costs and to reasonable attorneys’ fees.

16.7 Compliance With Applicable Laws: Each of the parties hereto shall abide by all applicable state and federal laws and regulations that pertain to them.

16.8 Counterparts: This Agreement may be executed in separate counterparts, each of which when so executed shall be an original; but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement and all Exhibits incorporated herein on the date and year appearing under the signatory lines.

Health Alliance Medical Plans, Inc.

By: 

Its: Vice President of Sales and Retention

Date: **2016-01-01**

CITY OF BLOOMINGTON

By: 
8A19D9CA886245C...

Its: City Manager

Date: 2/19/2016

EXHIBIT A

Health Alliance [{HMO} {PPO} {POS} {Plus} {CCP} {and Medicare Supplement}] Policy(s),
Description of Coverage Worksheet(s), Amendments and Riders

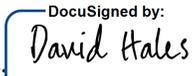
The Exhibit A documents can be found on <http://healthalliance.org> under your Employer Portal, click on the employee detail button. There will be materials for each plan selected. You may request a printed copy of the Exhibit A documents.

Approved by:

Health Alliance Medical Plans, Inc.

CITY OF BLOOMINGTON

By: 

By: 
8A19D9CA888245C...

Its: Vice President of Sales and Retention

Its: City Manager

Date: **2016-01-01**

Date: 2/19/2016

EXHIBIT D

Summary of Benefits and Coverage

The Exhibit D or Summary of Benefits and Coverage (SBC) can be found on <http://healthalliance.org> under your Employer Portal, click on the employee detail button. There will be a SBC for each plan selected. You may request a printed copy of the Exhibit D documents.

EXHIBIT E
HIPAA 834 Electronic Benefit Enrollment and Maintenance
Trading Partner Agreement

In the event Plan Sponsor transmits eligibility and enrollment data electronically to Health Alliance, Plan Sponsor (“Trading Partner”) and Health Alliance agree to the terms of this Exhibit E Trading Partner Agreement (“Exhibit E”), which by this reference shall be incorporated into and made a part of the Group Enrollment Agreement (“Agreement”). Trading Partner and Health Alliance are hereafter referred to individually as a “Party” and collectively as the “Parties.”

Exhibit E authorizes the Parties to electronically exchange Data, including Protected Health Information, through a public or private telecommunications network using language and code sets required by 45 CFR § 160 et seq., solely for the purposes set forth herein, in accordance with the terms “Standard” and “Transactions” as defined at 45 CFR § 160.103 (hereinafter aggregated and referred to as “Standard Transactions”), the privacy standards described and referenced herein, and requirements for non-standard transactions (if applicable). Any Data, Proprietary Data or Protected Health Information exchanged under this Exhibit E is to be used and exchanged solely as authorized by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and is further subject to the terms and conditions set forth in this Exhibit E.

1. DEFINITIONS

1.1 Data. Any information provided and/or made available by either of the Parties to the other, including, but not limited to, enrollment and eligibility data, claims data, referral and authorization, premium payment and Protected Health Information.

1.2 Data Transmission. Automated transfer or exchange of Data, pursuant to the terms and conditions of this Exhibit E, between Health Alliance and Trading Partner by means of their respective Operating Systems.

1.3 File. A control structure in a format mutually agreeable to Trading Partner and Health Alliance for the electronic interchange of one or more encoded Data Transmissions between Trading Partner and Health Alliance.

1.4 HHS. The United States Department of Health and Human Services.

1.5 Individual. The person who is the subject of the Data, as defined by 45 CFR § 164.501.

1.6 Operating System. The equipment, software and trained personnel necessary for a successful Data Transmission.

1.7 Proprietary Data. That information used in Health Alliance’s business or business practices to which Trading Partner would not otherwise have access but for its contractual

relationship with Health Alliance, including but not limited to information systems technologies and practices, and operational processes.

1.8 Protected Health Information. Protected Health Information means all individually identifiable health information transmitted or maintained by or for Health Alliance, regardless of form.

2. OBLIGATIONS OF THE PARTIES

2.1 EDI Data Transmission Accuracy. The Parties will take reasonable steps to ensure that the electronic data interchanges of Data Transmissions are timely, complete, accurate and secure. Each Party will take reasonable precautions in accordance with Section 7 of this Exhibit E to prevent unauthorized access to the other Party's Operating System, Data Transmission or the contents of a File either to or from either Party.

2.2 Data Transmissions and Data Elements. The Parties shall mutually agree upon the method of Data Transmissions. Health Alliance's preferred method of transmission is File Transfer Protocol (FTP) with PGP encryption. Each Party agrees to conform each transaction submitted in the Data Transmission to the current HIPAA implementation guide, specific to each transaction and Health Alliance's companion document, if applicable (See Exhibit A HIPAA 834 Electronic Eligibility). The companion document will include situational data elements necessary for the successful processing or transmission of each transaction.

2.3 Notices Regarding Situational Data Elements. Parties shall provide the other Party with at least ninety (90) days prior notice of implementation of any changes. The companion document shall be amended to include the mutually agreed upon changes by the Parties.

2.4 Testing. Each Party will test and cooperate with the other Party in testing each Party's Operating System to ensure the accuracy, timeliness and completeness and confidentiality of each Data Transmission.

2.5 Retransmission of Lost or Indecipherable Transmissions. A Party will retransmit the original transmission within two (2) business days of its discovery that a Data Transmission is lost or indecipherable transmission.

2.6 Fees. Each Party will be responsible for all costs, charges or fees it may incur by transmitting electronic transactions to or receiving transactions from, the other Party. This includes the training of personnel necessary to engage in the successful exchange of electronic data and funds.

3. TRADING PARTNER OBLIGATIONS

3.1 Trading Partner is solely responsible to ensure that the Data it provides Health Alliance is complete, accurate and secure.

3.2 ID and Password. Trading Partner agrees to protect Health Alliance's ID(s) and password(s) from compromise, release or discovery by any unauthorized person, and shall not disclose ID(s) and password(s) to any third party in any manner. If a breach of this provision occurs, Trading Partner must notify Health Alliance immediately. Trading Partner acknowledges and agrees that only Trading Partner personnel it designates shall be permitted to use the ID(s) and password(s).

3.3 Authorization to Use Data. Trading Partner's use of Health Alliance's Operating System or process under this Exhibit E constitutes authorization and direction to Health Alliance to use Protected Health Information or other Data to adjudicate and process HIPAA transactions Health Alliance receives from Trading Partner. Trading Partner may access, receive and transmit only that Data in such format as described in the implementation guide and companion document, if applicable.

3.4 Trading Partner agrees not to copy, disclose, publish, distribute or alter or use any Data, Data Transmissions or File for any purpose other than stated in this Exhibit E or authorized by Health Alliance.

3.5 Trading Partner agrees not to obtain access by a means to Data, Data Transmission, File or Health Alliance's Operating System for any purpose other than as Health Alliance has specifically granted Trading Partner access under this Exhibit E. In the event that Trading Partner receives Data or Data Transmissions not intended for Trading Partner, Trading Partner will immediately notify Health Alliance.

4. HEALTH ALLIANCE OBLIGATIONS

4.1 Health Alliance will take reasonable steps to ensure that the Data it provides Trading Partner is complete, accurate and secure.

4.2 ID(s) and Password(s). Health Alliance will assign ID(s) and password(s) to Trading Partner to allow Trading Partner to authenticate its identity and transmit data electronically. Health Alliance shall retain title to all ID(s) and password(s), and reserves the right to change any ID or password at any time, for any reason, or if required to do so by law, regulation or court order.

4.3 Health Alliance will make available to Trading Partner, via electronic means, Data and Data Transmissions for which this Agreement grants Trading Partner access or authorization, or as provided by law.

5. INDEMNIFICATION

5.1 The Parties agree to indemnify, defend and hold harmless each other and each other's respective employees, directors, officers, subcontractors, agents or other members of its workforce, each of the foregoing hereinafter referred to as "Indemnified Party," against all actual and direct losses suffered by the Indemnified Party and all liability to third parties arising from or in connection with any breach of this Exhibit E or of any warranty hereunder or from any

negligence or wrongful acts or omissions, including failure to perform its obligations under the Transaction and Code Set Rule and Privacy Rule, by the Indemnifying Party or its employees, directors, officers, subcontractors, agents or other members of its workforce. Accordingly, on demand, the Indemnifying Party shall reimburse any Indemnified Party for any and all actual and direct losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys' fees) which may for any reason be imposed upon any Indemnified Party by reason of any suit, claim, action, proceeding or demand by any third party which results from the Indemnifying Party's breach hereunder. The Parties' obligation to indemnify any Indemnified Party shall survive the expiration or termination of the Group Enrollment Agreement for any reason.

6. PRIVACY/SECURITY AND UNAUTHORIZED DISCLOSURES

6.1 The Parties will fully comply with all applicable Privacy Rules and other applicable federal and state laws respecting the privacy of health information, and hereby agree to amend this Exhibit E to the extent necessary to allow Health Alliance to comply with the Privacy Rules.

6.2 The Parties shall comply with the final version of the Security Standard promulgated by HHS. On or before the required compliance date of the final security standard, the Parties will adopt any necessary modifications to their practices for maintaining Protected Health Information or transmitting Protected Health Information electronically, and shall provide any written assurances required under the final Security Standard to prevent unauthorized access to Data. If an unauthorized disclosure of Protected Health Information, or the discovery of unauthorized access to and/or tampering with the Data or Health Alliance's Proprietary Data is discovered, the disclosing Party will immediately report to the other Party, using the most expeditious medium available, no later than twenty-four (24) hours after such discovery/disclosure is made, the following information: (i) the nature of the disclosure, (ii) Protected Health Information used or disclosed, (iii) the individual(s) who made and received the disclosure, (iv) any corrective action taken to prevent further disclosure(s) and mitigate the effect of the current disclosure(s), and (v) any such other information reasonably requested by the non-disclosing Party. The Parties will cooperate in the event of any litigation concerning unauthorized use, transfer or disclosure of such Data.

7. COMPLIANCE WITH STANDARD TRANSACTIONS

7.1 When required, the Parties shall comply with each applicable regulation when performing "Standard Transactions." The Parties will not enter into any Trading Partner Agreement related to this Exhibit E that changes any definition, data condition or use of a data element or segment, nor adds any data elements or segments to the maximum defined data set as proscribed in the HHS Transaction Standard Regulation, and as further proscribed by Health Alliance. (See 45 CFR § 162.915(b)). The Parties further agree that they will neither use any code or data elements marked "not used" or which are not found in the HHS Transaction Standard's implementation specifications, nor change the meaning or intent of any of the HHS Transaction Standard implementation specifications. (See 45 CFR § 162.915(c)(d)).

8. MISCELLANEOUS

8.1 Record Retention and Audit. The Parties shall maintain, in accordance with their document retention policies and applicable law and regulation, and for a minimum of six (6) years, true and correct copies of any source documents from which they reproduce Data. Health Alliance reserves the right to audit those records and security methods of Trading Partner necessary to ensure compliance with this Exhibit E or to ensure that adequate security precautions have been made to prevent unauthorized disclosure of any Data.

8.2 Regulatory References. A reference in this Exhibit E to a section in the Transaction and Code Set Rules and Privacy Rules means the section as in effect or amended.

8.3 Amendment. The Parties agree to amend this Exhibit E from time to time as is necessary for the Parties to comply with the requirements of the Transaction and Code Set and Privacy Rules of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

8.4 Interpretation. Any ambiguity in this Exhibit E shall be resolved in favor of a meaning that permits Health Alliance to comply with the Privacy Rules.



Exhibit C

Proposal Rates for: City Of Bloomington

HMO 100 NS1 Rx28

Effective Period: 01/01/2017 through 12/31/2017

Premium Rates:	
EMPLOYEE:	\$699.00
EMPLOYEE + 1:	\$1,373.00
EMPLOYEE + 2 OR MORE:	\$1,900.00

"Primary Medicare Eligible" Rates:	
SINGLE (with "Primary Medicare Eligibility"):	\$454.00
TWO-PERSON (both with "Primary Medicare Eligibility"):	\$883.00
TWO-PERSON (one with "Primary Medicare Eligibility"):	\$1,128.00
FAMILY 3+ (one with "Primary Medicare Eligibility"):	\$1,655.00

Approved by: _____
(Benefits Administrator)

Date Approved: _____

Health Alliance Officer: _____

Date: _____

Please Note: These rates assume that Health Alliance Medical Plans, Inc. is not offered alongside other health insurance options. A minimum of 75% of all eligible employees at City Of Bloomington must enroll in the Health Alliance plan to meet our participation requirements. In the event that membership changes by 20% or more during the contact year OR the conditions listed above are not met, Health Alliance reserves the right to review, revise and/or rescind this offer.



CITY OF
Bloomington ILLINOIS
REGULAR AGENDA ITEM NO. 8A

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of an ordinance approving an Economic Incentive Agreement to support the retention and expansion of The Kroger Co. in the City of Bloomington.

RECOMMENDATION/MOTION: That the ordinance for the proposed Economic Incentive Agreement II between the City of Bloomington and Kroger Limited Partnership I be approved, and authorize the Mayor and City Clerk to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 3: Grow the Local Economy; Goal 4: Strong Neighborhoods; Goal 5: Great Place – Livable, Sustainable City.

STRATEGIC PLAN SIGNIFICANCE: Objective 3a. Retention and growth of current local businesses; 3d. Expanded retail businesses; 3e. Strong working relationship among the City, businesses & economic development organizations. Objective 4c: Preservation of property/home valuations; Objective 5b: City decisions consistent with plans and policies; 5c. Incorporation of “Green Sustainable” concepts into City’s development and plans; 5e: More attractive city: commercial areas and neighborhoods.

BACKGROUND & OVERVIEW: On February 22, 2016, the Council approved Ordinance No. 2016-11 which authorized the City to enter into an economic incentive agreement with Kroger Limited Partnership I (“Kroger”) to support Kroger’s planned acquisition of 17.54 acres of farm ground at the corner of College Avenue and Hershey Road and the construction of a 128,000 square foot Kroger Marketplace grocery store and fuel center at that site.

Kroger, like any national retailer, must be highly selective when deciding how to allocate its finite capital when choosing to build new stores, renovate or expand existing stores, or acquire a competitor as a way of expansion through acquisition. To secure funding, each of Kroger’s new store developments must meet certain internal cost requirements to achieve the company’s desired return on investment. It was for this very reason that City staff supported the original incentive agreement back in February: the incentive was necessary for the proposed Bloomington Marketplace project to be cost competitive when compared to other potential projects in Kroger’s development pipeline.

Earlier this year, due to global macroeconomic conditions beyond the company’s control, Kroger’s Cincinnati based executive management team chose to delay the Bloomington Marketplace project along with multiple other new store projects across the nation. City staff and the Kroger Central Region real estate team (which have been collaborating on this project since early 2015) have continued to promote the Bloomington Marketplace project internally within the Kroger Company in order to keep the project in the company’s new store development pipeline. Now, with a few refinements to the original development plan to meet even tighter capital allocation requirements

dictated by the company’s management team, Kroger is ready to proceed with the Bloomington Marketplace project with the City’s assistance.

Should the City Council still desire to support this project, a new agreement between the City and Kroger is required as the project’s timeline has shifted and multiple aspects of the project have been modified. Below is a summary of the incentive agreement which was approved on February 22, 2016 and the new agreement that is being considered tonight (items in italics denote changes):

	Feb. 22, 2016 Agreement	Proposed New Agreement
Date of Land Acquisition:	On or before Dec. 31, 2016	<i>On or before April 30, 2017</i>
Date of Construction Start:	On or before Dec. 31, 2016	<i>On or before Jan. 31, 2018</i>
Date of Store Opening:	On or before Dec. 31, 2018	On or before Dec. 31, 2018
Land to be Acquired:	17.540 Acres	<i>16.367 Acres</i>
Total Investment:	\$25,700,000	<i>\$24,500,000</i>
Total Incentive:	\$2,570,000	<i>\$2,450,000</i>
Term of Incentive:	10 Years	10 Years
Size of Store:	128,000 square feet	128,000 square feet
Total Number of Jobs:	165 Full & Part Time	165 Full & Part Time

In addition to the above noted changes, the new agreement also includes language which terminates the previously approved agreement, clarifies the description of the source of the sales taxes to be rebated and the calculation of same, and updates the years outlined in the claw back provision to correspond with the updated dates for the project.

As noted above, Kroger’s projected total investment in the Bloomington Marketplace project has decreased by \$1.2 million which has also led to a corresponding \$120,000 reduction in the incentive. One component of the reduction in the investment is the result of negotiations between Kroger and the land owner to reduce the number of acres of land that Kroger will acquire and retain ownership of. Specifically, Kroger will still be responsible for constructing the private drive between College Avenue and Jumer Drive, but the ownership of the new private drive parcel and the drive itself will be retained by the current land owner. Staff is supportive of this arrangement as it lowers the development cost for Kroger thereby lowering the incentive rebated to Kroger by the City while also providing the current land owner with greater flexibility in the marketing and development of its remaining farm land to the west of the private drive.

