



Agenda
Village of Glen Ellyn
Village Board Workshop
Tuesday, February 22, 2022
7:00 PM

Glen Ellyn Civic Center, Galligan Board Room
Via Teleconference / Zoom Only

This meeting will be conducted by audio and video conference as well as broadcasted on cable and streamed online without a physically present quorum of the Village Board because of a disaster declaration related to COVID-19 and public health concerns affecting the Village of Glen Ellyn. The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 101-0640) amends the Open Meetings Act and allows the Village Board to participate electronically in Board meetings when it is not feasible due to a disaster such as COVID-19. The Village has determined that an in-person meeting at the Civic Center is not practical or prudent because of the disaster. The Village Manager and Village Clerk will be in attendance at the Civic Center in compliance with the Act.

To participate in this meeting at the appointed date and time, please visit the following link:
<https://us02web.zoom.us/j/81831195764?pwd=NUZmaWtrZ2piaGjiUjZRV1pBREwzZz09>
Passcode: 345529

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 312 626 6799 or +1 301 715 8592 or +1 646 558 8656 or +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782

Webinar ID: 818 3119 5764

Passcode: 345529

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Audience Participation**

1) Open:

The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 101-0640) amends the Open Meetings Act and allows the Village Board to participate electronically in Board meetings when it is not feasible due to a disaster such as COVID-19. To participate in this meeting at the appointed date and time, please visit:

<https://us02web.zoom.us/j/81831195764?pwd=NUZmaWtrZ2piaGjiUjZRV1pBREwzZz09>

In lieu of participating in the electronic meeting, the public may also complete a public comment form which will be read into the record during the meeting. This form can be found at www.glenellyn.org/publiccomment. Members of the public are welcome to speak or submit public comment forms on any item not specifically listed on tonight's agenda for up to (3) three minutes. For those items which are on tonight's agenda, the public may speak up to (3) three minutes on those items or may submit public comment forms which will be read into the record during that agenda item.

E. Presentation

- 1) Presentation by Duane Street Residents Concerning the St. Petronille Retaining Wall

F. U.S. Bank Site/REVA Development Partners Request for Tax Increment Financing (TIF) Assistance (Village Manager Franz)

- 1) Proposed Multi-family Development on the US Bank Site Located at 453 Forest Avenue & 576-580 Duane Street and Request for TIF Assistance

G. Alliance of Downtown Glen Ellyn Request for Financial Assistance (Economic Director Hannah)

- 1) Discussion of the Alliance of Downtown Glen Ellyn's Request for Financial Assistance

H. Glen Ellyn Chamber of Commerce Request for Financial Assistance (Economic Development Director Hannah)

- 1) Discussion of the Glen Ellyn Chamber of Commerce's Request for Financial Assistance (Economic Development Director Hannah)

I. Two Hound Red Sales Tax Incentive Agreement (Economic Development Director Hannah)

- 1) Discussion Regarding Amending Two Hound Red's Sales Tax Incentive Agreement

J. Proposal for Purchase of Body Cameras and Squad Car Cameras for the Glen Ellyn Police Department (Deputy Chief Vavra)

- 1) Discussion of the Glen Ellyn Police Department purchase of Body Cameras and Squad Car Cameras and the contract proposed by Axon Enterprises of Scottsdale, Arizona in the amount of \$383,560.03.

K. Reminders

- 1) There is a Village Board Meeting on Monday, February 28 at 7:00 p.m.
- 2) There is a Community Open House for the Roosevelt Road Hotel Properties on Monday, March 7 at 6:30 p.m. at the Village Links.

L. Other Business

M. Adjourn



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: Administration
Department Head:
Category: Presentation
Prepared By:

**AGENDA ITEM (ID # 2022-
1932)**

DOC ID: 2022-1932

Presentation by Duane Street Residents Concerning the St. Petronille Retaining Wall

Statement of the Issue:

Owners of the properties at 465-471 Duane Street and 475 Duane will be attending the Board Workshop to voice their concerns over the condition of the retaining wall supporting the St. Petronille parking lot, which is adjacent to their properties.

Analysis:

Budget Impact:

Action Requested:

Attachments:



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: Administration
Department Head: mark Franz
Category: Discussion Item
Prepared By: mark Franz

AGENDA ITEM (ID
2022-1931)

DOC ID: 2022-1931

Proposed Multi-family Development on the US Bank Site Located at 453 Forest Avenue & 576-580 Duane Street and Request for TIF Assistance

Statement of the Issue:

The subject property is located on the northeast corner of Forest Avenue and Duane Street in the C5B Central Service Subdistrict. The assemblage of the two properties would result in a site of approximately 1.26 acres. The surrounding zoning and land uses are as follows:

North:	CR Conservation Recreation District	Prairie Path Park
East:	C5B Central Service Subdistrict	Office Building
South:	C5B Central Service Subdistrict	Leonard Memorial Funeral Home
South:	R4 Residential District	Multi-Family Residential Buildings
West:	C5B Central Service Subdistrict	Municipal Parking Lot

Village Planning Documents. The following are brief summaries from various long and short-range Village planning documents related to the subject property, and recommendations for residential development in the downtown. All plan sections noted below are attached for the Village Board's review.

2001 Comprehensive Plan – The 2001 Comprehensive Plan does not highlight the bank site as a potential development site. Page 48 of the Comprehensive Plan indicates that the site is outside of the pedestrian shopping area. On page 42 of the plan it is noted that downtown should consist of an exciting mix of retail, service, entertainment, office and public uses, as well as housing units.

2009 Downtown Strategic Plan – On page 7.6 of 12 of the Downtown Strategic Plan, this area is highlighted as an opportunity site. It is suggested that the bank property should be retrofitted into a mixed-use parking structure with a pedestrian-friendly and historically-sensitive development pattern. It is also noted on page 7.3 of 12 that the Village should increase the number of downtown residential living opportunities. Page 8.3 of 8 indicates that 450 new dwelling units should be constructed in the downtown.

2020-2022 Strategic Plan – One of the top five strategic priorities of the Strategic Plan is “development”. The specific target indicated in the plan is the addition of 400 new multi-family units in the downtown. The Village has recently approved a total of 223 new multi-family units in the downtown. Construction of the Avere on Forest project would bring the total to 300 new units.

2021 Draft Comprehensive Plan – The US Bank site is highlighted as a catalyst site in the Village’s draft Comprehensive Plan. Catalyst sites are those sites that are vacant and/or underutilized parcels where redevelopment of the site could have a significant positive effect on the surrounding area. The concept illustrated in the plan is a three to four-story mixed-use development with ground floor commercial uses along Forest Avenue and condominiums or apartments on the upper floors. Townhomes are suggested as an acceptable alternative. The plan suggests that through coordination with the Glen Ellyn Park District, Prairie Path Park might also be enhanced as part of the redevelopment of the site.

Project Description. Reva Development Partners have provided a concept design for a 4-story multi-family development, which includes updated elevations and renderings (attached). A warmer, more traditional color pallet has been selected and some of the detailing on the building has been updated since the Village Board last reviewed the project. These revisions have been made based upon feedback provided by the Plan Commission, Historic Preservation Commission and Environmental Commission. The site plan for the project has not been revised.

The project features a unique residential product with a combination of townhome units (floors 1-2 along the Duane Street frontage) and apartments. All of the units would be rental units. Some of the building features include: 2 residential terraces, on-site storage, a fitness room, a club room, a pet wash station, a package room, and enclosed parking.

Unit Mix - The proposed development features 77 units, 4 of which will be townhomes (fronting Duane Street) and the remainder of which will be apartments. The units range in size from 866 square feet to 2,038 square feet. Compared to recently approved apartment buildings in the downtown, Avere on Forest will offer much larger units (Apex 400: 610 – 1,232 sf; Avere on Duane: 870 – 1,656 sf; Glenwood Station: 557-1,336 sf). Approximately 62% of the units have at least 2 bedrooms and 3 of the unit types (71% of the total units) offer a den. The average unit size would be 1,306 square feet with average rents estimated at \$3,200 per month. See the chart below for more information about the proposed unit mix.

