

City Council Agenda Cover Memorandum

Meeting Date: December 13, 2010

Item Title: Advocate Lutheran Hospital agreement

Action Requested:

- Approval
 For discussion
 Feedback requested
 For your information

Staff Contact: Jim Hock

Phone Number: 847-318-5205

Email Address: jhock@parkridge.us

Background:

The City Manager met with the President and Finance Director of Lutheran General Hospital to address parking concerns of the hospital and revenue concerns of the City. As a result, attached is an agreement for your consideration that meets the needs of both parties.

The Hospital wanted the flexibility to charge any amount for parking or not charge at all for parking. The City's concern was that the adjustment to the parking garage tax over 4 years ago never met our revenue predictions. The proposed agreement will guarantee the City revenue of \$50,000 per month (\$600,000 annually) retroactively starting May 1, 2010 for the next 3 years. These revenues will be expended on those municipal functions that provide community health care including our ambulance and paramedic services. The City will then rescind the parking garage tax ordinance allowing the LGH the flexibility they desire.

The City Attorney worked with the Hospital's Attorney to arrive at a mutually acceptable agreement.

Recommendation:

Recommend that City Council approve the proposed agreement with Advocate Lutheran General Hospital.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No

If Yes, Total Cost:

If Yes, is this a Budgeted Item: Yes No

Attachments:

- Proposed agreement

AGREEMENT

This Agreement is made and entered into this ____ day of _____, 2010, by and between the City of Park Ridge (hereinafter the "City") and Advocate Lutheran General Hospital (hereinafter "LGH"). This agreement is made upon the following terms and conditions:

RECITALS

WHEREAS, both LGH and the City are committed to providing quality health care services to the residents of Park Ridge, Illinois;

WHEREAS, the City provides community health care services and programs to residents of Park Ridge; and

WHEREAS, the City provides access to health care services by coordinating the management of the City's community health care services and programs; and

WHEREAS, the City operates its community health services and programs in order to deliver community-based health care to residents of Park Ridge and to enhance the accessibility and continuity of such services;

WHEREAS, LGH desires to contribute to the City's efforts to provide community health care services to the community and therefore intends to provide financial support over a period of three (3) years to assist the City in the provision of community health services and programs;

NOW, THEREFORE, in consideration of the premises, covenants, obligations and agreements set forth herein, the parties hereby agree as follows:

AGREEMENT TO PROVIDE FINANCIAL SUPPORT

LGH shall provide the City with financial support for its community health care initiatives in an amount and for the purposes stated in Exhibit A attached hereto for a period of three (3) years. This support shall consist primarily of direct financial assistance which shall be used to support the various community health services and programs as set forth in Exhibit A.

On an annual basis commencing one (1) year from the date the first payment is made hereunder by LGH, the parties hereto may review the purposes for which the financial support described in this Agreement is utilized. At that time, the parties may agree that all or part of the annual financial support provided to the City hereunder may be applied to other programs agreed to between the City and LGH.

TERM

This Agreement shall commence upon the date first written above ("Anniversary Date") and shall continue in full force and effect until three (3) years after the commencement of payments hereunder. The Agreement will automatically renew for additional three (3) year periods unless terminated by either party in accordance with this section. The parties agree that

either party may terminate this Agreement at any time and for any reason by giving the other party at least one hundred twenty (120) days prior written notice prior to the end of the current three-year term. Such termination shall be effective at the end of the current three (3) year term. During the initial term and any subsequent renewal term, the City will not reinstitute any parking tax or other taxes on LGH. In the event the City institutes any parking or other tax on LGH during the term of this Agreement, LGH shall have the right to terminate the Agreement immediately upon imposition of said tax.

MISCELLANEOUS

The parties hereto hereby represent that they have the full legal capacity, right, power and authority to execute and deliver this Agreement, and to carry out the transaction contemplated hereby.

This Agreement, including any photocopy or facsimile hereof, may be executed in two or more counterparts, all of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same writing.

All notices, requests, or demands required or permitted under this Agreement shall be in writing and shall be delivered in person, by telecopy, by overnight or same day courier service, or by United States first class mail, postage properly prepared., addressed as follows:

If to City:	City Manager 505 Butler Place Park Ridge, Illinois 60068
With a copy to:	City Attorney 505 Butler Place Park Ridge, Illinois 60068
If to LGH:	Advocate Lutheran General Hospital 1775 Dempster Street Park Ridge, IL 60068 Attention: President
With a copy to:	General Counsel 2025 Windsor Drive Oak Brook, IL 60523

Either party may specify a different address by notifying the others named above in writing of such different address.

If any clause, phrase, provision or portion of this Agreement or the application thereof shall be held to be invalid or unenforceable under applicable law, such event shall not affect,

impair or render invalid or unenforceable the remainder of this Agreement or any clause, phrase, provision or portion of this Agreement.

This Agreement expressly supersedes all prior agreements between the parties relating to the provision of financial support by LGH to the City in connection with the City's community health care services and programs.

All of the representations and obligations of the City and LGH are contained herein. No modification, waiver or amendment of this Agreement, or any of its terms, shall be binding on either party unless in writing, signed by a duly authorized officer of each party.

The City and LGH warrant and represent that the execution, delivery of and performance under this Agreement is pursuant to authority, validly and duly conferred upon the parties and the signatories hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates written below.

CITY OF PARK RIDGE,
an Illinois municipal corporation

ADVOCATE LUTHERAN GENERAL
HOSPITAL, an Illinois not for profit
corporation

By: _____
Mayor

By: _____
President

Attest: _____
By: City Clerk

Attest: _____
By: _____

EXHIBIT A

CITY OF PARK RIDGE
COMMUNITY HEALTH SERVICES AND PROGRAMS

Park Ridge Teen Center
Park Ridge Youth Commission
Maine Center for Mental Health
Park Ridge Center of Concern
Park Ridge Senior Center
Rainbow Hospice
Meals on Wheels
Transportation programs for the elderly and disabled
Environmental Health programs
Emergency Response system
Emergency Preparedness initiatives

Financial Support by Advocate Lutheran General Hospital:

Year 1: Fiscal year May 1, 2010 thru April 30, 2011 ⁱ	\$50,000.00 per month
Year 2: Fiscal year May 1, 2011 thru April 30, 2012	\$50,000.00 per month
Year 3: Fiscal year May 1, 2012 thru April 30, 2013	\$50,000.00 per month

For any renewal term(s) of the Agreement, the parties will discuss and agree upon the terms of the financial support and execute an addendum to this Agreement that includes the agreement as to the financial support to be provided for the renewal term.

ⁱ The payments for Year 1 only shall be made from parking taxes and direct payments. Parking taxes shall be paid for the period May 1, 2010 through January 31, 2011. If the taxes for any of those months total less than \$50,000, then LGH shall pay the difference to the City by February 28, 2011. Beginning February 1, 2011, LGH shall make monthly payments of \$50,000 and shall no longer remit any parking taxes to the City.