Due to the increase in the number of lots / parcels to support the now proposed development, it will be necessary for the land owner to submit a new Preliminary Subdivision Plan and Final Plat which will subdivide the existing 36 acre parcel into the new configuration of lots / parcels. City Staff met with the land owner’s civil engineer (The Farnsworth Group) and Kroger’s civil engineer (Zumwalt & Associates) and reviewed the proposed Preliminary Subdivision Plan and Final Plat. City Staff are supportive of the proposed changes and anticipate that the land owner will file the new Preliminary Subdivision Plan and Final Plat in the coming days for review and approval by the City of Bloomington Planning Commission during one of its January meetings. Drafts of both the Preliminary Subdivision Plan and proposed Final Plat are attached.

Although the costs for Kroger to acquire the land for the Bloomington Marketplace have been reduced, other extraordinary costs still remain: 1) Kroger will be required to construct a private drive in alignment with the signalized intersection on College Avenue which will connect to Jumer Drive; 2) An eastbound deceleration lane / right turn lane on College Avenue will need to be constructed to provide safe access to the site for eastbound traffic; 3) Modifications to the existing signalized intersection on College Avenue are required to tie the development into the existing traffic signal system; and 4) A small wetland on the site still requires mitigation before construction can commence.

In addition to its continued negotiations with the land owner, since the City Council's approval of the incentive agreement on February 22, 2016, Kroger's Real Estate team has continued its negotiations with Connect Transit for Kroger to pay for two bus shelters (one on College Avenue and one on Hershey Road). Additional work has been done by Kroger to incorporate a bicycle rack and additional five (5) foot wide sidewalks into the site plan in support of sustainable transportation. Kroger has also made investments to address the site's wetland issues. City staff considers these actions to be clear signals that Kroger continues to be committed to moving forward with the Bloomington Marketplace project subject to the City's continued financial support.

Staff is supportive of renewing Kroger's requested incentive and recommends that the Council approve the proposed Economic Incentive Agreement. The proposed development site has been highlighted in the Comprehensive Plan 2035 as a "Tier One" priority focus area for in-fill development and redevelopment to "support the goals of compact development, leveraging Bloomington's investment in city services, and keeping growth contiguous to the City." The Comprehensive Plan recommends that incentives be offered to promote in-fill development over greenfield development on the fringe of the city. If approved, Kroger's representatives have indicated that the company will acquire the land in early 2017 with construction of the new Marketplace store commencing in the late summer / early fall of 2017 with the store opening in the late summer / early fall of 2018. If the incentive agreement is not approved, Kroger's representatives have indicated that the company will not acquire the land and the project will not proceed and instead Kroger will reallocate the capital committed for this project to another project in a different community.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: City Staff from Public Works, Community Development, Finance, and Water have participated in multiple internal discussions regarding the proposed development and all departments are in favor of the project as it is now proposed.

On February 24, 2016, the City of Bloomington Planning Commission rezoned 17.54 acres of the existing 36 acre parcel to B-1 "Highway Business District" from M-1 "Restricted Manufacturing District." The rezoning was approved by the City Council on March 28, 2016 along with an Expedited Final Plat which was not recorded. A Public Hearing was held at the Planning Commission meeting regarding the rezoning request. Additionally, a neighborhood meeting was hosted by Alderwoman Painter on March 15, 2016 at First Presbyterian Church, 2000 East College Avenue, Normal. The majority of resident comments at the public hearing and neighborhood meeting were centered around the potential for increased vehicular traffic on Hershey Road and

resident concerns related to the speed of existing traffic on Hershey Road between GE Road and Jumer Drive. City Staff and representatives from Kroger explained the steps that were taken to proactively address these concerns in the site development plan including the location of a right in, right out entrance / exit from the proposed Kroger store onto Hershey Road and the location of a full access entrance / exit on Hershey Road south of the College Avenue intersection and westbound turn lane. The consensus of the residents seemed to be that the proposed development would result in more vehicular traffic than the present use of the land (corn / bean field), but that City Staff and Kroger's civil engineer had worked to proactively minimize the impact on the neighborhood by employing traffic engineering best practices.

FINANCIAL IMPACT: As set forth in the proposed Economic Incentive Agreement, Kroger has agreed to purchase approximately 16.367 acres of land in the City and construct a 128,000 square foot retail store on or before December 31, 2018. Kroger will be required to provide the City with evidence of a total investment of \$24.5 million and the continued employment of 165 persons at the store throughout the term of the agreement. The City will commit to rebate to Kroger one-third (1/3) of the 1% sales tax generated by Kroger's retail operations on the site for up to ten (10) years or up to \$2,450,000, whichever occurs first (the 1% tax is known as the Municipal Retailers' Occupation Tax and Municipal Service Occupation Tax).

The proposed store is anticipated to generate sales tax revenue received by the City in excess of \$10 million over the ten year term of the proposed Economic Incentive Agreement. Including revenue from the City's Home Rule and other local sales taxes, net of the proposed incentive, the City can expect to collect approximately \$8.4 million in sales tax revenue from the proposed development during the 10 year term of the incentive. Additionally, the City will receive both State and Local Motor Fuel Tax revenue from the proposed fuel center. **Note:** The proposed agreement **does not** include a provision whereby the City would be required to pay Kroger interest on the yet to be rebated portion of the incentive during the ten year term of the agreement. Additionally, the City's Home Rule Tax, Food & Beverage Tax, Package Liquor Tax, or any other City revenues generated on the subject property are **not included** in the proposed incentive agreement.

Since Kroger's projected investment has been reduced, the predefined limit / cap to the City's economic development incentive (10% of the project costs) has also been reduced. The incentive agreement contains a provision that, in the event the actual investment is lower than the projected investment, the amount of the incentive will be reduced ("the lessor of..."). As the agreement defines a limit / cap, should the actual project costs come in higher than anticipated, the City will not be bound to increase the incentive amount.

Respectfully submitted for Council consideration.

Prepared by: Austin Grammer, Economic Development Coordinator

Reviewed by: Tom Dabareiner, Community Development Director

Financial & budgetary review by: Chris Tomerlin, Budget Analyst

Legal review by:
Recommended by:

Kathleen Field Orr, Counsel for Economic Development



David A. Hales
City Manager

Attachments:

- Office of Economic Development Presentation
- Ordinance Approving Economic Incentive Agreement II
- Economic Incentive Agreement II and Associated Exhibits

Motion: That the Ordinance for the proposed Economic Incentive Agreement II between the City of Bloomington and Kroger Limited Partnership I be approved, and authorize the Mayor and City Clerk to execute the necessary documents.



CITY OF
Bloomington
ILLINOIS



**Consideration of an ordinance approving
Economic Incentive Agreement II
to support the retention and expansion of
The Kroger Co. in the City of Bloomington.**

City of Bloomington Office of Economic Development

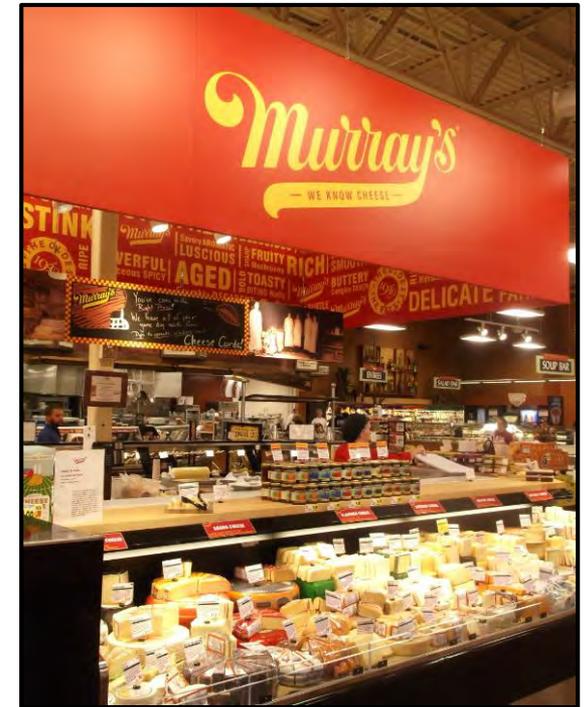
December 19, 2016

Kroger Marketplace

Marketplace stores offer full-service grocery, pharmacy and health & beauty care departments as well as an expanded fresh food offering and general merchandise areas that include apparel, home goods and toys.



Marketplace stores typically range in size from 100,000 to 130,000 square feet, and require an average investment of \$20-22 million, including real estate.





February 1, 2016

Kroger Store J747

Bloomington, IL

516343





FRONT ELEVATION



SIGNAGE CALCULATIONS

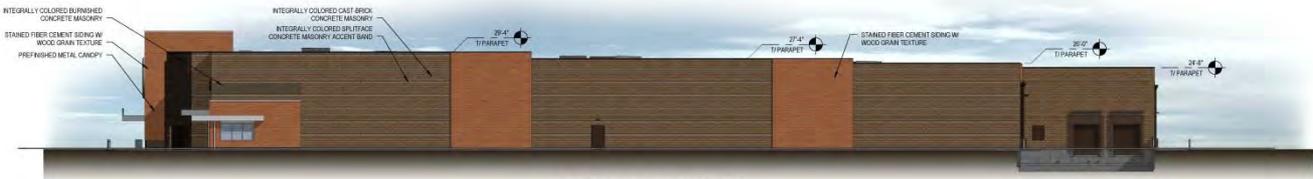
KROGER 16" OVAL (2)	384.00 S.F.
RV SIGN	50.00 S.F.
STARBUCKS COFFEE	39.57 S.F.
THE LITTLE CLINIC	35.02 S.F.
BANK SIGN (BY OTHERS)	50.00 S.F.
DO NOT ENTER	6.00 S.F.
EXIT	2.05 S.F.
MURRAY'S CHEESE	25.55 S.F.
TOTAL	592.19 S.F.

ALLOWABLE SQUARE FOOTAGE OF SIGNAGE ON COLLEGE AVENUE EQUALS 567 X 1.92 FT = 1089.92 FT OF ALLOWABLE SIGNAGE
 ALLOWABLE SQUARE FOOTAGE OF SIGNAGE ON HERSEY ROAD EQUALS 261 X 1.92 FT = 501.92 FT OF ALLOWABLE SIGNAGE

SIDE ELEVATION



BACK ELEVATION



SIDE ELEVATION



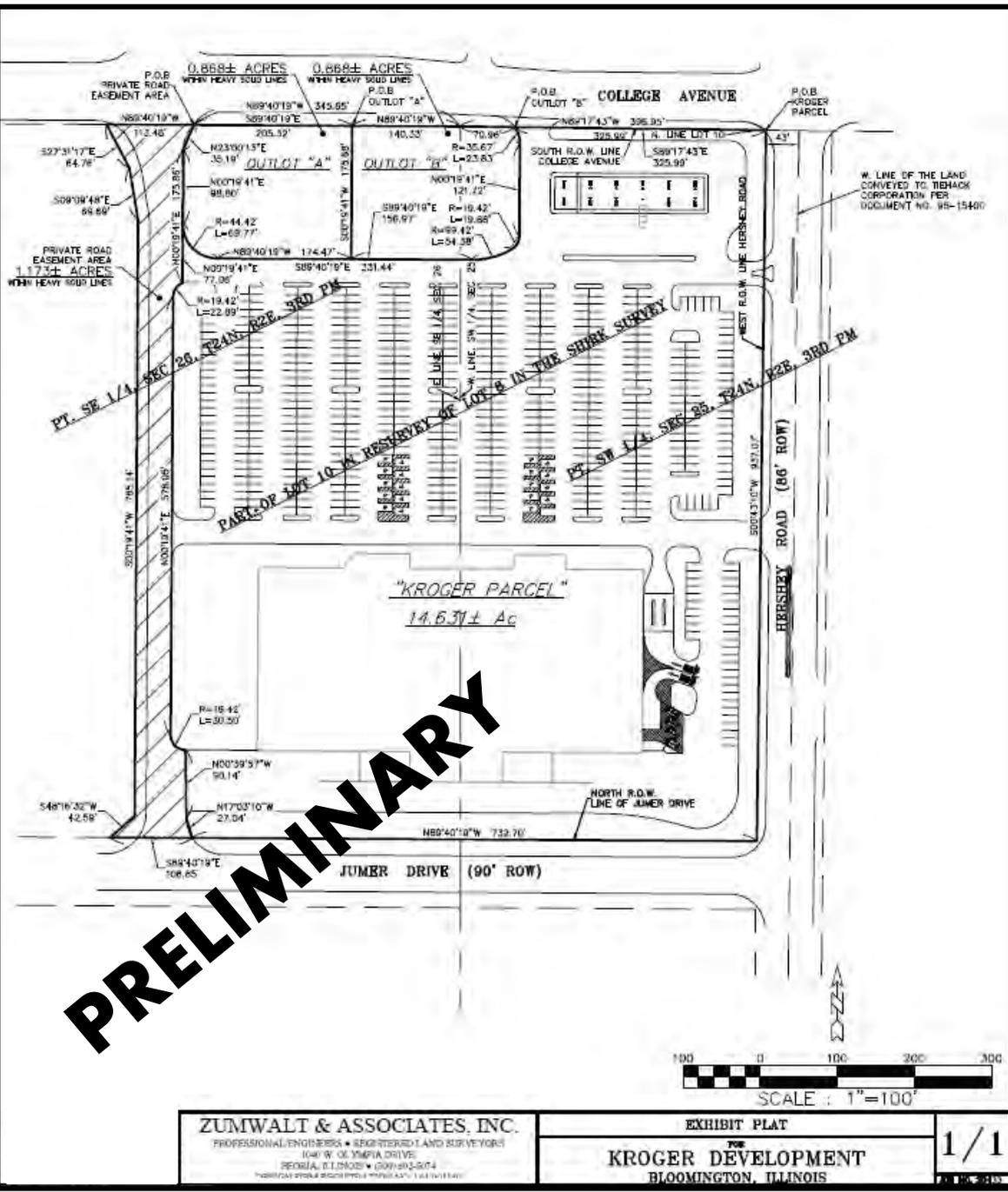
February 1, 2016

Kroger Store J747

Bloomington, IL



516343



PRELIMINARY

ZUMWALT & ASSOCIATES, INC.
 PROFESSIONAL ENGINEERS • REGISTERED LAND SURVEYORS
 1040 W. OLNEY DRIVE
 BLOOMINGTON, ILLINOIS 61702 • (309) 843-2074
FEDERAL REGISTER NOTICE OF PROFESSIONAL STATUS, 11/11/11

EXHIBIT PLAT
 FOR
KROGER DEVELOPMENT
 BLOOMINGTON, ILLINOIS

1/1

**ORDINANCE APPROVING ECONOMIC INCENTIVE AGREEMENT II
BETWEEN THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS AND
KROGER LIMITED PARTNERSHIP I**

WHEREAS, the City of Bloomington, McLean County, Illinois (the “*City*”), is a home-rule unit of local government organized under the laws of the State of Illinois and is authorized to enter into economic incentive agreements in order to encourage the development or redevelopment of land within the corporate limits of the City; and,

WHEREAS, the City has identified certain commercial areas within its municipal boundaries where private development or redevelopment would significantly improve its tax base and the tax base of all of the affected taxing districts and provide new job opportunities for its citizens; and,

WHEREAS, in response to a proposal from Kroger Limited Partnership I, 1014 Vine Street, Cincinnati, Ohio 45202, an Ohio limited partnership (the “*Developer*”) to acquire the undeveloped property located at the southwest corner of College Avenue and Hershey Road in the City (the “*Subject Property*”) and construct a new 128,000 square foot retail center (the “*Project*”), the City approved an Economic Incentive Agreement on February 22, 2016, by and between the City and the Developer providing for reimbursement of certain Project costs from the sales taxes generated in connection with the Subject Property (the “*Original Agreement*”); and,

WHEREAS, the Developer entered into the Original Agreement in furtherance of a multi-billion dollar investment campaign initiated by its parent corporation to renovate existing and to open new retail businesses, including Kroger grocery stores; and,

WHEREAS, the Developer has been unable to commence the Project because macroeconomic conditions, such as market factors requiring a reduction in the retail prices of

grocery items, has caused the Developer's parent corporation to reallocate certain funds originally committed to its plan to renovate existing retail stores and open stores at new locations; and,

WHEREAS, due to the aforementioned macroeconomic changes, the Developer requires certain changes to the terms of the Original Agreement to grant the Developer additional time to commence and complete the Project and to reduce the size of the real estate parcel from that originally under contract to construct the Project thereon in order to make the Project more competitive with other projects planned by the Developer's parent corporation; and,

WHEREAS, the Mayor and City Council of the City have determined that it is in the best interests of the City and the health, safety and welfare of its residents, for the City to agree to the Developer's requested changes so that the Developer can commence the Project as set forth in the attached Economic Incentive Agreement II.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Bloomington, McLean County, Illinois, as follows:

Section 1. That the Economic Incentive Agreement II by and between the City of Bloomington, McLean County, Illinois and Kroger Limited Partnership I, an Ohio limited partnership, attached hereto and made a part hereof, is hereby approved and the Mayor and City Clerk are hereby authorized to execute and deliver said Agreement on behalf of the City.

