



COMMITTEE OF THE WHOLE MEETING
MONDAY, DECEMBER 18, 2023
(Immediately following the Village Board Meeting)

AGENDA

CALL TO ORDER

ROLL CALL

AUDIENCE COMMENTS

TRUSTEE COMMENTS

DISCUSSION

1. Liquor Code Updates
2. Q-Class and SE-Class Liquor Licenses (Sage Banquets)
3. Utility Tax
4. Oak Hill Common Area

EXECUTIVE SESSION

ADJOURN

Initials: SB

**VILLAGE OF NORTH AURORA
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR
FROM: MIKE TOTH, BUSINESS AND ADMINISTRATIVE SERVICES MANAGER
SUBJECT: LIQUOR CODE UPDATES
AGENDA: DECEMBER 18, 2023 COMMITTEE OF THE WHOLE MEETING

DISCUSSION

To accommodate the needs of new and existing businesses, the Village must routinely revisit code provisions to ensure the policies and procedures in place are current to match those needs, where appropriate. On November 6, 2023, the Village Board approved Ordinance #23-11-06-01, which among other amendments to the Liquor Code, created the Class Q banquet hall liquor license. To accommodate standard operations of a banquet hall by allowing the presentation of live entertainment, the Liquor Code would need to be updated to allow the Class Q license the ability to acquire a Class S-E supplemental entertainment license. Staff notes, there are two level of live entertainment associated with the Class S-E supplemental entertainment license:

- a. Limited to solo and duo performers using minimal sound amplification may be issued by the liquor commissioner without regard to the number of licenses issued for an annual fee of fifty dollars (\$50.00) in addition to the fee for the underlying liquor license.*
- b. Live, amplified entertainment provided by musicians, vocalists, DJ's, comedians and similar acts without regard to the number of performers may be issued with board approval in the first year in which the license is sought, subject to any terms and conditions that board imposes, and may be issued by the liquor commissioner in subsequent years for an annual fee of three hundred dollars (\$300.00) in addition to the fee for the underlying liquor license.*

Staff has prepared a draft ordinance for review and is seeking feedback accordingly.



VILLAGE OF
NORTH
AURORA

VILLAGE OF NORTH AURORA
KANE COUNTY, ILLINOIS

Ordinance No. _____

**AN ORDINANCE AMENDING CHAPTER 5.08 OF THE NORTH AURORA
MUNICIPAL CODE REGULATING ALCOHOLIC BEVERAGE SALES IN THE
VILLAGE OF NORTH AURORA**

Adopted by the
Board of Trustees and President
of the Village of North Aurora
this ____ day of _____, 2024

Published in Pamphlet Form
by authority of the Board of Trustees of the
Village of North Aurora, Kane County, Illinois,
this ____ day of _____, 2024
by _____.

Signed _____

ORDINANCE No. _____

**AN ORDINANCE AMENDING CHAPTER 5.08 OF THE NORTH AURORA
MUNICIPAL CODE REGULATING ALCOHOLIC BEVERAGE SALES IN THE
VILLAGE OF NORTH AURORA**

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

1. Chapter 5.08 of Title 5 of the North Aurora Municipal Code is hereby amended to read as follows:

5.08.340 - Classification of licenses—Fees.

...

O. Class "S" supplemental liquor licenses may be obtained and shall be effective for the year in which in the license is obtained by existing liquor licensees that qualify and pay the required fee as follows:

1. Class "S-E" supplemental entertainment licenses allow the presentation of live entertainment in conjunction with the sale of liquor for an existing Class A restaurant, Class B restaurant, Class C restaurant, Class J-1 brewpub, ~~or~~ Class J-2 craft brewery or Class Q banquet licensee as follows:

- a. Limited to solo and duo performers using minimal sound amplification may be issued by the liquor commissioner without regard to the number of licenses issued for an annual fee of fifty dollars (\$50.00) in addition to the fee for the underlying liquor license.

- b. Live, amplified entertainment provided by musicians, vocalists, DJ's, comedians and similar acts without regard to the number of performers may be issued with board approval in the first year in which the license is sought, subject to any terms and conditions that board imposes, and may be issued by the liquor commissioner in subsequent years for an annual fee of three hundred dollars (\$300.00) in addition to the fee for the underlying liquor license.

