



Legislation Text

File #: 24-0050, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: David Dibo, Economic Development Director

DATE: January 23, 2024

SUBJECT:

A Resolution Authorizing the Execution of a Memorandum of Understanding Between CyrusOne and the City of Aurora for the Development of the Property Located West of the Eola Interchange at 2725 Bilter Road, Aurora, Illinois, 60502.

PURPOSE:

To facilitate a process that will lead to maintaining and expanding the CMEs presence in the city of Aurora.

BACKGROUND:

CyrusOne is the contract purchaser of property located close to its existing 428,000 square foot facility located at 2905 Diehl Road. CyrusOne plans to build a data center on the 30-acre site shown in the attachments, with the principal tenant being the Chicago Mercantile Exchange (CME). The attached Memorandum of Understanding between the City and CyrusOne is a preliminary non-binding document.

DISCUSSION:

The MOU has two purposes:

First, the MOU sets forth the City's initial staff-level determination that the proposed data center is an appropriate use of the Subject Property. This determination is important because it will allow CME and CyrusOne to move forward with their lease negotiations which will result in a long-term partnership.

Second, the MOU recognizes that the City has spent significant resources in the Eola Road planning area. The MOU further recognizes that the City will require a contribution from CyrusOne to recapture this lost investment and lost future opportunity from the change in the City's original planning vision for this area. The parties are working through the appropriate total contribution amount but have agreed to utilize the City's total prior investment in the Eola Road Interchange area improvements as a reasonable benchmark for this investment recapture. A final agreement is anticipated to be presented to the Council for approval at the same time of the zoning entitlements and will be an integral part of those entitlements.

IMPACT STATEMENT:

While the normal planning, public hearing, and City Council approval actions are necessary for the

CyrusOne plan to be finalized, approval of this MOU will give the CME sufficient recognition of City support to allow it to move forward with CyrusOne.
At the same time, it will give the City and CyrusOne parameters to negotiate the ultimate impact fees-reimbursement agreement to go along with the land use approvals.

RECOMMENDATIONS:

That the attached Memorandum of Understanding be approved.

ATTACHMENTS:

- Exhibit 1: Memorandum of Understanding
- Location Map

cc: Finance Committee:
Alderman Carl Franco, Chairperson
Alderman Edward J. Bugg, Vice Chairperson
Alderman-At-Large Ron Woerman
Alderwoman Shweta Baid
Alderman Brandon Tolliver



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Execution of a Memorandum of Reimbursement Between CyrusOne and the City of Aurora for the Property Located West of the Eola Interchange at 2725 Bilter Road, Aurora, 60502 for which CyrusOne is the Contract Buyer.

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, the Company constructed a data center facility in the City in at 2905 Diehl Road (the "Existing Facility"); and

WHEREAS, the Existing Facility does not have capacity to meet the usage demands of certain tenants who currently utilize the Existing Facility; and

WHEREAS, the Company intends to build a new data center facility at property identified on Exhibit 1 to meet growth demands of tenants of the Existing Facility; and

WHEREAS the proximity of the Land to the Existing Facility makes the Land an attractive location for the Company's planned a new data center; and

WHEREAS, the Existing Facility contributes significant revenue to the City's tax base; and

WHEREAS, the Company's planned new data center will contribute significant new revenue to the City's tax base; and

WHEREAS, the Company desires to perform due diligence and feasibility studies associated with the development of the Land for the Company's planned new data center but seeks the City's preliminary support of the Company's concept before the Company expends significant sums on the concept; and

WHEREAS, over the past several years, the City has expended substantial sums of money in furtherance of the construction of a full interchange at Eola Road. These expenditures, as well as zoning ordinance and comprehensive plan amendments, have been based on the City's goal of encouraging the development of the Subject Property for traffic generating and tax revenue producing economic developments; and

WHEREAS, the parties also recognize that the development of the Land for the Company's planned data center represents a shift in the City's long term planning goals and visions for the Eola Road interchange area, and also will also present new potential future obligations for the City, the exact impact of which is unknown. Developer recognizes these present and potential impacts on the City; and

WHEREAS, in order to move the process forward, the parties have determined to delineate certain payments which the Company will make to the City to allow the City to recapture the cost impacts and potential lost development and revenue opportunities described above; and

WHEREAS, both parties affirm that this Memorandum of Understanding will, if the parties choose to move forward, be superseded by a formal development agreement and/or other ordinance approvals consistent with the requirements of the City's Municipal Code, the requirements of state law, and the terms of the Memorandum of Understanding attached herein and called out as Exhibit 1;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Aurora, Illinois, as follows: the Mayor, or respective designee, is hereby authorized to execute the Memorandum of Understanding between CyrusOne and the City of Aurora for the Development of the Property Located West of the Eola Interchange at 2725 Bilter Road, Aurora, Illinois, 60502