

The Mayor convened a Committee of the Whole Meeting at 6:15 with the following members of the City Council present:

<i>Mayor</i>	Robert Straz	<i>Ward 1</i> Donald Bylut & Jeffrey Key
<i>City Clerk</i>	Thomas Kantas	<i>Ward 2</i> Jack Clifford & Robert Basso
<i>City Treasurer</i>	James Daemicke	<i>Ward 3</i> Dolores Kramarski & Brent Lewandowski
		<i>Ward 4</i> Michael McGrogan & Jerry McGovern

The meeting was convened to discuss the request of United Trust Bank's ("UTB") to operate with an existing structure in the B District to expand its location by an additional 6,000 square feet to establish a mortgage lending division. The expansion would operate to the south of the existing bank.

Alderman Key stated that UTB is seeking to acquire the former Mona Lisa space and seeks a discussion with UTB regarding potential fees to be imposed by the City on UTB for seeking to utilize the existing retail space. Alderman Key stated this situation does not include adding an additional bank to the City but the doubling in size of an existing bank. Alderman Key stated his concern that the City adhere to an established policy of imposing certain fees relating to the acquisition of retail space. If UTB does not wish to pay an increased fee, that subject should be discussed with City personnel and such fees should be imposed across the board.

The Mayor discussed the history of the City imposing fees in this scenario which involves an effort to recoup lost sales tax revenue that would have been generated from retail space which is acquired by a non retail business.

Alderman Kramarski asked whether or not such fees are imposed on any non banking businesses seeking to acquire such space. Alderman Kramarski stated that there are certain non banking businesses which occupy retail space that may not or should not be subject to a fee.

The Mayor stated that certain non-retail business exist because of zoning modifications and are not subject to a special use request. Therefore, those particular businesses do not fall into the same category of UTB.

Alderman McGrogan opposes the imposition of any fees to UTB for acquiring the additional space. When UTB acquired its existing space it agreed to a fee that would have accounted for lost retail revenue from that space. The Mona Lisa was not operating to its south at the time UTB acquired the space. The amount recouped by the City is a fair amount of potentially lost

sales tax revenue. Alderman McGrogan stated that certain existing banks are not subject to such a fee and that the City should not impose such a fee on UTB. The expansion at UTB will bring additional employees to the area allowing for those employees to patronize local area businesses. The fee is not necessary to be imposed at this time but the City can or should reserve the right to impose such a fee in the future. Alderman McGovern stated that possible taxes imposed on service businesses, if imposed by the State of Illinois, will constrain business further and that the City should not require a fee on UTB.

Alderman Clifford stated that the request is being brought pursuant to a special use and that the expansion will take place from within an existing structure. The Chase Bank and the Providence bank were new structures; the UTB is an existing bank. Alderman Clifford suggested reduced fees because UTB is an existing bank.

Alderman McGovern stated that the expansion will employ additional new employees working in the City. UTB owns the property and opposes further fees.

Alderman Bylut inquired regarding the history of UTB acquiring that space. The space currently occupied by Advocate was a paint store and a bank. When the property was developed by UTB it only needed a certain portion for its banking services and not the entire space which was why the Mona Lisa store went into that space.

Alderman Key inquired that there are three banks in the City subject to a fee for acquiring potential retail business areas. Mr Nisavic stated that City personnel examined comparable figures representing potential retail revenues to the City. Those figures then formed the basis of negotiation with the three banks regarding the fee imposed by the City. Alderman Key stated that such a negotiation process should be ongoing and consistently implemented with respect to this request. UTB should approach the City with its request and the imposition of a fee should be subject to negotiation. The Providence Bank pays more than UTB with respect to the fee. The Mayor indicated that such a fee takes into consideration not only square footage but also the desirability of the location.

Alderman McGrogan provided further background on how figures were generated to calculate the fee imposed on new banks taking into consideration the length of the lease, the location and amounts of revenues at issue. The City has conducted such negotiations with Chase, UTB and Providence.

Alderman Lewandowski inquired (to Alderman Key's point) of whether or not an organized process exists to determine any potential fee imposed. Alderman Lewandowski stated that UTB owns the property that is subject to the request and that this is an important distinction.

Alderman McGrogan stated that these banks are good members of the business community and participate in City events.

The Mayor stated that UTB is willing to pay a \$5,000.00 fee and a 2% annual multiplier. The agenda request should be modified to reflect this. Alderman Key stated that management at UTB has been willing to permit its parking lot to allow traffic to pass through the area.

Respectfully Submitted,
PALOS HEIGHTS CITY CLERK

Thomas Kantas - by Margaret Carey - Deputy City Clerk 3.16.21
Thomas Kantas Date