

COPY



JOURNAL of the PROCEEDINGS of the CITY COUNCIL of the CITY of CHICAGO, ILLINOIS

Special Meeting—Wednesday, May 16, 1984

at 9:30 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Call to Order.

On Wednesday, May 16, 1984 at 9:30 A.M. (the day and hour appointed for the meeting) Honorable Harold Washington, Mayor, called the City Council to order. Daniel J. Burke, Deputy City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Sawyer, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, Smith, D. Davis, Santiago, Gabinski, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Orbach, Schuler, Stone--38.

Quorum present.

Invocation.

Alderman Danny K. Davis (29th Ward) opened the meeting with prayer.

Call for Special Meeting Read.

Daniel J. Burke, Deputy City Clerk, informed the City Council that the following call for the meeting was filed in the Office of the City Clerk on May 9, 1984, at 1:53 P.M.:

May 9, 1984.

*Honorable Walter S. Kozubowski
City Clerk
City of Chicago*

The undersigned aldermen of the City of Chicago do hereby call a Special Meeting of the City Council of the City of Chicago for Wednesday, May 16, 1984, at 9:30 A.M., in the Council Chamber, second floor of the City Hall, for the purpose of approval of the revised contract between the City and the Illinois Restaurant Association for a food festival commencing Friday, June 29, 1984 and ending on July 4, 1984, and for no other purpose whatsoever.

This call for a Special Meeting of the City Council is made at the direction of the following Aldermen as authorized by law for the above mentioned purpose.

(Signed) FRED B. ROTI,
Alderman - 1st Ward.

(Signed) JOHN S. MADRZYK,
Alderman - 13th Ward.

(Signed) BERNARD L. STONE,
Alderman - 50th Ward.

**Execution of Agreement Authorized Between City and Illinois
Restaurant Assn. Concerning Operation of Food
Festival.**

The Committee on Special Events and World's Fair submitted the following report:

CHICAGO, May 16, 1984.

To the President and Members of the City Council:

Your Committee on Special Events and World's Fair to which was referred on May 9, 1984, an ordinance providing for the designation of a City sponsored food festival as an official City Fair and further authorizes the execution of an agreement with the Illinois Restaurant Association to serve as the City's agent to operate the festival, begs leave to recommend that Your Honorable Body Pass said ordinance.

This recommendation was concurred in unanimously by all members of the committee present.

(Signed) BERNARD L. STONE,
Chairman.

On motion of Alderman Stone the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Sawyer, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, Smith, D. Davis, Santiago, Gabinski, Frost, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Schulter, Stone--36.

Nays--None.

Alderman Schulter moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Stone then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:05 A.M.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the City of Chicago sponsor a food festival on the streets of Grant Park from June 29, 1984 through July 4, 1984 and that this food festival be deemed to be an official City Fair.

SECTION 2. That the Mayor of the City of Chicago, subject to the approval of the City Comptroller and the approval of the Corporation Counsel as to form and legality, is authorized and directed to execute on behalf of the City of Chicago an agreement with the Illinois Restaurant Association to operate and produce said food festival as agents of the City of Chicago, said contract to be substantially as attached hereto.

SECTION 3. That the Director of the Mayor's Office of Special Events, subject to the approval of the City Comptroller and the Corporation Counsel as to form and legality, is authorized to enter into and execute on behalf of the City of Chicago various contracts with food vendors, suppliers of materials and services, etc. as are deemed necessary to give full force and effect to the said food festival.

SECTION 4. That the various departments of the City of Chicago shall cooperate to the best of their ability in order to insure the success of this fair.

SECTION 5. That this ordinance shall be in force and effect from and after its passage.

[Agreement printed on pages 6517 thru 6530 of this Journal.]

Presence of Visitors Noted.

Honorable Harold Washington, called the Council's attention to the presence of the following visitor:

Matti Hynynen, Journalist with the Confederation of Technical Employee Organizations in Finland.

A G R E E M E N T

This Agreement made and entered into this ____ day of May, 1984, by and between the CITY OF CHICAGO, a municipal corporation of the State of Illinois (hereinafter referred to as the "CITY") and the ILLINOIS RESTAURANT ASSOCIATION, a not-for-profit corporation chartered by the State of Illinois (hereinafter referred to as the "ASSOCIATION").