Q. Class "Q" banquet hall licenses for consumption on the premises shall permit the following:

1. Alcohol may only be served as follows:

- a. The event is by invitation only and is not advertised or open to the public at large;

- b. The alcohol is supplied by the host or caterer possessing a valid state catering liquor license;
- c. The host hires either a caterer with a state liquor license or bartenders who have the proper certification to serve alcohol as required by Section 5.08.400(B) and provide proof of dram shop and liquor liability insurance; and
- d. Entertainment is limited to radio and television programming without a Class S-E supplemental live entertainment license (Section 5.08.340.O.1).

2. The annual fee for a Class "Q" banquet hall license shall be one thousand nine hundred dollars (\$1,900.00).

2. No other portion of the Village of North Aurora Municipal Code is amended or modified by this Ordinance.

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 become effective immediately after approval and publication as required by law.

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2024, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2024, A.D.

Jason Christiansen _____

Laura Curtis _____

Mark Guethle _____

Michael Lowery _____

Todd Niedzwiedz _____

Carolyn Bird Salazar _____

Approved and signed by me as President of the Board of Trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2024, A.D.

Mark Gaffino, Village President

ATTEST:

Jessi Watkins, Village Clerk

DRAFT

**VILLAGE OF NORTH AURORA
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR
FROM: MIKE TOTH, BUSINESS AND ADMINISTRATIVE SERVICES MANAGER
SUBJECT: LIQUOR LICENSES FOR SAGE EVENT SPACE
AGENDA: DECEMBER 18, 2023 COMMITTEE OF THE WHOLE MEETING

DISCUSSION

Sage Event Space, 1167 Oak Street, is a new banquet hall looking to open in the Randall Commons. Sage is seeking approval from the Village Board for both a Class Q banquet hall license and a S-E (b.) supplemental entertainment license for their business. The liquor license application for Sage was submitted by Tiffany Nesbitt, who will share ownership of the business with Kendall Nesbitt.

Staff notes that the Class Q banquet hall license currently does not qualify for a Class S-E supplemental entertainment license. To accommodate standard operations of a banquet hall by allowing the presentation of live entertainment, staff is proposing changes to the Liquor Code that would allow a Class Q licensee the ability to apply for a Class S-E supplemental entertainment license.

Staff is soliciting feedback from the Village Board on the proposed Class Q banquet hall license and a S-E supplemental entertainment license (b.), which would allow the following:

- b. Live, amplified entertainment provided by musicians, vocalists, DJ's, comedians and similar acts without regard to the number of performers may be issued with board approval in the first year in which the license is sought, subject to any terms and conditions that board imposes, and may be issued by the liquor commissioner in subsequent years for an annual fee of three hundred dollars (\$300.00) in addition to the fee for the underlying liquor license.*

Sage Event Space would utilize the westernmost end unit in a multi-use commercial strip center that includes a beauty salon, fitness center, insurance office, restaurant, and tattoo parlor. The anticipated hours of operation would be 7:00 a.m. to 11:00 p.m., Sunday through Thursday with the event ending at 10:00 p.m. and the premises vacated by 11:00 p.m. and 7:00 a.m. to 12:00 a.m., Friday and Saturday with the event ending at 11:30 p.m. and the premises vacated by 12:30 a.m. The business is located ±520' from the nearest residential structure.



VILLAGE OF NORTH AURORA
LIQUOR LICENSE APPLICATION

Customer No. _____

APPLICATION DATE: 12/1/23

Application for a CLASS Q Liquor License

The undersigned applicant hereby applies for a Liquor License to sell alcoholic liquor, and/or beer and wine in the Village of North Aurora pursuant to the provisions of Title 5, Chapter 5.08 "Alcoholic Beverage Sales" of the North Aurora Municipal Code. For the purpose of securing said license, this application is made under oath and the facts set forth herein are true and correct:

Please check one: ☒ New Business ☐ New Owner/Existing Business ☐ New Manager

Type of Ownership: ☐ Corporation ☒ LLC ☐ Sole Proprietor ☐ Partnership ☐ Other _____

Type of Business: ☐ Liquor Store ☐ Supermarket ☐ Restaurant ☐ Drug Store ☐ Spa/Salon

☐ Convenience ☐ Gas Station ☐ Brewpub ☐ Craft Brewery ☐ Bar/Tavern Other: Banquet Hall