Section 2. The Mayor and City Clerk are hereby authorized and directed to undertake any and all actions as may be required to implement the terms of said Agreement.

Section 3. This Ordinance shall be in full force and effect immediately upon its passage by the Mayor and City Council and approval as provided by law.

ADOPTED this ____ day of _____, 2016, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED:

Mayor

Attest:

City Clerk

ECONOMIC INCENTIVE AGREEMENT II
by and between
THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS
and
KROGER LIMITED PARTNERSHIP I

THIS ECONOMIC INCENTIVE AGREEMENT (the “*Agreement*”), which supersedes all prior agreements by and between the City of Bloomington, McLean County, Illinois, an Illinois municipal corporation (the “*City*”), and Kroger Limited Partnership I, 1014 Vine Street, Cincinnati, Ohio 45202, an Ohio limited partnership (the “*Developer*”), is entered into this ____ day of _____, 20____, by and between the City and the Developer (collectively, the “*Parties*”).

PREAMBLES

WHEREAS, the City is a duly organized and validly existing home-rule municipality pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970 and as such, may exercise any power and perform any function pertaining to its government and affairs; and,

WHEREAS, the Mayor and City Council of the City (the “*Corporate Authorities*”) have acknowledged that one of the primary goals of local government is to promote the health, safety and welfare of its citizens by encouraging private investment in industry, business and housing in order to enhance the City’s tax base, ameliorate blight and provide job opportunities for its residents; and,

WHEREAS, the Corporate Authorities have also acknowledged that in order to accomplish its goal to promote the health, safety and welfare of its citizens, there is often a need for economic assistance to address some of the extraordinary measures required to accomplish private investment in industry, business and housing; and,

WHEREAS, the City has identified certain commercial areas within its municipal boundaries where private development or redevelopment would significantly improve its tax base

and the tax base of all of the affected taxing districts and provide new job opportunities for its citizens; and,

WHEREAS, the City received a proposal from the Developer to acquire the undeveloped property located at the southwest corner of College Avenue and Hershey Road in the City and construct a new 128,000 square foot grocery store and retail center (the “*Project*”); and,

WHEREAS, the Developer advised the City that there would be extraordinary costs to be incurred in order to proceed with the Project due to the need for extensive site improvements and wetland issues and without financial assistance from the City, the Project would not be economically viable; and,

WHEREAS, in response to the Developer’s proposal and request for financial assistance, the City approved an Economic Incentive Agreement on February 22, 2016, by and between the City and the Developer providing for reimbursement of certain Project Costs from the Sales Taxes generated (terms hereinafter defined) in connection with the Subject Property (the “*Original Agreement*”); and,

WHEREAS, the Developer entered into the Original Agreement in furtherance of a multi-billion dollar investment campaign initiated by its parent corporation to renovate existing and to open new retail businesses, including Kroger grocery stores; and,

WHEREAS, the Developer has been unable to commence the Project because macroeconomic conditions, such as market factors requiring a reduction in the retail prices of grocery items, has caused the Developer’s parent corporation to reallocate certain funds originally committed to its plan to renovate existing retail stores and open stores at new locations; and,

WHEREAS, due to the aforementioned macroeconomic changes, the Developer requires certain changes to the terms of the Original Agreement to grant the Developer additional time to

commence and complete the Project and to reduce the size of the real estate parcel from that originally under contract to construct the Project thereon in order to make the Project more competitive with other projects planned by the Developer's parent corporation; and,

WHEREAS, the Developer has requested that the Original Agreement be terminated and this Economic Incentive Agreement become the mutual understanding of the parties; and,

WHEREAS, the Corporate Authorities have determined that it is in the best interests of the City and the health, safety and welfare of its residents, for the City to agree to the Developer's requested changes and enter into this Agreement so that the Developer can commence the Project, upon the terms, conditions and limitations as hereinafter set forth.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

(a) All of the recitals contained in the Preambles to this Agreement are hereby incorporated into this Agreement as though restated in this Section.

(b) The Parties agree that the Original Agreement is hereby terminated and shall have no force and effect upon the execution of this Agreement.

Section 2. The Project.

A. On or before April 30, 2017, the Developer covenants and agrees to acquire the real estate, as legally described on Exhibit A attached hereto and made a part hereof (the "*Subject Property*"), for the purpose of constructing the Project, being no less than a 128,000 square foot grocery store and retail center as more fully described below and to notify the City of the date of acquisition of title.

B. The Developer covenants and agrees that subsequent to the acquisition of the Subject Property, the Developer shall deliver or cause to be delivered to the City plans and specifications for the Project and commence construction of the Project or cause the construction of the Project to commence, in accordance with the plans and permits as finally approved by the City on or before January 31, 2018, which approval shall not be unreasonably withheld or delayed.

C. On or before December 31, 2018, the Developer covenants and agrees to complete construction of the Project or cause the completion of the Project and commence operation of the 128,000 square foot grocery store and retail center to include a pharmacy, a coffee shop, and a stand-alone fuel center (the "*Marketplace*") and to continue to operate the Marketplace at the Subject Property throughout the term of this Agreement. It is understood and agreed that the offerings to be included in the Marketplace at the Subject Property may change from time to time as the Developer deems necessary to meet the demands of its customers.

D. Developer covenants that the Project shall require an investment of no less than \$24,500,000 (excluding inventory but inclusive of fixtures, equipment, and all soft costs) and upon completion the Developer shall deliver to the City a certified list of the costs incurred in connection with the Project verifying an investment of no less than \$24,500,000 by the Developer at the Subject Property in order to commence the operation of the Marketplace.

E. Developer covenants and agrees, throughout the term of this Agreement to maintain the Subject Property and operate the Marketplace in conformance with all applicable City Codes and laws of the State of Illinois.

F. The Developer covenants and agrees that it shall provide a total of over 165 combined full-time and part-time jobs throughout the term of this Agreement in the operation of

the Marketplace, which covenant, by way of example, the Developer would satisfy if the Developer employed 110 persons on a full-time basis and 56 persons on a part-time basis.

G. The Developer covenants and agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.* (the “*Prevailing Wage Act*”), if and to the extent the Developer’s receipt of funds from the City pursuant to this Agreement causes the Developer to become subject to the Prevailing Wage Act.

Section 3. Obligations of the City.

A. Provided that the Developer has satisfied the requirements set forth in Section 2 above, the City covenants and agrees to reimburse the Developer solely from the sources set forth in Section 3 (C) in an amount equal to the lesser of: (i) ten percent (10%) of the total cost of the acquisition of the Subject Property and the construction of the Project (excluding fixtures, equipment, inventory and all soft costs but including land acquisition and costs incurred to construct infrastructure, structural and nonstructural building improvements, and exterior site or aesthetic improvements) (hereinafter “*Project Costs*”); or, (ii) \$2,450,000 on or before the Termination Date as defined in Section 4 and from the source as hereinafter provided.

B. To establish a right of reimbursement the Developer shall:

1. On or before the opening date of the Marketplace, provide the City with a list of all Project Costs incurred in connection with the acquisition of the Subject Property and construction of the Project;

2. Continue to operate the Marketplace at the Subject Property throughout the term of this Agreement.

C. Pursuant to the laws of the State of Illinois, the State is authorized to impose a tax on the transfer of personal property to a purchaser and the transfer of personal property as an

incident to any service. Such taxes must be collected by the seller or the provider of the services and remitted to the Illinois Department of Revenue (“IDOR”). The State currently imposes a one percent (1%) municipal retailers’ occupation tax and municipal service occupation tax, inclusive of the one percent (1%) tax imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) (collectively, the “Sales Taxes”) which must be remitted to IDOR by all commercial operations at the Subject Property (the “Businesses”) and then distributed by IDOR to the City. The City shall annually calculate the amount of Sales Taxes received from IDOR and rebate to the Developer an amount equal to thirty three and one third percent (33 1/3%) (effectively .3333%) as levied on each purchase or transfer of personal property sold by the Businesses during the prior twelve months, less any administrative fee retained by IDOR (the “Developer’s Share”). In the event the State increases the percentage of the Sales Taxes above one percent (1%), the rebate to the Developer of thirty three and one third percent (33 1/3%) (effectively .3333%) of Sales Taxes shall not include any such increases. So long as no notice of default has been issued to the Developer pursuant to Section 15 of this Agreement that remains outstanding, the City shall pay annually to the Developer as reimbursement of Project Costs, commencing on the first anniversary date of the last day of the month in which the Marketplace opens (“Anniversary Date”), the Developer’s Share of the Sales Taxes generated by Businesses received by the City for the twelve month period that precedes each Anniversary Date (and also inclusive for the first payment under this Agreement of any partial month after the Marketplace opens) and continue to reimburse the Developer’s Share generated from Businesses operating at the Subject Property, solely from the Sales Taxes of one percent (1%) as hereinabove defined, until the first to occur: (i) payment of the Developer’s Share upon the tenth (10th) Anniversary

Date; or, (ii) receipt by the Developer of an amount equal to the lesser of: (i) ten percent (10%) of the Project Costs; or, (ii) \$2,450,000. The City shall make any payment due to Developer pursuant to this Section no later than thirty (30) days following each Anniversary Date.

D. Throughout the term of this Agreement, the Developer shall provide the City with copies of the monthly reports submitted to the Illinois Department of Revenue of the Retailers' Municipal Use and Occupation Taxes paid by the Businesses in connection with the operation of the Businesses at the Subject Property, or, alternatively or in addition, each of the Businesses shall provide the City a completed and executed Authorization to Release Sales Tax Information to Local Governments that enable the City to receive information regarding the Sales Taxes from the Illinois Department of Revenue.

E. In the event the Developer ceases to operate the Marketplace at the Subject Property at any time during the term of this Agreement, other than a temporary cessation of operations for reasonable business purposes such as remodeling or as a result of a force majeure, the Developer covenants and agrees to repay the City for amounts paid by the City as reimbursement of Project Costs according to the following schedule:

<u>Year of Termination of Operations</u>	<u>Percentage of Prior Amounts Received by Developer to be Repaid to City</u>
<u>2019</u>	<u>100%</u>
<u>2020</u>	<u>100%</u>
<u>2021</u>	<u>90%</u>
<u>2022</u>	<u>80%</u>
<u>2023</u>	<u>70%</u>
<u>2024</u>	<u>60%</u>
<u>2025</u>	<u>50%</u>
<u>2026</u>	<u>40%</u>
<u>2027</u>	<u>30%</u>
<u>2028</u>	<u>20%</u>
<u>2029</u>	<u>10%</u>

F. The City shall treat this Agreement as an agreement to share or rebate occupation taxes and shall timely comply with the reporting requirements of 65 ILCS § 5/8-11-21.

G. If the City receives a request pursuant to the Illinois Freedom of Information Act for information provided by the Developer, the City shall immediately notify the Developer, providing a copy of the request, and the Developer shall have the opportunity after receipt of such notice from the City to notify the City that it consents to the request. If requested by the Developer, the City shall refuse to disclose the information and shall not thereafter disclose the information without the consent of the Developer unless compelled to do so by court order. In the event that action is ever commenced against the City pursuant to the Illinois Freedom of Information Act or similar statute as a result of withholding any documents provided by the Developer at the request of the Developer, the Developer agrees to indemnify and hold the City harmless with respect to any attorney's fees or costs or judgments imposed on or incurred by the City as a result of such action. The Developer understands and agrees that the provisions of this Agreement shall be a matter of public record, as shall any and all payments to the Developer pursuant to this Agreement, and any information required to be disclosed and not redacted by the City pursuant to 65 ILCS § 5/8-11-21.

Notwithstanding any provision in this Agreement regarding notice, the City shall provide any notice required by this Section by electronic mail delivery to [Incentives.Credits@kroger.com] and [melissa.clare@kroger.com] as promptly as possible within twenty-four (24) hours of receipt on any business day and shall provide duplicate hard copy notice to the Developer pursuant to Section 10 and the Developer shall provide any notice required by this Section by electronic mail delivery to [Incentives.Credits@kroger.com] as promptly as possible within two (2) business days and shall provide duplicate hard copy notice to the City

pursuant to Section 10. Failure on the part of the Developer to provide the City with a notice or a response, shall be deemed as granting the City the use of its sole discretion as to the release of the requested information.

Section 4. Term.

Unless earlier terminated pursuant to Section 15 hereof, the term of this Agreement shall commence on the date of execution and end on the first to occur: (i) payment to the Developer of the Developer's Share as of the tenth (10th) Anniversary Date; or, (ii) the receipt by the Developer of the lesser of: (1) ten percent (10%) of the Project Costs; or, (2) \$2,450,000 (the "*Termination Date*").

Section 5. No Liability of City to Others for Developer's Expenses.

The City shall have no obligation to pay Project Costs or to make any payments to any person other than the Developer, or its successors or assigns, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the construction and development of the Project.

Section 6. Time; Force Majeure.

Time is of the essence of this Agreement; provided, however, a party shall not be deemed in material breach of this Agreement with respect to any of such party's obligations to be performed under this Agreement, if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents,

employees or invitees) or similar causes beyond the reasonable control of such party (“*Force Majeure*”). If one of the foregoing events occurs or either party claims that such an event occurred, the party to whom such claim is made shall investigate and consult with the party making such claim, and the party to whom such claim is made shall grant any extension reasonably requested by the party making such claim for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 7. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld; provided, the Developer may assign this Agreement to an affiliate of the Developer without the consent of the City. The Developer’s conveyance of the Subject Property to any unrelated grantee without the prior written consent of the City shall be an event of default under this Agreement.

Section 8. Developer Indemnification.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs, and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney’s fees) which may arise directly or indirectly from the failure of the Developer, or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor, agent, or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer, or materialman, from any default or breach of the terms of this Agreement by the Developer; or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor or agent or

employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend, and pay all charges of attorneys, costs, and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials, or employees in any such action, the Developer shall have no obligation whatsoever, with respect to any damages or judgment arising from any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees, or contractors.

Section 9. Waiver.

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies.

Section 10. Notices.

All notices, demands, requests, consents, approvals, or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party, or an officer, agent, or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer: Kroger Limited Partnership I
1014 Vine Street – GO7
Cincinnati, Ohio 45202
Corporate Tax Department
Attn: Economic Incentives and Credits
Incentives.Credits@kroger.com

To the City: City Manager
City of Bloomington
109 E. Olive Street
Bloomington, Illinois 61702

Corporate Counsel
City of Bloomington
109 E. Olive Street
Bloomington, Illinois 61702

With a copy to: Kathleen Field Orr
Kathleen Field Orr & Associates
53 West Jackson Boulevard
Suite 964
Chicago, Illinois 60604

Section 11. Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 12. No Joint Venture, Agency, or Partnership Created.

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

Section 13. No Discrimination – Construction.

The Developer, or its successors or assigns, agrees that with respect to the development of the Project it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall employ applicants and treat employees during employment without regard to their race, creed, color, religion, sex or national origin, including but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training,

including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause.

Section 14. Severability.

If any section, subsection, term, or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term, or provision of this Agreement, or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 15. Remedies – Liability.

(a) If, in the City's judgment, the Developer is in material default of this Agreement, the City shall provide the Developer with a written statement indicating any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in paragraph (a) above have expired, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement.

(c) If prior to completion of the Project, any voluntary or involuntary petition or similar pleading under any section of any bankruptcy or insolvency act shall be filed by or against the Developer; or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts; or the Developer makes an assignment for the benefit of its creditors; or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property; the City may elect, but is not required to, terminate this Agreement with or without notice, to the extent permitted by law and enforceable under applicable federal bankruptcy laws. In order to terminate this Agreement for any reason described in this sub-section (c), the City's sole obligation shall be to record a Certificate of Default with the McLean County Recorder's Office, executed by the Mayor or the City Manager, stating that this Agreement is terminated pursuant to the provisions of this Section 15(c), in which event this Agreement shall *ipso facto* automatically become null and void and of no further force and effect.

(d) If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as

the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(e) If the City materially fails to fulfill its obligations under this Agreement after notice is given by the Developer and any cure periods described in paragraph (d) above have expired, the Developer may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement.

(f) In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct, or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to, the equitable remedy of an action for specific performance; provided, however, no recourse for any claim under or upon any obligation contained in this Agreement shall be had against the City, its officers, agents, attorneys, representatives, or employees, in any amount or in excess of any specific sum agreed to be paid by the City pursuant to this Agreement; and no liability, right, or claim at law or in equity shall be attached to or incurred by the City, its officers, agents, attorneys, representatives, or employees in any amount in excess of any specific sums agreed by the City to be paid hereunder, and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.

