
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: BRENT M. EICHELBERGER, VILLAGE ADMINISTRATOR
SUBJECT: RESOLUTION: APPROVING AN IMPACT STUDY - CROWN
AGENDA: AUGUST 21, 2018 VILLAGE BOARD MEETING
DATE: AUGUST 17, 2018

ISSUE

Should the Village approve a proposal from Gruen Gruen + Associates (GG+A), to conduct an analysis of economic benefits generated by the proposed Crown Community Development project.

DISCUSSION

Crown Community Development is proposing an amendment to the annexation agreement for their property at Sugar Grove Parkway (IL 47) and I-88. The anticipated development would comprise of primarily distribution and light industrial uses. The viability of the project is likely dependent upon the establishment of a Tax Increment Financing District and significant TIF benefits.

The impact analysis is intended to identify the economic benefits to the local taxing bodies and the community in general. These benefits are critical to understanding the positive overall impact and to help justify the TIF benefits.

GG+A has an established consulting relationship with the Village and has provided various economic analysis on several projects over many years.

COST

The \$9,950 cost of the analysis will be charged to account 01-55-6309 and will be reimbursed by Crown.

RECOMMENDATION

That the Board approve Resolution # 20180821B authorizing an economic benefits analysis of the proposed Crown project by Gruen Gruen + Associates in the amount of \$9,950.



RESOLUTION NO. 20180821B

**RESOLUTION OF AUTHORIZATION
TO ENTER INTO AGREEMENT WITH GRUEN GRUEN + ASSOCIATES**

BE IT RESOLVED, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

WHEREAS, the Village of Sugar Grove Board of Trustees find that it is in the best interest of the Village to conduct an analysis of economics benefits that could be generated by the development of land owned by Crown Community Development; and

WHEREAS, Gruen Gruen + Associates (GG & A) has submitted a proposal that meets the needs of the Village to perform such Economic Development Analysis; and

WHEREAS, The Village is desirous of accepting the proposal and entering into an agreement GG + A to perform an Analysis of Economic Benefits.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

That attached hereto and incorporated herein by reference as Exhibit A is an agreement between Gruen Guren + Associates and the Village of Sugar Grove. The President and Clerk are hereby authorized to execute said agreement on behalf of the Village and to take such further actions as are necessary to fulfill the terms of said agreement.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 21st day of August, 2018.

P. Sean Michels, President of the Board of Trustees
of the Village of Sugar Grove

	Aye	Nay	Absent
Trustee Paluch	_____	_____	_____
Trustee Koch	_____	_____	_____
Trustee Johnson	_____	_____	_____
Trustee Montalto	_____	_____	_____
Trustee Herron	_____	_____	_____
Trustee Lendi	_____	_____	_____

ATTEST: _____
Cynthia L. Galbreath, Village Clerk

August 7, 2018

Mr. Brent Eichelberger
Village Manager
Village of Sugar Grove
10 South Municipal Drive
Sugar Grove, Illinois 60554

Dear Brent:

Gruen Gruen + Associates (GG+A) is pleased to submit this proposal to conduct an analysis of economic benefits generated by the development and operation of property in TIF #4 on land owned by Crown Community Development in the Village of Sugar Grove. We first review below our understanding of the study objectives and then outline under “Scope of Work” the specific tasks required to complete the economic impact analysis. We then identify the GG+A staff assigned to the study and present an estimate of the costs and duration required to complete the study.

OVERVIEW/PURPOSE

We understand that the Village of Sugar Grove would like to obtain an independent evaluation of the economic benefits produced by the development of 400 acres of land owned by Crown Community Development (“Crown”) for the Kane County economy of which Sugar Grove is a part and would be the location of the direct impacts generated by the construction and occupancy of the proposed development.

SCOPE OF WORK

In order to accomplish the study purposes, we will work with representatives of Crown and the Village to complete the following principal tasks:

1. Obtain Needed Inputs

We will review estimates of the physical development program, construction costs resulting from the planned development and an estimate of the timing or absorption of building space and land. We will coordinate with Crown representatives to describe the anticipated tenant mix, typical on-site employment densities (amount of space per worker), and information if available, from any prospective tenants/buyers about their labor composition and payroll.