Avere on Forest, Unit Mix

Unit Plan	Type	Area	Total Units	Square Footage
1 Bed Room	A1	866	12	10,396
1 Bed Room + Den	B1	964	18	17,360
2 Bed Room + Den	C1	1,431	29	41,494
3 Bed Room	D1	1,457	6	8,739
3 Bed Room + Den	E1	1,803	8	14,420
3 Bed Room Townhome	F1	2,038	4	8,150
Totals/Averages		1,306	77	100,559

The developer anticipates that 95% of the units will be occupied within 9 months of project completion.

According to the Developer, the proposed development at Forest and Duane could be a candidate for conversion to condominium ownership in the future. That said, they believe in the long-term value of the proposed development especially because of its location in Glen Ellyn. Much like

Avere of Duane, their intent is to retain ownership and refinance with long-term debt after construction and initial lease up. With respect to the construction type and characteristics, the building as proposed embodies the necessary and appropriate attributes to convert to condominium including separate or sub-metered gas, electric and water. The unit finishes and features are consistent with condominium standards and they can collect the necessary survey data during construction to prepare a condominium plat in the future.

Analysis:

Incentive Request/TIF Gap Analyst. Last fall, the Village Board discussed this development proposal and reviewed Reva's preliminary TIF request. Since then, Reva has updated their proforma and staff has negotiated the basic business terms of a potential Redevelopment Agreement (RDA).

In addition, the Village's TIF consultant Kane McKenna and Associates, KMA, have reviewed their proforma and evaluated their request for incentives, see attached. Given the higher costs of underground parking, escalating construction costs nationally, and higher end architecture costs, the developer is making a strong case that they meet the "but for" clause required to be eligible for TIF incentives. Without TIF assistance, the developer has claimed that they cannot proceed with the project because they are not able to meet a Return on Project Costs of 6% to 7 % in order secure financing. KMA believes this is a legitimate return based on market data. For these reasons, Reva has requested tax assistance to bridge the financial gap for this development project.

Analysis and RDA Business Terms

Bob Rychlicki and Nina Coppola, KMA, has reviewed and analyzed Reva's proforma and incentive request. Attached is KMA's report that they will summarize and present to the Village Board Tuesday night. This analysis includes a best, likely and worst-case scenarios with respect to the impact of net new students on the development incentives and Village return on this investment.

The incentive agreement would be structured as a performance-based RDA, include only the increment being generated by the project, and be paid directly from the TIF District Fund, eliminating any risk to other Village funds. Initially, the Developer requested funds upfront and for the life of the TIF, 12 years, but staff negotiated a 10-year performance-based incentive, split 90/10 Developer/Village. In addition, the Village would be guaranteed collecting 100% of the available increment generated by the new development for a minimum of 2 years at the end of the TIF, years 2035 and 2036, in addition to at least 10% during the term of the agreement. Furthermore, the Village could receive additional TIF increment if less than 40% of the school funds are not needed to reimburse net new students moving into the development. Given the trend with the Avere on Duane project and trend with similar development in other municipalities, less than 20% of school contributions is likely.

The basic business terms of a future agreement would include:

1. 90/10% (developer/village) performance-based agreement (pay-as-you-go) generated by available TIF increment for a period of ten years capped at \$4,608,000, with a 6% discount rate, or 10 years, whichever happens first, **with a stipulation that the agreement goes into effect in 2024 to ensure the Village receives that last 2 years of TIF increment.** All costs must be TIF eligible.
2. Once the term expires (10 years or 2034 whichever occurs first), the Village would collect 100% of available increment

3. An “open book” or “true up” review will be required of the Developer in order to monitor project costs, revenues, coverage ratios and returns (with adjustments to the TIF assistance if costs are lower or if revenues or returns are higher than projected)
4. The Village will require a “claw back” in the event the Developer exceeds its target rates of return due to lower Project costs, higher than projected rents, or lower than projected operating costs, especially property taxes, or in the event of a sale of the Project by the Developer
5. Provision by the Developer of lender’s loan commitment (the Developer has provided a letter of interest from Wintrust)
6. Developer would be able to appeal the taxes, but would not be eligible for incentives and refunds in any one year.

Summary of Pros and Cons. A \$36M development provides a significant opportunity to increase EAV and generate tax growth as well as create more vitality and residents to support the downtown business community. Market concerns, impact on the neighborhood, and traffic issues are some potential concerns that would be further flushed out during the public approval process. Below is a look at some of the pros and cons of this potential development:

Benefits. Some of the potential benefits of this project include:

- Meets Downtown Plan, TIF Plan, and Strategic Plan Goals:
 - New residents supporting businesses and spending in downtown
 - Creates more diverse housing stock (Townhomes)
 - Allows more “age in place” housing options
 - Continues to create reinvestment in TIF area and meet downtown plan, TIF plan and draft comp plan goals
- Financial Impact and Return
 - Overall \$36M investment in CBD
 - Underutilized parcel would be redeveloped
 - Creates TIF revenue to pay for CBD infrastructure costs
 - Adds to the overall tax base, once TIF expires
 - Limited risk to the Village, since the proposed incentives are performance based
- Development Team/Goals
 - Qualified, experienced developer with a proven track record in Glen Ellyn
 - Costly underground parking included
 - Developer donations to taxing bodies and improvements to Prairie path Park enhances this gathering spot in the downtown
 - Project should be completed before Train Station Project gets underway

Negatives. Staff has some concerns about the significant incentive request for this project, but has structured the RDA business terms in way to limit the risk to the Village. Some concerns about the market viability would be addressed with a comprehensive market study and would need further review and discussion. Lack of new commercial space, specifically new retail space limits diversity of tax revenue. Impact on the neighborhood and traffic issues are some potential concerns that would be further flushed out during the public approval process. Finally, some preference to

condos has been expressed by elected officials, to create more diversity in new housing options in the downtown.

Budget Impact:

Any incentives agreed to by the Village Board would have no impact on the General Fund and be paid exclusively through a performance-based incentive agreement (Redevelopment Agreement-RDA) paid from the CBD TIF generated by this project alone. Therefore, Village financial risk and exposure are minimal. Once TIF expires, this project would be considered new construction and grow the tax base for all taxing bodies.

Strategic Plan Initiative (If Applicable). **Strategic Priority:** Development. **Initiative:**

Implement Economic Development strategy focused on overall commercial vitality, EAV growth and sales tax growth. **Actions:** Evaluate financial impact and compliance with downtown plan goals for all major CBD commercial developments and alignment with 2009 Downtown Plan and TIF Plan.

Action Requested:

Staff is looking for direction from the Village Board on the request for TIF incentives and general comments on the overall design and development proposal. Without support for TIF assistance, the Developer will have to decide if and how to proceed.

Attachments:

1. Avere on Forest Residential Development - Proposed TIF Incentives
2. Redevelopment at Duane and Forest, Glen Ellyn
3. Avere on Forest - TIF Incentives

MEMO

TO: Mark Franz
Meredith Hannah

FROM: Kane, McKenna and Associates, Inc.
February 16, 2022

RE: AVERE on Forest Residential Development - Proposed TIF Incentive

The Village of Glen Ellyn (the “Village”) is in receipt of a TIF incentive proposal dated September 3, 2021, and supplemental documentation provided in February, 2022, presented by Reva Development Partners (the “Developer”) regarding the proposed redevelopment of the former US Bank property located in downtown Glen Ellyn at 453 Forest Street and 583 Duane Street (the “Project” or “AVERE on Forest”). The proposed Project is comprised of two (2) tax parcels totaling 1.26 acres.

The Project will consist of a four story “podium” style building containing 77 rental apartments and townhouses, consisting of 29 one-bedroom, 28 two-bedroom, and 17 three-bedroom apartment units, along with 4 two-bedroom townhouses, and 131 underground parking spaces (100% of all planned parking), for a total gross building area of 175,344 square feet. The Project will also include a fitness room, clubroom, bike storage, dog spa, management office, collaborative work area, resident kitchen and grilling areas, fire pit, raised gardens, outdoor seating areas, and redesign and activation of the adjacent Prairie Path Park. It is worth noting that the Developer has currently completed the “rapid” (as reported by the Developer) lease-up of another 48-unit rental apartment development in downtown Glen Ellyn known as AVERE on Duane.

