

AGENDA
SPECIAL FINANCE COMMITTEE
Village of Hoffman Estates
June 11, 2012

Immediately following Transportation & Engineering

Members: Gary Pilafas, Chairperson
Anna Newell, Vice Chairperson
Karen Mills, Trustee
Ray Kincaid, Trustee
Jacquelyn Green, Trustee
Gary Stanton, Trustee
William McLeod, Mayor

I. Roll Call

NEW BUSINESS

1. Request approval for Global Spectrum to enter into a one year tenant license with the Chicago Kick professional indoor soccer team for home games at the Sears Centre Arena, subject to modified business terms.

II. Adjournment

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request approval for Global Spectrum to enter into a one year tenant license with the Chicago Kick professional indoor soccer team for home games at the Sears Centre Arena, subject to modified business terms

MEETING DATE: June 11, 2012

COMMITTEE: Special Finance

FROM: *M.K.* Mark Koplin/Ben Gibbs

REQUEST: Request approval for Global Spectrum to enter into a one year tenant license with the Chicago Kick professional indoor soccer team for home games at the Sears Centre Arena (SCA), subject to modified business terms.

BACKGROUND: On April 23, 2012, the Village Board approved a resolution authorizing Global Spectrum to enter into a one year tenant license with the Chicago Kick professional indoor soccer team for home games at the SCA. Since that time, discussions with the Chicago Kick continued and the ownership group has expanded.

DISCUSSION: Subsequent discussions with the expanded ownership group indicated a desire to fine tune the business "term sheet" to better promote the success of the Chicago Kick soccer team. The expanded ownership group provides greater financial stability for the team, and the owners request consideration to increase the cash deposit from \$25,000 to \$35,000, but eliminate the \$25,000 letter of credit. The advantage is the Village's easy access to the cash if it becomes necessary, and the team's ability to use other funds for the betterment of the team rather than sitting in a letter of credit or in a reserve account.

The SCA and the Chicago Kick has also discussed the amount of rent to be collected and the commensurate level of service provided by the building. Rent was previously linked to attendance, from \$8,000-\$10,000, decreasing for larger attendance. Again, to better position the soccer team for success, reducing the rent to a flat \$7,500 per game will cover the basic building expenses. Parking will be included in the ticket, thus negating the need for additional personnel collecting fees in the parking lot. General admission tickets will reduce the number of ushers needed inside the building. This rent can be reduced with lower staffing by the SCA.

DISCUSSION: (Continued)

The other business terms would remain as previously described. Once the Chicago Kick submits the total cash deposit of \$35,000, Global Spectrum would submit a Tenant License Agreement to the Chicago Kick for execution. The tenant license format would be very similar to the Chicago Express license that was drafted by Corporation Counsel.

RECOMMENDATION:

Request approval for Global Spectrum to enter into a one year tenant license with the Chicago Kick professional indoor soccer team for home games at the Sears Centre Arena, subject to modified business terms.

cc: Ben Gibbs (Global Spectrum)
Armando Gamboa
Jim Burke
Eric Schmidt