If you selected restaurant, brewpub, craft brewery, or bar/tavern, your business will be required to present your business plan and floor layout to the Village Board at a Committee of the Whole meeting before a subsequent Village Board meeting where increase in the number of liquor licenses available for your application may be approved. Check the box to indicate you have read and understand this obligation. ☐

Business Name: SAGE Event Space

Business Address: 1167 Oak Street North Aurora IL 60542
Street address City State Zip

Mailing Address (if different from above): _____

Business Phone: 430-492-0879 Business Fax: _____

Website: WWW.SAGEEVENTSPACE.COM Email Address: tiffany@sageeventspace.com

Will your establishment be pursuing Video Gaming at the time of this application? Yes ☐ No ☒

Please note, Video Gaming must be approved as a supplemental license by the Village Board. This can be done in conjunction with the initial application or at a future time and will require a floor plan and description of the business.

Please describe your business plan in detail below:

Upscale Venue for small catered events including Chef events, baby showers, birthday parties, Rehearsal, Retirement Ceremonies, business Seminars etc. We will work in conjunction with vendors to provide

Floor Plan Attached ☒ Professional event services to clients.

The Floor Plan must include the total square footage of the establishment, a detailed layout of the proposed kitchen and the total square footage of the dining room and video gaming areas. Please note, for the purposes of video gaming the building is required to provide a minimum dining/video gaming area for 50 occupants using the formula of 1 occupant per 15 square feet. If your floor plan is unable to meet this minimum requirement video gaming will not be considered.

REVISIONS/SUBMISSIONS

DATE

11-22-23

CLIENT REVIEW

PREPARED

REVISIONS

ON FOR CONSTRUCTION

DESIGNER

RIZ Architects, LLC
7056 N. Kedzie Ave., Lincolnwood, Illinois 60712
P: 773.218.5200 E: riz.riz@gmail.com

DRAWING TITLE:

