



Aurora's Economic Development Partnership

CITY OF LIGHTS

To: Thomas Weisner, Mayor, City of Aurora
From: David Hulseberg, President/CEO, Invest Aurora
Date: 10/4/2016
Re: Project Bubba Property Tax Abatement

Overview

Duke Realty has approached Invest Aurora with two separate yet related projects located along Duke Parkway (north of Ferry Road, west of State Route 59). Due to a non-disclosure agreement, Duke is unable to share the identity of the prospective tenant(s) at this time. For the purpose of the development process, the projects have been assigned the working titles "Project Bubba" and "Project Bubba Jr." respectively.

Project Bubba is a 954,720 square foot building that will provide approximately 1,200 full time jobs. Annual payroll will be in excess of \$34.4 million, plus benefits and overtime. Project Bubba Jr. is a 402,860 square foot building that will provide approximately 120 (expandable to 200) full time jobs. Annual payroll will be in excess of \$4.5 million, plus benefits and overtime.

Use of Funds

In addition to construction of these properties, Project Bubba will be responsible for installation of a traffic light and road improvements adjacent to the property on State Route 59. The total project costs for the light and road improvements are estimated at \$3.6 million. An IDOT grant of \$2 million has been submitted, leaving a gap of \$1.6 million.

The remainder of the project costs will be shared between a number of partners. Invest Aurora recommends a \$400,000 property tax abatement from the City of Aurora, with the remaining \$1.2 million provided either through further property tax abatements per School District 200 and the City of Warrenville, or a series of recapture agreements against other benefitting properties (to be determined).

Recommendation

Invest Aurora Board of Directors are unanimous in their support of utilizing tax abatements and other economic development tools as a development catalyst. As Project Bubba and Project Bubba Jr. will provide more than 1,320 full time jobs and payroll in excess of \$40 million, Invest Aurora recommends the approval of a \$400,000 property tax abatement to assist in the cost of the traffic light and road improvements.

The property tax abatement would be structured over a three year period. In year one of the abatement the City of Aurora's portion of the tax abatement would be abated by 90%. In year two of the abatement the City of Aurora's portion of the tax abatement would be abated by 80%. In year three of the abatement the City of Aurora's portion of the tax abatement would be abated by such a percentage necessary that the three years combined would equal \$400,000.