



**COMMITTEE OF THE WHOLE MEETING
MONDAY, MAY 15, 2017
NORTH AURORA VILLAGE HALL - 25 E. STATE ST.
(Immediately following the Village Board Meeting)**

AGENDA

CALL TO ORDER

ROLL CALL

AUDIENCE COMMENTS

TRUSTEE COMMENTS

DISCUSSION

1. PEG Access and Broadcasting Village Board meetings
2. Donation Bins
3. Gerald Hyundai Economic Incentive Agreement

EXECUTIVE SESSION

ADJOURN

Initials SB

Memorandum



To: Village President and Village Board of Trustees
From: Steve Bosco, Village Administrator
David Hansen, Administrative Intern
Date: 5-10-17
Re: Broadcasting Village Board Meetings and the Cable Consortium

Staff is seeking direction from the Village Board on how to broadcast Village Board meetings and if utilizing a public, educational and governmental (PEG) access channel is needed in the process. Staff is also seeking direction as to whether the Village should remain a member of the Southwest Fox Valley Cable Consortium (SFVCC). Staff has sought out four potential options for the Village Board to review.

Background with SFVCC

In 2002, the SFVCC was formed by the municipalities of North Aurora, Oswego, Plano, Sandwich and Yorkville. The original idea for the consortium was to have a better ability to collaboratively approach AT&T for infrastructure upgrades and better customer service in a new franchise agreement. Each member community is represented in the consortium by an appointee of each respective municipalities' Village President/Mayor.

The consortium determined there was a need to create an opportunity for PEG access for residents. The members of the consortium collectively approached Wabauunsee Community College and was able to secure use of their television studio for purposes of providing PEG access. The consortium also determined that collectively they had a better chance to negotiate with AT&T for capital improvements and a studio channel to provide PEG access. Since the 12-year franchise agreement with AT&T was approved in August of 2002, the cable infrastructure and subsequent local franchise agreement with the Village of North Aurora has changed ownership to Comcast. In addition, the Village of Oswego is no longer a member of the SFVCC.

Regardless of whether the cable provider was AT&T or Comcast, the SFVCC has worked with its member communities to provide PEG access for residents, local businesses and local organizations since an intergovernmental agreement was signed in August 2002. The consortium provides the opportunity for community

members to produce and air local programming through training as well as the use of the consortium’s equipment and production studio. The consortium also records, produces and airs coverage of local special events, sporting events and municipal meetings, upon request. Community programming and information is provided to residents who subscribe for television service through Comcast and AT&T. Content is unavailable to satellite television subscribers; however, the consortium does have the ability to stream content on the internet.

Funding

Per the intergovernmental agreement with the other member communities, each municipality provides 40% of all franchise fees collected annually through their local franchise agreements with Comcast. Since 2008, the SFVCC has refunded portions of each community’s payments.

As shown by the chart below, the Village has paid an annual average of \$83,752 in franchise fee revenue to the SFVCC over the course of calendar years 2013, 2014 and 2015. Of the \$83,752, staff calculated that, on average, the SFVCC retained \$40,967 and refunded \$42,785 (51%) to the Village during that same three-year period.

	Payments to SWFVCC	Refund	Retained by SWFVCC	Percentage Refunded
Calendar Years 2013, 2014, 2015 Average	\$83,752	\$42,785	\$40,967	51%

Potential Options

To move forward, staff needs direction from the Village Board on how to broadcast Village Board meetings and if public, educational and governmental (PEG) access is needed in the process. Listed below are four potential options that staff has evaluated.

- 1) The Village stays in the consortium and broadcasts meetings and events through the consortium using all of their production facets. There would be no additional costs to the annual fee to broadcast meetings through the consortium. As mentioned above, the Village paid an annual fee of \$83,752 on average during calendar years 2013, 2014 and 2015 and was refunded \$42,785 or 51% of the annual cost during that same period. Refunds from the consortium are not guaranteed, but have been consistent during the past few years. The Village and its residents continue to have access to the

consortium's studio and the consortium continues to film/broadcast community events.