FLOOR PLANS
& NOTES

PROJECT

H23-50

PHASE

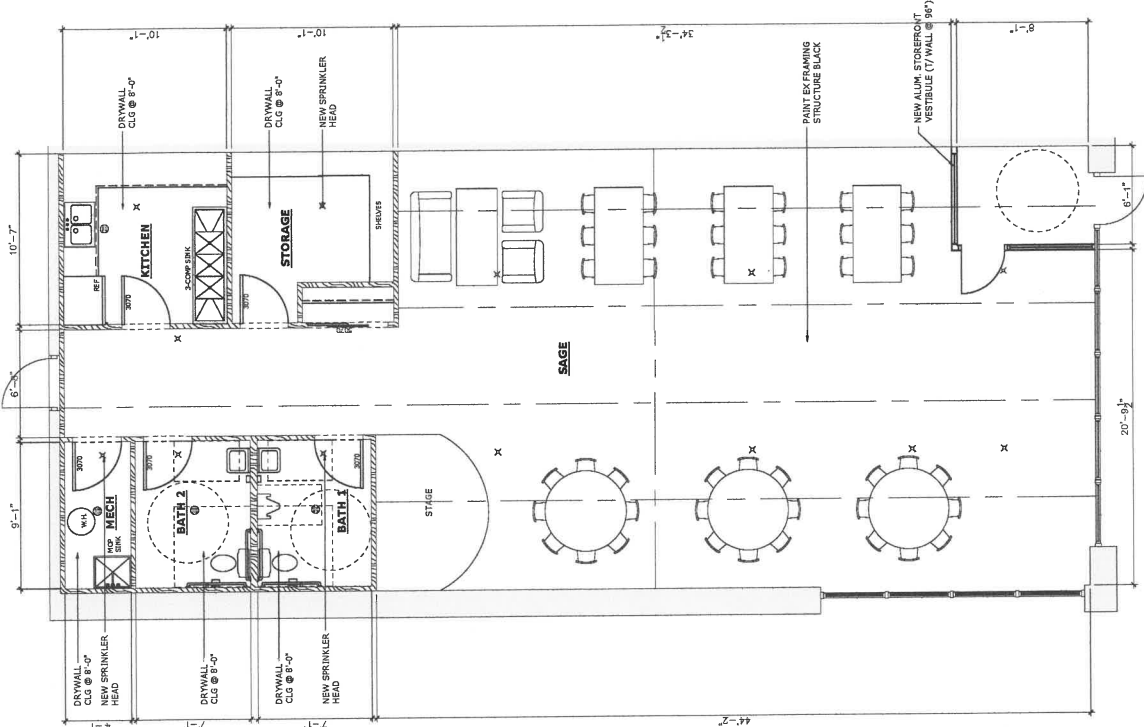
REVIEW

SHEET

A1.0

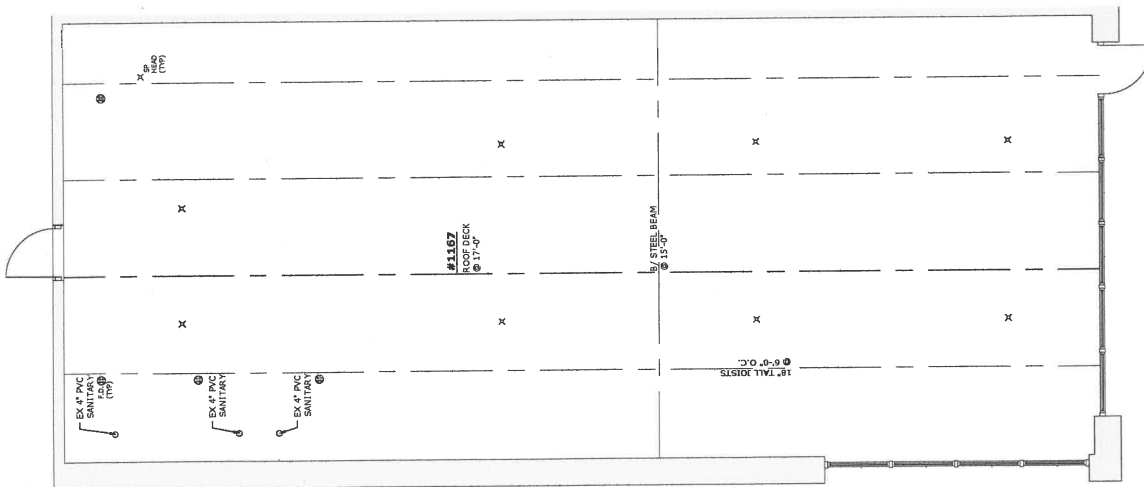
LOCATION:

1167 OAK ST.
NORTH AURORA, IL
60542



2 NEW FLOOR PLAN

3/16" = 1'-0"



1 EX FLOOR PLAN

3/16" = 1'-0"



ABOUT SAGE

Choosing the perfect venue is crucial in creating a memorable celebration. At SAGE, we understand that every special day deserves a magical setting. Our venue provides the ideal backdrop for a variety of events, including anniversaries, birthdays, and corporate parties.

Our space can accommodate up to 170 guests. With its high ceilings, sparkling chandeliers and dance floor, it is the perfect canvas to bring your celebration to life. Our experienced team will work with you every step of the way to ensure that every detail is taken care of – from décor and lighting to music and catering. ALL EVENT DECOR IS DONE IN HOUSE!



SAGETISTICS

80

BANQUET
STYLE

\$300

PER
HOUR

170

THEATRE
STYLE

4HR

MINIMUM



SAGE

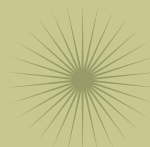
1167 OAK STREET | NORTH AURORA, IL

630-492-0879

ADD - ONS



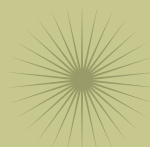
Audio
Visual



Catering
Services



Decor
Packages



DJ /
Live Band

OUR GOAL

At SAGE, we believe that prioritizing your comfort and convenience is paramount to making your special day truly unforgettable.

We understand that planning an event can be a daunting task, but we're here to make it as seamless and stress-free as possible. We take pride in offering a personalized touch to everything we do, ensuring that you feel at home from the moment you walk through our doors.



hello@sageevents.com

630-492-0879

www.sageevents.com



—What's Included—

Room Rental

Basic Decor Package

Event Layout/Design

Budget Preparation

Table Linen (black or white)

Event Coordinator

6ft Rectangle Tables

60" Round Tables

Hi-Boy Tables

Ghost Chairs

Table Centerpieces

LED Uplighting

Chafing Dishes

Digital HD Projectors and Monitors

VENUE IS PERFECT FOR:

- Anniversaries
- Celebrations
- Gatherings
- Meetings
- Parties
- Premieres
- Proposals
- Receptions