(f) The rights and remedies of the parties are cumulative and the exercise by a party of one or more such rights or remedies shall not preclude the exercise, at the same time or different

times, of any other rights or remedies for the same default or for any other default by the other party.

Section 16. This Agreement and all matters pertaining hereto shall be governed by Illinois law and any dispute arising herefrom shall be litigated in the county wherein the Subject Property is located.

Section 17. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all parties with the adoption of any ordinance or resolution of the City approving the amendment, as provided by law, and by execution of the amendment by the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations, and discussions relative to the Project.

Section 18. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Bloomington, Illinois.

City of Bloomington, McLean County, an Illinois
municipal corporation

By: _____
Tari Renner, Mayor

Attest:

Cherry L. Lawson, City Clerk

Kroger Limited Partnership I, an Ohio
Limited Partnership

By: _____
Joseph W. Bradley, Vice President and Assistant Treasurer

Attest:

Secretary

Exhibit A

LEGAL DESCRIPTION (Page 1 of 2)

**OUTLOT "A"
(0.868± ACRES)**

A PART OF LOT 10 IN THE RESURVEY OF LOT 8 OF THE SHIRK SURVEY, SAID LOT 10 BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 25 AND THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 24 NORTH, RANGE 2 EAST OF THE 3RD PRINCIPAL MERIDIAN, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF COLLEGE AVENUE AND THE WEST RIGHT OF WAY LINE OF HERSHEY ROAD SAID POINT BEING ON THE NORTH LINE OF LOT 10 LYING 43 FEET WEST OF THE NORTHWEST CORNER OF THE LAND CONVEYED TO THE TIEHACK CORPORATION PER WARRANTY DEED RECORDED JULY 28, 1995 AS DOCUMENT NO. 95-15400 IN THE MCLEAN COUNTY RECORDER'S OFFICE; THENCE N89°17'43"W ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 396.95 FEET; THENCE N89°40'19"W ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 140.33 FEET TO THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED; THENCE S00°19'41"W, A DISTANCE OF 175.68 FEET; THENCE N89°40'19"W, A DISTANCE OF 174.47 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 44.42 FEET, FOR AN ARC DISTANCE OF 69.77 FEET; THENCE N00°19'41"E, A DISTANCE OF 98.80 FEET; THENCE N23°00'13"E, A DISTANCE OF 35.19 FEET TO THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE; THENCE S89°40'19"E ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 205.32 FEET TO THE POINT OF BEGINNING, CONTAINING 0.868 ACRES, MORE OR LESS, SITUATE, LYING AND BEING IN THE COUNTY OF MCLEAN AND STATE OF ILLINOIS.

**OUTLOT "B"
(0.868± ACRES)**

A PART OF LOT 10 IN THE RESURVEY OF LOT 8 OF THE SHIRK SURVEY, SAID LOT 10 BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 25 AND THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 24 NORTH, RANGE 2 EAST OF THE 3RD PRINCIPAL MERIDIAN, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF COLLEGE AVENUE AND THE WEST RIGHT OF WAY LINE OF HERSHEY ROAD SAID POINT BEING ON THE NORTH LINE OF LOT 10 LYING 43 FEET WEST OF THE NORTHWEST CORNER OF THE LAND CONVEYED TO THE TIEHACK CORPORATION PER WARRANTY DEED RECORDED JULY 28, 1995 AS DOCUMENT NO. 95-15400 IN THE MCLEAN COUNTY RECORDER'S OFFICE; THENCE N89°17'43"W ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 325.99 FEET TO THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED; THENCE CONTINUING N89°17'43"W ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 70.96 FEET; THENCE N89°40'19"W ALONG THE SOUTH R.O.W. LINE OF SAID COLLEGE AVENUE, A DISTANCE OF 140.33 FEET; THENCE S00°19'41"W, A DISTANCE OF 175.68 FEET; THENCE S89°40'19"E, A DISTANCE OF 156.97 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 99.42 FEET, FOR AN ARC DISTANCE OF 54.38 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 19.42 FEET, FOR AN ARC DISTANCE OF 19.88 FEET; THENCE N00°19'41"E, A DISTANCE OF 121.72 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 35.67 FEET, FOR AN ARC DISTANCE OF 23.83 FEET TO THE POINT OF BEGINNING, CONTAINING 0.868 ACRES, MORE OR LESS, SITUATE, LYING AND BEING IN THE COUNTY OF MCLEAN AND STATE OF ILLINOIS.

Exhibit A

LEGAL DESCRIPTION (Page 2 of 2)

**"KROGER PARCEL"
(14.631± ACRES)**

A PART OF LOT 10 IN THE RESURVEY OF LOT 8 OF THE SHIRK SURVEY, SAID LOT 10 BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 25 AND THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 24 NORTH, RANGE 2 EAST OF THE 3RD PRINCIPAL MERIDIAN, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF COLLEGE AVENUE AND THE WEST RIGHT OF WAY LINE OF HERSHEY ROAD AS THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED, SAID POINT BEING ON THE NORTH LINE OF LOT 10 LYING 43 FEET WEST OF THE NORTHWEST CORNER OF THE LAND CONVEYED TO THE TIEHACK CORPORATION PER WARRANTY DEED RECORDED JULY 28, 1995 AS DOCUMENT NO. 95-15400 IN THE MCLEAN COUNTY RECORDER'S OFFICE; THENCE S00°43'10"W ALONG THE WEST RIGHT OF WAY LINE OF SAID HERSHEY ROAD, A DISTANCE OF 937.07 FEET TO THE INTERSECTION OF THE WEST RIGHT OF WAY LINE OF SAID OF HERSHEY ROAD AND THE NORTH RIGHT OF WAY LINE OF JUMER DRIVE; THENCE N89°40'19"W ALONG THE NORTH RIGHT OF WAY LINE OF JUMER DRIVE, A DISTANCE OF 732.70 FEET; THENCE N17°03'10"W, A DISTANCE OF 27.04 FEET; THENCE N00°39'57"W, A DISTANCE OF 90.14 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 19.42 FEET, FOR AN ARC DISTANCE OF 30.50 FEET; THENCE N00°19'41"E, A DISTANCE OF 578.05 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 19.42 FEET, FOR AN ARC DISTANCE OF 22.89 FEET; THENCE N00°19'41"E, A DISTANCE OF 77.06 FEET TO A POINT ON THE WEST LINE OF OUTLOT "A", THENCE IN A SOUTHEASTERLY DIRECTION ALONG THE SOUTHERLY LINE OF OUTLOT "A", ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 44.42 FEET, FOR AN ARC DISTANCE OF 69.77 FEET; THENCE S89°40'19"E ALONG THE SOUTH LINE OF SAID OUTLOT "A" AND OUTLOT "B", A DISTANCE OF 331.44 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG THE SOUTHEASTERLY LINE OF SAID OUTLOT "B", ON A CURVE TO THE LEFT HAVING A RADIUS OF 99.42 FEET, FOR AN ARC DISTANCE OF 54.38 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG THE SOUTHEASTERLY LINE OF SAID OUTLOT "B", ON A CURVE TO THE LEFT HAVING A RADIUS OF 19.42 FEET, FOR AN ARC DISTANCE OF 19.88 FEET; THENCE N00°19'41"E ALONG THE EAST LINE OF SAID OUTLOT "B", A DISTANCE OF 121.72 FEET; THENCE ALONG THE EASTERLY LINE OF SAID OUTLOT "B", ON A CURVE TO THE LEFT HAVING A RADIUS OF 35.67 FEET, FOR AN ARC DISTANCE OF 23.83 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF SAID COLLEGE AVENUE; THENCE S89°17'43"E ALONG THE SOUTH RIGHT OF WAY LINE OF SAID COLLEGE AVENUE; A DISTANCE OF 325.99 FEET TO THE POINT OF BEGINNING, CONTAINING 14.631 ACRES, MORE OR LESS, SITUATE, LYING AND BEING IN THE COUNTY OF MCLEAN AND STATE OF ILLINOIS.

[Zumwalt & Associates, Inc. - July 14, 2016]



REGULAR AGENDA ITEM NO. 8B

FOR COUNCIL: December 19, 2016

SUBJECT: Consideration of an ordinance approving an Economic Incentive Agreement to support the retention and expansion of Sam Lemman Toyota in the City of Bloomington.

RECOMMENDATION/MOTION: That the Ordinance for the proposed Economic Incentive Agreement between the City of Bloomington and Sam Lemman Toyota Bloomington be approved, and authorize the Mayor and City Clerk to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 3: Grow the Local Economy; Goal 4: Strong Neighborhoods; Goal 5: Great Place – Livable, Sustainable City.

STRATEGIC PLAN SIGNIFICANCE: Objective 3a. Retention and growth of current local businesses; 3d. Expanded retail businesses; 3e. Strong working relationship among the City, businesses & economic development organizations. Objective 4c: Preservation of property/home valuations; Objective 5b: City decisions consistent with plans and policies; 5c. Incorporation of “Green Sustainable” concepts into City’s development and plans; 5e: More attractive city: commercial areas and neighborhoods.

BACKGROUND & OVERVIEW: Earlier this year, the Sam Lemman Auto Group (“Lemman”) acquired the Bob Dennison Ford and Toyota dealerships and property at 1502 and 1508 Morrissey Drive. In order to meet requirements set forth by Toyota Motor Corporation which regulate the design and size of its dealer’s showroom facilities and display lots, Lemman has been searching for a site to construct a new showroom and service facility for its recently acquired Toyota dealership.

Over the last few months, City staff has been in frequent contact with Lemman representatives regarding their interest in the vacant site south of the Morrissey Crossing Shopping Center (the retail development formerly known as “Brandville” which is now anchored by the Qik N EZ gas station, Famous Dave’s restaurant, a Dollar Tree store, and the Lincoln Springs Center event venue) at the southwest corner of Veterans Parkway and Morrissey Drive. Directly south of the shopping center is a 6.08 acre parcel which has frontage on Morrissey Drive / Route 150 but has never been developed. This site holds great potential for Lemman to purchase and construct a new Toyota dealership upon. However, there are two significant barriers which prevent Lemman from moving forward with acquiring the property:

- 1) A sanitary sewer line bisects the property and is buried under what would be the center of the proposed dealership building and therefore must be relocated prior to construction.
- 2) The Morrissey Drive / Veterans Parkway area suffers from multiple issues related to stormwater runoff. The proposed Toyota dealership on this site will essentially require the entire site to be paved to create a parking lot for the display of new and used vehicles,

vehicles undergoing service, and employee vehicles. To develop the site in a manner which would maximize the number of parking spaces and still meet the stormwater detention requirements imposed by the EPA and City Code, Leman will be required to construct a 72,000 cubic foot underground stormwater detention system which would have the capacity to contain approximately 538,597 gallons of rainwater (the equivalent of 9,792 fifty-five (55) gallon rain barrels). For the Council's reference, a case study detailing how an underground stormwater management system was successfully deployed at a car dealership in the Minneapolis, MN area is attached in the Economic Development Incentive Binder.

The costs to relocate the sanitary sewer line and construct the 72,000 cubic foot underground stormwater detention system have been estimated by Leman's civil engineer to add approximately \$700,000 to the development project for the new Toyota dealership. These two extraordinary costs, in addition to the fact that the configuration of the 6.08 parcel makes it difficult (but not impossible) to meet Toyota's minimum requirements for display car parking, have prompted Leman to request that the City consider providing some form of municipal assistance to help overcome this site's challenges.

Staff is supportive of entering into an economic incentive agreement with Leman in order to provide municipal support to assist Leman in overcoming the extraordinary costs encountered at this site. The proposed development site has been highlighted in the Comprehensive Plan 2035 as a "Tier One" priority focus area for in-fill development and redevelopment to "support the goals of compact development, leveraging Bloomington's investment in city services, and keeping growth contiguous to the City." The Comprehensive Plan recommends that incentives be offered to promote in-fill development over greenfield development on the fringe of the city.

If the proposed incentive agreement is approved, Leman's representatives have indicated that the company will acquire the Morrissey Crossing site in early 2017 with construction of the new Toyota dealership commencing immediately and opening in early 2018. If the incentive agreement is not approved, Leman's representatives have indicated that the company will not acquire the site and will instead pursue a larger site outside of the City which would have lower upfront development costs due to the potential to construct a less costly surface level detention basin.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: City Staff from Public Works, Community Development, Finance, and Water have participated in multiple meetings with Leman representatives regarding the proposed Toyota dealership development on the 6.08 acre site south of the Morrissey Crossing Shopping Center. This parcel (also known as Lot 3 of Morrissey Crossing Subdivision) was created by way of an Expedited Final Plat which was approved by the City Council on November 28, 2016. Representatives of Greyhound Properties LLC, the current owners / managers of the subject property and the shopping center, have met extensively with staff from multiple City departments over the last two years regarding the best way to re-plat the property which was formerly divided into ten (10) parcels. Staff has provided guidance related to dealing with the stormwater issues and also offered feedback on the property owner's plans for renovating the shopping center which has long struggled with low occupancy.

FINANCIAL IMPACT: Below is a summary of the proposed incentive agreement between the City and Leman:

Date of Land Acquisition:	On or before January 31, 2017
Date of Construction Plan Submittal:	On or before March 31, 2017
Date of Dealership Opening:	On or before May 31, 2018
Land to be Acquired:	6.08 Acres
Total Investment:	\$8 Million
Total Incentive:	\$700,000
Source of Incentive:	50% of the 1% Sales Tax
Term of Incentive:	10 Years

As set forth in the proposed Economic Incentive Agreement, Leman will purchase Lot 3 of the Morrissey Crossing subdivision and construct a new Toyota dealership facility which will meet the requirements of Toyota Motor Corporation. Leman will be required to provide the City with evidence of a total investment of \$8 million in the project. The City will commit to rebate to Leman one-half (1/2) of the 1% sales tax generated by the Toyota dealership for up to ten (10) years or up to \$700,000, whichever occurs first. Sales taxes generated by Leman's other Bloomington dealerships will be excluded from the rebate.

Based on projections modeled by the City's Office of Economic Development using a variety of internal and external industry sources which were then validated by Leman, the sales tax generated by the new Toyota dealership will be sufficient to cover the proposed incentive while still leaving excess revenues which would be retained by the City.

Although not included as a revenue source for the incentive agreement, as the proposed development site is a grass lot, the proposed new dealership facility will generate additional property tax revenue for the City, Bloomington School District 87, and the other taxing districts with which the City shares jurisdiction. Additionally, it is anticipated that, due to increased space to offer vehicle service and a larger showroom, Leman will hire additional service technicians and sales staff. According to data provided by the National Automobile Dealers Association, the average annual earnings for employees of new car dealerships is \$53,423 which is significantly higher than Bloomington's Per Capita Income of \$34,215 but slightly lower than Bloomington's Median Household Income \$60,072 (ESRI / US Census Bureau).

The incentive agreement contains a clawback provision wherein if Leman were to close or relocate the Toyota dealership outside of the City during the term of the agreement, Leman would be required to repay the incentive on a prorated basis. **Note:** The proposed agreement **does not** include a provision whereby the City would be required to pay Leman interest on the yet to be rebated portion of the incentive during the ten year term of the agreement. Additionally, the City's Home Rule Sales Tax (or any other City revenues generated by the Toyota dealership) is **not included** as a revenue source in the proposed incentive agreement.

The proposed incentive is supported by the City's Economic Development Strategic Plan and Economic Development Incentive Guidelines, both of which were approved by the City Council

on October 22, 2012. For this proposed project, staff would request that the Council specifically consider Guideline #1-D:

***Strategic Use of Incentives:** Economic incentives considered by the City of Bloomington will additionally factor in the economic impact an incentive to a specific applicant has to revitalize a particular area of the City beyond just the applicant's property.*

The proposed development of the new Lemman Toyota dealership on Morrissey Crossing Lot 3 will redevelop what is today a deteriorated parking lot and grass field into a new car dealership with new curbing and landscaping adjacent to the Morrissey Crossing shopping center. Additionally, the proposed underground stormwater detention system will facilitate the development of a proposed restaurant / retail center on the northwest corner the Morrissey Crossing shopping center, an additional retail development which would not likely otherwise occur on its own due to the high costs of dealing with the stormwater detention issues specific to that additional proposed retail development. Further, the proposed Lemman Toyota stormwater system may help to alleviate some of the stormwater issues in this localized area of the city.

Respectfully submitted for Council consideration.