The Village has tasked KMA with examining the Developer’s pro formas to evaluate the need for the developer’s requested TIF assistance (the “Gap Analysis”). KMA has completed its review of the Developer’s TIF Application and supporting exhibits and renderings, including supplemental information and documentation provided by the Developer pursuant to KMA’s requests. Accordingly, KMA offers the following observations as described below.

A brief summary of Project costs is shown below:

Project Cost Category	Amount
Land	\$ 2,800,000
Hard Costs	\$24,625,261
Site Development Costs	\$ 2,962,228
Soft Costs and Fees	\$ 6,143,898
TOTAL	\$36,531,387

Source: Developer Project Budget before application of credits – see below.

Total Project costs shown above equate to \$208.34 per square foot, based on a gross building area of 175,344 (127,284 and underground garage square footage of 48,060). In KMA's experience, this is at the higher end of industry standards. The Developer reports, and KMA agrees, that this is due to comparatively higher costs related to the underground parking garage and the "high quality" exterior finishes reported to be provided by the Developer. This is also due to recent exponential price increases in lumber, steel and other building materials stemming from current market demand trends and supply chain issues related to the pandemic.

In follow up discussion with the Developer, KMA also requested, and received, very detailed construction cost estimates prepared by the Developer's general contractor, Kinzie Builders, to confirm the Developer's cost estimates in order to further assess the Project costs. In addition, to validate the basis for the comparatively higher Project costs, KMA requested from the Developer, and received, a comparison of the hard construction costs for their AVERE on Duane development to the hard construction costs of the Project. The comparison shows the following:

	<u>Project</u>	<u>AVERE on Duane</u>
Number of Units	77	48
Gross Bldg Sq Ft	175,344	75,890
Hard Const Cost per Unit	\$358.28	\$216.70
Hard Const Cost/Gross Sq Ft.	\$157.33	\$131.74

KMA's review of the detailed side-by side comparison of hard construction costs reveals that almost all of hard construction cost differential between the two projects is attributable to concrete (\$13.04/sq ft higher), and woods, plastics and composites (\$11.39/sq ft higher). As hypothesized above, this is explained by the inclusion of the underground parking garage at the Project which is absent at AVERE on Duane, and recent extraordinarily higher lumber and other construction materials prices. The underground parking garage adds substantially to the concrete costs, in comparison to AVERE on Duane, as well as adds to the complexity of the construction, further exacerbating construction costs for this Project. The Developer has maintained that these higher construction costs cannot be made up entirely by proportionately higher rental rates, since there are market constraints on rental rates.

KMA's examination of detailed hard construction costs is also useful in determining how much of the Project costs are TIF eligible. Eligible costs under the TIF Act include the following:

- Land acquisition and associated costs
- Site development costs (hard costs)
- Portions of soft costs.
- 30% of private interest costs.

Site acquisition costs are \$2.8M and site development costs are estimated at almost \$2.8M. In addition, most of the \$5.7M of soft costs are TIF eligible. Clearly, there are more than enough TIF eligible costs in this Project, and the cost details provided by Developer confirms this..

The Developer's operating pro forma shows an average rental rate of \$2.56 per square foot for an average unit size of 1,306 square feet, with a parking rental rate of \$135 per stall, and miscellaneous income from storage (\$25 per unit) and utility reimbursements (\$86 per unit) and miscellaneous income (\$68 per unit). The Developer has stated that the proposed rent structure and other income is based on Reva's confidence in the successful rental experience with AVERE on Duane. Accordingly, the Developer did not commission a formal market study for the Project. In the absence of a formal market study for the Project, KMA examined the current rental rate structure at AVERE on Duane. The current average rental rate at AVERE on Duane is \$2.50 per square foot for an average square footage of 1,333. Accordingly, the projected rents of \$2.56 per square foot at the Project appear to be reasonable, given the underground parking and other amenities that are not present at AVERE on Duane, along with the higher-level exterior finishes and the anticipated timeline for delivery of units at the Project.

The Developer's operating pro forma also shows operating expenses of 34% of operating revenues. This includes real estate taxes of \$7,790 per unit, which, in KMA's experience, appears to be relatively high, and is based on a comparatively high assumed per unit market value of approximately \$317,500. The Developer reports that this assumption is based upon Milton Township's 2020 EAV for AVERE on Duane, which was assessed based on partial occupancy in 2020. The Milton township Assessor will not determine the 2021 EAV for AVERE on Duane until early summer of this year. It is worth noting that the Developer has asserted that it views the TIF assistance as a "hedge" against anticipated relatively high taxes.

In its TIF Incentive Application, the Developer suggests that the relative "complexity of the building" related to the underground parking garage and recent construction cost escalations preclude the Developer from achieving sufficient rates of return and its ability to obtain financing without TIF funds to bridge the gap. In addition, the Developer has explained that there is added uncertainty associated with future inflationary impacts on interest rates and future value due to the pandemic. Accordingly, the Developer has proposed a "pay-as-you-go" TIF Incentive similar to what the Village approved for the AVERE on Duane project. Also like AVERE on Duane, the Developer has asked for 90% of the available annual TIF increment, with 10% to go to the Village. It is important to note that in response to staff discussions with the Developer, the Developer has agreed to cap the TIF assistance at \$4.6M, down from the Developer's original request of \$5.65M, or approximately 13% of total Project costs. It is worth noting that since the annual payments of TIF increment are to be received by the Developer over time, the Developer, appropriately, discounts those annual payments, using a 6% discount rate, to a present value of between approximately \$2.8M to \$3M, depending on the amount of actual annual school contribution payments.

Unlike AVERE on Duane, Village staff convinced the Developer to agree to limit the term of the TIF assistance to ten years, to 2033, rather than for the remaining term of the TIF (twelve years). Since the TIF expires in 2035, under the Developer's proposal, the Village would receive 100% of the available annual TIF increment in the last two years of the TIF (2034 and 2035). Also

unlike AVERE on Duane, the Developer seeks 90% of any difference between the actual annual school payments and the statutory maximum 40% annual school payments. For the AVERE on Duane development, the Developer and the Village agreed to share *equally* in this annual difference. In response to staff's attempt at a larger share for the Village, the Developer argued that its request for a larger share of this Project's annual TIF increment for this Project is partially attributable to the shorter remaining term of the TIF, as compared to a longer remaining term when AVERE on Duane was developed.

According to the Developer's TIF Incentive Application, the original request of \$5.6M TIF incentive would result in the following rates of return:

Stabilized Return of On Project Cost Without TIF Incentive	6.13%
Stabilized Return of On Project Cost With TIF Incentive	6.73%

Using the Developer's assumptions, KMA preformed its own IRR analysis with results that were comparable to the above. In KMA's experience, the relative amount of the adjusted TIF request, as compared to total Project costs, is reasonable. In addition, also based on KMA's experience with comparable development projects, the Developer's above target rate of return is also valid, and with the reduction in the TIF assistance from \$5.65M to \$4.6M, the Developer's resulting return with TIF assistance will be even lower. Furthermore, the proposed "pay-as-you-go" structure precludes any financial risk to the Village.

KMA analyzed the Developer's annual TIF increment projections and found that the incremental tax revenues generated by the Project, after a likely amount of State mandated TIF school contributions, will probably support the annual TIF incentive to the Developer over the negotiated ten-year term. As part of its analysis, KMA also undertook a sensitivity analysis to examine the impact of various amounts of the annual TIF school contributions on the annual TIF increment available to the Developer and the Village for the remaining term of the TIF. Specifically, KMA looked at three scenarios – i) annual school contributions equal to the statutory maximum of 40% of annual incremental tax revenues; ii) annual school contributions equal to 20% of annual incremental tax revenues; and iii) no annual school contributions (no students generated). Below is a summary of this analysis, the details of which can be found in Exhibit A:

	<u>0% School Contribution</u>	<u>20% School Contribution</u>	<u>40% School Contribution</u>
Developer Cum. Share	\$4,608,000	\$4,608,000	\$3,456,635
Village Cum. Share	\$3,238,717	\$1,668,727	\$1,251,395

It can be seen that assuming either a 0% or 20% annual school contribution, there is sufficient available annual tax increment to fund all of the Developer's requested assistance, after school payments, and the Village can potentially accrue between \$1.6M and \$3.2M cumulatively.