- 2) The Village leaves the consortium and broadcasts meetings and events through Comcast, AT&T, and MetroNet. Should the Village choose to leave the consortium, it would require 90 day written notice to the consortium and the other communities included in the intergovernmental agreement. The total startup cost of broadcasting meetings through Comcast, AT&T, and MetroNet is believed to be approximately \$33,300. The price would include installing a fiber cable connection to Village Hall (\$15,300), the equipment needed to supply the cable companies with a signal (\$1,500), a high definition professional grade camera (\$3,000), and a character generation system to provide uploaded content for continuous playback (\$13,500). The broadcast character generation system would provide 24 hours of content. The \$33,300 would be the first year startup costs. After the first year, the cost to maintain this would be very minimal. The character generation system would need to be replaced approximately every seven years. YouTube could be added at no additional cost. This scenario includes using a camera in a single location that is not operated by any additional staff or personnel.
- 3) The Village leaves the consortium and broadcasts meetings and events internally through the Village via YouTube. Should the Village choose to leave the consortium, it would require 90 day written notice to the consortium and the other communities included in the intergovernmental agreement. The startup cost of broadcasting meetings through YouTube would be approximately \$3,000. The \$3,000 would be for a high definition professional grade camera. The Village has already established a YouTube page and would need to upload the videos to it. The recording, uploading and editing would be done internally. This scenario includes using a camera in a single location that is not operated by any additional staff or personnel.
- 4) The Village stays in the consortium and broadcasts meetings and events through the consortium using all of their production facets. However, the Village negotiates a reduction in the fees paid to the consortium annually. The Village and its residents continue to have access to the consortium's studio and the consortium continues to film/broadcast community events.

	Option 1 Consortium*	Option 2 Cable Companies**	Option 3 YouTube**	Option 4 Consortium Negotiated Rate***
SWFVC Consortium Fees	\$40,967 - 83,752*			\$?
Camera	\$0	\$3,000	\$3,000	\$?
Character Generation	\$0	\$13,500	\$0	\$?
Signal Costs	\$0	\$1,500	\$0	\$?
Cable	\$0	\$15,300	\$0	\$?
Recording Costs	\$0	\$?	\$?	\$?

1st Year Cost	\$40,967 - 83,752*	\$33,300	\$3,000	\$?
Approximate Cost after 10th Year (Replacement of Equipment)	\$409,670- \$837,520*	\$51,300	\$6,000	\$?

PEG Studio Access	Yes	No	No	Yes
--------------------------	-----	----	----	-----

*Average annual amount paid to the consortium during calendar years 2013, 2014, 2015. The average annual amount paid by the Village after refunds during that period was \$40,967. Depending on future service connections and customer bills, that amount can fluctuate higher or lower.

**This scenario includes using a camera in a single location that is not operated by any additional staff or personnel. Should a camera need to be operated by a person during the meeting an additional cost may be incurred.

***There are no approximate amounts in this scenario as there have been no negotiated rates discussed between the Village and the consortium at this time.

**VILLAGE OF NORTH AURORA
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR
FROM: MIKE TOTH, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
SUBJECT: COLLECTION BIN TEXT AMENDMENTS
AGENDA: 5/15/2017 COMMITTEE OF THE WHOLE MEETING

DISCUSSION

In 2007, the Village Board approved the current regulations pertaining to collection bins. Section 8.34 of the North Aurora Municipal Code defines a collection bin as a standalone structure or structure attached to the outside of a building that is designed and intended for the purpose of collecting and temporarily storing clothing and other items deposited into the structure for collection and periodic removal. Intended for the collection of clothing and other items, it was determined in 2007 that collection bins had become a nuisance around the Village and a prohibition of unattended collection bins was established.

After citing a property owner for having an unattended collection bin on their property, the Village was contacted by legal counsel representing the company found to be in violation who stated that solicitation of charitable donations is a form of speech protected by the First Amendment and subject case law was referenced.

According to the Village Attorney, the Village treats collection bins similar to off-premise signs whereas First Amendment concerns limit the ability to allow some off premise signs and not others without triggering strict scrutiny. The Village does not allow any off-premise signs to avoid the proliferation of off-premise signs and any ambiguity between allowing the different types of off-premise signs – billboards, garage sale signs, etc. Similarly, the Village does not ban or even address “clothing donation bins”, but the Village does address “collection bins”, generally. The Village makes no distinction regarding what the purpose might be for the bins.

In order to provide consistency and better regulate certain structures and activities, staff is presenting amendments to the collection bin provisions. The intent of the amendments is to provide specific provisions directly related to collection bin operations and treat them in a similar manner to commercial garbage containers by allowing unattended collections bins, as long as they are screened and meet all other requirements.