SERVICES

- Event Planning
- Design/Decor
- Hosting
- Live Music

CONTACT

Hello@sagevents.com

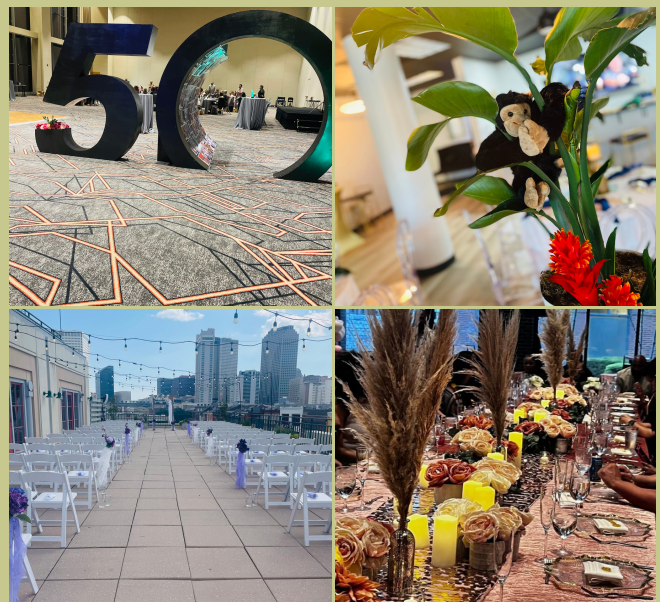
630-492-0879

1167 Oak Street
North Aurora, IL 60542

AVAILABLE ADD-ONS

MARQUEE NUMBERS | FLOWER WALLS |
UPGRADED LINEN | CUSTOM BACKDROPS |
DIGITAL PHOTOBOOTH

@SAGEVENTS.COM



Celebrate Your Special Day At SAGE

Are you planning to celebrate a special occasion but struggling to find the perfect venue? Look no further than the North Aurora, IL Event Center. With its picturesque views and exceptional amenities, this event center is the ideal choice for your celebration. Whether you're hosting an intimate birthday party, or corporate event, we have everything you need to make it an unforgettable experience.

In this article, we'll explore why SAGE stands out as the best option for your special day. We'll delve into what makes our venue unique and showcase how we can bring your vision to life. From luxurious accommodations to state-of-the-art technology and breathtaking décor, we promise that our event center will exceed your expectations in every way possible.

The Magic Starts Here

Picture this: you're standing at the entrance of an event center, eagerly anticipating what's to come. As you step inside, a sense of excitement and wonder fills you - the kind that you felt as a child on Christmas morning.

This is the magic of SAGE. From the moment you arrive, we make sure that your special day is nothing less than extraordinary. Our goal is to create an experience that will leave an indelible mark on your heart and soul.

Our team of event planners is committed to turning your vision into reality we want to make it unforgettable for all involved.

Why Choose SAGE for Your Event?

North Aurora, IL is a picturesque community located in the heart of Kane County. Its sprawling beauty and small-town charm make it the ideal location for any event, big or small. One of the top reasons to choose North Aurora as your event destination is its proximity to Chicago. Just an hour away from The Windy City's hustle and bustle, you can enjoy the peace and tranquility of North Aurora without sacrificing accessibility. This means that your guests will have no trouble getting here regardless of where they come from.

North Aurora boasts a wide variety of recreational facilities such as parks, lakes and trails which offer ample opportunities for outdoor activities that can be incorporated into any event.

The Perfect Venue to Celebrate Your Special Day

Choosing the perfect venue is crucial in creating a memorable celebration. At SAGE, we understand that every special day deserves a magical setting. Our venue provides the ideal backdrop for a variety of events, including anniversaries, birthdays, and corporate parties.

Our space can accommodate up to 100 guests. With its high ceilings, sparkling chandeliers and dance floor, it is the perfect canvas to bring your celebration to life. Our experienced team will work with you every step of the way to ensure that every detail is taken care of – from décor and lighting to music and catering.

Fostering Strong Ties with SAGE

At SAGE, we believe that the success of an event is the result of a collaborative effort between the venue and its clients. Our team's commitment to excellence in service goes beyond transactional relationships; we are dedicated to fostering strong ties with each one of our clients.

We take pride in building lasting connections that transcend traditional business partnerships. We go out of our way to personalize our services and make sure your event is unique in every sense. By working closely with you every step of the way, we ensure that your vision for your special day is brought to life seamlessly.