Conversely, it can be seen that in event the Project generates a number of students to achieve the maximum 40% annual school payments (statutory maximum), there is insufficient annual increment to fund all of the Developer's annual TIF assistance, and the Village would accrue approximately \$1.2M.

According to the Developer, AVERE on Duane has generated very few new students to the local school districts, so extrapolating from that experience, it is highly unlikely that the 40% scenario would ever occur. In fact, based on the experience at AVERE on Duane, a scenario in between the 0% and 20% annual school contributions is most likely. Accordingly, KMA agrees that the Project is likely to generate enough increment to fund the Developer's annual TIF assistance.

Additional Considerations:

KMA recommends that the Village's further evaluation of this request should include the following additional considerations:

- 1) Determine whether an "open book" or "true up" review will be required of the Developer in order to monitor project costs, revenues, coverage ratios and returns (with adjustments to the TIF assistance if costs are lower or if revenues or returns are higher than projected).
- 2) Determine whether the Village will require a "claw back" in the event the Developer exceeds its target rates of return due to lower Project costs, higher than projected rents, or lower than projected operating costs, especially property taxes, or in the event of a sale of the Project by the Developer.
- 2) Provision by the Developer of lender's loan commitment (the Developer has provided a letter of interest from Wintrust)
- 3) The Village's needs for services or public improvements associated with the Project

EXHIBIT A

TIF PROJECTIONS
(3 Scenarios)

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS															
Column for Calculation Calculation		A	B	C A * 7.4326	D (A-B) * 7.4326%	E 20% * D	F ((40%*D)-E)*10%	G ((40%*D)-E)*90%	H D - E - F - H	I H * 10%	J H * 90%	K F + I	L G + J	M Sum (L:L)	N NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 0%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment)	Increment Pledged to Developer (90% after School Payment)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	-	-	-	110,785	11,079	99,707	11,079	99,707	99,707	83,716
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	-	-	-	494,458	49,446	445,012	49,446	445,012	544,719	436,207
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	-	-	-	590,376	59,038	531,338	59,038	531,338	1,076,057	833,254
2026	2027	8,775,436	660,309	652,243	603,165	-	-	-	603,165	60,316	542,848	60,316	542,848	1,618,906	1,215,941
2027	2028	8,950,945	660,309	665,288	616,210	-	-	-	616,210	61,621	554,589	61,621	554,589	2,173,494	1,584,774
2028	2029	9,129,964	660,309	678,594	629,516	-	-	-	629,516	62,952	566,564	62,952	566,564	2,740,058	1,940,243
2029	2030	9,312,563	660,309	692,166	643,087	-	-	-	643,087	64,309	578,779	64,309	578,779	3,318,837	2,282,821
2030	2031	9,498,814	660,309	706,009	656,931	-	-	-	656,931	65,693	591,238	65,693	591,238	3,910,075	2,612,965
2031	2032	9,688,790	660,309	720,129	671,051	-	-	-	671,051	67,105	603,946	67,105	603,946	4,514,020	2,931,116
2032	2033	9,882,566	660,309	734,532	685,453	-	-	-	685,453	591,473	93,980	591,473	93,980	4,608,000	2,977,822
2033	2034	10,080,218	660,309	749,222	700,144	-	-	-	700,144	700,144	-	700,144	-	4,608,000	2,977,822
2034	2035	10,281,822	660,309	764,207	715,129	-	-	-	715,129	715,129	-	715,129	-	4,608,000	2,977,822
2035	2036	10,487,458	660,309	779,491	730,413	-	-	-	730,413	730,413	-	730,413	-	4,608,000	2,977,822
				\$ 8,582,889	\$ 7,846,717	\$ 0	\$ -	\$ -	\$ 7,846,717	\$ 3,238,717	\$ 4,608,000	\$ 3,238,717	\$ 4,608,000		
NPV @				6.00%	\$4,546,778	\$0	\$0	\$0	\$4,546,778	\$1,568,956	\$2,977,822	\$1,568,956	\$2,977,822		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS															
Column for Calculation Calculation		A	B	C A * 7.4326	D (A-B) * 7.4326%	E 20% * D	F ((40%*D)-E)*10%	G ((40%*D)-E)*90%	H D - E - F - H	I H * 10%	J H * 90%	K F + I	L G + J	M Sum (L:L)	N NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 20%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to Village (10% after School Payment)	Increment Pledged to Developer (90% after School Payment)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	22,157	2,216	19,941	66,471	6,647	59,824	8,863	79,765	79,765	66,973
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	98,892	9,889	89,002	296,675	29,667	267,007	39,557	356,010	435,775	348,966
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	118,075	11,808	106,268	354,226	35,423	318,803	47,230	425,071	860,846	666,603
2026	2027	8,775,436	660,309	652,243	603,165	120,633	12,063	108,570	361,899	36,190	325,709	48,253	434,279	1,295,124	972,752
2027	2028	8,950,945	660,309	665,288	616,210	123,242	12,324	110,918	369,726	36,973	332,753	49,297	443,671	1,738,795	1,267,819
2028	2029	9,129,964	660,309	678,594	629,516	125,903	12,590	113,313	377,709	37,771	339,938	50,361	453,251	2,192,047	1,552,194
2029	2030	9,312,563	660,309	692,166	643,087	128,617	12,862	115,756	385,852	38,585	347,267	51,447	463,023	2,655,070	1,826,257
2030	2031	9,498,814	660,309	706,009	656,931	131,386	13,139	118,248	394,158	39,416	354,743	52,554	472,990	3,128,060	2,090,372
2031	2032	9,688,790	660,309	720,129	671,051	134,210	13,421	120,789	402,631	40,263	362,367	53,684	483,157	3,611,216	2,344,893
2032	2033	9,882,566	660,309	734,532	685,453	137,091	13,709	123,382	411,272	41,127	370,145	54,836	493,527	4,104,743	2,590,161
2033	2034	10,080,218	660,309	749,222	700,144	140,029	14,003	126,026	420,086	42,009	378,078	56,012	504,104	4,608,847	2,826,504
2034	2035	10,281,822	660,309	764,207	715,129	143,026	14,302	-	429,077	42,907	-	572,103	-	4,608,847	2,826,504
2035	2036	10,487,458	660,309	779,491	730,413	146,083	14,608	-	438,248	43,824	-	584,330	-	4,608,847	2,826,504
				\$ 8,582,889	\$ 7,846,717	\$ 1,569,343	\$ 417,132	\$ 1,152,212	\$ 4,708,030	\$ 1,251,395	\$ 3,456,635	\$ 1,668,527	\$ 4,608,847		
NPV @				6.00%	\$4,546,778	\$909,356	\$202,730	\$706,626	\$2,728,067	\$608,189	\$2,119,878	\$810,918	\$2,826,504		