Prepared by: Austin Grammer, Economic Development Coordinator

Reviewed by: Tom Dabareiner, Community Development Director

Financial & budgetary review by: Chris Tomerlin, Budget Analyst

Legal review by: Kathleen Field Orr, Counsel for Economic Development

Recommended by:



David A. Hales
City Manager

Attachments:

- Office of Economic Development Incentive Binder
- Ordinance Authorizing the Economic Incentive Agreement
- Economic Incentive Agreement and Associated Exhibits

Motion: That the Ordinance for the proposed Economic Incentive Agreement between the City of Bloomington and Sam Lemman Toyota Bloomington be approved, and authorize the Mayor and City Clerk to execute the necessary documents.



Office of Economic Development

Economic Development Incentive Binder

Sam Lemman Toyota

December 19, 2016

Table of Contents:

- A. Municipal Assistance Request Letter from Lemman Management Company
- B. Mohr & Kerr Engineering & Land Surveying Cost Estimates Letter (Engineer for Lemman)
- C. City of Bloomington Public Works Memo Reviewing Kerr's Cost Estimates
- D. Case Study: Dealership Expansion Made Possible by Underground Stormwater System
- E. NADA Fact Sheet: Annual Contribution of Illinois' New-Car Dealers
- F. GIS Map of Morrissey Crossing
- G. Morrissey Crossing Subdivision November 28, 2016 Final Plat
- H. Preliminary Site Plan for Proposed New Lemman Toyota Dealership
- I. Economic Development Incentive Agreement & Ordinance

Leman Management Company

200 East Coutland Street

Morton, IL 61550

Phone (309)263-2345 - Fax (309)266-5368

October 31, 2016

David Hales
City Manager
City of Bloomington
109 East Olive Street
Bloomington, IL 61702-3157

Mr. Hales,

The purpose of this letter is to document Sam Leman Toyota's request for a Sales Tax Rebate Incentive from the City of Bloomington.

The Sam Leman Auto Group was established in 1963 as a Chevrolet Dealer in Roanoke, IL. The Auto Group has since expanded to include stores in Bloomington, Morton, Peoria and Pekin and is currently the largest Dealer Group in Central IL.

With our recent acquisition of Dennison Ford and Toyota, we now have 9 franchises located in Bloomington. We have been part of the Bloomington business community for over 30 years and are excited about the opportunity to continue to expand our facilities to better serve our customers.

We are in the process of evaluating several locations in the Bloomington-Normal area to construct a 30,000 square foot building to relocate our Toyota franchise to better serve the Central Illinois Region. One of the sites we identified is a six acre site to the south of the Qik-n-EZ gas station on Morrissey Drive in Bloomington. While the site meets most of our requirements, the site has significant development challenges one of which is having to construct the storm water detention under-ground. In order to make this site viable and affordable, we are requesting a sales tax incentive to offset the \$700,000 of extraordinary costs related to the construction of the underground storm water detention and relocation of a sewer line.

Including the extraordinary cost of \$700,000 associated with the construction of the underground detention and the relocation of the sewer line, we are estimating the new Toyota facility will require an investment of \$8M. Included in the \$8M is the cost of land, development of the site and construction of the building along with the related equipment and furnishings.

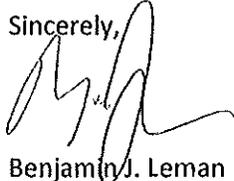
As a result of an expected significant increase in Toyota sales volume, we anticipate adding both sales and service employees. At this point, we are planning on adding 30-35 full-time positions of which 20 to 25 will be Head of Household compensation

In conclusion, the Sam Lemman Auto Group is excited about the investment opportunities that are available to us in the Bloomington market. Our hope is that we can come to a mutually beneficial agreement that can allow us to build our new Toyota facility in Bloomington.

With time being of the essence, we are looking forward to discussing our investment plans along with our Sales Tax Rebate Request with you in the near future. Our intent is to make a final decision on this property by the end of November 2016.

Thank-you in advance for considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. J. Lemman', written over the word 'Sincerely,'.

Benjamin J. Lemman
President
Sam Lemman Auto Group



December 12, 2016

Todd A. Braker, CFO
Leman Auto Group
200 East Courtland Street
Morton, IL 61550

Re: Sam Leman Toyota Bloomington
Extra Ordinary Cost

Todd,

Below is our estimate of probable construction cost for the underground detention, relocating the sanitary sewer and rerouting the storm water from the North property to bypass our site and detention.

Sanitary Sewer

For the sanitary we have used numbers from recent bid projects to come up with unit prices. We are using \$50/foot for the sewer relocation and \$3,500 per manhole.

Sanitary sewer – 693 lineal feet @ \$50/foot	\$34,650.00
Sanitary Manholes - 5 manholes @ \$3500 each	<u>\$17,500.00</u>
Subtotal Sanitary Sewer	\$52,150.00
GC Markup & Contingency (15%)	<u>\$7,822.00</u>
Total Sanitary Sewer	\$59,972.00

Underground Detention

For the underground detention based on some detailed information from Contech I have calculated the following quantities for 72,000 cubic feet of detention. The installation crew is comprised of an Excavator, Wheel Loader, two operators and four laborers

Material	\$281,200.00 – Actual Quote from Contech
Excavation – 3963 CY @ \$20/CY	\$79,260.00
Gravel – 3860 Tons CA7 @ \$32/Ton	\$123,520.00 – Price from ICCI est. delivered and placed.
Installation – 8 days @ \$650/hour crew	<u>\$41,600.00</u>
Subtotal	\$525,580.00
GC Markup & Contingency (15%)	<u>\$78,837.00</u>
Total	\$604,417.00

Route Tributary Storm Water around the Site and Create Green Space

Approximately 5 acres of storm water from the paved properties north of the proposed dealership drains directly across the development. This storm water needs to be collected and routed around the development. We have proposed curbing the North property line, collecting the water in a storm sewer capable of handling a 100 year storm and routing it around the site. This method has the additional benefit of creating green space between the two properties.

Curb & Gutter - 976 feet @ \$27.00/foot	\$26,352.00
Storm Structures - 3 Each @ \$2,500/each	\$7,500.00
Storm Sewer - 681 feet @ \$62.00/foot	<u>\$42,222.00</u>
Subtotal	\$76,074.00
GC Markup & Contingency (15%)	<u>\$11,411.00</u>
Total	\$87,485.00

My estimate for the extraordinary cost is \$751,874.00.

Please let me know if you need any additional information.

Thanks,

Steven D. Kerr, P.E.

To: David Hales, City Manager
From: Kevin Kothe, City Engineer
CC: Jim Karch, Public Works Director
Austin Grammer, Economic Development Coordinator
Date: December 13, 2016
RE: Proposed Lemman Toyota Development on Morrissey Crossing Lot #3

We have reviewed the preliminary development plans submitted by the engineering firm which was contracted by Sam Lemman Auto Group (Lemman) to design the proposed new Toyota dealership on Lot # 3 of the Morrissey Crossing Subdivision. As we are well aware, this area of the City suffers from several issues which negatively impact stormwater drainage. Due to the topography of Lot #3 and Lemman's need to pave virtually the entire property to use it as a car dealership, an underground stormwater detention system will need to be constructed under the car display area (parking lot) so as to capture and control the stormwater that falls on this property during a rain event.

Multiple members of the City's engineering team have corresponded with Lemman's civil engineer in the conceptual design of the proposed underground stormwater detention system. The proposed underground stormwater detention system will be designed to meet the requirements of the City's codes and standards in the Manual of Practice for Public Improvements. Additionally, as a requirement of the purchase of Lot #3 from the owners of the Morrissey Crossing Shopping Center, Lemman is required to oversize the proposed Toyota dealership's underground stormwater detention system in order to accommodate a portion of the stormwater runoff from the northeast corner of the shopping center property. The proposed Lemman underground stormwater detention system is being oversized to provide the required excess capacity which will support the shopping center's owner's proposed plans to construct a new retail building on the northeast corner of the shopping center property.

In addition to the proposed underground stormwater detention system, Lemman will also need to relocate an existing underground sanitary sewer pipe which bisects Lot #3 in order to position the car dealership building towards the center of the parcel (Construction of a building over an underground sewer or water main is not allowed).

Lemman's engineer has estimated the cost to relocate the sewer line and the construction of the required underground stormwater detention system to be in the range of \$700,000 to \$750,000. Based on our knowledge of the costs anticipated, we believe this estimate to be reasonable. These are extraordinary costs that could limit the development of the property as is currently being proposed. In the development of most sites, above ground detention is preferred because it is much less costly than below ground detention. Given the topography of the site, the best location for detention is along the Morrissey Drive frontage. This location limits development of the valuable frontage along Morrissey Drive which negatively impact the productive value of the property.

Please contact me should you have any questions.



Dealership Expansion Made Possible with Underground Stormwater System

The Situation

Luther Brookdale Chevrolet in Brooklyn Center, Minnesota was an older dealership in need of a facelift. "An entire renovation was taking place to improve both the inside and out," explains Lance Hoff, water resource engineer, Royal Environmental, a division of Royal Enterprises. New storm water chambers were necessary to meet regulatory requirements for the city and watershed district.

"We had to meet the 2 year, 10 year and 100 year storm events for rate control, and watershed requirements required us to use best management practice in infiltration," explains Nathan Wallerstedt, design engineer, LandForm, who engineered the project. "In order to make our best effort we decided to use a bottomless system to achieve both of those objectives."

As a car dealership, the parking lot was prime real estate. "We knew we needed an underground storm water system because every parking spot at a dealership is worth money," explains Wallerstedt, "The dealership needs every stall they can get to park vehicles for sale." A detention pond would take up too much vital space, especially with the new dealership building almost doubling in size.

The Solution

Through its association with Royal Environmental, a Triton Stormwater Solutions retention system was selected for its rate control and infiltration features.

"The city really liked the Triton system over the others because it had the solid floor in the first few chambers and sump dumpster," says Wallerstedt. "They liked that header row for its easy maintenance."



Phase one of Luther Brookdale Chevrolet underground storm water management system will have a storage volume of 11,000 cubic feet.

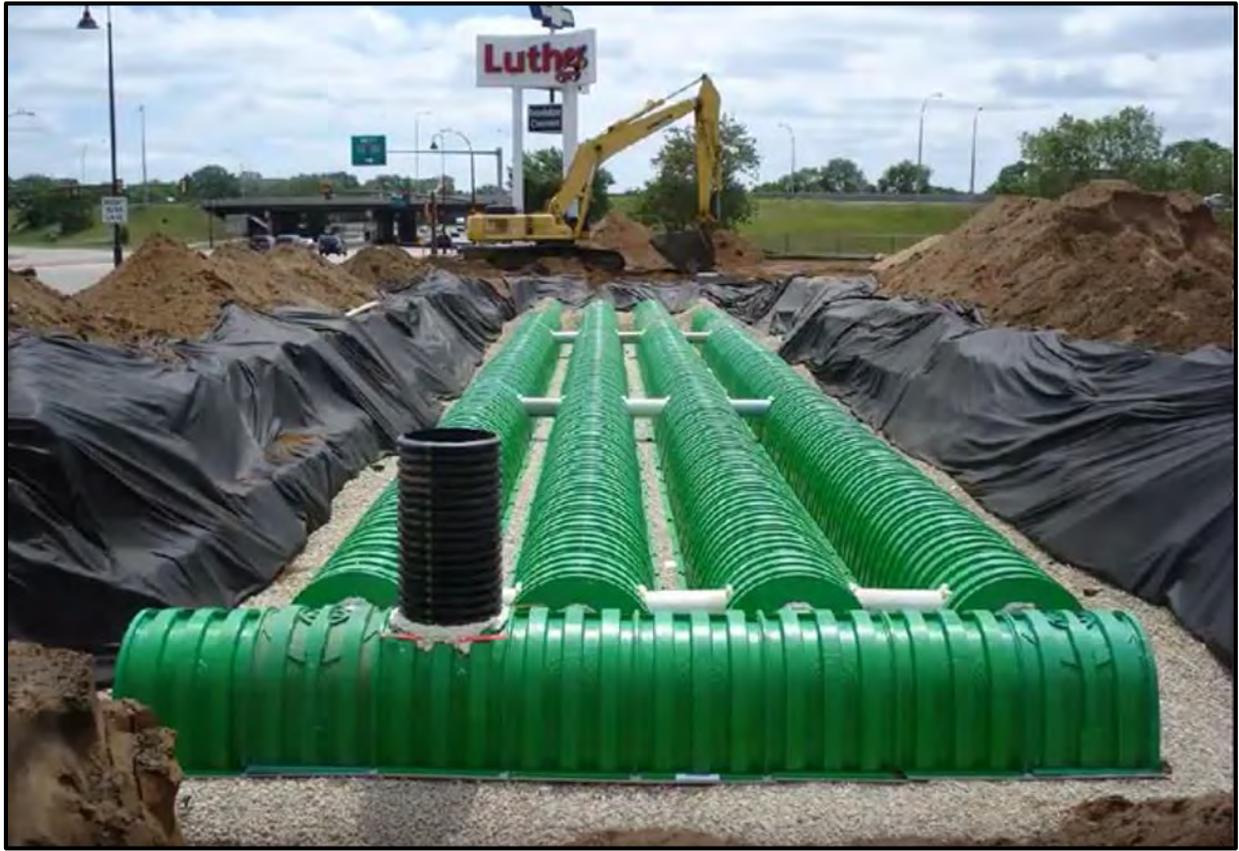
The Installation

The Triton storm water system was split into two sections and placed in opposite corners of the parking lot. This design most effectively utilizes the site's drainage patterns in order to collect all storm water runoff from the large site. Phase one of the system in the southeast corner is 4,000 square feet, with a storage volume of 11,000 cubic feet. At 2,760 square feet, Phase 2 of the system will be placed in the southwest corner with a storage volume of 7,100 cubic feet.



The Triton Main Header Row featured solid floors and an easily maintained sump dumpster.

First, the crew dug down to elevation and put down a six inch base layer of stone. Next, the chambers were put in and the walls of the trench were lined with a class 2 non woven geo fabric. The site was backfilled with stone up to six inches



past the crown of the chambers and the geo fabric was folded back and backfilled with material to the desired elevation, with Triton needing to be placed under only 16" of cover.

The installation went very smoothly and was finished within two days. "Even though it was his first time using a Triton system, the contractor did the best installation job that I have seen yet," says Hoff. "One benefit they had was that the system was strong enough that they could backfill from the side of the footprint. As a result, they were able to get the subgrade prepared and have the entire Triton system laid out in the parking lot ready to go prior to backfill. The chambers were all spaced perfectly and went together really smoothly. The contractors were very methodical."

Joe Miskovich, President of Triton Stormwater Solutions, in Brighton, Michigan, was also impressed with the contractor. "It was clear that they had done a lot of prep work, such as reading the installation manual. I was blown away with the efficiency, knowledge and due diligence that the contractor had put in."

Jeff Scherer, of Metro Utilities, who installed the system, agrees it went very smoothly. "This was the first one we have ever done and everything went really well. It was real easy to install and everything just fastened together."



The lightweight and superior engineering of Triton Chambers made installation fast and easy.

An added benefit is that because the Triton System is strong enough not to require a pavement layer to distribute the load, construction equipment as well as customer traffic was able to move on and off the site during installation. "It was a huge benefit not to have to impede ingress on or around the building," says Hoff. "Can you imagine if they could only have a one way road to and from the dealership during the entire construction?"



The Triton system is strong enough not to require a pavement layer allowing for construction equipment and customer traffic to move on and off the site during installation.

Summary

"I will definitely use the Triton product on future projects," says Wallerstedt. "I like the fact that it has the hard bottom header row in the first couple of chambers for maintenance. Cities like not worrying about sediment settling at the bottom of the system. It's a good practice."

Scherer would also use the Triton system again. "It installs easily and everything is nice and light."

Triton Stormwater Solutions is the proven, comprehensive solution to stormwater management challenges. On your next project, turn to Triton Stormwater Solutions, the stronger, lighter, larger, greener, easier-to-install, cost-effective stormwater solution. Triton gives you Power Over Water.



9864 E. Grand River • Suite 110 -176
Brighton, Michigan 48116
Phone: 810-222-7652 • www.tritonsws.com

**Power
over Water™**

Driving Illinois' Economy

Annual Contribution of Illinois' New-Car Dealers



Numbers reflect annual economic activity during 2015.



712

DEALERSHIPS
(new car)



100,118

TOTAL JOBS
(created by dealerships)

Includes 45,469 direct jobs and
54,649 indirect and induced jobs.



63

EMPLOYEES
(average per dealership)



\$2.4B

PAYROLL

\$53,423

Average Annual
Earnings

\$844M

State and Federal
Income Taxes Paid

Includes income taxes paid for direct,
indirect and induced jobs.