We value the trust you place in us to make your day perfect and strive constantly to earn it through nurturing long-term relationships based on mutual respect and trust.

Eventful Nights, Memorable Mornings

At SAGE, we understand the importance of a successful event that your guests will remember for years to come. That's why we offer unique and customizable event packages that cater to your individual needs and preferences.

With our beautiful venue setting and personalized service on your side, your guests will be left with wonderful memories of an unforgettable night under the stars followed by an exquisite brunch in the morning. Trust us at SAGE in helping you create those lasting memories!

It's All in the Details: How our Event Center Brings Your Dream Celebration to Life

At SAGE, we believe that every celebration deserves to be perfect, and it's all in the details. With years of experience hosting events of all kinds at Disney, Royal Caribbean and numerous Fortune 100 companies, our team knows how to bring your dream celebration to life.

We understand that each event is unique, which is why we offer a wide range of packages and customizable options that can be tailored to meet your individual needs. Our expert planners will help you create an event that reflects your personal style while staying within your budget. We take care of everything from start to finish so that you can relax and enjoy your special day without any worries.

Prioritizing Your Comfort and Convenience

At SAGE, we believe that prioritizing your comfort and convenience is paramount to making your special day truly unforgettable.

We understand that planning an event can be a daunting task, but we're here to make it as seamless and stress-free as possible. We take pride in offering a personalized touch to everything we do, ensuring that you feel at home from the moment you walk through our doors.

Keeping Your Guests Entertained and Engaged

At SAGE, we believe that keeping your guests entertained is just as important as providing an elegant venue and delicious food. That's why we offer a wide variety of entertainment options to ensure that your guests have a memorable experience.

We have DJ services, live music, and even photo booths to capture all the fun moments of your celebration. Whether you're looking for a classy atmosphere or a lively party vibe, we have something for everyone.

Our event center also has state-of-the-art audiovisual equipment to enhance your entertainment experience. From projectors and screens to sound systems and lighting arrangements, we've got all the equipment you need to make your celebration truly unforgettable.

Making Your Celebration Budget-Friendly

At SAGE, we understand the importance of staying within your budget. That is why we offer you many options that allow you to celebrate your special day without breaking the bank.

We have a variety of packages and services tailored to fit different budgets. Our event planners are experienced in helping you choose which package will best suit your needs without compromising on the quality and elegance of your event. You can also bring in your vendors and caterers or use our preferred vendors to help save more on costs..

At SAGE, it is our goal to make sure that everyone can afford a beautiful and unforgettable celebration regardless of their budget. Contact us today to learn how we can help create an amazing event for you at a price point that is within reach.

Experience the Difference with SAGE

If you are planning a celebration in the North Aurora area, there is no better place to hold your event than at our stunning event center. At SAGE, we offer more than just a space to hold your event. We offer an experience that is truly unmatched.

Conclusion

In conclusion, SAGE is the perfect venue to celebrate your special day. From our beautifully designed event space to our top-tier amenities, we ensure that every detail of your celebration is nothing short of magical. Our commitment to fostering strong ties with our clients allows us to deliver a personalized experience that caters to your unique needs and preferences. With affordable pricing options and a team of dedicated professionals, we are confident that we can bring your dream celebration to life. Experience the difference with SAGE – where the magic truly starts here.

Village of North Aurora Memorandum



To: President and Village Board of Trustees

From: Jason Paprocki, Finance Director

CC: Steven Bosco, Village Administrator

Date: December 18, 2023

RE: Utility Tax Discussion

At the October 16, 2023 Committee of the Whole meeting, staff presented various funding options that could be utilized for the future Public Works facility. Of the options presented, the Board voted to move forward with a non-home rule sales tax referendum this spring to increase the Village's tax rate from 0.5% to 1.0%. The additional sales tax revenue is projected to fund the annual debt payment on a future Public Works facility, as well as strengthen the Village's capital program.

In the event the referendum was to fail, the Village would need to consider other funding sources. During the October 16th Committee of the Whole meeting, staff presented an option to increase the Village's utility tax (natural gas, electricity, and telecommunications). Below is a brief description of each tax and estimated revenue amounts.