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS															
Column for Calculation Calculation		A	B	C A * 7.4326	D (A-B) * 7.4326%	E 40% * D	F ((40%*D)-E)*10%	G ((40%*D)-E)*90%	H D - E - F - H	I H * 10%	J H * 90%	K F + I	L G + J	M Sum (L:L)	N NPV(6.0%, L:L)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 40%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Village/Project	Increment Pledged to Village (10% after School Payment)	Increment Pledged to Developer (90% after School Payment)	TOTAL INCREMENT TO VILLAGE	TOTAL INCREMENT TO DEVELOPER	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	44,314	-	-	66,471	6,647	59,824	6,647	59,824	59,824	50,229
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	197,783	-	-	296,675	29,667	267,007	29,667	267,007	326,831	261,724
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	236,150	-	-	354,226	35,423	318,803	35,423	318,803	645,634	499,952
2026	2027	8,775,436	660,309	652,243	603,165	241,266	-	-	361,899	36,190	325,709	36,190	325,709	971,343	729,564
2027	2028	8,950,945	660,309	665,288	616,210	246,484	-	-	369,726	36,973	332,753	36,973	332,753	1,304,097	950,864
2028	2029	9,129,964	660,309	678,594	629,516	251,806	-	-	377,709	37,771	339,938	37,771	339,938	1,644,035	1,164,146
2029	2030	9,312,563	660,309	692,166	643,087	257,235	-	-	385,852	38,585	347,267	38,585	347,267	1,991,302	1,369,693
2030	2031	9,498,814	660,309	706,009	656,931	262,772	-	-	394,158	39,416	354,743	39,416	354,743	2,346,045	1,567,779
2031	2032	9,688,790	660,309	720,129	671,051	268,420	-	-	402,631	40,263	362,367	40,263	362,367	2,708,412	1,758,670
2032	2033	9,882,566	660,309	734,532	685,453	274,181	-	-	411,272	41,127	370,145	41,127	370,145	3,078,557	1,942,620
2033	2034	10,080,218	660,309	749,222	700,144	280,058	-	-	420,086	42,009	378,078	42,009	378,078	3,456,635	2,119,878
2034	2035	10,281,822	660,309	764,207	715,129	286,051	-	-	429,077	429,077	-	429,077	-	3,456,635	2,119,878
2035	2036	10,487,458	660,309	779,491	730,413	292,165	-	-	438,248	438,248	-	438,248	-	3,456,635	2,119,878
				\$ 8,582,889	\$ 7,846,717	\$ 3,138,687	\$ -	\$ -	\$ 4,708,030	\$ 1,251,395	\$ 3,456,635	\$ 1,251,395	\$ 3,456,635		



REDEVELOPMENT AT DUANE & FOREST

GLEN ELLYN, IL



VILLAGE BOARD WORKSHOP

FEBRUARY 22, 2022





2 WEST ELEVATION
SCALE: 1" = 20'-0"



1 SOUTH ELEVATION
SCALE: 1" = 20'-0"



OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 20'
0 5' 10' 20'



GLEN ELLYN RESIDENTIAL
FOREST & DUANE
FEBRUARY 22, 2022 Project #: 21022

EL-1

- AERIAL 60' - 1"
- ROOF 51' - 1"
- LEVEL 04 39' - 1"
- LEVEL 03 28' - 1"
- LEVEL 02 17' - 1"
- LEVEL 01 6' - 1"
- GRADE 3' - 8"
- AMENITY -1' - 11"
- BASEMENT -5' - 11"



2 NORTH ELEVATION
SCALE: 1" = 20'-0"

- AERIAL 60' - 1"
- ROOF 51' - 1"
- LEVEL 04 39' - 1"
- LEVEL 03 28' - 1"
- LEVEL 02 17' - 1"
- LEVEL 01 6' - 1"
- GRADE 3' - 8"
- AMENITY -1' - 11"
- BASEMENT -5' - 11"



1 EAST ELEVATION
SCALE: 1" = 20'-0"



OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 20'
0 5' 10' 20'



GLEN ELLYN RESIDENTIAL
FOREST & DUANE
FEBRUARY 22, 2022 Project #: 21022

EL-2



1 TOWNHOUSE DETAIL
SCALE: 1" = 10'-0"



2 TYPICAL ELEVATION DETAIL
SCALE: 1" = 10'-0"



OKW ARCHITECTS
600 W. Jackson, Suite 250
Chicago, IL 60661

SCALE: 1" = 10'
0 2.5' 5' 10'



GLEN ELLYN RESIDENTIAL
FOREST & DUANE
FEBRUARY 22, 2022 Project #: 21022

EL-3



February 8, 2022

Mr. Mark Franz
Village Manager
VILLAGE OF GLEN ELLYN
535 Duane St.
Glen Ellyn, IL 60137

RE: AVERE on Forest – TIF Incentive Request

Dear Mr. Franz,

The proposed development of the US Bank site on Forest Ave capitalizes on a unique opportunity to transform a vacant/obsolete commercial property into a vibrant, attractive, development offering a mix of housing and amenities for residents seeking to downsize and/or simplify their lifestyle. REVA and its team of consultants have collected feedback from the Village Board, Plan Commission, staff, and various committees and have endeavored to design a building that balances height and scale as well as a sensitivity to the character downtown Glen Ellyn and the surrounding neighborhood. To accomplish these design goals, special features have been incorporated including 100% of the parking hidden below grade, raised gardens and outdoor amenity areas, varied use of high-quality materials, and the inclusion of a variety of entry features, balconies, setback terraces and other unique architectural elements. The plan also calls for the redesign of the adjacent Prairie Path Park through landscape/hardscape improvements and the addition of retail kiosks to help activate this space for the community. Due to the increased complexity of the architectural design and the widely publicized general escalation of construction costs, the project is not economically viable without the support of TIF funds that will be generated by the increased real estate taxes once the project is complete. The proposal is for a “pay as you go” TIF structure similar to that used at Avere on Duane to successfully secure financing. The proposed structure is a simple 90/10 split of available TIF funds generated (only by the increased real estate taxes from these parcels) for the remaining term of the existing TIF district. Even with TIF support at requested levels, the project would generate lower proforma returns than were targeted for AVERE on Duane. However, the strong lease-up, demonstrated demand and smooth execution by the AVERE on Duane team should help to secure investor and debt financing for AVERE on Forest despite the slightly lower projected returns.

The following are written responses to the TIF Incentive Application questions for the proposed AVERE on Forest multifamily project located at the northeast corner of Forest Ave and Duane St. The latest TIF Projections under the proposed terms are attached as **Exhibit III**.

I. Description of Proposed Project:

A. Description of property and proposed use

1. **Property Size-** 1.26 acres
2. **Property Characteristics-** 2 parcels commonly known as 453 Forest Avenue and 580 Duane Street.



3. **Access and utility needs-** The property will need vehicular access to Duane Street, Forest Avenue, and standard utility connections. During construction we will need to be able to accommodate construction staging along Forest Avenue.
4. **Type of use proposed for the property-** REVA Development Partners is proposing the development of AVERE on Forest, a 77-unit multi-family apartment complex with an underground parking garage.

B. Project Concept

1. **Nature of project-** Residential (rental)
2. **Size and description of Project-** AVERE on Forest will be a luxury rental project with 77 units and underground parking. Below is the proposed unit mix with a total of 100,559 net rentable square feet (NRSF):

UNIT MIX				
<u>Unit Plan</u>	<u>Type</u>	<u>Area</u>	<u>#Units</u>	<u>NRSF</u>
1BR	A1	866	12	10,396
1BR + Den	B1	964	18	17,360
2BR + Den	C1	1,431	29	41,494
3 BR	D1	1,457	6	8,739
3 BR + Den	E1	1,803	8	14,420
3 BR Townhome	F1	2,038	4	8,150
Totals / Averages		1,306	77	100,559

II. Developer Estimate of Project Performance/Tax Revenues

- A. Market Potential for Project-** Similar to AVERE on Duane, the target market is the empty nester resident living in and around Glen Ellyn seeking to divest/simplify life by downsizing from single family homeownership to the flexibility of luxury rental. REVA has assembled two contiguous parcels totaling 1.26 acres in a prime downtown Glen Ellyn across from the Metra station, adjacent to the Illinois Prairie Path, and a block off of abundant shops and restaurants. The four story “podium” style building designed by OKW Architects, offers large floorplans with high quality finishes, underground parking, and the many conveniences of a modern luxury apartment which will serve an unmet need with this growing demographic.