W I T N E S S E T H:

WHEREAS, the CITY desires to conduct a food festival on streets located in Grant Park for the six day period commencing Friday, June 29, 1984 and ending on July 4, 1984 providing for the sale of only food, beverages and souvenirs; and

WHEREAS, the ASSOCIATION has expertise in the food service business; and

WHEREAS, the CITY desires the expertise of the ASSOCIATION in managing said food festival and the ASSOCIATION is ready, willing and able to perform said management services;

NOW, THEREFORE, it is mutually agreed by and between the parties hereto:

1. SCOPE OF SERVICES. ASSOCIATION shall, to the satisfaction of the Mayor of the City of Chicago, or his duly designated representative, perform all services provided for herein respecting the food festival, said services to include but not be limited to the following:

A. Provide sufficient production staff to coordinate the planning, organization and actual production of the food festival.

B. Negotiate contracts, or any amendments thereto, with food vendors, entertainers and any other materials or services suppliers except accounting and cash management services for submission to CITY for signature by and between CITY and the particular provider of the specified service. The ASSOCIATION shall not, in any way whatsoever, participate as a party to any such contract. The ASSOCIATION's function in negotiating such contracts is to use its expertise, experience and best judgment in choosing with whom to negotiate, and to present to the CITY proposed contracts for the provision of the various required services and activities. It is mutually understood, however, that contracts with specific persons or companies cannot be guaranteed, and the CITY hereby acknowledges that contracts with accepted substitutes may be necessary. It is further understood

that the final decision as to with whom to enter into contracts rests with the CITY.

C. Manage and control all aspects of operations including, but not limited to, advertising, public relations activities, coupon sales, entertainment coordination and supervision of the facilities subject, however, to CITY's specified functions and CITY's rights as set forth elsewhere in this agreement.

D. Operate any and all souvenir locations.

2. TIME OF SERVICES. ASSOCIATION's services shall commence immediately and shall be fully completed, in accordance with terms agreed to herein, no later than July 15, 1984. Submission of all negotiated contracts for CITY review, acceptance and signature shall be done no later than June 8, 1984.

3. COMPENSATION AND METHOD OF PAYMENT.

A. COMPENSATION. The ASSOCIATION shall receive the following compensation for satisfactory completion of all of the services provided for herein:

1) The sum of \$60,000 for direct and indirect reimburseable expenses pursuant to the Budget, Exhibit A, attached hereto and made a part hereof.

2) A management fee amounting to 2% of the gross receipts, with gross receipts being defined as total dollars of coupons sold, plus total sponsorship revenue, plus total vendor entrance fees, payable only to the extent that funds therefor are available after payment of all expenses, including CITY reimbursement, as set forth in the aforementioned Exhibit A. If the available funds are less than the aforesaid 2% of the gross receipts, the ASSOCIATION shall receive said available funds in full payment of the aforesaid management fee. In the event there are no available funds, the ASSOCIATION shall forego and not be entitled to the aforesaid management fee.

B. METHOD OF PAYMENT.

1) The ASSOCIATION will be paid the compensation for reimburseable expenses provided for in paragraph A.1) above in the sum of \$60,000 as follows:

May 21, 1984	-	\$40,000.00
July 5, 1984	-	20,000.00

2) The ASSOCIATION will be paid the management fee provided for above, if funds are available for same, on July 15, 1984 upon receipt by CITY of an accepted full and complete accountants' report.

C. MAXIMUM COMPENSATION. It is understood and agreed that the ASSOCIATION shall not be compensated any sum in excess of that provided for hereinabove.

4. COOPERATION BY THE CITY.

A. CITY shall provide certain reimburseable services necessary to maximize the success of the food festival and to protect the health, safety and welfare of patrons and all other persons participating therein. Such services shall include, but not be limited to the following:

1) Provide all necessary police, fire, paramedic/ambulance, electrical, health, refuse removal, street barricades, street permits, sewer, water and telephone services.

2) Obtain cooperation of any and all other governmental bodies having an interest in the production of the food festival including, but not limited to, the Chicago Park District, Chicago Transit Authority, Metropolitan Sanitary District, Regional Transit Authority, State's Attorney of Cook County and State of Illinois.

3) Review contracts negotiated by ASSOCIATION and enter into such contracts or substitutes therefor as provided in paragraph 1B above.

4) Enter into a contract for accounting and cash management services to be paid for as an expense as provided in Exhibit A attached hereto.

5) Enter into an independent contractor agreement with ASSOCIATION for beverage services.

6) Provide two persons as liaison persons to represent the CITY, observe and/or report to the MANAGEMENT COMMITTEE any problems that may occur on a day to day basis and, in addition, among other miscellaneous duties, to observe the food vendor selection process.

B. CITY shall be reimbursed for all of the services set forth in paragraph 4 A.1) above in a sum not to exceed \$254,000 pursuant to the expense item therefor in Exhibit A attached.