Attachments:

1. Draft Ordinance amending Title 8 Chapter 8.34 of the North Aurora Municipal Code regarding collection bins

VILLAGE OF NORTH AURORA



VILLAGE OF
NORTH
AURORA

VILLAGE OF NORTH AURORA
KANE COUNTY, ILLINOIS

Ordinance No. _____

**ORDINANCE AMENDING TITLE 8 CHAPTER 8.34 OF THE
NORTH AURORA MUNICIPAL CODE REGARDING COLLECTION BINS**

Adopted by the
Board of Trustees and President
of the Village of North Aurora
this ____ day of _____, 2017

Published in Pamphlet Form
by authority of the Board of Trustees of the
Village of North Aurora, Kane County, Illinois,
this ____ day of _____, 2017
by _____.

Signed _____

VILLAGE OF NORTH AURORA

ORDINANCE NO.

ORDINANCE AMENDING TITLE 8 CHAPTER 8.34 OF THE
NORTH AURORA MUNICIPAL CODE REGARDING COLLECTION BINS

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of North Aurora, Kane County, Illinois, as follows:

1. The recitals set forth above are adopted and incorporated herein as the material and significant findings of the President and the Board of Trustees as if fully stated herein.

2. **Chapter 8.34 - COLLECTION BINS**

8.34.010 - Definitions.

"Collection bin" means a stand-alone structure or structure attached to the outside of a building that is designed and intended for the purpose of collecting and temporarily storing ~~clothing and other~~ items **from persons other than the owner of the parcel on which the structure is maintained** ~~are~~ deposited into the structure for collection and periodic removal.

8.34.020 - Nuisance. Regulation

- A. Collection bins ~~that are~~ **may not be** left unattended outside ~~in public view~~ **are declared a public nuisance in the village when left in public view**. A collection bin shall be deemed to be in public view if it can be readily seen from any public road, sidewalk or other public ~~or private~~ property. Collection bins that are located inside a building **or which are screened as to not be readily visible from public places** shall not be considered in public view for purposes of this Chapter. **Screening shall consist of a solid wood fence or masonry screen wall to a height of not less than six feet (6') but no more than eight feet (8')**.
- B. Collection bins shall be metal and be maintained in good condition and appearance with no structural damage, holes or visible rust and shall be free of graffiti.
- C. Collection bins shall be locked or otherwise secured in such a manner that the contents cannot be accessed by anyone other than those responsible for the retrieval of the contents.
- D. Collection bins shall identify the name, address, email, website and phone number of the owner and/or operator of the collection bin with a minimum, half inch (1/2") type visible from the front of each collection box.
- E. Collection bins shall be closely monitored to ensure that material is not allowed to accumulate outside of the collection bin. Property owners, business operators and collection bin operators shall be jointly and severally responsible for removing all junk,

VILLAGE OF NORTH AURORA

garbage, trash, debris and other material in the area surrounding the collection bin, and anyone receiving written or verbal notice of junk, garbage, trash, debris and other material in the area surrounding the collection bin shall remove it within twenty-four (24) hours of the notice from the Village.

- F. Collection bins shall be serviced and emptied as needed, but at least every thirty (30) days.
- G. Collection bins shall not be permitted on any land used for residential purposes.
- H. Collection bins shall not be permitted on any unimproved parcel, and shall not be permitted on any parcel where the principal use of the land has been terminated or the principal building has been unoccupied for more than thirty (30) days.
- I. Collection bins shall not cause a visual obstruction to vehicular or pedestrian traffic.
- J. Collection bins shall not interfere with an access drive, off-street parking lot maneuvering lane and/or required off-street parking spaces.

8.34-030 - Violation.

Any ~~person who places~~ **owner** of a collection bin or **property owner who allows or suffers a collection bin** to be placed or to remain placed on property in the Village that is left outside unattended in public view is in violation of this Chapter. **Each day that a violation continues shall be considered a separate offense.**

8.34.040 - Fine—Enforcement.