\$33.6B

TOTAL SALES

16.9%

Share of Total
Retail Sales in State



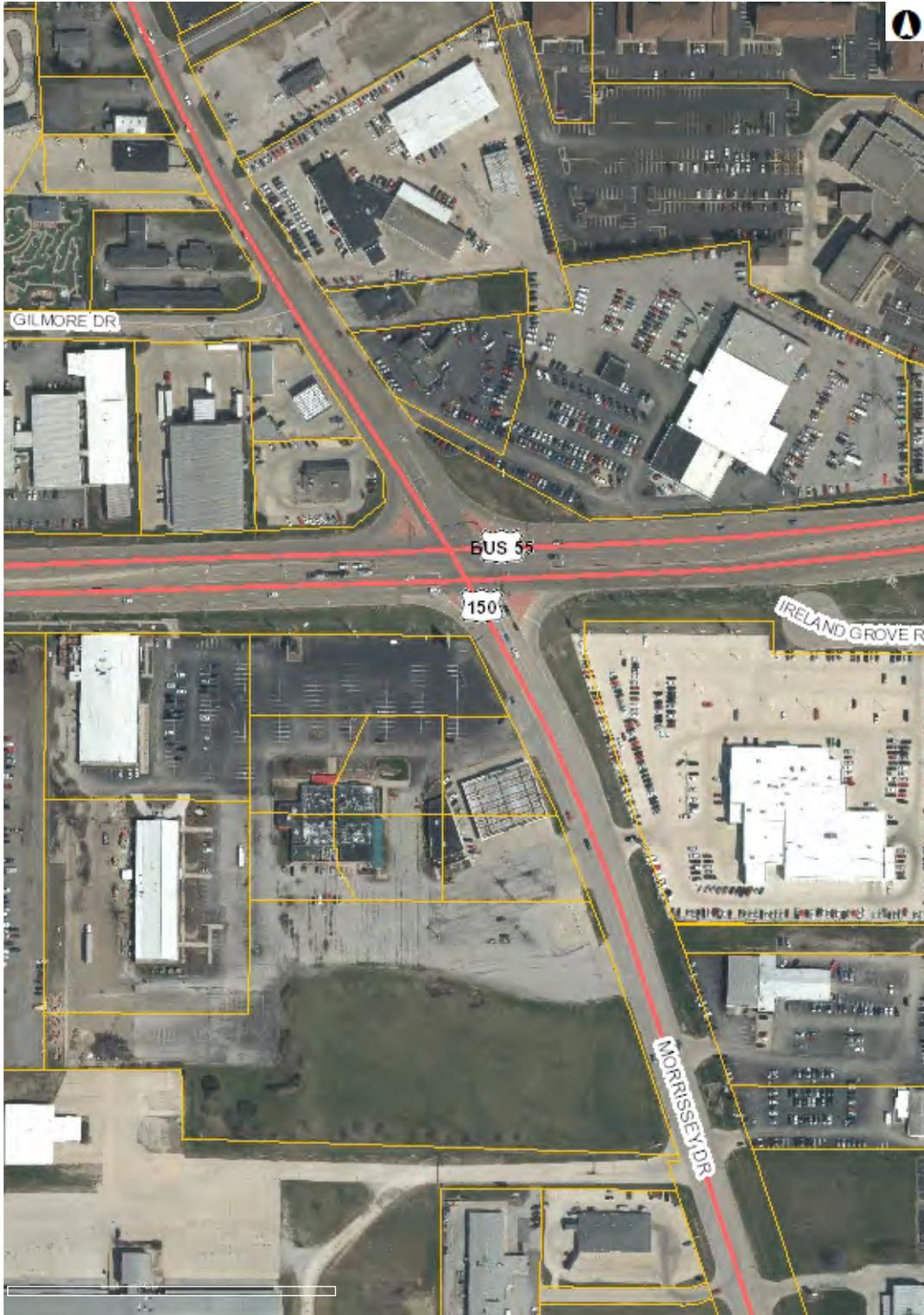
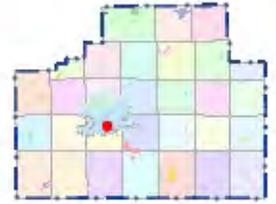
NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA Industry Analysis | 8400 Westpark Drive, Tysons, VA 22102 | 703.821.7010 | industryrelations@nada.org

NADA Legislative Affairs | 412 First Street, SE | Washington, DC 20003 | 800.563.5500 | legislative@nada.org

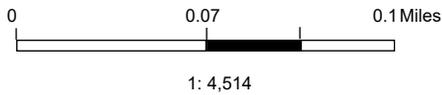


Morrissey Crossing / Sam Lemman Toyota



Legend

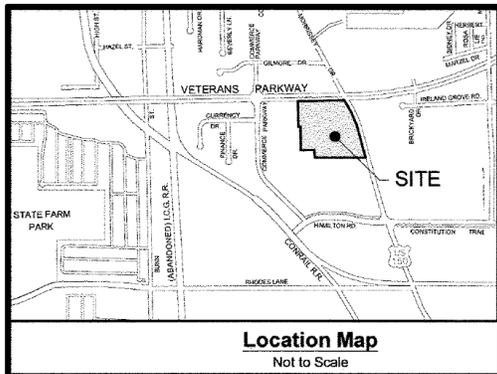
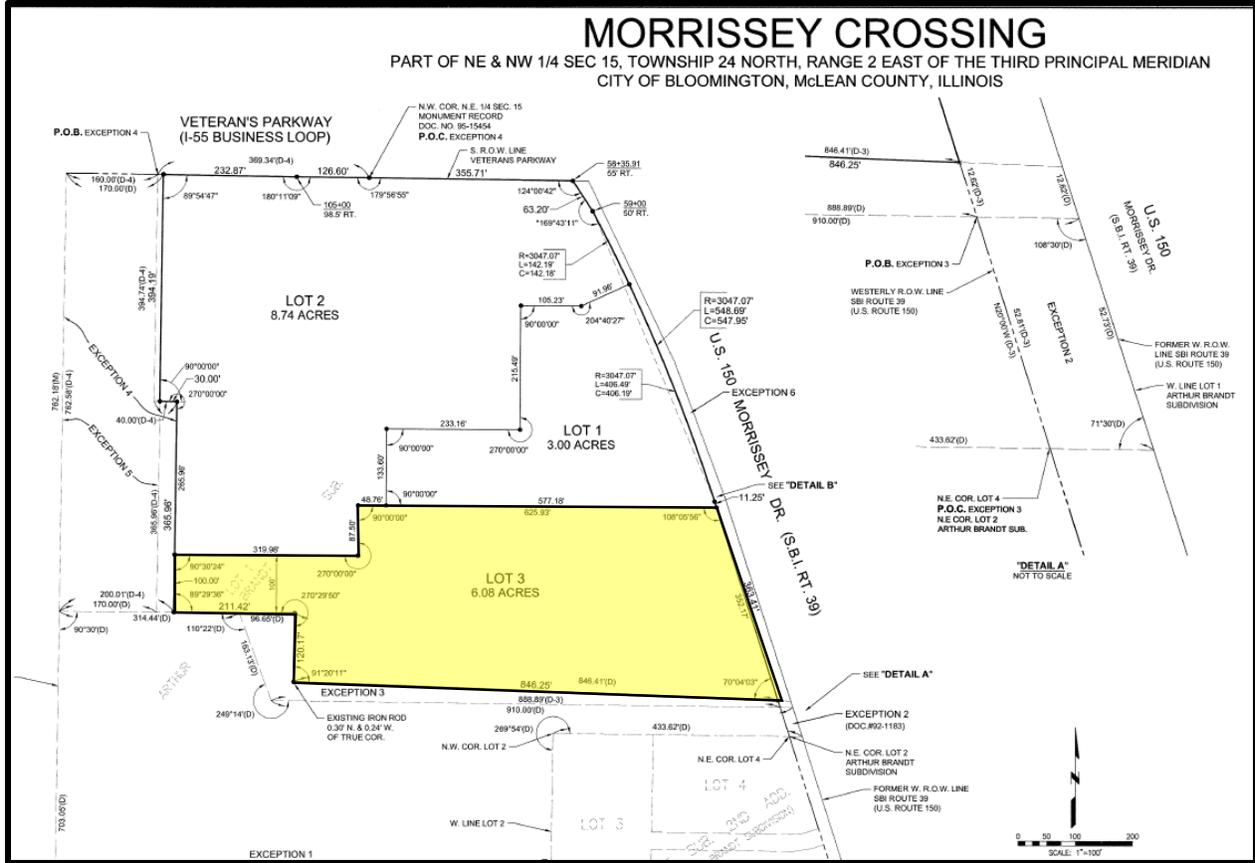
- Parcels
- Interstates
- US_Highways
- State_Highways
- County_Highways
- Minor_Arterial
- Major_Collector
- Minor_Collector
- Local_Road_Street
- Alleys
- Private_Streets
- Railroad
- County



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Notes

**Portion of "Morrissey Crossing" Subdivision Final Plat
Approved by the Bloomington City Council on November 28, 2016
(For reference only in relation to the proposed Sam Leman Toyota Dealership)**





Farnsworth
GROUP

2709 McGRAW DRIVE
BLOOMINGTON, ILLINOIS 61704
(309) 663-8435 / info@f-w.com

www.f-w.com
Engineers | Architects | Surveyors | Scientists

PROJECT:

MORRISSEY CROSSING

BLOOMINGTON, ILLINOIS

Date: 8-26-16

Design/Drawn: DJM

Reviewed:

Book No.: Field:

Project No.: 0130327.00

**ORDINANCE APPROVING AN ECONOMIC INCENTIVE AGREEMENT
BY AND BETWEEN THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS
AND SAM LEMAN TOYOTA BLOOMINGTON**

WHEREAS, the City of Bloomington, McLean County, Illinois (the “*City*”), is a home-rule unit of local government organized under the laws of the State of Illinois and is authorized to enter into economic incentive agreements in order to encourage the development or redevelopment of land within the corporate limits of the City; and,

WHEREAS, the City has identified certain commercial areas within its municipal boundaries where private development or redevelopment would significantly improve its tax base and the tax base of all of the affected taxing districts and provide new job opportunities for its citizens; and,

WHEREAS, Leman-BD Imports LLC an Illinois Limited Liability Company; Forest Park Management Co., Inc. an Illinois Corporation; and Leman Investments, LLC an Illinois Limited Liability Company (collectively the “*Developer*”) proposes to acquire and develop certain vacant property located to the south of the Morrissey Crossing Shopping Center (the “*Subject Property*”), for the purpose of operating a Toyota automobile dealership; and,

WHEREAS, the Developer has requested financial assistance from the City so that it may undertake substantial improvements to the Subject property, including relocation of the sewer and construction of an underground stormwater detention; and,

WHEREAS, the Mayor and City Council of the City have determined that it is in the best interests of the City and the health, safety and welfare of its residents, for the City to provide some financial assistance to the Developer as set forth in the attached Economic Incentive Agreement.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Bloomington, McLean County, Illinois, as follows:

Section 1. That the Economic Incentive Agreement by and between the City of Bloomington, McLean County, Illinois and Sam Leman Toyota Bloomington, attached hereto and made a part hereof, is hereby approved and the Mayor and City Clerk are hereby authorized to execute and deliver said Agreement on behalf of the City.

Section 2. The Mayor and City Clerk are hereby authorized and directed to undertake any and all actions as may be required to implement the terms of said Agreement.

Section 3. This Ordinance shall be in full force and effect immediately upon its passage by the Mayor and City Council and approval as provided by law.

ADOPTED this ____ day of _____, 2016, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED:

Mayor

Attest:

City Clerk

ECONOMIC INCENTIVE AGREEMENT
by and between
THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS
and
SAM LEMAN TOYOTA BLOOMINGTON

THIS ECONOMIC INCENTIVE AGREEMENT is entered into this ____ day of _____ 2016, by and between the City of Bloomington, Illinois, an Illinois municipal corporation (the “City”), and Leman-BD Imports LLC an Illinois Limited Liability Company; Forest Park Management Co., Inc. an Illinois Corporation; and Leman Investments, LLC an Illinois Limited Liability Company (collectively the “Developer”).

PREAMBLES

WHEREAS, the City is a duly organized and validly existing home-rule municipality pursuant to Article VII, Section 6a) of the Constitution of the State of Illinois of 1970 and as such, may exercise any power and perform any function pertaining to its government and affairs; and,

WHEREAS, the Mayor and City Council (the “Corporate Authorities”) have acknowledged that one of the primary goals of local government is to promote the health, safety and welfare of its citizens by encouraging private investment in industry, business and housing in order to enhance the City’s tax base, ameliorate blight and provide job opportunities for its residents; and,

WHEREAS, the Corporate Authorities have also acknowledged that in order to accomplish its goal to promote the health, safety and welfare of its citizens, there is often a need for economic assistance to address some of the extraordinary measures required to accomplish private investment in industry, business and housing; and,

WHEREAS, the City has identified certain commercial areas within its municipal boundaries where the existence of certain factors, such as excessive vacancies, deteriorating buildings and/or deteriorating common areas which factors, if not addressed, shall result in a disproportionate expenditure of public funds, decline of the City's tax base and loss of job opportunity for its residents; and,

WHEREAS, the City has determined that the Morrissey Crossing Shopping Center located in the vicinity of Morrissey Drive and Veterans Parkway, is an important commercial center of the City and its appearance and operations are essential to the retail business strength of the City; and,

WHEREAS, the Developer has acquired the Toyota automobile dealership located at 1502 Morrissey Drive, Bloomington, Illinois (the "*Existing Dealership*") and has now approached the City with a proposal to acquire and develop certain property located to the south of the Morrissey Crossing Shopping Center, legally described on Exhibit A attached hereto and made a part hereof (the "*Subject Property*") which has been vacant for several years for the purpose of constructing a building to operate a Toyota automobile dealership in lieu of the Existing Dealership; and,

WHEREAS, the Developer has advised the City that in order to proceed to acquire the Subject Property and construct a building to operate a new location for the Existing Dealership, it shall be required to undertake substantial improvements thereto, including relocation of the sewer and construction of underground stormwater detention (the "*Project*"), thereby incurring extraordinary costs and has requested assistance from the City to finance such extraordinary costs; and,

WHEREAS, the Corporate Authorities have reviewed the proposal from the Developer and the commitments to undertake the Project on the part of the Developer and have determined that it is in the best interest of the City and the health, safety and welfare of its residents, for the City to provide some financial assistance to the Developer for the extraordinary costs to be incurred in connection with the Project, upon the terms, conditions and limitations as hereinafter set forth.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

All of the recitals contained in the Preambles to this Agreement are hereby incorporated into this Agreement as though restated in this Section.

Section 2. Obligations of the Developer.

A. On or before January 31, 2017 the Developer covenants and agrees to acquire the Subject Property and proceed with the construction of the Project.

B. On or before March 31, 2017 the Developer shall present a plan to the City specifying the improvements to be made to the Subject Property for its approval and within thirty (30) days of approval by the City, the Developer shall have obtained all permits necessary pursuant to all applicable City Codes and laws of the State; commence construction of the Project in a good and workmanlike manner in accordance with the standards set forth in the City Code and all applicable laws of the State of Illinois; and, continue construction until completion and obtain a certificate of occupancy from the City on or before May 31, 2018.

C. The Developer covenants and agrees to combine the Existing Dealership now in operation and to commence operation of an automobile dealership that has been authorized and

designated by the Toyota Motor Corporation as a Toyota dealership at the Subject Property with all of the customary rights and privileges to sell new and certified used Toyota automobiles and provide warranty service to Toyota automobiles (the “*New Dealership*”) on or before May 31, 2018, unless delayed by Force Majeure as described in Section 7 below and further covenants and agrees to continue to operate for a period not less than ten (10) years.

D. Developer covenants that an investment of approximately \$8,000,000 shall be made to acquire the Subject Property, construct the Project and commence operation of the New Dealership.

E. Developer covenants and agrees, throughout the term of this Agreement to maintain the Subject Property and operate the New Dealership, as mandated by Toyota and in conformance with all applicable City Codes and laws of the State of Illinois.

F. The Developer covenants and agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.* (the “*Prevailing Wage Act*”), if and to the extent the Developer’s receipt of funds from the City pursuant to this Agreement causes the Developer to become subject to the Prevailing Wage Act.

Section 3. Obligations of the City to Reimburse the Developer.

A. Provided that the Developer has satisfied the requirements as stated in Section 2 and acquired the Subject Property on or before January 31, 2017, and, thereafter, commenced construction and obtaining a certificate of occupancy for the New Dealership on or before May 31, 2018, above, the City hereby covenants and agrees to annually reimburse the Developer fifty percent (50%) of the one percent (1%) municipal retail sales tax and municipal service occupation tax (the “*Municipal Sales Taxes*”) collected by the Illinois Department of Revenue from Illinois Business Tax number #4214-4027 “Sam Leman Toyota Bloomington” and

distributed to the City, the first rebate being May 31, 2018, for Municipal Sales Taxes for the 2017 calendar year. It is understood and agreed that the rebate to the Developer on May 31, 2018, shall include Municipal Sales Tax generated by the Existing Dealership and the New Dealership and distributed to the City in calendar year 2017.