C. CITY shall be reimbursed for the services set forth in the other sub-paragraphs of paragraph 4 A above and any other services performed by CITY but not specifically set forth herein an amount equal to 5% of gross receipts, with gross receipts being as defined in paragraph 3 A 2) above, said payment to be made only from funds available after payment of all items of expense set forth in Exhibit A attached hereto and the ASSOCIATION'S management fee of 2% of gross receipts. If the

available funds at that time are less than 5% of gross receipts, the CITY shall receive said remaining funds as full reimbursement for said services. In the event that no such funds are

available, the CITY shall forego and not be entitled to such reimbursement.

D. CITY shall be reimbursed for the specific expense items as well as for the additional services performed on July 15, 1984 upon receipt of the accountants' report.

5. GENERAL CONDITIONS

A. MANAGEMENT COMMITTEE. The CITY and the ASSOCIATION agree to form a MANAGEMENT COMMITTEE whose members shall consist of a co-chairman and four (4) additional members appointed by the CITY and a co-chairman and four (4) additional members appointed by the ASSOCIATION. The function of this Committee is to act as an advisory body, a public relations body and a general management body. The CITY's representatives on this Committee shall be a mayoral appointee who shall serve as Co-Chairman and the Chairman and Vice-Chairman of the City Council Special Events and World's Fair Committee, an Administrative Assistant to the Mayor and a representative from the Office of Special Events as members. The Mayor is responsible for the appointment of the three non-aldermanic members of this Committee and shall appoint substitutes for any of said appointees who may resign therefrom. Concurrence by three of the CITY's five representatives on this Committee is required for any decisions to be effective.

B. FOOD VENDOR SELECTION. Selection of approximately 85 food vendors shall be made by a five person committee selected by the ASSOCIATION. This committee shall consist of persons who shall not be directly or indirectly interested in any applicant food establishment. This committee shall propose and present to the MANAGEMENT COMMITTEE for approval both a site layout plan and a plan for the selection of food vendors. It is understood and agreed that food vendors to be eligible for initial consideration must possess currently valid food service licenses and must have held such licenses for at least one year prior to date of application. It is further understood and agreed that the food vendors finally selected to participate should be a group representative of the diverse food vending establishments in the Chicago Metropolitan Area.

It is further understood and agreed that all applicant food vendors shall be required to submit with the application a money order or certified or cashier's check for one-half of the Two Thousand Dollar (\$2,000.00) vendor entrance fee.

C. SANITATION AND SEWERAGE. The ASSOCIATION shall be responsible to establish, maintain and enforce proper waste

disposal procedures in cooperation with the Metropolitan Sanitary District, the Office of the State's Attorney of Cook County and the CITY Departments of Streets and Sanitation, Sewers and Law and shall be responsible to obtain and provide requisite waste disposal containers for each of said food and beverage vendors.

D. ACCOUNTING AND CASH MANAGEMENT.

1) The Accounting and Cash Management firm(s) hired by the CITY to be compensated pursuant to the expense item therefor in Exhibit A shall report to and serve as representatives of the CITY and shall be responsible for the supervision and control of all coupons and revenue.

2) All checks utilized for payment of expenses shall bear the signatures of the ASSOCIATION'S Treasurer in behalf of the ASSOCIATION and a duly designated representative of the CITY in behalf of the CITY.

3) The CITY shall designate a bank as a depository for revenues and a source of payments.

E. BUDGET.

1) The CITY is responsible for the preparation of the Budget, Exhibit A attached hereto, and it is clearly understood that the amounts set forth therein as expense items shall be considered as maximum amounts for each of said individual items.

2) Monies allocated to individual line items can be re-allocated to other line items as deemed necessary, with the exception of the item entitled "Contingency", upon the concurrence of the check signators.

3) Monies allocated to the "Contingency" expense item may be re-allocated to any other expense line item only upon the concurrence of three of the CITY's representatives on the MANAGEMENT COMMITTEE referred to above.

F. INSURANCE. Within the expense item in Exhibit A entitled "Insurance", CITY will provide a blanket \$50,000,000.00 Public Liability Insurance Policy naming the food festival event, all parties hereto, the Chicago Park District and all vendors and service providers, their officers, agents and employees as co-insureds thereunder.

It is understood and agreed that said policy will not cover any co-insured thereunder for Workmen's Compensation Insurance such that the ASSOCIATION will provide same for its own employees at its own expense.

It is further understood that said policy will not provide insurance coverage commonly referred to as Dram Shop Insurance.

