
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: WALTER MAGDZIARZ, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: DISCUSSION: TIF BENEFITS AGREEMENT
20 S. DUGAN ROAD (METRONET)
AGENDA: SEPTEMBER 15, 2020 VILLAGE BOARD MEETING
DATE: SEPTEMBER 10, 2020

ISSUE

Shall the Village Board discuss a request by Metronet for TIF benefits in order to improve certain property in TIF #1.

DISCUSSION

As the Village Board may know, Metronet has operated a construction office in Sugar Grove for a number of years. With their expansion of service to the Village and a number of nearby Fox Valley communities, Metronet's construction operations have outgrown the space they are leasing at 76 0 Heartland Drive. They also occupy portions of property at several other locations on Heartland Drive, as well as in other communities. As you can imagine, this is no way to run the construction side of their business.

Metronet recently conducted search for a suitable location, including locations in other communities. We are pleased to announce Metronet selected a site in Sugar Grove for their consolidated construction office. The property at 20 S. Dugan Road is improved with a building and employee parking and provides room for expansion and a functional material storage yard.

Metronet intends to construct a material storage yard for the fiber optic cable reels that have populated a number of properties up and down Heartland Drive. One of the problems with these reels is they damage and destroy asphalt from their weight being concentrated on the edges of the reels. Metronet initially inquired whether the Village would permit gravel as a surface for the storage yard. We do not permit a gravel surface and suggested to Metronet paving their proposed storage yard but strategically place concrete strips where the weight of the cable reels will rest, similar to a truck court at a warehouse.

Metronet is interested in the suggested solution but the cost of the solution is more than their little facility can justify. They are asking for financial assistance from the Village to close the deal. The property is located in TIF #1 and the proposed improvement is a TIF eligible expense. Village staff recommends the use of TIF funds to pay for the storage yard improvement upgrades to get a viable company in the vacant building and maximize property taxes from the property. Relocating and consolidating Metronet's construction operations to this location also frees up spaces on Heartland Drive for existing or new business to use and occupy.

The funding amount requested is \$59,562.60. This amount represents the cost of the upgraded hard surface of the storage area.

There are funds in the TIF #1 account to fund the request. Given the amount of the funding request the Village can reimburse Metronet in a very short period of time (to be determined). There is a process that we are required to follow to expend TIF funds. If the Village Board supports the request, Village staff will begin preparing the necessary documents for Village Board approval at the October 6 meeting.

ATTACHMENTS

- Location map
- Cable reels photograph, 641 Heartland Drive

COSTS

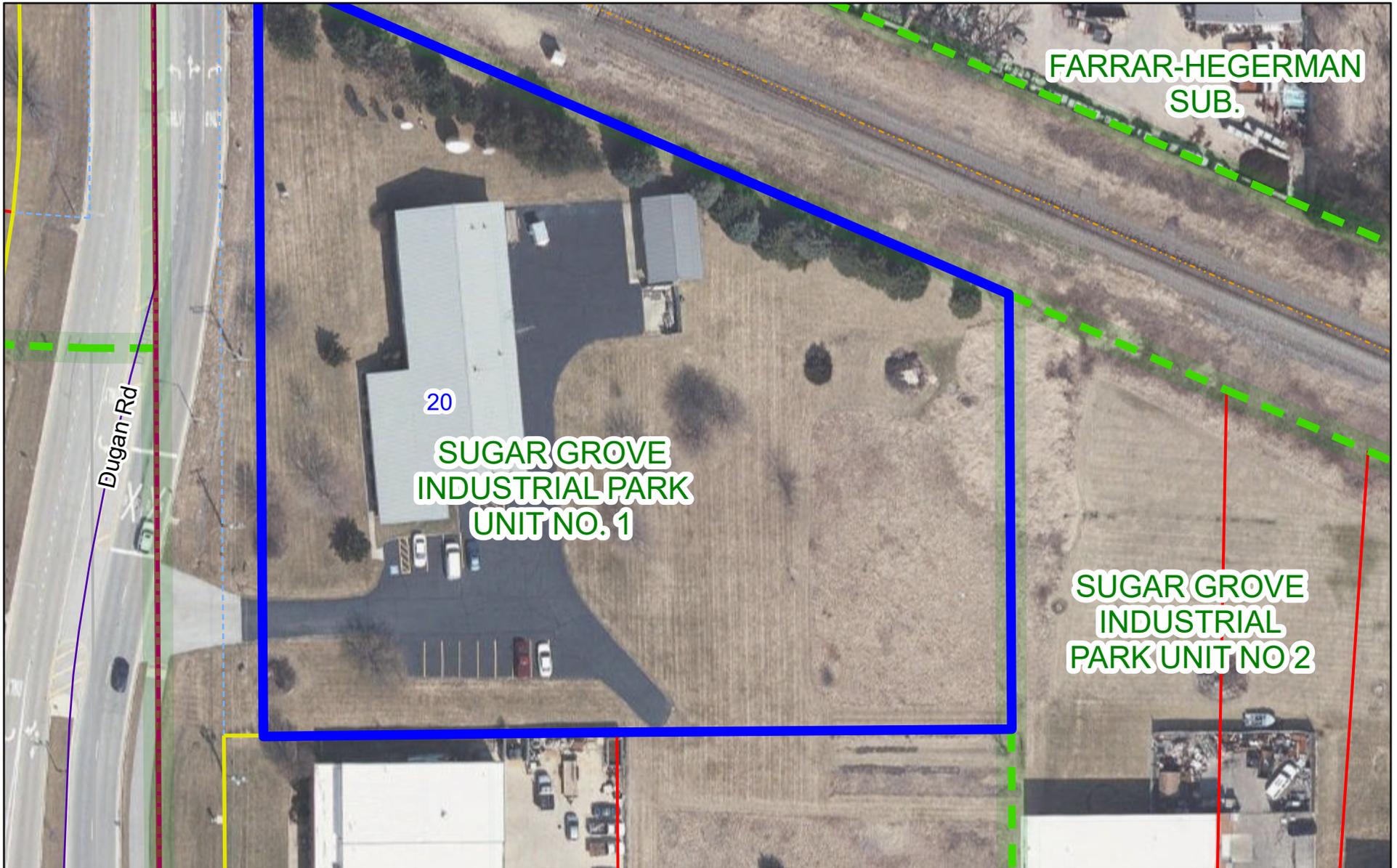
There is no direct cost to the Village to discuss or implement the TIF benefits request.

RECOMMENDATION

That the Village Board provide input and direction to Village staff in order to prepare the Inducement Resolution and other documents required to implement a TIF Redevelopment Agreement for Metronet's acquisition and development of 20 S. Dugan Road.

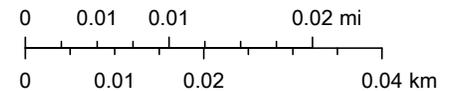


20 S. Dugan Road



7/20/2020

1:1,128



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS,

These layers do not represent a survey. No Accuracy is assumed for the data records, including plats, surveys, recorded deeds, and contracts, and only contains information required for local government purposes. See the recorded documents for more detailed legal information.