B. The Municipal Sales Taxes shall be calculated using the rate of one percent (1%) imposed by the State of Illinois as of this Agreement. In no event shall the sales taxes generated by any other dealership operated by the Developer or transferred to the City from any other Illinois Business Tax number be included when calculating the Municipal Sales Taxes.

C. The first payment shall be made to the Developer on May 31, 2018 and annually on May 31 each year thereafter of Municipal Sales Taxes distributed to the City for the prior calendar year until the first to occur (i) the Developer has received a total of \$700,000; or, (ii) May 31, 2027. The first payment shall consist of fifty percent (50%) of the Municipal Sales Taxes distributed to the City for the Existing Dealership and the New Dealership for the year beginning January 1, 2017 and ending December 31, 2017.

D. In the event the Developer ceases to operate the Dealership at the Subject Property at any time during the term of this Agreement, other than a temporary cessation of operations for reasonable business purposes such as remodeling or as a result of a force majeure, the Developer covenants and agrees to repay the City for amounts paid by the City under the terms of this Agreement according to the following schedule:

<u>Year of Termination of Operations</u>	<u>Percentage of Prior Amounts Received by Developer to be Repaid to City</u>
<u>2017</u>	<u>100%</u>
<u>2018</u>	<u>100%</u>
<u>2019</u>	<u>100%</u>
<u>2020</u>	<u>100%</u>
<u>2021</u>	<u>100%</u>
<u>2022</u>	<u>100%</u>
<u>2023</u>	<u>80%</u>
<u>2024</u>	<u>60%</u>
<u>2025</u>	<u>40%</u>
<u>2026</u>	<u>20%</u>
<u>2027</u>	<u>0%</u>

E. The City shall treat this Agreement as an agreement to share or rebate occupation taxes and shall timely comply with the reporting requirements of 65 ILCS § 5/8-11-21.

Section 4. Term.

Unless earlier terminated pursuant to Section 16 hereof, the term of this Agreement shall commence on January 1, 2017 and shall run until the first to occur of (i) the Developer receiving total payments from the City in the amount of \$700,000, or (ii) May 31, 2027.

Section 5. No Liability of City to Others for Developer's Expenses.

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, or its successors or assigns, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the construction and development of the Project.

Section 6. Time; Force Majeure.

Time is of the essence of this Agreement; provided, however, a party shall not be deemed in material breach of this Agreement with respect to any of such party's obligations to be

performed under this Agreement, if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("*Force Majeure*"). If one of the foregoing events occurs or either party claims that such an event occurred, the party to whom such claim is made shall investigate and consult with the party making such claim, and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 7. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld.

Section 8. Developer Indemnification.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs, and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer, or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor, agent, or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer,

or materialman, from any default or breach of the terms of this Agreement by the Developer; or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend, and pay all charges of attorneys, costs, and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials, or employees in any such action, the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees, or contractors.

Section 9. Waiver.

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

Section 10. Severability.

If any section, subsection, term, or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term, or provision of this Agreement, or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 11. Notices.

All notices, demands, requests, consents, approvals, or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party, or an officer, agent, or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer: Lemman-BD Imports LLC

With a copy to: _____

To the City: David Hales, City Manager
City of Bloomington
109 E. Olive Street
Bloomington, Illinois 61234

With a copy to: Kathleen Field Orr
Kathleen Field Orr & Associates
53 West Jackson Boulevard
Suite 964
Chicago, Illinois 60604

Section 12. Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 13. No Joint Venture, Agency, or Partnership Created.

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

Section 14. No Discrimination – Construction.

The Developer, or its successors or assigns, agrees that with respect to the development of the Project it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause.

Section 15. Remedies – Liability.

(a) If, in the City's judgment, the Developer is in material default of this Agreement, the City shall provide the Developer with a written statement indicating any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its

rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in paragraph (a) above have expired, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement.

(c) If prior to completion of the Project, any voluntary or involuntary petition or similar pleading under any section of any bankruptcy or insolvency act shall be filed by or against the Developer; or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts; or the Developer makes an assignment for the benefit of its creditors; or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property; the City may elect, but is not required to, terminate this Agreement with or without notice, to the extent permitted by law and enforceable under applicable federal bankruptcy laws. In order to terminate this Agreement for any reason described in this sub-section (c), the City's sole obligation shall be to record a Certificate of Default with the McLean County Recorder's Office, executed by the Mayor or the City Manager, stating that this Agreement is terminated pursuant to the provisions of this Section 16(c), in which event this Agreement shall *ipso facto* automatically become null and void and of no further force and effect.

(d) If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any

failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(e) In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct, or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to, the equitable remedy of an action for specific performance; provided, however, no recourse for any claim under or upon any obligation contained in this Agreement shall be had against the City, its officers, agents, attorneys, representatives, or employees, in any amount or in excess of any specific sum agreed to be paid by the City pursuant to this Agreement; and no liability, right, or claim at law or in equity shall be attached to or incurred by the City, its officers, agents, attorneys, representatives, or employees in any amount in excess of any specific sums agreed by the City to be paid hereunder, and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.

(f) The rights and remedies of the parties are cumulative and the exercise by a party of one or more such rights or remedies shall not preclude the exercise, at the same time or

different times, of any other rights or remedies for the same default or for any other default by the other party.

(g) This Agreement and all matters pertaining hereto shall be governed by Illinois law and any dispute arising herefrom shall be litigated in McLean County, Illinois, the county wherein the Subject Property is located.

Section 16. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all parties with the adoption of any ordinance or resolution of the City approving the amendment, as provided by law, and by execution of the amendment by the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations, and discussions relative to the Project.

Section 17. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at _____, Illinois.

City of Bloomington, McLean County, an Illinois municipal corporation

By: _____
Mayor

Attest:

City Clerk

Leman-BD Imports LLC, an Illinois Limited Liability Company

By: _____
President

Attest:

Secretary

Forest Park Management Co., Inc. an Illinois Corporation

By: _____
President

Attest:

Secretary

Leman Investments, LLC an Illinois Limited Liability Company

By: _____
President

Attest:

Secretary

Exhibit A

Legal Description of Sam Lemman Toyota Property

Description of Property

A part of Lot 1 in Arthur Brandt Subdivision in the City of Bloomington, recorded as Document No. 89-16350 in the McLean County Recorder's Office, McLean County, Illinois, more particularly described as follows: Commencing at the Northeast Corner of Lot 4 in the Second Addition to Arthur Brandt Subdivision in the City of Bloomington, McLean County, Illinois, said point being on the West Right-of-Way Line of S.B.I. Route 39 & F.A.U. 6406 (U.S. Route 150), thence northwest 65.43 feet along said West Right-of-Way Line to the Point of Beginning. From said Point of Beginning, thence continuing northwest 352.16 feet along said West Right-of-Way Line which forms an angle to the right of 180°-00'-00" with the last described course; thence west 625.93 feet along a line which forms an angle to the right of 108°-05'-56" with the last described course; thence south 87.50 feet along a line which form an angle to the right of 90°-00'-00" with the last described course; thence west 319.80 feet along a line which forms an angle to the right of 270°-00'-00" with the last described course; thence south 100.01 feet along a line which forms an angle to the right of 90°-36'-37" with the last described course to the North Line of a tract of land described in Special Warranty Deed recorded November 28, 2012 as Document No. 2012-29874 in said Recorder's Office; thence east 211.42 feet along said North Line which forms an angle to the right of 89°-23'-23" with the last described course; thence south 120.17 feet along a line which forms an angle to the right of 270°-29'-50" with the last described course; thence east 846.25 feet along said North Line which forms an angle to the right of 91°-20'-11" with the last described course to the Point of Beginning, containing 6.075 acres, more or less.

 CITY OF
Bloomington ILLINOIS
REGULAR AGENDA ITEM NO. 8C

FOR COUNCIL: December 19, 2016

SUBJECT: Presentation and discussion of Bloomington's Facilities Management Draft 5-Year Capital Improvement Plan.

RECOMMENDATION/MOTION: Presentation and discussion of Bloomington's Facilities Management capital improvement infrastructure needs.

STRATEGIC PLAN LINK: Goal 2. Upgrade City Infrastructure & Facilities.

STRATEGIC PLAN SIGNIFICANCE: Objective 2d. Well-designed, well maintained City facilities emphasizing productivity and customer service.

BACKGROUND: The City has 118 buildings or structures located on 175 facilities which require maintenance, repairs, and periodic replacement to maintain functionality. Facilities Management and staff from other departments are continuously working to provide safe, well maintained facilities for guests, staff and residents of the City of Bloomington.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: Potential additional facility maintenance, repair and replacement costs and additional staff and material costs.

Respectfully submitted for Council consideration.

Prepared by: Russel Waller, P.E., Facilities Manger

Reviewed by: Stephen Rasmussen, Assistant City Manager

Financial Reviewed by: Chris Tomerlin, Budget Analyst

Legal review by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments:

- CIP 5-yr detail sheets
- PowerPoint presentation

Motion: Presentation and discussion of Bloomington's Facilities Management capital improvement infrastructure needs.

Category: **Facilities**

Funding Status: **Funding Secured**

Project: **Major Unforeseen Facility Repairs**

Project Description: Staff utilize all available information, including the Faithful & Gould Reports, prior maintenance history and general condition evaluations, to prepare budgets. However, some unforeseen major repairs are inevitable and often require expedited resolution ie., City Hall roof repair.

Project Status: Not applicable - could occur anytime throughout the fiscal year.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 5a. Well-planned City with necessary services and infrastructure

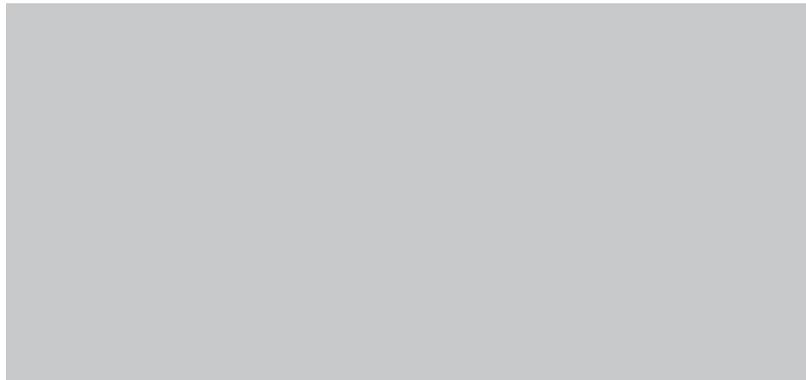
Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000
Total	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000

Neighborhood: Multiple

Ward: Multiple

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **City Facility Space Utilization**

Project Description: Use of existing City Facility space often changes with staff levels, employee duties, building age and other related factors. Reviewing, evaluating and adjusting the use of available space is important to improve employee safety, productivity and efficiency.

Project Status: TBD

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 5a. Well-planned City with necessary services and infrastructure

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 120,000	\$ 230,000	\$ 0	\$ 0	\$ 0	\$ 350,000
Total	\$ 120,000	\$ 230,000	\$ 0	\$ 0	\$ 0	\$ 350,000

Neighborhood: Multiple

Ward: Multiple

Photo (if applicable):

City Hall and the Government Center will be the focus of this evaluation.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **City Facility Safety Improvements**

Project Description: The safety of employees, residents and customers who utilize City Facilities is a high priority. Monitoring, evaluating and implementing various safety measures is an ongoing process. Safety improvements will be performed based on priority review by City staff.

Project Status: TBD

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 5a. Well-planned City with necessary services and infrastructure

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 180,000	\$ 230,000	\$ 145,000	\$ 55,000	\$ 30,000	\$ 640,000
Total	\$ 180,000	\$ 230,000	\$ 145,000	\$ 55,000	\$ 30,000	\$ 640,000

Neighborhood: Multiple

Ward: Multiple

Photo (if applicable):

Enhanced safety measures such as key card access.



Category: **Facilities**

Funding Status: **Funding Secured**

Project: **City Hall Annex Demolition**

Project Description: The City Hall Annex is past its useful life. The building has been vacant for several years, there are accessibility issues and the roof is leaking. Will need to relocate the city's fiber optic cabling under and inside. Demolition of the building and change the soil grade or put in retaining wall.

Project Status: Design of the demolition, which includes environmental hazard inspection and testing, was included in the FY2016 budget.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 5a. Well-planned City with necessary services and infrastructure

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 350,000
Total	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 350,000

Neighborhood: Downtown

Ward: Ward 6

Photo (if applicable):

City Hall Annex building.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **City Hall Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$122,830	\$327,000	\$154,496	\$38,000	\$642,326
Total	\$0	\$122,830	\$327,000	\$154,496	\$38,000	\$642,326

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Coliseum Building Automation System**

Project Description: The Building Automation System runs the buildings HVAC units, exhaust fans, smoke control system, some lighting and other components. Ongoing maintenance of the system is the most cost effective way to operate the facility and provide a comfortable environment for customers.

Project Status: This will be an ongoing project. Only the FY 2017 funding is secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Total	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Upgrade Refrigeration in Coliseum HVAC Units**

Project Description: The current refrigerant, R-22, in all of the HVAC systems at the Coliseum is no longer being produced and will be unavailable within the next 4 to 5 years. Refrigeration upgrade kits or new units and controls will need to be installed.

Project Status: This will be an ongoing project which is expected to begin in FY2019.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
Total	\$0	\$0	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Coliseum Ice Plant Repairs**

Project Description: The ice plant system which maintains ice on the floors of the Coliseum and Pepsi Ice Center has developed leaks since original installation in 2005. This project involves replacing the large underground piping between the ice plant and the ice rink headers.

Project Status: TBD

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$ 350,000	\$	\$	\$	\$ 350,000
Total	\$0	\$ 350,000	\$	\$	\$ 50,000	\$ 350,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Coliseum Lighting, Safety & Security Improvements**

Project Description: The safety of employees and patrons who utilize the Coliseum is a high priority. Lighting, safety and security measures will be implemented on a priority basis.

Project Status:

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 300,000	\$0	\$ 200,000	\$ 500,000
Total	\$0	\$0	\$ 300,000	\$0	\$ 200,000	\$ 500,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Secured**

Project: **Downtown Parking Evaluation**

Project Description: More detailed evaluation of downtown parking is necessary. Parking meters, parking garage fees and actual use of downtown parking facilities need to be reviewed and evaluated.

Project Status: Study and evaluation for future construction will start in 2017.

Strategic Plan Link: 6. Prosperous Downtown Bloomington

Strategic Plan Significance: 6b. Downtown Vision and Plan used to guide development, redevelopment and investments

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total	\$100,000	\$0	\$0	\$0	\$0	\$100,000

Neighborhood: Downtown

Ward: Multiple

Photo (if applicable):

City will work with the downtown associations to collect data, perform a survey and evaluate the data.



Category: **Facilities**

Funding Status: **Funding Secured**

Project: **Downtown Wayfinding Signage**

Project Description: The City formed a Downtown Signage Committee tasked with deciding what downtown sites should be highlighted with signage. Funding will provide equipment and professional/technical support needed.

Project Status: Bid project in May 2016 and start project in August 2016.

Strategic Plan Link: 6. Prosperous Downtown Bloomington

Strategic Plan Significance: 6a. More beautiful, clean Downtown area

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$75,000	\$0	\$0	\$0	\$0	\$75,000
Total	\$75,000	\$0	\$0	\$0	\$0	\$75,000

Neighborhood: Downtown

Ward: Multiple

Photo (if applicable):

Example of current Downtown signage.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Old Engineering Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 131,000	\$ 37,200	\$ 152,400	\$ 320,600
Total	\$0	\$0	\$ 131,000	\$ 37,200	\$ 152,400	\$ 320,600

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Police Administration Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$76,700	\$204,775	\$129,863	\$200,250	\$611,588
Total	\$0	\$76,700	\$204,775	\$129,863	\$200,250	\$611,588

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Secured**

Project: **Police Department Window Repairs**

Project Description: Additional window issues discovered during the FY2016 evaluation and new leaks that develop need to be addressed. The additional work also involves caulking joints in the entire building. In addition, evaluation of the stone facade is necessary to determine if it is contributing to the leaks.