G. PROFIT DISTRIBUTION. It is understood and agreed that in the event a profit remains after all expenses, reimbursements and management fee referred to hereinabove have been paid, said remaining profit is to be distributed 90% to the CITY and 10% to the ASSOCIATION with said distribution to be made on July 15, 1984.

H. NON-DISCRIMINATION. ASSOCIATION in performing under this Agreement, shall not discriminate against any workers, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex or national origin, nor otherwise commit an unfair employment practice. ASSOCIATION will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ASSOCIATION agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. ASSOCIATION further agrees that this clause will be incorporated in all contracts entered into with suppliers of materials or services, contractors, and subcontractors and all labor organizations, furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or services in connection with this Agreement.

Attention is called to Executive Order 11246 issued September 24, 1965, 3 CFR, 1964-65 Compilation, p. 339, as modified by Executive Order 11375 issued October 13, 1967, 3 CFR, 1967 Compilation, p. 320; The Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241 et sub.; to the State Acts approved July 28, 1961, Ill. Rev. Stat. 1971, Ch. 38, Secs. 13-1 to 13-4 inclusive; July 8, 1933, Ill. Rev. Stat. 1971, Ch. 29, Secs. 17 to 24 inclusive; July 21, 1961, Ill. Rev. Stat. 1971, Ch. 48, Secs. 851 to 866 inclusive, and July 26, 1967, Ill. Rev. Stat. 1971, Ch. 48, Secs. 881 to 887; an ordinance passed by the City Council of the City of Chicago, August 21, 1945, page 3877 of the Journal of Proceedings (Mun. Code of the City of Chicago, Ch. 198.7A); and the provisions of 41 CFR Chapter 60.

To demonstrate compliance the ASSOCIATION and subcontractors will furnish such reports and information as

requested by the Chicago Commission on Human Relations.

I. COMPLIANCE WITH LAWS. The ASSOCIATION shall at all times observe and comply with all laws, ordinances and regulations of the federal, state, local and city government, which may in any manner affect the performance of the contract.

J. CONFLICT OF INTEREST. No member of the governing body of the CITY or other unit of government and no other officer, employee, or agent of the CITY or other unit of government who exercises any functions or responsibilities in connection with the carrying out of the Project to which this Contract pertains, shall have any personal interest, direct or indirect, in this agreement.

No member of or Delegate to the Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise herefrom if said Agreement and the project to which the Agreement pertains is funded in whole or in part, directly or indirectly, by the Federal Government.

The ASSOCIATION covenants that it presently has no interest and shall not acquire any interest, direct or indirect, in the project to which this Agreement pertains which would conflict in any manner or degree with the performance of his services hereunder. The ASSOCIATION further covenants that in the performance of this Agreement no person having any such interest shall be employed.

K. INDEMNITY. The CITY shall indemnify, defend, keep and save harmless the ASSOCIATION, its agents, officials and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, costs and expenses, which may accrue against such parties as a consequence of the granting of this contract so long as the ASSOCIATION is acting within the scope of its agency relationship with the CITY.

6. NOTICE. Notices and communications under this agreement shall be sent by first class prepaid mail, to the CITY, addressed to Director, Mayor's Office of Special Events, Room 609 City Hall, Chicago, Illinois 60602 with a copy to the Director of Revenue, Room 107 City Hall, Chicago, Illinois 60602 and to the ASSOCIATION, addressed to President, Illinois Restaurant Association, Suite 1130, 20 North Wacker Drive, Chicago, Illinois 60606.

7. FUND CHARGEABLE. Payments in advance of the food festival event provided for hereunder shall be from Account No. _____.

Execution of this Agreement was authorized by an Ordinance of the City Council of the City of Chicago passed on the _____ day of _____, 1984 (C.J.P. pp. _____).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF CHICAGO

By: _____ Mayor

Approved:

City Comptroller

Approved as to Form and Legality:

Assistant Corporation Counsel

ILLINOIS RESTAURANT ASSOCIATION

By: _____ President

ATTEST:

Secretary

EXHIBIT A
BUDGET

CITY SERVICES REIMBURSEMENT	\$ 254,000
ILLINOIS RESTAURANT ASSOCIATION REIMBURSEMENT	60,000
TENTS	74,000
SANITATION	147,000
SIGNS	31,000
CLEAN-UP	43,000
POSTERS AND BROCHURES	24,000
ADVERTISING AND PUBLIC RELATIONS	35,000
TICKETS	38,000
CASH MANAGEMENT AND ACCOUNTING	35,000
ENTERTAINMENT	50,000
EQUIPMENT RENTAL	25,000
PROFESSIONAL FEES	30,000
SECURITY	10,000
INSURANCE	35,000
SITE PREPARATION AND MAINTENANCE	13,000
SOUVENIRS	10,000
MISCELLANEOUS	3,000
CONTINGENCY	<u>100,000</u>
TOTAL EXPENSES	<u><u>\$1,017,000</u></u>