- A. The fine for a violation if this Chapter shall be no less than ~~one hundred~~ **ten** dollars (\$100.00) and no more than ~~seven hundred fifty~~ **five hundred** dollars (\$750**500**.00). Each day that a violation continues shall be considered a separate offense **for which a separate fine may be imposed.**
- B. ~~The village may enforce this chapter by fine, by seeking an injunction and by any other remedy available to the village for enforcement of nuisance ordinances~~ **Violations of this Chapter may be enforced by any combination of fines, injunctions and any other enforcement remedies available to the Village.**
- C. If, after notice of a violation has been given, the person receiving the notice fails to ~~abate the nuisance~~ **comply** within seven (7) days from the date of such notice, **the Village may treat the noncompliance as a nuisance and abate the nuisance by removing and disposing of the collection bin, and.** ~~The~~ **Any person who fails to comply with a notice of violation of this Chapter shall be liable to the Village to reimburse the costs for such removal and disposal shall be reimbursed to the village of any collection bin that is placed or allowed to be placed and to remain in violation of this Chapter in addition to any fine that is imposed, from any person or persons who placed or allowed or suffered to be placed the collection bin in violation of this chapter or other remedy that is sought by the Village.**

VILLAGE OF NORTH AURORA

3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance, or any part thereof. The Village Board of Trustees hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

4. This Ordinance shall take immediate full force and effect from and after its passage, approval, publication and such other acts as required by law.

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this _____ day of _____, 2017, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this _____ day of _____, 2017, A.D.

Mark Carroll	_____	Laura Curtis	_____
Mark Gaffino	_____	Mark Guethle	_____
Michael Lowery	_____	Tao Martinez	_____

Approved and signed by me as President of the Board of Trustees of the Village of North Aurora, Kane County, Illinois this _____ day of _____, 2017, A.D.

Dale Berman, Village President

ATTEST:

Lori Murray, Village Clerk

**VILLAGE OF NORTH AURORA
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR

FROM: MIKE TOTH, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: GERALD HYUNDAI INCENTIVE REQUEST

AGENDA: 5/15/2017 COMMITTEE OF THE WHOLE MEETING

DISCUSSION

Over the past few years the Gerald Auto Group has been making significant investment in their facilities located in the North Aurora Auto Mall. The Gerald Group owns and operates the KIA, Subaru, Hyundai and Nissan dealerships located on Hansen Blvd. The KIA dealership was relocated from 204 Hansen Blvd to 201 Hansen. The former KIA building now hosts the centralized corporate office for all of the Gerald dealerships. Once connected to the Nissan dealership at 213 Hansen Blvd, the Subaru dealership moved to its own facility at 205 Hansen Blvd. Plans to expand the Nissan operations into the former Subaru space are also currently being explored by Gerald.

According to Gerald, the Hyundai brand is anticipated to see brand expansion, as well as, an increase in the number of Hyundai units on the road over the next few years. It is anticipated that such factors could require an increase in service demand. In order to accommodate this demand, the Gerald Group is planning to expand the shop facilities at their 209 Hansen Blvd. location. An additional 9,600 square feet would be added to the facility, consisting of an estimated 8,264 square feet of service area and 1,345 square feet of service intake area. According to the supplemental information provided by Gerald, a 33% employment increase is anticipated as a result of the expansion. Said improvements would cost an estimated total of \$2,080,000 and would consist of build out costs, site work, equipment, fixtures and holding costs.

Gerald has provided staff with detailed sales projections, both with and without the expansion. Gerald estimates that the expansion could cumulatively increase sales tax by as much as \$1,000,000 over the 12-year period following completion of the project. The growth in sales tax would be attributable to additional parts sales and the sale of both new and used vehicle sales, resulting from an increase in customer traffic to the site. As the Gerald Auto Group has made significant investment in their various North Aurora Auto Mall dealerships, they are requesting financial assistance to aid in the \$2,080,000 Hyundai service expansion.

In order to assist with the expansion project, the Gerald Auto Group is requesting the entirety of the *incremental* sales tax generated over the base, over a 12-year period that would result from this project. Similar to the tax increment financing (TIF) concept, this request would include the capturing of funds, not come from current revenues, but from future revenues, not otherwise expected to occur without the building expansion. These new revenues are generated by the increase sales deriving solely from the Hyundai dealership. As previously mentioned, the increase could be as much as \$1,000,000 over a 12-year period. Both staff and Gerald have discussed capping the maximum amount that could be rebated at \$1,000,000.

