



DATE: May 24, 2021

MEMO TO: Jessica Vealitzek, Chair
Operations Committee

Julie Simpson, Chair
Finance Committee

FROM: Mike Tully
Chief Operations Officer

RECOMMENDATION: Recommend approval of an Ordinance approving the assignment of an amendment to the License Agreement with Catering by Michael's for Food and Beverage Services at Independence Grove.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability

FINANCIAL DATA: With the recommended assignment and amendment, there would be no changes to the financial terms of the agreement and the District should continue to receive approximately \$475,000.00 in revenues from the new Licensee.

BACKGROUND: Catering by Michael's (CBM) has been the exclusive food and beverage provider at Independence Grove since it opened in 2001. The present License Agreement between CBM and the District began in January of 2012 for a four-year period. CBM has exercised its right to extend that agreement for two more four-year periods, and the current agreement will expire on December 31, 2023.

Recently, Stewart Glass, the sole stockholder of CBM negotiated a tentative deal to sell to Lisa Ware, an employee of CBM, 100% of the stock of CBM. Their plan is to have Mr. Glass continue in the operation of CBM's business, but eventually withdraw. Under the "Assignments and Encumbrances" section of the License Agreement, both (i) the sale of more than 50% of the stock of CBM and (ii) the withdrawal of Mr. Glass (who is identified in the License Agreement as "Key Personnel") are considered an "assignment" and therefore may be completed only with the District's consent. Under the License Agreement, the District may withhold its consent if, in its reasonable judgment, it determines that an assignee or replacement proposed by the Licensee has not demonstrated adequate and substantial experience in the successful operation of a first-class business similar to the concession at Independence Grove.

Under the License Agreement, even following the proposed assignment, the operation will continue to be operated by the current management team of Catering by Michael's. As such, staff believes that Ms. Ware has the requisite experience. Catering by Michael's and Lisa Ware have requested the approval of the District to allow for the assignment of the License Agreement.

In conjunction with the assignment, it is also appropriate to amend the License Agreement to (i) amend and update Exhibit C, which is the Management Plan for the concession at Independence Grove, (ii) amend Exhibit E, which identifies the current stockholders of CBM, and (iii) amend Exhibit F, which identifies CBM's "Key Personnel"

REVIEW BY OTHERS: Director of Finance, Chief of Business Development, Corporate Counsel

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

**BOARD OF COMMISSIONERS
LAKE COUNTY FOREST PRESERVE DISTRICT
REGULAR JUNE MEETING
JUNE 8, 2021**

MISTER PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:

Your **OPERATIONS AND FINANCE COMMITTEES** presents herewith “An Ordinance Approving the Assignment and Amendment of the License Agreement Granting a Concession Between Lake County Forest Preserve District and Catering By Michael’s, Incorporated,” and requests its approval.

OPERATIONS COMMITTEE:

Date: _____ Roll Call Vote: Ayes: ____ Nays: _____
 Voice Vote Majority Ayes; Nays: _____

FINANCE COMMITTEE:

Date: _____ Roll Call Vote: Ayes: ____ Nays: _____
 Voice Vote Majority Ayes; Nays: _____

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**AN ORDINANCE APPROVING THE ASSIGNMENT AND AMENDMENT OF
THE LICENSE AGREEMENT GRANTING A CONCESSION BETWEEN LAKE COUNTY
FOREST PRESERVE DISTRICT AND CATERING BY MICHAEL’S, INCORPORATED**

WHEREAS, on January 1, 2012, the Lake County Forest Preserve District (the "District") entered into a license agreement (the "Agreement") with Catering by Michael’s, Inc. (the “Licensee”) for provision of a food, beverage, and catering concession at Independence Grove Forest Preserve; and

WHEREAS, Stewart Glass is the sole owner of stock in Licensee and desires to sell all of such stock (the “Stock Sale”) to Lisa Ware (the “Assignee”) and to eventually withdraw from Licensee’s business (the “Future Withdrawal”); and

WHEREAS, the Stock Sale and Future Withdrawal (collectively, the “Assignment”) both constitute an assignment under the Agreement and can be completed under the Agreement only with the District’s consent; and

WHEREAS, the Assignee has demonstrated adequate and substantial experience in the successful operation of a first-class business similar to the concession operated by Licensee at Independence Grove Forest Preserve; and

WHEREAS, in conjunction with the Assignment, it is appropriate and in the District’s best interests to approve an amendment to the Agreement to (i) amend and update Exhibit C, which is the Management Plan for Licensee’s concession at Independence Grove, (ii) amend Exhibit E, which identifies the current stockholders of Licensee, (iii) amend Exhibit F, which identifies Licensee’s “Key Personnel”, and (iv) include such other provisions as the Executive Director determines are reasonable or necessary to complete the Assignment (the “Agreement Amendment”); and

WHEREAS, pursuant to Section 7b of the Downstate Forest Preserve District Act, 70 ILCS 805/7b, the District is authorized to issue licenses for any activity reasonably connected with the purposes for which the District was created; and

WHEREAS, the provision of food, beverages, and catering concession services at Independence Grove is an activity that is reasonably connected to the purposes for which the District was created, including the operation of public recreational facilities; and

WHEREAS, the Board of Commissioners hereby finds that it is in the best interests of the District to approve the Assignment and to authorize the preparation of the Agreement Amendment;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Ordinance by this reference.

Section 2: Approval of Assignment and Authorization for Amendment to Agreement. The Assignment is hereby approved. The Executive Director is hereby authorized to negotiate and approve the Amendment to Agreement, so long as it is consistent with this Ordinance and has been approved by the District’s Corporate Counsel. The Executive Director and Secretary of the District are hereby authorized and directed to execute and attest to the Amendment to Agreement.

Section 3: Effective Date; Repealer. This Ordinance, including the approvals and authorizations in Section 2 (the “Section 2 Approvals”), shall be in full force and effect from and after the passage and approval of this Ordinance in the manner provided by law and shall remain in effect until December 31, 2021. If, on or before December 31, 2021, the Executive Director receives (i) written confirmation from CBM, Stewart Glass, or the Assignee that the Stock Sale has been completed and (ii) a final Agreement Amendment consistent with this Ordinance, otherwise acceptable to the Executive Director, and executed by CBM (collectively, the “Assignment Deliverables”), then the Section 2 Approvals shall survive the expiration of this Ordinance. If, on or before December 31, 2021, the Executive Director does not receive the Assignment Deliverables, then no provision of this Ordinance will survive or remain in effect following December 31, 2021. Ordinance No. 5282, approving a prior assignment of the Agreement, is hereby repealed.

PASSED this _____ day of _____, 2021.

AYES:

NAYS:

APPROVED this _____ day of _____, 2021.

Angelo D. Kyle, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____