2. Review Other Relevant Sources of Data and Information to Estimate the Following Categories of Economic Activities

Direct One-time Construction Impacts

We will utilize the construction cost estimates and development program provided by Crown to estimate the direct “one-time” construction and development-related expenditures expected to be made by Crown or developers/users to whom Crown sells land.

Direct On-going Impacts from Operations

We will utilize information on the anticipated tenant mix, typical on-site employment densities, and other labor composition or payroll information to estimate the direct amount of employment and income generated by the build-out and occupancy of the planned development.

3. Estimate Indirect (Including Induced) Economic Impacts of Crown, Including Impacts Attributable to Development Plans

We plan to use the input-output economic impact model to estimate the indirect impacts using “multipliers” to trace how the demand increasing direct impacts “ripple” through the county’s economy, creating additional jobs, income, and output. We will draw on the data obtained from Tasks 1 and 2 to input to the impact model to estimate the direct impacts and indirect impacts (“ripple” effects) of Crown’s development plans and its ongoing operations in terms of:

1. The number of jobs;
2. Personal income; and
3. Business output or sales.

4. Conduct Broker and Developer Interviews

We will conduct interviews with a sample of developers and/or their brokerage representatives for property in the TIF or elsewhere in Sugar Grove. The interviews will be used to obtain perspective on the types of businesses and development the TIF is likely to directly and indirectly contribute to attracting. The interviews will provide “vignettes” to supplement the quantitative economic impact analysis.

5. Prepare Report on the Economic Impacts

We will prepare a report on the economic benefits the development and occupancy of the property in the TIF can be expected to generate for Kane County. This report will include a graphic and narrative summary of the key findings and conclusions.



STAFF RESPONSIBILITY

Aaron Gruen, Principal, will be in charge of this project for GG+A. Working closely with him on this assignment will be Debra Jeans, Principal, and Andrew Ratchford, Senior Analyst, along with other staff members with experience and training in the kinds of analysis required by this assignment. We will look to you for general direction and policy decisions on behalf of the Village of Sugar Grove. We will maintain close liaison with you as our work proceeds.

BUDGET AND DURATION

Our charges for professional services are based on the actual time devoted to your project by our personnel billed at standard rates. Below is a listing of the standard hourly billing rates of our staff for 2018. Expenses such as for travel, communication and report reproduction will be invoiced to you at their cost to us. Invoices will be submitted on a monthly basis and are payable upon receipt.

GRUEN GRUEN + ASSOCIATES BILLING RATES (through December 31, 2018)

<u>Staff</u>	Standard <u>Hourly</u> \$
Debra Jeans, Principal	260.00
Aaron Gruen, Principal	260.00
Geoffrey Hewings, Ph.D., Consulting Economist	200.00
Andrew Ratchford, Senior Analyst	165.00

Based on past experience, we suggest that you anticipate a budget for professional services not to exceed \$9,950, without prior written approval.

We are prepared to start work on this study within three days of authorization to proceed and based on experience anticipate the completion of the work, including the report within eight weeks.

LIABILITY FOR COSTS AND DAMAGES

Gruen Gruen + Associates LLC shall not be liable for any costs or damages resulting from the use of any information, data projections, analyses, recommendations, methods, or any other material resulting from our work in any amount that exceeds \$25,000, or the fees and costs actually paid pursuant to this engagement, whichever is less. Nor shall Gruen Gruen + Associates LLC be liable for costs or damages to any project due to judicial or administrative action, whether or not such action is based on the form or content of this report. Any



Mr. Brent Eichelberger
August 7, 2018

services required by any party in any litigation on or related to this report shall be paid for by the party requesting such services at current consulting rates.

GENERAL PROVISIONS

Our agreement may be terminated on fifteen (15) days' written notice by either party or such lesser time as we may find necessary to conclude the work currently underway and summarize our findings to you.

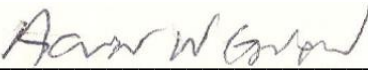
The prevailing party in any litigation or arbitration between us will be entitled to reasonable attorneys' fees and costs.

ACCEPTANCE

We look forward to working with you on this project and will devote our best efforts to accomplishing the work outlined above.

Very truly yours,

GRUEN GRUEN + ASSOCIATES LLC
An Illinois Limited Liability Company

By 

ACCEPTED FOR
VILLAGE OF SUGAR GROVE

By _____

Its _____

Date _____