Dependent upon Board discussion, staff would continue to work with the Gerald Auto Group to determine the appropriate baseline, and any additional sales from that point would be rebated back to Gerald. As the baseline has yet to be established, staff is soliciting feedback from the Village Board

on the incremental sales incentive concept. A detailed request would come back to the Village Board for further discussion. Staff notes that the building addition itself would require a special use. While the concept plan has not been fully examined, staff would like to inquire upon any feedback the Board has on the building addition. Lastly, the Gerald Auto Group has expressed to staff that the building expansion would most likely not occur without the assistance of an economic incentive agreement with the Village.

GERALD



May 9, 2017

Mr. Dale Berman
Village President
Village of North Aurora
25 East State Street
North Aurora, IL 60542

Dear Mr. Berman:

We have recently made significant investments in the North Aurora Auto Mall and see an opportunity to continue to drive more growth in the Auto Mall with assistance from the Village.

In 2013, the Gerald Auto Group invested \$2.6 million in the empty dealership property at 205 Hansen Blvd. In 2015, we invested nearly \$2.8 million in the empty dealership property at 201 Hansen. Starting in late 2015 and during much of 2016, the Gerald Auto Group invested a total of \$5.3 million in the substantial remodeling of 201 Hansen Blvd. for our Kia franchise, the substantial rebuilding of 205 Hansen Blvd. to establish a stand-alone Subaru dealership and the remodeling of 204 Hansen Blvd. for use as a centralized corporate office for all the Gerald dealerships. These investments are already producing increased taxable sales and increased employment in the Auto Mall, and we expect this growth to continue. We now see an opportunity to drive more growth and better diversify revenue streams. However, much of our capital resources and borrowing capacity were utilized for the 2013 - 2016 investments.

The current demand for Hyundai service work exceeds the physical capacity of the space at 209 Hansen. (We are already using the old Kia service space at 204 Hansen to substantially supplement customer service work next to the corporate office space.) With the increasing number of Hyundai units in service and the increasing number of new Genesis models being introduced in 2016 - 2019, we believe that service and parts demand will significantly exceed existing shop space. As such, expanding the Hyundai service department should generate substantial additional sales and employment.

We have spent several months exploring the most economical way to expand the Hyundai shop facilities and estimate that such an expansion will cost approximately \$2,080,000. We project that this project will generate approximately \$1 million in incremental sales tax revenue for the Village over the following twelve year period. (We note that we are working from a high base which includes the benefit of using service space at 204 Hansen which may be needed for a new franchise in the future.) The increased business will also increase employment at Gerald Hyundai by a third. Please see the enclosed summary of investment and employment metrics as well as our 'with and without' sales projections.

Gerald Auto Group • 213 Hansen Blvd. • North Aurora, IL 60542 • 630-907-0800

www.geraldauto.com

Mr. Dale Berman

May 9, 2017

Page 2

We request an Economic Incentive Agreement to rebate one hundred percent of the incremental retailers' occupation tax generated by Gerald Hyundai, up to \$1 million to be paid over twelve years, subsequent to completion of the project. The incremental tax will be that in excess of a base year to be determined in consultation with input from Village representatives. We understand that a realistic trigger date to begin to measure the incremental tax is the date of the Certificate of Occupancy to be received upon project completion, and we understand that the rebate would be funded some months after each year-end.

Such an Economic Incentive Agreement would enable us to execute the expansion of Gerald Hyundai and drive further community growth. We believe our request fulfills all legal requirements for such an Agreement as we have outlined in the enclosed narration comments associated with each section of Illinois Municipal Code 65 ILCS 5/8-11-20.

We would like to meet with you and the Village Board to present our plans and address any questions. Please contact me at your earliest convenience, and I would be happy to address any immediate questions or suggestions to move forward to an agreement.

Sincerely,



John Dvorak
Director of Accounting and Finance
Gerald Auto Group

cc: Doug Gerald
Mike Toth
Bill Hannah

enclosures

GERALD HYUNDAI SALES AND RETAILERS' OCCUPATION TAX: 2015 AND 2016 ACTUAL WITH 10 YEAR PROJECTIONS WITH PROPOSED EXPANSION PROJECT AND WITHOUT THAT PROJECT