Natural Gas Tax

The Village currently has a natural gas utility tax rate of 3%, which is charged on natural gas cost and delivery charges. The amount residents and businesses actually pay is 3.09%. This represents the Village's 3% tax plus a 3% administrative reimbursement for the gas company. By State statute, the Village is able to charge a rate of 5%. This would equate to a rate of 5.15% charged to residents (including the gas provider's 3% administrative fee).

Natural gas tax revenue typically averages \$225,000 annually. If the Village increased its tax rate to 5%, this would increase revenue by \$150,000 annually on average (depending on weather and gas costs). The average resident would see a \$15 to \$30 annual increase in their gas bills.

Electricity Tax

The Village currently has a tiered tax rate based on kilowatt-hour. Below is a table of the current rate and the maximum allowed rate:

Tier (monthly hours used)	Current Rate	Maximum Rate
First 2,000 kilowatt-hours	0.334 cents	0.61 cents
Next 48,000 kilowatt-hours	0.220 cents	0.40 cents
Next 50,000 kilowatt-hours	0.198 cents	0.36 cents
Next 400,000 kilo-watt hours	0.192 cents	0.35 cents
Next 500,000 kilo-watt hours	0.186 cents	0.34 cents
Next 2,000,000 kilo-watt hours	0.176 cents	0.32 cents
Next 2,000,000 kilo-watt hours	0.170 cents	0.315 cents
Next 5,000,000 kilo-watt hours	0.168 cents	0.31 cents
Next 10,000,000 kilo-watt hours	0.164 cents	0.305 cents
All over 20,000,000 kilo-watt hours	0.162 cents	0.30 cents

Electricity tax revenue typically averages \$380,000 annually. If the Village increased its tax rate to the maximum allowed, this would increase revenue by \$300,000 annually on average (depending on weather). Nearly all residential accounts are expected to use under 2,000 kilowatt hours monthly. The average resident would see a \$15 to \$30 annual increase in their electricity bills.

Telecommunications Tax

The Village currently has a 4% telecommunications tax. The maximum allowable rate is 6%. Telecommunications tax revenue is currently averaging \$125,000 annually. If the Village increased the tax rate to 6%, this would increase revenue by \$62,500 annually on average. Telecommunications tax has been declining in recent years as this tax is not charged on cell phone plans that charge for data packages only. For this reason, it is not possible to estimate what this increase would cost the average resident.

Summary

Staff is seeking feedback from the Board on using utility tax revenue as a backup option should the non-home rule sales tax referendum fail. Raising utility tax rates could bring an additional \$512,500 in revenue annually to be used towards the Public Works facility debt payment. On average, residents would see an annual increase of \$30 to \$60 in their utility tax bills.

The Board has the option to approve an ordinance increasing utility tax now, but rescind the increase before going into effect if the non-home rule sales tax referendum passes or the Village chooses not to move forward with a new Public Works facility. Doing so would ensure the Village has a dedicated funding source in place for the future Public Works facility. Some of the Public Works facility may be bid near the end of winter or early spring 2024, therefore, knowing funding in place would allow the Village to keep moving forward with the building.



MEMORANDUM

TO: The Village Board

FROM: Drendel & Jansons Law Group

DATE: December 18, 2023

RE: Oak Hill HOA & SSA

The Village has gone through quite a bit of growth since the 1980's. In the early to mid-1990's, when development began in earnest, the Village transitioned from a few large subdivisions in which open space area was donated to the Park District (like the Highlands, Pine Creek I & II, Hartfield I, Fox Valley Country Club Estates, Willow Lake), to open space area being owned by the Village (like Pine Creek III, Timber Oaks, and Waterford Oaks) to open space being owned by an HOA (most other developments in the Village).

The change began with the Park District changing its policy and no longer accepting retention and detention areas. After a few developments (like Pine Creek III, Timber Oaks, and Waterford Oaks), the Village Board also decided that the Village did not want to own the retention and detention areas either. That triggered a policy to require HOAs and to implement backup SSAs.

The first two SSAs were for Poplar and Alder roads. (SSAs are no longer allowed to be set up for roads.) The Village required Silver Trails HOA to take the common areas in that development and set up SSA #3. The Village set up an SSA # 4 for Waterford but accepted title to the retention area from the developer. After that, I believe, the Village required developers to deed stormwater retention/detention areas to HOAs.