Project Status: (Bond) Design - start 6/2016; Bid - 9/2016 and project start - 4/2017.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 5a. Well-planned City with necessary services and infrastructure

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$ 325,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 325,000
Total	\$ 325,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 325,000

Neighborhood: Downtown

Ward: Ward 6

Photo (if applicable):

Police window showing water damage.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Public Works - Fleet Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 29,000	\$ 17,100	\$ 127,840	\$ 173,940
Total	\$0	\$0	\$ 29,000	\$ 17,100	\$ 127,840	\$ 173,940

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Public Works Garage Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 182,120	\$ 471,180	\$ 30,150	\$ 683,450
Total	\$0	\$0	\$ 182,120	\$ 471,180	\$ 30,150	\$ 683,450

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **New Public Works Operations Center**

Project Description: The existing Public Works facilities are past their useful life. The cost to perform repairs necessary to return the facility to good condition exceed the cost for a new facility. A new facility will require planning & design, potential land purchase and actual construction.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 5,000,000	\$45,000,000	\$0	\$ 50,000,000
Total	\$0	\$0	\$ 5,000,000	\$45,000,000	\$0	\$ 50,000,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Public Works Salt Dome Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 35,557	\$9,450	\$0	\$45,007
Total	\$0	\$0	\$ 35,557	\$9,450	\$0	\$45,007

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Records Storage Deferred Maintenance (Faithful & Gould)**

Project Description: The 2013 Faithful & Gould condition assessments of various City Facilities was adopted as the Facilities Master Plan at the November 23, 2015 Council. The recommended repairs were prioritized by criticality, warrant and other means and are routinely evaluated and re-prioritized.

Project Status: Funding is not currently secured.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 8,000	\$0	\$0	\$ 8,000
Total	\$0	\$0	\$ 8,000	\$0	\$0	\$ 8,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities** Funding Status: **Funding Not Secured**

Project: **Major Butler Parking Lot Improvements**

Project Description: Ongoing sealants and other miscellaneous repairs to the Major Butler Parking Lot, needed to keep the facility in good condition and avoid increased costs of deferred maintenance

Project Status: Improvements to the lot were last made in 2015. This work is anticipated to begin in FY 2019.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 20,000	\$25,000	\$ 70,000	\$ 115,000
Total	\$0	\$0	\$ 20,000	\$ 25,000	\$ 70,000	\$ 115,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):

Butler Lot and parking rules.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Lincoln Garage Improvements**

Project Description: Ongoing joint repairs, sealants and other miscellaneous repairs needed to keep the facility in good condition. Upgrading lighting to LEDs that can reduce energy use by nearly 70%, an improvement anticipated to pay for itself in about two years, as well as gates and controls

Project Status: Improvements to Lincoln Garage were last completed in 2015. These improvements included sealants, drainage upgrades and some structural repairs. Based on the reduced funding level, only part of these improvements were completed.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Divide funds??	\$0	\$	\$ 233,000	\$ 333,000	\$0	\$ 566,000
Total	\$0	\$0	\$ 233,000	\$ 333,000	\$0	\$ 566,000

Neighborhood:

Ward: Ward 6

Photo (if applicable):



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Market Street Garage Improvements / Replacement**

Project Description: Nearly \$1 million of improvements to the Market Street Parking Garage began in 2010 and were completed in 2013. Since that time, only minor maintenance has been performed. Ongoing maintenance and repairs are needed and complete replacement of the garage is eventually necessary.

Project Status: Funding is secured for FY 2017 only.

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$250,000	\$0	\$107,000	\$463,400	\$250,000	\$1,070,400
Total	\$250,000	\$0	\$107,000	\$463,400	\$250,000	\$1,070,400

Neighborhood:

Ward: Ward 6

Photo (if applicable):

North entrance of parking garage.



Category: **Facilities**

Funding Status: **Funding Not Secured**

Project: **Pepsi Ice Center Garage Improvements**

Project Description: Ongoing joint repairs, sealants and other miscellaneous repairs needed to keep the facility in good condition.

Project Status: TBD

Strategic Plan Link: 2. Upgrade City infrastructure and facilities

Strategic Plan Significance: 2d. Well-designed, well-maintained City facilities emphasizing productivity and customer service

Capital Costs

Fund	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
	\$0	\$0	\$ 570,000	\$0	\$0	\$ 570,000
Total	\$0	\$0	\$ 570,000	\$0	\$0	\$ 570,000

Neighborhood:

Ward: Ward 6

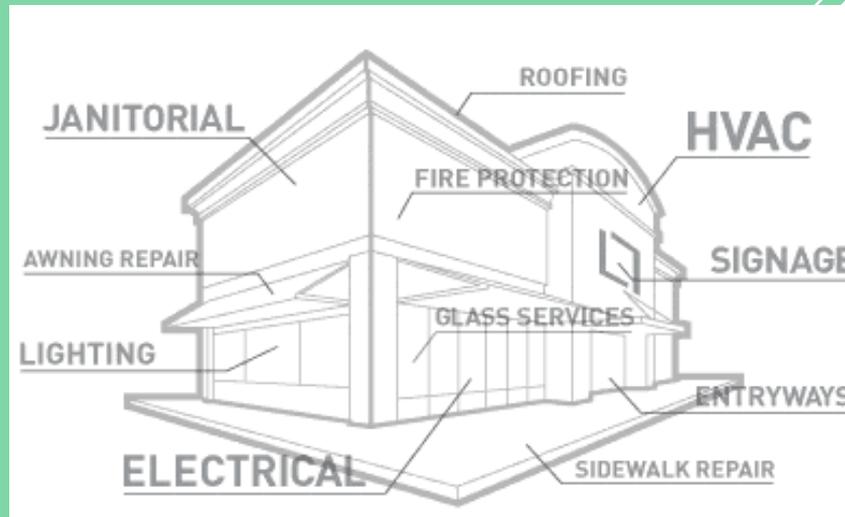
Photo (if applicable):

North entrance of parking garage.





FACILITIES MANAGEMENT 5-YEAR CAPITAL IMPROVEMENT PLAN

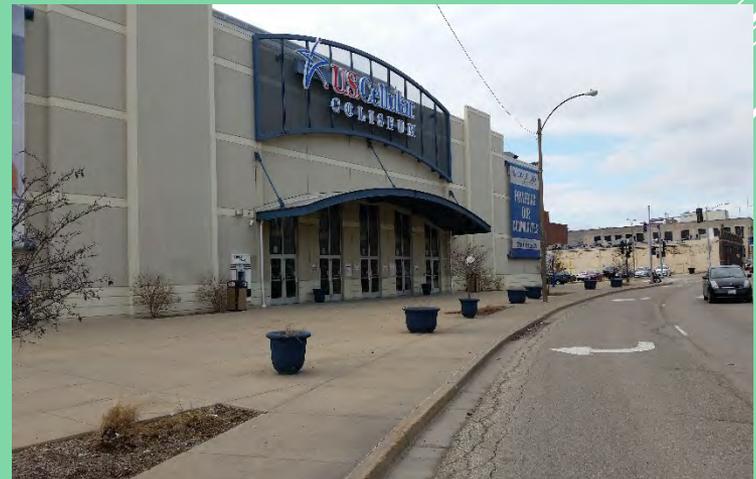


City Council
December 19, 2016

Facilities Management administers the following programs to serve customers throughout the City.

- ▶ Facility Maintenance
- ▶ Government Center
- ▶ Parking Operations (Market & PIC Garages & Butler Lot)
- ▶ Abraham Lincoln Parking Garage
- ▶ Coliseum Maintenance

- 13 Buildings / Structures
- Approximately 900,000 Sq Ft



Facility Maintenance - Deferred Maintenance (Faithful & Gould Evaluation)



Police Department Administration
Window Leaks



Facility Maintenance - Deferred Maintenance (Faithful & Gould Evaluation)



Police Department Training Facility
Lodge Roof Leaks



Facility Maintenance - Equipment Repair & Replacement



Police Department UPS Power Backup System

Facility Maintenance – Equipment Repair & Replacement



Boilers



Facility Maintenance – Equipment Repair & Replacement



Emergency
Generators

HVAC Equipment & Roofs



Facility Maintenance – New Construction



New Facilities



Government Center – Major Repairs



124,000 Total Sq Ft
City Share – 62,000 Sq Ft

Roof Replacement (2016)
Potential HVAC Replacements



Parking Operations – Major Repairs



Structural Repairs
& Access Control Upgrades

Abraham Lincoln Parking Garage – Major Repairs



Lighting & Access Control Upgrades



Structural & Life Safety Repairs

Coliseum Maintenance – Major Repairs, Equipment Replacement



Life Safety Systems



Coliseum Maintenance – Major Repairs, Equipment Replacement



Emergency Generator,
Ice Plant & HVAC
Equipment



Facility Condition Index

- Industry Standard Index Used to Track Condition (IFMA)

$$\text{FCI} = \frac{\text{Renewal and Repair Costs}}{\text{Replacement Cost}}$$

GOOD Range: FCI (0% - 5%)

Sustainability Target

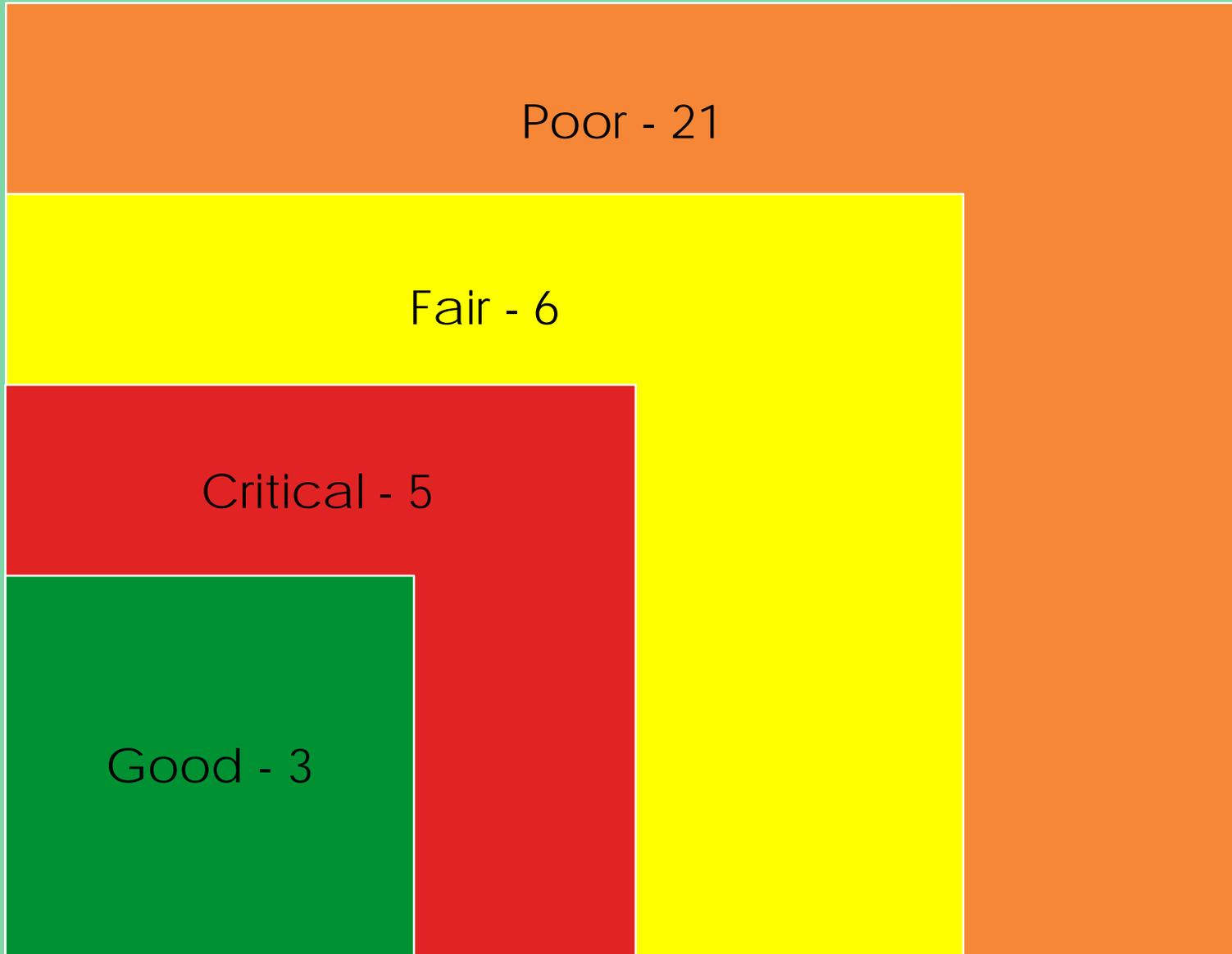
FAIR Range: FCI (5% - 10%)

Sustainability Target

POOR Range: FCI (10%-30%)

CRITICAL Range: FCI (> 30%)

Current Conditions – 35 Major Facilities



Current Funding Addresses Minimal Needs

Facilities		Funding Secured & Not Secured							
(In thousands of dollars (e.g. 1,000 = \$1 million))									
Subcategory	Project Title	Funding	2017	2018	2019	2020	2021	Total	
Facilities	Major Facility Repairs	Funding Secured	290					290	
	City Hall Annex Demolition	Funding Secured	350					350	
	Downtown Wayfinding Signage	Funding Secured	75					75	
	City Hall Safety Improvements	Funding not Secured	180					180	
	Police Administration Window Repairs	Funding not Secured	325					325	
	City Hall Office Space Study	Funding Secured	120					120	
	Downtown Parking Evaluation	Funding Secured	100					100	
	City Facility Space & Security Improvements	Funding not Secured		230				230	
	City Hall - Faithful & Gould Improvements	Funding not Secured		123	327	155	38	643	
	Records Storage - Improvements (storage, safety, roof)	Funding not Secured			78	150		228	
	Public Works Garage - Faithful & Gould Improvements	Funding not Secured			587	472	31	1,090	
	Public Works Fleet - Faithful & Gould Improvements	Funding not Secured			28	17	128	173	
	Public Works Salt Dome - Faithful & Gould Improvements	Funding not Secured			8	8		16	
	Old Engineering - Faithful & Gould Improvements	Funding not Secured			531	37	152	720	
	Old Engineering - Safety Improvements	Funding not Secured			40			40	
	River Operations Facility (Streets, Sanitary Sewer, Stormwater, Solid Waste, Water, Fleet, & Parks)	Funding not Secured			-3,000	-4,000		-7,000	
	Public Works Garage - Safety Improvements	Funding not Secured				55		55	
	Public Works Fleet - Safety Improvements	Funding not Secured					30	30	
	Facilities Secured Total			885					885
	Facilities not Secured Total			505	353	10,823	45,805	46,378	102,724
Parking	Market Street Garage Improvements (bond)	Funding not Secured	260					260	
	Parking Access Control Improvements	Funding not Secured		958				958	
	Market Street Garage Improvements	Funding not Secured			307	464	250	1,021	
	Abraham Lincoln Garage Improvements	Funding not Secured			253	182		435	
	Peppel Ice Center Garage Improvements	Funding not Secured			516			516	
	Major Butler Parking Lot Improvements	Funding not Secured			20	25	70	115	
	LED Lighting Upgrades	Funding not Secured			204			204	
Parking Secured Total									
Parking not Secured Total			260	958	1,180	827	320	3,445	
Police Facilities	Indoor Firing Range Final Restoration and Maintenance including Restrooms (bond)	Funding not Secured	100					100	
	Police Administration Safety Improvements	Funding not Secured			305			305	
	Police Administration Roof Replacement	Funding not Secured		250				250	
	Police Administration - Faithful & Gould Improvements	Funding not Secured		77	205	130	200	612	
	Replacement Mobile and Portable Radio Systems (Police Dept. will take the lead on this project.)	Funding not Secured				700		700	
Police Facilities Secured Total									
Police Facilities not Secured Total			300	327	310	830	200	1,667	
Coliseum	Smoke Control System Improvements	Funding Secured	50					50	
	Building Automation System Improvements	Funding not Secured	50		50	50	50	200	
	Ice Plant Repairs	Funding not Secured	350					350	
	ADA Improvements	Funding not Secured	750					750	
	Safety, Lighting & Security Improvements	Funding not Secured			300		200	500	
	Upgrade Refrigeration in HVAC Units (3 years)	Funding not Secured			50	50	50	150	
Deferred Maintenance (Faithful & Gould Improvements)	Funding not Secured			890	131	196	1,217		
Coliseum Secured Total			50					50	
Coliseum not Secured Total				1,156	1,090	131	496	2,983	
Total Funded Facilities Projects			945					945	
Total not Funded Facilities Projects			955	2,780	11,353	47,778	46,394	111,260	
TOTAL ALL FACILITIES PROJECTS			1,900	2,780	11,353	47,778	46,394	112,205	

Total Funded Facilities Projects \$ 945,000

Total not Funded Facilities Projects \$ 61,260,000

SUMMARY

Division	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Facility Maintenance	\$ 1,600,000	\$ 680,000	\$ 1,133,000	\$1,725,000	\$ 578,000	\$ 5,716,000
Parking	\$ 250,000	\$ 950,000	\$ 1,130,000	\$ 822,000	\$ 320,000	\$ 3,472,000
Coliseum	\$ 50,000	\$ 1,150,000	\$ 1,090,000	\$ 231,000	\$ 496,000	\$ 3,017,000
TOTALS	\$ 1,900,000	\$ 2,780,000	\$ 3,353,000	\$ 2,778,000	\$ 1,394,000	\$ 12,205,000

New Operations Facility Not Included -- \$ 50,000,000



THANK YOU