GERALD HYUNDAI ACTUAL AND PROJECTED TAXABLE SALES WITH REMODELING

	ACTUAL 2015	ACTUAL 2016	PROJECTED 2017 *	PROJECTED 2018	PROJECTED 2019	PROJECTED 2020	PROJECTED 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026	PROJECTED 2027
New Car Units	1,277	1,331	1,360	1,400	1,410	1,412	1,412	1,412	1,415	1,415	1,420	1,420	1,420
Used Cars Units	500	534	600	650	705	748	791	833	849	849	852	852	852
Total Units	1,777	1,865	1,960	2,050	2,115	2,160	2,203	2,245	2,264	2,264	2,272	2,272	2,272
Vehicle Sales	34,520,672	37,075,730	39,857,647	42,553,179	44,961,858	46,737,264	48,326,000	50,068,509	51,291,450	52,317,279	53,547,192	54,618,136	55,710,499
Parts Sales	681,273	867,274	1,084,093	1,300,911	1,365,957	1,393,276	1,421,141	1,449,564	1,478,555	1,508,126	1,538,289	1,569,055	1,600,436
Total Sales	35,201,945	37,943,004	40,941,739	43,854,090	46,327,815	48,130,540	49,747,141	51,518,073	52,770,005	53,825,405	55,085,481	56,187,191	57,310,935
Vehicle Sales Tax 1.0%	345,207	370,757	398,576	425,532	449,619	467,373	483,260	500,685	512,914	523,173	535,472	546,181	557,105
Parts Sales Tax 1.0%	6,813	8,673	10,841	13,009	13,660	13,933	14,211	14,496	14,786	15,081	15,383	15,691	16,004
Total Tax	352,019	379,430	409,417	438,541	463,278	481,305	497,471	515,181	527,700	538,254	550,855	561,872	573,109

GERALD HYUNDAI ACTUAL AND PROJECTED TAXABLE SALES AS IS, WITHOUT REMODELING

	ACTUAL 2015	ACTUAL 2016	PROJECTED 2017 *	PROJECTED 2018	PROJECTED 2019	PROJECTED 2020	PROJECTED 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026	PROJECTED 2027
New Car Units	1,277	1,331	1,300	1,300	1,300	1,300	1,300	1,300	1,310	1,312	1,312	1,312	1,312
Used Cars Units	500	534	534	534	534	534	534	534	539	541	541	541	541
Total Units	1,777	1,865	1,834	1,834	1,834	1,834	1,834	1,834	1,849	1,853	1,853	1,853	1,853
Vehicle Sales	34,520,672	37,075,730	37,226,409	37,970,937	38,730,356	39,504,963	40,295,063	41,100,964	42,259,800	43,190,091	44,053,893	44,934,971	45,833,670
Parts Sales	681,273	867,274	893,292	911,158	929,381	947,969	966,928	986,267	1,005,992	1,026,112	1,046,634	1,067,567	1,088,918
Total Sales	35,201,945	37,943,004	38,119,701	38,882,095	39,659,737	40,452,932	41,261,991	42,087,231	43,265,792	44,216,203	45,100,527	46,002,537	46,922,588
Vehicle Sales Tax 1.0%	345,207	370,757	372,264	379,709	387,304	395,050	402,951	411,010	422,598	431,901	440,539	449,350	458,337
Parts Sales Tax 1.0%	6,813	8,673	8,933	9,112	9,294	9,480	9,669	9,863	10,060	10,261	10,466	10,676	10,889
Total Tax	352,019	379,430	381,197	388,821	396,597	404,529	412,620	420,872	432,658	442,162	451,005	460,025	469,226

INCREMENTAL VILLAGE SALES TAX WITH REMODELING	28,220	49,720	66,681	76,776	84,852	94,308	95,042	96,092	99,850	101,847	103,883
CUMULATIVE INCREMENTAL VILLAGE SALES TAX	28,220	77,940	144,621	221,397	306,249	400,557	495,599	591,691	691,541	793,387	897,271

**Gerald Hyundai
Facility Investment Proposal
2017**

We are exploring a substantial expansion to the service department, including an expanded service drive, at Gerald Hyundai, located at 209 Hansen Boulevard. This investment will drive sales and employment growth in the North Aurora Auto Mall. The data below summarizes the approximate possible investment and employment metrics for the Hyundai franchise facilities.