The Village created back-up Special Service Areas as a safety net to ensure that the detention and retention areas (and other common areas) were maintained. Some older developments do not have HOAs. These include Randall Highlands, Pine Creek I & II, Timber Oaks and all the older places in town). Some developers failed to establish HOAs (like North Aurora Towne Centre, and Randall Highlands commercial). Timber Oaks (common area owned by the Village) and Willow Lake (common area owned by park district) are two SSAs that were set up after the properties were fully developed. All other SSAs (from about Silver Trails forward) were set up before the developments were built out. The Village currently has 45 SSAs (which will become 46 shortly with Ice Cream Drive).

The Village has taken title to at least three (3) parcels after HOAs and SSAs were set up. The three parcels are adjacent to each other between Oberweis Ave. and Sharon Ln. The Village has had to trigger back-up special service areas in a number of instances. Timber Oaks and Willow Lake were set up so the Village could levy for a fence (Willow Lake) and mowing (Timber Oaks). Some of the older SSAs include property owned by the Village, like Timber Oaks and Waterford Oaks, that were never deeded to an HOA.



MEMORANDUM

Currently, the Oak Hill HOA is struggling to collect dues and to find people willing to participate in board meetings and act as officers of the HOA. The Oak Hill HOA is basically dormant now, and they are considering dissolving the HOA formally.

With the Annexation Agreement expired, we no longer have an enforcement mechanism to require the homeowners to maintain the HOA. Fortunately, we have a back-up special service area in place that we have already triggered, and we are already levying SSA taxes to collect funds now to provide for maintenance of the pond. If the HOA dissolves, the Village will become responsible for the pond and all common areas in the Oak Hill development.

The Village does not have to wait for an agreement to trigger a back-up SSA. The failure to maintain the areas identified in an SSA is sufficient for the Board to begin to levy taxes and take over maintenance. Of course, The Village has always exercised discretion. Efforts are made to encourage compliance. The Village usually works with the HOA to put them on notice to maintain these areas. However, as in the case of Oak Hill, those efforts are not always successful.

As developments age, this may be more of an issue going forward. It is particularly a matter of concern in subdivisions that have retention ponds that need maintenance, like Oak Hill, Tanner Trails, North Aurora Towne Centre, etc. The cost to maintain a pond is not insignificant. Ponds need to be dredged. Shorelines need to be stabilized. Plantings need to be monitored and maintained.

The decision to set up back-up special service areas and to require HOA's many years ago was made because the Village Board decided, as a matter of policy, that they would not take title to the common areas of private developments, just as the Park District declined to take ownership.

If the Oak Hill HOA is dissolved and ceases to exist, title to the common areas, including the pond, will be in the name of a defunct entity. Once an HOA is dissolved, the likelihood of it ever being reinstated is extremely remote. I believe every single property owner would have to agree to it.

Now, before the HOA is formally dissolved, the Village could agree to take title to the pond and other open space areas in the development. For the Village to take title to the Oak Hill common areas, the HOA would have to transfer them by deed, and they would have to do it before they dissolve.

Because no one can force title on anyone else, the Village Board needs to decide whether it is willing to take title to the Oak Hill common areas. In deciding this, the Board should consider whether taking title will become the policy of the Village going forward (at least as to developments with HOAs that want to dissolve).

This decision does not necessarily impact the policy on new developments. The Village can continue to require HOAs for new developments that are obligated to maintain the common areas, including the stormwater detention/retention areas in the development.

One of the benefits of taking title over the common areas of a development is control. They become public property. The Village can make them accessible to members of the public, and the Village can

MEMORANDUM

designate and utilize them for parks and recreation for the general public. Those properties become assets of the Village.

A downside of taking title is that the Village takes on full responsibility and all the liability that goes with land ownership. (Note that the Village will have some liability even if the Village is only maintaining the common areas through an SSA.)

There may be other pros and cons as well. The determination whether to accept title to the Oak Hill common areas should be viewed with a mind open to the bigger picture. As time goes on, we may find ourselves needing to trigger other SSAs, and we may be asked to take title to the common areas of other developments. Therefore, we should make this determination as part of a policy decision that will have future ramifications.

Finally, even if the Board decides that it is willing to accept the common areas, the Oak Hill HOA would need to approve the transfer of title to the Village through processes required for a non-profit corporation, which is what the HOA is, and they would need to tender a deed or deeds to those areas that we would need to accept formally. A determination that the Village is willing to accept title will inform the HOA what their options are.