SUMMARY OF CHICAGO FOOD FESTIVAL

- * DATES: June 29, 1984 - July 4, 1984
- * LOCATION: Columbus Drive between Jackson Drive and Balbo Avenue;
Congress Street between Columbus Drive and Congress Circle
- * SPONSOR: City of Chicago
- * MANAGER: Illinois Restaurant Association as agent for the City of Chicago
- * ESTIMATED
ATTENDANCE: 800,000 persons

May 16, 1984

SPECIAL MEETING

6527

FOOD FESTIVAL PRO-FORMA OPERATING STATEMENT

REVENUES

Food Sales (\$2,000,000 X 15%)	\$ 300,000
Net Beverage Sales (See Schedule B)	432,000
Corporate Sponsorships	150,000
Vendor Entrance Fees (85 X \$2,000)	170,000
Souvenir Sales	<u>20,000</u>

Total Revenues	<u>\$1,072,000</u>
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EXPENSES

Operating Expenses (See Schedule A)	<u>\$1,017,000</u>
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Total Expenses	<u>\$1,017,000</u>
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NET PROFIT	<u><u>\$ 55,000</u></u>
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SCHEDULE A
OPERATING EXPENSES

CITY SERVICES REIMBURSEMENT	
Police, Fire, Public Works-Electrical, Health, Streets and Sanitation, Sewers, Telephone	\$ 254,000
ILLINOIS RESTAURANT ASSOCIATION REIMBURSEMENT	60,000
TENTS	
Set-Up, Rental, Maintenance, Take-down	74,000
SANITATION	
Chemical Toilets, Portable Sinks, Waste Drums	147,000
SIGNS	
Vendor, Ticket & Beverage - Construction and Painting	31,000
CLEAN-UP	
Labor (including Supervisory)	43,000
POSTERS AND BROCHURES	
Design and Printing	24,000
ADVERTISING AND PUBLIC RELATIONS	35,000
TICKETS	
Printing and Sales Labor	38,000
CASH MANAGEMENT AND ACCOUNTING	35,000
ENTERTAINMENT	50,000
EQUIPMENT RENTAL	
Office Trailer, Trucks, Refrigerated Trailers, Cushman	25,000
PROFESSIONAL FEES	
Consulting, Outside Legal	30,000
SECURITY	
Armored Courier, Private Labor	10,000
INSURANCE	
Liability, Rain	35,000
SITE PREPARATION AND MAINTENANCE	
Decoration, Pest Control, Chairs, Tables	13,000
SOUVENIRS	
Printing and Sales Labor	10,000
MISCELLANEOUS	3,000
CONTINGENCY	<u>100,000</u>
TOTAL EXPENSES	<u>\$1,017,000</u>

May 16, 1984

SPECIAL MEETING

6529

SCHEDULE B
BEVERAGE SALES

REVENUES

BEER SALES	
500,000 X \$1.25	\$ 625,000
SODA SALES	
300,000 X \$0.50	150,000
LESS: SALES TAX	
775,000 X 8%	<u>(62,000)</u>
TOTAL BEVERAGE REVENUES	\$ 713,000

EXPENSES

BEVERAGE SALES LABOR	43,000
EQUIPMENT RENTAL	
Coolers, Cold Plates	20,000
ICE & CARBONATION	13,000
COST OF GOODS	
Beer	80,000
Soda	75,000
CUPS	<u>50,000</u>
TOTAL BEVERAGE EXPENSES	\$ 281,000
NET BEVERAGE SALES	<u><u>\$ 432,000</u></u>

BENEFITS TO THE CITY

- * \$254,000 in payroll and other expenses to be reimbursed.
- * \$56,000 in incremental sales tax revenues.
- * Public goodwill.
- * Promotion of Chicago as a major restaurant industry location.
- * Potential tourist attraction resulting in increased downtown store and restaurant sales, hotel occupancy, etc.
- * Potential profits from food festival equal to approximately the first \$150,000 after the first \$60,000 and 90% of any profits thereabove.

May 16, 1984

SPECIAL MEETING

6531

ADJOURNMENT.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

A handwritten signature in cursive script, reading "Walter S. Kozubowski". The signature is written in dark ink and is positioned above the printed name and title.

WALTER S. KOZUBOWSKI,
City Clerk.