Investment

<u>Existing Facility Investment</u>		<u>Facility Sq. Ft.</u>	<u>Lot Acres</u>
		7,836	showroom and sales offices
		10,449	sq. ft. for service and parts
Purchase cost and improvements to 209 Hansen Blvd. 12/31/16	<u>\$ 3,319,015</u>	18,285	4.01
 <u>New Facility Investment</u>			
Estimated expansion build-out costs	1,850,000	*	add'l sq. ft. - mostly service
Lot work	25,000	9,600	53% increase
Budgeted new service lifts, equipment, fixtures	185,000		0% increase
Holding costs during construction	20,000		
Total investment in expansion	<u>\$ 2,080,000</u>	63% increase	
Total Hyundai North Aurora facilities investment	<u>\$ 5,399,015</u>	<u>27,885</u>	total square footage

* Note that in addition to increasing the building by 9,600 sq. ft., approximately 3,500 sq. ft. of the existing structure would require substantial remodeling.

Employment

Hyundai employees at 209 Hansen Blvd. after expansion	72	
Number of current Hyundai employees at 209 Hansen Blvd.	<u>54</u>	
Incremental employment	<u>18</u>	33% increase in employment

Employee roles to be hired:

Detailer	1
Technicians	8 to 10
Service Advisor	1
Warranty Administrator	1
Service Director	1
Parts counterman	1
Porter	1
Genesis focused sales person	1
Used vehicle focused sales person	1
Internet sales person	1
Assistant F&I Manager	1
Total	<u>18</u>

Sec. 8-11-20. Economic incentive agreements. The corporate authorities of a municipality may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. Under this agreement, the municipality may agree to share or rebate a portion of any retailers' occupation taxes received by the municipality that were generated by the development or redevelopment over a finite period of time. Before entering into the agreement authorized by this Section, the corporate authorities shall make the following findings:

- (1) If the property subject to the agreement is vacant:
 - (A) that the property has remained vacant for at least one year, or
 - (B) that any building located on the property was demolished within the last year and that the building would have qualified under finding (2) of this Section;
- (2) If the property subject to the agreement is currently developed:
 - (A) that the buildings on the property no longer comply with current building codes, or
 - (B) that the buildings on the property have remained less than significantly unoccupied or underutilized for a period of at least one year;
- (3) That the project is expected to create or retain job opportunities within the municipality;
- (4) That the project will serve to further the development of adjacent areas;
- (5) That without the agreement, the project would not be possible;
- (6) That the developer meets high standards of creditworthiness and financial strength as demonstrated by one or more of the following:
 - (A) corporate debenture ratings of BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service, Inc.;
 - (B) a letter from a financial institution with assets of \$10,000,000 or more attesting to the financial strength of the developer; or
 - (C) specific evidence of equity financing for not less than 10% of the total project costs;
- (7) That the project will strengthen the commercial sector of the municipality;
- (8) That the project will enhance the tax base of the municipality; and
- (9) That the agreement is made in the best interest of the municipality.

The building on the property has been occupied and utilized by the Hyundai franchise since 2009. However, the land has not been fully developed and doing so would create an opportunity for meaningful additional employment as well as substantial additional retailers' occupation taxes.

We project that this project will create 18 to 20 new full time jobs, increasing this dealership's employment by a third.