B. N/A

C. If Residential Units for Sale (not rent)

1. **Gross Square Footage-** 126,394 SF for the entire building plus 47,331 SF in the underground garage
2. **Total Units-** 77 units
3. **Average unit size-** 1,306 SF
4. **Average Rental Rate per month-** ~\$3,300
5. **Number of Parking/Garage Spaces-** 131 underground parking spaces



6. **Hard Costs per Square Foot/per Unit**- Base Hard Costs (not including land development, GC fee or GC contingency) estimated at \$201.57/NRSF, or \$263,200/unit. Total Hard Costs (including land development) estimated at \$274.34/NRSF, or \$358,300/unit.
7. **Estimated Hard Costs for Parking per Space**- N/A, included in above Hard Cost numbers.
8. **Absorption Schedule** – 10 units per month, achieving stabilization @ 95% (73 units) in 7-8 months.

III. Developer Pro Forma Outline- See Proforma Exhibits for additional details

A. Cost of Development Estimates

1. **Acquisition**- \$2,800,000
2. **Site Preparation/Demolition Costs/Environmental** - \$2,962,228
3. **Cost of Construction** - \$24,625,261
4. **Fees/Soft Costs**
 - a. **Architect and Engineering** - \$822,200
 - b. **Legal** - \$175,000
 - c. **Surveys** – included in Engineering
 - d. **Permits and Inspections** - \$482,781
 - e. **Leasing Commissions** - \$193,072 (within Marketing line item)
 - f. **Construction Management** – N/A covered under hard costs and Developer's Fee
 - g. **Developer's Fee** - \$1,278,600 (3.5% of total project cost)
5. **Construction Financing Interest** - \$828,232
6. **Contingencies** – Hard Cost Contingency of \$696,947 (3.0% of hard costs), Developer Contingency of \$600,000, Soft Cost Contingency of \$250,000
7. **Total Estimated Project Cost** - \$36,531,000 (\$474,430/unit)

B. Proposed Financing

1. **Total Cost of Redevelopment** - \$36,531,000 (\$474,430/unit)
2. **Private Financing for Project**
 - a. **Mortgage Debt** - \$23,625,000 (~65% LTC)
 - b. **Equity Contributions** - \$12,906,000
3. **Amount of Public Assistance Requested** – 90/10 split of all available increment after payment of school allocation, including 90/10 split of the unclaimed school allocation. Under the current underwriting based on stabilized taxes of \$639,454 (\$8,305 per unit) and assuming 2% RE tax growth and 20% school collections (out of 40% maximum), this would result in \$5,650,000 to the developer over the life of the TIF, or \$3,274,000 on a NPV basis using a 6% discount rate.



Please see attached **Exhibit I** (Development Budget), **Exhibit II** (Operating Proforma with Return on Cost), and **Exhibit III** (TIF Cash Flow/TIF Request).

Sincerely,

REVA DEVELOPMENT PARTNERS, LLC

By: Warren A. James and Matthew T. Nix, Principals

Exhibits:

- I. AVERE on Forest Development Budget
- II. AVERE on Forest Operating Proforma
- III. AVERE on Forest TIF Cash Flow Projections

BUDGET SUMMARY		Total	Unit	NRSF	% Cost
Land Value		2,800,000	36,364	27.84	7.7%
Tap & Impact Fees		470,082	6,105	4.67	1.3%
Site Development		2,962,228	38,470	29.46	8.1%
Hard Costs		24,625,261	319,809	244.88	67.4%
Soft Costs		5,673,816	73,686	56.42	15.5%
Total Uses		36,531,387	474,434	363.28	100.0%
LAND ACQUISITION COSTS		Total	Unit	NRSF	% Cost
Land Price		2,800,000	36,364	27.84	7.7%
Sub Total		2,800,000	36,364	27.84	7.7%
TAP & IMPACT FEES		Total	Unit	NRSF	% Cost
Water Tap, Meter Fee, Other		313,678	4,074	3.12	0.9%
Blended Impact Fee (School, Park, etc)		425,684	5,528	4.23	1.2%
Park Fees applied to Prairie Path Park		(269,280)	(3,497)	(2.68)	-0.7%
Sub Total		470,082	6,105	4.67	1.3%
SITE DEVELOPMENT COSTS		Total	Unit	NRSF	% Cost
Site Improvements & Landscape/Hardscape		2,679,983	34,805	26.65	7.3%
Existing Conditions/Demolition		282,245	3,666	2.81	0.8%
Sub Total		2,962,228	38,470	29.46	8.1%
HARD COSTS		Total	Unit	NRSF	% Cost
Base Cost for Building & Parking Structure		20,269,342	263,238	201.57	55.5%
General Conditions 7.5%		1,742,368	22,628	17.33	4.8%
General Requirements 2.5%		580,789	7,543	5.78	1.6%
Total Base Hard Costs		22,592,499	293,409	224.67	61.8%
Insurance 1.25%		290,395	3,771	2.89	0.8%
Hard Cost Contingency 3.0%		696,947	9,051	6.93	1.9%
General Contractor Fee 4.5%		1,045,421	13,577	10.40	2.9%
Hard Cost Sub Total		24,625,261	319,809	244.88	67.4%
SOFT COSTS		Total	Unit	NRSF	% Cost
Building Permits 1.75%		482,781	6,270	4.80	1.3%
Financing Fees- Loan Fee & Other		183,563	2,384	1.83	0.5%
Architectural & Design Fees		682,000	8,857	6.78	1.9%
Engineering Fees		140,200	1,821	1.39	0.4%
TIF-related Costs		30,000	390	0.30	0.1%
Taxes During Construction		98,156	1,275	0.98	0.3%
Tax & Audit		25,000	325	0.25	0.1%
Legal		175,000	2,273	1.74	0.5%
Zoning-Related		55,000	714	0.55	0.2%
Inspection & Draw Costs		72,100	936	0.72	0.2%
Furniture, Fixtures, and Equipment		220,000	2,857	2.19	0.6%
Marketing		248,732	3,230	2.47	0.7%
Insurance		130,295	1,692	1.30	0.4%
Closing Costs		40,000	519	0.40	0.1%
Developer Contingency		600,000	7,792	5.97	1.6%
Soft Cost Contingency		250,000	3,247	2.49	0.7%
Developer Overhead 3.5%		1,278,600	16,605	12.71	3.5%
Operating Deficit Reserve		134,158	1,742	1.33	0.4%
Construction Interest Reserve		828,232	10,756	8.24	2.3%
Sub Total		5,673,816	73,686	56.42	15.5%
SOURCES:		Total	Unit	NRSF	% Cost
Total Sources		36,531,387	\$474,434	\$363.28	100.0%
AVERE Investors, LLC Equity		11,615,748	\$150,854	\$115.51	31.8%
AVERE Manager, LLC Equity		1,290,639	\$16,762	\$12.83	3.5%
Construction Loan		23,625,000	\$306,818	\$234.94	64.7%
Requested Assistance:					
NPV of TIF @ 6%		3,273,680			
Gross \$ Amount of TIF to Developer		5,649,636			

