



Legislation Text

File #: 24-0451, Version: 1

TO: Mayor Richard C. Irvin

FROM: David Dibo Executive Director of Mayor's Office of Economic Development

DATE: June 10, 2024

SUBJECT:

A Resolution Authorizing the approval of a Development Agreement between the City and C1 Chicago Aurora LLC providing reimbursement for public improvements that benefit the property located at 2725 Bilter Road.

PURPOSE:

To (a) reimburse the city for funds expended for public improvements, and (b) provide for the payment of a public works development impact fee in connection with the CI development pending approval by the City Council.

BACKGROUND:

In 2008, the city, working closely with the Illinois Department of Transportation (IDOT) agreed to contribute substantial funds to facilitate the development of a new interchange on I-88. The goal was to induce new economic development. The contemplated development activity did not take place. In the meantime, the I-88 corridor began to attract more technology-oriented businesses. C1 Chicago Aurora, LLC, an affiliate of Cyrus One, is seeking Council approval to build a state-of-the-art data center at this location.

DISCUSSION:

The Agreement calls for C1 to reimburse the city for expenditures made in anticipation of the economic development which will not now take place, along with the time value of those expenditures.

IMPACT STATEMENT:

Approving the RDA will facilitate the development of a long vacant site, reimburse the city for expended funds, create incremental real estate and utility taxes, and create new well-paying job opportunities.

RECOMMENDATIONS:

Staff recommends the approval of the Development Agreement.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the approval of a Development Agreement between the City and C1 Chicago Aurora LLC providing reimbursement for public improvements that benefit the property located at 2725 Bilter Road.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, C1 is the contract purchaser of the approximately 32-acre property identified on Exhibit 1 attached hereto and made a part hereof (the "Subject Property"); and

WHEREAS, C1 has applied to the City for various forms of discretionary land use approvals to facilitate the development of the Subject Property for a data center campus consisting of two buildings, two telecommunication towers, and an electrical substation (the "Proposed Development"); and

WHEREAS, the City Code (Article 43-5) requires that, in association with the development of a property, the developer install certain public improvements, including sewers, water supply, street improvements, monuments and markers, franchised utilities, sidewalks, landscaping, street and regulatory signage, and street lighting and marking. Access to the Subject Property from the East-West Tollway is by way of the Eola Road interchange; and

WHEREAS, the City Code (Article 43-5) provides that public improvements that provide a direct benefit to future subdivisions or developments shall be reimbursable to the extent of such benefit.

WHEREAS, while the Subject Property was annexed and zoned in the City of Aurora in 1975, the Subject Property attracted no private investment toward the realization of development goals for decades. C1 has submitted plans to develop the Subject Property for the data center (the "Proposed Development"); and

WHEREAS, to spur economic development, the City invested in regional infrastructure improvements located in and around the Subject Property, including (the "City's Investment"): The Proposed Development: (i) represents a significant shift in the City's long-term planning goals and visions for the Eola Road interchange area; (ii) will present potential future obligations for the City, the exact impact of which are unknown; and (iii) will significantly limit the return on investment of substantial sums expended by the City in reliance on the development of the Eola Road interchange area for

commercial and other sales tax producing entities; and

WHEREAS, the City will therefore experience potentially adverse impacts from the Proposed Development by foregoing the City's investment-backed expectations for the area. These impacts include but are not limited to the following:

- (i) The City expended approximately \$8,000,000.00 in 2008 dollars for the Eola Road interchange area right-of-way acquisition. The value of that expenditure in 2024 dollars is approximately \$13,500,000.00.
- (ii) The City expended approximately \$550,000.00 in 2015 dollars for related utility work. The value of that expenditure in 2024 dollars is approximately \$800,000.00.
- (iii) The City expended approximately \$787,500.00 in 2008 dollars for soft costs related to said right-of-way acquisition improvements. The value of that expenditure in 2024 dollars is approximately \$1,400,000.00.

WHEREAS, the City's Investment ultimately triggered DuPage County and the State of Illinois to invest approximately \$35,000,000 for the construction of roadway improvements which specifically benefit the Subject Property and have spurred economic development in the region. The development of the Subject Property under the Proposed Development will also result in a long-term loss of potential retail-related commercial and sales tax opportunities for the City.

WHEREAS, the parties agree that the C1 will benefit, in terms of both cost savings and construction delays, from existing public improvements which have been constructed across the frontage of the Subject Property, specifically including but not limited to: sanitary sewer and storm sewer, full roadway improvements to Bilter Road, full roadway improvements associated with the Eola Interchange, franchised utilizes, sidewalks, landscaping, street and regulatory signage, and street lighting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the Mayor and City Clerk are authorized to execute an Agreement that substantially and materially conforms to the provisions of the Agreement set forth in Exhibit A on behalf of the City; and further

BE IT RESOLVED that the Mayor, City Clerk, Corporation Counsel and employees designated in the Agreement shall be and hereby are authorized to perform the function and duties set forth in the Agreement including, without limitation; and further

BE IT RESOLVED, that the Mayor is authorized to execute such documents or agreements between the City and the Developer which are related to and subordinate to the Agreement so long as (1) such additional documents or agreements are consistent with and do not conflict with the provisions of the Agreement authorized by this Resolution (2) are necessary to carry into effect the purposes of the Agreement, and (3) do not create any additional liabilities upon the City.