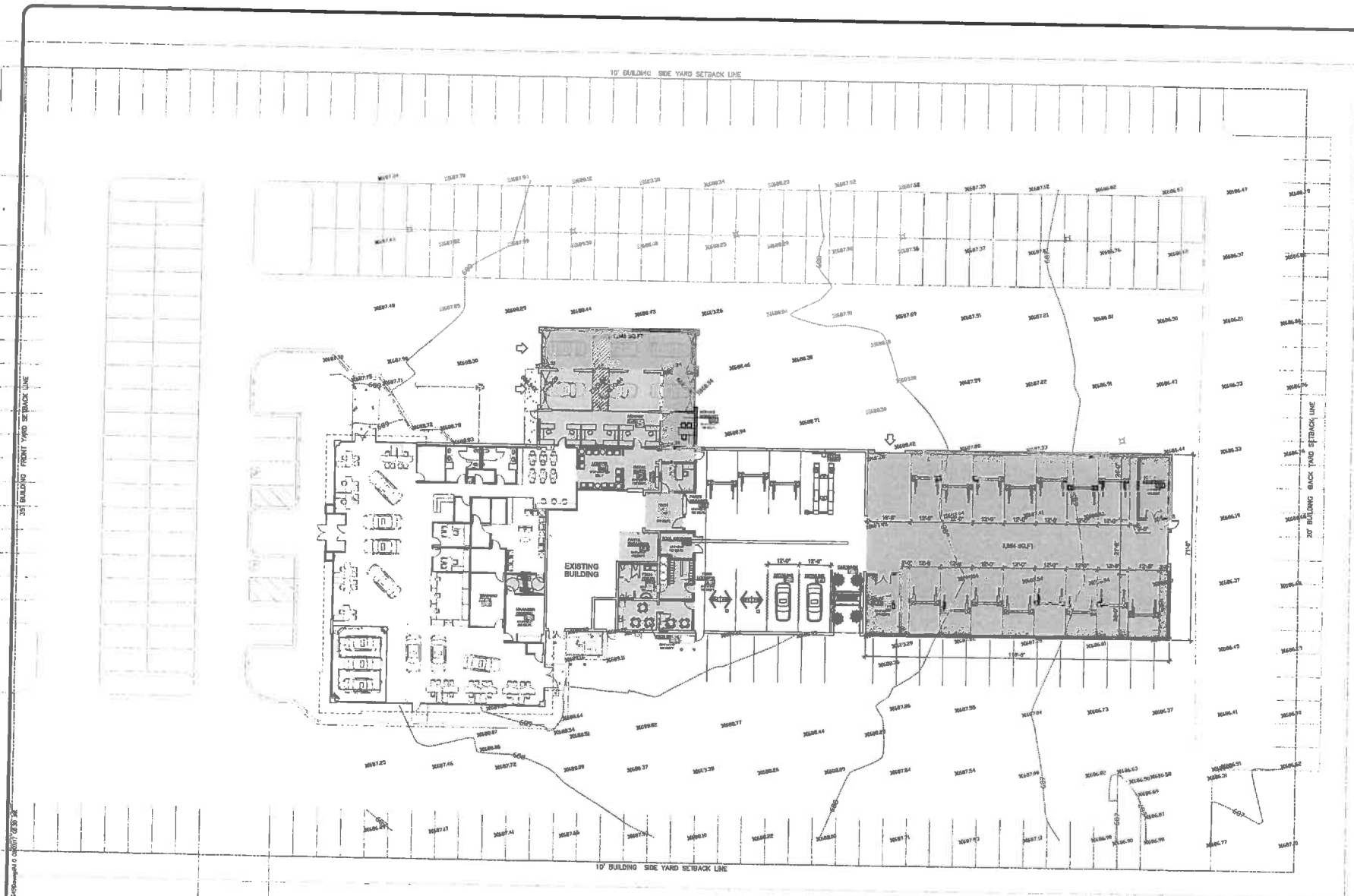
The project is the development of land adjacent to the existing dealership building, maximizing the utilization of Auto Mall land.

The financial support of an Economic Incentive Agreement is needed to finance this project. The Gerald Auto Group's aggressive 2013 - 2016 investments in the North Aurora Auto Mall have utilized much of the existing capital of the organization and further investments are constrained by limited cash. The group's lender bank has expressed it would be comfortable lending on the project with the support of an Agreement which would provide cash flow of approximately half the total investment over a ten year period.

We plan to finance this project with a loan for 75% of project costs provided by Comerica Bank, which is rated "A-" by Standard & Poor's and "A3" by Moody's.

The commercial sector will enjoy higher employment (which itself will generate more nearby retail activity) as well as a direct increase in taxable sales.

We project that this project will increase this dealership's taxable sales by over \$6 million in its first full year of operations and by over \$10 million by 2024. The agreement is in the best interest of the municipality by providing increased employment, generating incremental retailers' occupation taxes, and by providing service capacity to meet customer demand.



OVERALL FLOOR PLAN

SCALE: 1/8" = 1'-0"

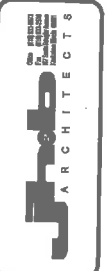


PRELIMINARY
NOT FOR
CONSTRUCTION

REVISIONS	BY

OWNER'S COPY OF DOCUMENTS
THIS DOCUMENT AND THE SEAL AND SIGNATURE OF THE ARCHITECT ARE THE PROPERTY OF THE ARCHITECT. NO PART OF THIS DOCUMENT IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN AUTHORIZATION OF THE ARCHITECT.

GENERAL NOTES
1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.



SERVICE ADDITION
SERVICES BUILDING
350 HANNAH BLVD
NORTH AURORA, ILLINOIS 60542
OVERALL FLOOR PLAN

DRAWN: JKL
CHECKED: DB
DATE: 02/07/17
SCALE: AS INDICATED
JOB NUMBER: 1645
SHEET: A1.0
OF SHEETS