CURRENT UNDERWRITING- 2022									STABILIZED- 10/2024			
	Buildings	Avg SF	Units	NRSF	Rent/NRSF	Rent/Unit	Monthly \$	Annual \$	Rent/NRSF	Rent/Unit	Monthly \$	Annual \$
Podium	1	1,306	77	100,559	2.56	3,343	257,429	3,089,145	2.73	3,560	274,089	3,289,063
Total	1	1,306	77	100,559	2.56	3,343	257,429	3,089,145	2.73	3,560	274,089	3,289,063
UNIT MIX												
Unit Plan	Type	Area	#Units	NRSF	Rent/NRSF	Rent/Unit	Monthly	Annual	Rent/NRSF	Rent/Unit	Monthly	Annual
1BR	A1	866	12	10,396	2.84	2,460	29,520	354,240	3.02	2,619	31,430	377,165
1BR + Den	B1	964	18	17,360	2.87	2,768	49,815	597,780	3.06	2,947	53,039	636,466
2BR + Den	C1	1,431	29	41,494	2.47	3,536	102,551	1,230,615	2.63	3,765	109,188	1,310,256
3 BR	D1	1,457	6	8,739	2.50	3,639	21,833	261,990	2.66	3,874	23,245	278,945
3 BR + Den	E1	1,803	8	14,420	2.45	4,408	35,260	423,120	2.60	4,693	37,542	450,503
3 BR Townhome	F1	2,038	4	8,150	2.26	4,613	18,450	221,400	2.41	4,911	19,644	235,728
Totals / Averages		1,306	77	100,559	2.56	3,343	257,429	3,089,145	2.73	3,560	274,089	3,289,063
Other Income												
US Bank ATM Income/Retail Income							1,500	18,000			1,500	18,000
Garage Income- Podium		\$	135	131 spaces			17,685	212,220			18,830	225,954
Storage Income		\$	25	39 lockers		70% occ.	674	8,085			717	8,608
Utility Reimbursement		\$	68	per unit			5,198	62,370			5,534	66,406
Misc Income		\$	55	per unit			4,258	51,092			4,533	54,399
Total Other Income							29,314	351,767			31,114	373,368
Gross Income							286,743	3,440,912			305,203	3,662,430
OPERATING EXPENSE												
					Exp/NRSF	Exp/Unit	Monthly	Annual	Exp/NRSF	Exp/Unit	Monthly	Annual
Leasing & Payroll					\$1.54	\$2,008	\$12,882	\$154,586	1.64	2,138	13,716	164,590
Marketing & Advertising					0.36	468	3,000	36,000	0.38	498	3,194	38,330
Repair & Maintenance/Turnover					0.34	450	2,888	34,650	0.37	479	3,074	36,892
Janitorial, Cleaning, and Contract Services					0.40	550	3,333	40,000	0.42	586	3,549	42,589
Administrative					0.15	195	1,250	15,000	0.16	207	1,331	15,971
Utilities (water/sewer/trash reimbursed by tenant)					0.69	900	5,775	69,300	0.73	958	6,149	73,785
Utilities (Common Area & Vacants)					0.27	351	2,250	27,000	0.29	373	2,396	28,747
Property/Liability Insurance					0.38	500	3,208	38,500	0.41	532	3,416	40,992
Real Estate Taxes					5.96	7,790	49,985	599,826	6.36	8,305	53,288	639,454
Property Management Fee			4.00%		1.30	1,698	10,896	130,755	1.38	1,808	11,601	139,217
Capital Reserves					0.19	250	1,604	19,250	0.19	250	1,604	19,250
Total Op Expense					\$11.58	\$15,159	\$97,072	\$1,164,866	\$12.33	\$16,134	\$103,318	\$1,239,816
								34%				
STABILIZED OPERATING PRO FORMA							Monthly	Annual			Monthly	Annual
Gross Income							286,743	3,440,912			305,203	3,662,430
Less Vacancy & Credit Loss			5.00%				(14,337)	(172,046)			(15,260)	(183,122)
Effective Gross Annual Income							272,406	3,268,867			289,942	3,479,309
Less Operating Expenses							(97,072)	(1,164,866)			(103,318)	(1,239,816)
Net Operating Income (NOI)							175,333	2,104,001			186,624	2,239,493
RETURN ON PROJECT COST (NOI / PROJECT COST)								5.76%				6.13%
RETURN ON PROJECT COST INCLUDING NPV OF TIF (NOI / (PROJECT COST - TIF NPV))								6.33%				6.73%

EXHIBIT III

AVERE ON FOREST- TIF CASH FLOW PROJECTIONS														
Column for Calculation Calculation		A	B	C A * 7.4326	D (A-B) * 7.4326%	E 20% * D	F ((40%*D)-E)*10%	G ((40%*D)-E)*90%	H D - E - F - H	I H * 10%	J H * 90%	K G + J	J Sum (K:K)	K NPV(6.0%, K:K)
Tax Year	Collection Year	Total EAV	Base EAV	Total Taxes	TIF Increment	School Collections (Max 40%, Assumed 20%)	Unclaimed School Payment Split To Village (10% of Unclaimed)	Unclaimed School Payment Split To Developer (90% of Unclaimed)	Total Remaining TIF Increment to Split Between Village/Project	Increment Pledged to School Payment)	Increment Pledged to Developer (90% after School Payment	TOTAL INCREMENT TO DEVELOPER (90% of Unclaimed School + 90% of Remaining)	Cumulative To Developer	NPV @ 6.0%
2021	2022	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-
2022	2023	660,309	660,309	49,078	-	-	-	-	-	-	-	-	-	-
2023	2024 (25% of Value)	2,150,842	660,309	159,863	110,785	22,157	2,216	19,941	66,471	6,647	59,824	79,765	79,765	66,973
2024	2025 (85% of Value)	7,312,863	660,309	543,536	494,458	98,892	9,889	89,002	296,675	29,667	267,007	356,010	435,775	348,966
2025	2026 (100% of Value)	8,603,369	660,309	639,454	590,376	118,075	11,808	106,268	354,226	35,423	318,803	425,071	860,846	666,603
2026	2027	8,775,436	660,309	652,243	603,165	120,633	12,063	108,570	361,899	36,190	325,709	434,279	1,295,124	972,752
2027	2028	8,950,945	660,309	665,288	616,210	123,242	12,324	110,918	369,726	36,973	332,753	443,671	1,738,795	1,267,819
2028	2029	9,129,964	660,309	678,594	629,516	125,903	12,590	113,313	377,709	37,771	339,938	453,251	2,192,047	1,552,194
2029	2030	9,312,563	660,309	692,166	643,087	128,617	12,862	115,756	385,852	38,585	347,267	463,023	2,655,070	1,826,257
2030	2031	9,498,814	660,309	706,009	656,931	131,386	13,139	118,248	394,158	39,416	354,743	472,990	3,128,060	2,090,372
2031	2032	9,688,790	660,309	720,129	671,051	134,210	13,421	120,789	402,631	40,263	362,367	483,157	3,611,216	2,344,893
2032	2033	9,882,566	660,309	734,532	685,453	137,091	13,709	123,382	411,272	41,127	370,145	493,527	4,104,743	2,590,161
2033	2034	10,080,218	660,309	749,222	700,144	140,029	14,003	126,026	420,086	42,009	378,078	504,104	4,608,847	2,826,504
2034	2035	10,281,822	660,309	764,207	715,129	143,026	14,303	128,723	429,077	42,908	386,169	514,893	5,123,739	3,054,242
2035	2036	10,487,458	660,309	779,491	730,413	146,083	14,608	131,474	438,248	43,825	394,423	525,897	5,649,636	3,273,680
				\$ 8,582,889	\$ 7,846,717	\$ 1,569,343	\$ 156,934	\$ 1,412,409	\$ 4,708,030	\$ 470,803	\$ 4,237,227	\$ 5,649,636		



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: Administration
Department Head: Meredith Hannah
Category: Agreement
Prepared By: Meredith Hannah

**AGENDA ITEM (ID
2022-1927)**

DOC ID: 2022-1927

Discussion of the Alliance of Downtown Glen Ellyn's Request for Financial Assistance

Statement of the Issue:

During the October 25, 2021, Regular Village Board meeting, the Alliance of Downtown Glen Ellyn presented their annual report and the Village Board invited them to bring any other financial requests to the Board for consideration. The Village's agreement with the Alliance provides \$71,250 annually as well as an additional \$5,000 specifically for Jazz Up, hosted by the Alliance. The attached agreement outlines the services and events the Alliance provides.

Analysis:

The Alliance submitted a letter requesting an additional \$10,000 for 2022. The Alliance experienced a loss of revenue from memberships during 2020 and 2021, due to the COVID-19 pandemic.

- 2020 Loss in Revenue of \$15,000
- 2021 Loss in Revenue of \$5,000

The \$10,000 request does not reflect their total revenue loss over the two years; however, events were also reduced during these two years so this amount will assist with backfilling their financial gap.

Budget Impact:

The Village Board approved \$125,000 in the 2022 Budget to provide financial support to business organizations negatively impacted by the COVID-19 pandemic. This request could be supported with these funds on a one-time basis. Future funding requests will be presented to the Board during the annual Budget process.

Action Requested:

Staff is seeking direction from the Village Board to bring an updated agreement to a Village Board meeting for consideration.

Attachments:

1. Alliance Agreement 2022 Executed
2. Request for ARPA funds for Alliance of Downtown Glen Ellyn

Village of Glen Ellyn and Alliance of Downtown Glen Ellyn Calendar Year 2022 Agreement

The Village of Glen Ellyn, Illinois, hereby agrees to support the Alliance of Downtown Glen Ellyn in the amount of \$71,250, for the Calendar Year 2022. The goal of the Alliance of Downtown Glen Ellyn program is to assist in the coordination of Glen Ellyn's downtown revitalization efforts including: assisting in business recruitment activities, conducting special events to drive traffic to downtown businesses and communicating assets of the downtown. In addition, the Village provides \$5,000 to the Alliance to specifically support *Jazz Up Glen Ellyn*. As such, the Village of Glen Ellyn will receive all 2022 Benefactor Sponsor benefits and will be included in all marketing materials for events as a sponsor. At a minimum, sponsor benefits will include:

1. The Village listed on all Alliance event print materials as a presenting sponsor (tent cards, posters, kiosk posters, paid advertising, bag stuffers printed newsletter campaigns)
2. The Village's logo and ad space in event programs/handouts (Village can use this for various purposes throughout the year and promote the "Experience Glen Ellyn" campaign or downtown development projects, such as Streetscape)
3. Website exposure on downtownglenellyn.com,
4. Highlighted in Shopper's Newsletter with option for additional ad space
5. Social media exposure on Facebook, Twitter, email campaigns, Instagram, etc., where appropriate

As part of its activities, Alliance of Downtown Glen Ellyn will, on an annual basis, serve as primary sponsor/organizer of at least five (5) special events intended to bring shoppers into downtown businesses for which the Village will waive special event application fees, conduct at least one (1) site visit with each downtown retailer or restaurant (Alliance Member and Non-Alliance Members), and strive to work with property owners, as a complement to the Village's Economic Development Coordinator lead, to fill empty spaces with appropriate and compatible businesses. Other services provided by Alliance of Downtown Glen Ellyn on an on-going and "as requested" basis are listed in the Appendix attached.

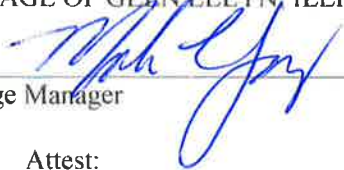
It is agreed to by the Village of Glen Ellyn that this is the second year of a two-year agreement for \$22,000 per year between the Alliance of Downtown Glen Ellyn and Smith Brothers for downtown nighttime sidewalk snow removal and the Village agrees to reimburse the Alliance the full amount of the remaining agreement. In addition, for larger daytime snow occurrences, the Village may approve an additional \$1,400 for daytime sidewalk snow removal in conjunction with Public Works snow removal efforts. The Alliance is required to submit a copy of the agreement between the Alliance and Snow Removal Company and to provide a copy of the selected Snow Removal Company's valid certificate of liability insurance, indicating the Village is an additional insured under the policy for the snow removal operations, to receive the funding under this paragraph.

Alliance of Downtown Glen Ellyn will, monthly, provide a written report to the Glen Ellyn Village Board on its progress in achieving its objectives. In addition, the Alliance Executive Director will present each quarterly report to the Village Board during a regularly scheduled Village Board meeting in March, June, September, and December. This presentation will include data from recent events including but not limited to business sales receipt updates driven from events, event attendance, marketing efforts/results and social media statistics.

The Village President *may* appoint one member to serve as an ex-officio member of Alliance of Downtown Glen Ellyn Board of Directors. A Village staff representative will also serve as an ex-officio member of Alliance of Downtown Glen Ellyn Board of Directors to help ensure communication and compliance. The term of this contract is for a period of the Village's Calendar Year 2022, commencing

on January 1, 2022, and ending on December 31, 2022. Payment of the contract shall be in four installments of \$19,062.50 on March 31, 2022; June 30, 2022; September 30, 2022 and December 30, 2022. The Alliance shall provide a quarterly written report outlining expenses and metrics for the quarter's events as well as an invoice to the Village for the payment.

VILLAGE OF GLEN ELLYN, ILLINOIS

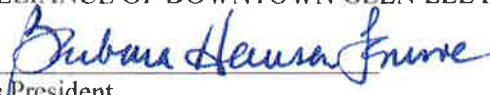

Village Manager

12/21/21
Date

Attest:


Village Clerk

ALLIANCE OF DOWNTOWN GLEN ELLYN


Its President

12/17/21
Date

Attest:

Its Secretary

Responsibilities of Alliance of Downtown Glen Ellyn

Conduct Special Events

- Conduct Special Events that capitalize on the five strengths of the downtown as identified in the Downtown Organization Recommendation Report, including gifts, dining & entertainment, salons & spas, fashion and holidays. Events *may* include Ladies Night Out, Jazz Up, Indoor Sidewalk Sale, Sounds on the Street and other events as determined by the Alliance Board of Directors;
- Events should boost awareness of Downtown Glen Ellyn and drive business traffic and can include partnered events with the Village of Glen Ellyn and Chamber of Commerce and/or other community organizations.

Promotion of Downtown Glen Ellyn

- Assist the Village in promoting downtown as a destination for shopping, dining and entertainment
- Assist the Village in promoting downtown living to support businesses and add to the vibrancy and vitality of the downtown
- Assist the Village in promoting downtown parking opportunities
- Assist the Village in communicating Village Board discussion and decisions that impact downtown business
- Disseminate information regarding downtown events and programs and work with the media to promote downtown
- Produce monthly Shoppers Club newsletter for opt in public subscribers and produce monthly Alliance Member News for all Alliance Members
- Provide general communication to all downtown businesses regarding upcoming events, and downtown news
- Produce an annual report recapping accomplishments, initiatives, and financials and present to the Village Board no later than the end of March of each calendar year
- Continue to maintain and enhance www.downtownglenellyn.com with an emphasis on downtown events, and downtown businesses
- Utilize social media tools to strengthen Alliance on-line presence with increased content and consistency
- Coordinate “Open Banner” Program
- Keep kiosk directories updated and maintained in good condition
- Encourage business owners to maintain & beautify properties

Business Recruitment & Retention & Support

- Build relationships and networks with downtown business, residents and property owners
- Promote downtown as a desirable location for business
- Be a strong advocate for downtown businesses
- Focus on business retention by partnering and working with retailers
- Act as a resource for real estate agents and new/expanding businesses on information on vacant properties and on downtown Glen Ellyn as a place to do business
- Assist prospective and incoming businesses with information and marketing as requested by businesses

- Partner with the Village of Glen Ellyn on commercial real estate broker events to attract business opportunities
- Assist Village with communication with downtown business community on upcoming construction projects
- Cooperate with other groups, such as the Library, Chamber, Innovation DuPage, Small Business Development Center, the Village, that provide educational seminars and networking events for businesses and property owners

Administrative

- Provide materials and information on Alliance events and initiatives to the Village for marketing campaigns and advise downtown businesses with implementing strategies
- Where possible, leverage Glen Ellyn community and organizations in downtown projects and programs
- Coordinate snow removal on downtown sidewalks
- Hold monthly board meetings
- Hold monthly membership meetings which are a vehicle for communication, input and periodic educational opportunities
- Meet or exceed budget targets including management of Alliance member dues collection and other revenue and expense management
- Provide monthly written reports to the Board via the Village Manager's Office
- Provide a written quarterly report to the Board via the Village Manager's Office
- Provide four (4) quarterly in person updates to Village Board

January 24, 2022

Request for ARPA funds for Alliance of Downtown Glen Ellyn

COVID had a direct impact on the Alliance's revenue for 2020 and 2021. Memberships were down significantly. The decline in membership and resulting decline in revenue from dues during the pandemic has strained our ability to run events. We have made accommodations but these in turn are not sustainable nor desirable as we move forward. In order to get back on our pre-pandemic footing we need funds to cover the losses. We request \$10,000 to offset this loss in revenue.

2020 and 2021 Alliance Memberships:

2020: Alliance budgeted \$22,500 (75 members) and Actual Membership was \$7500 (25 members @ \$300/membership) – this reflects a \$15,000 loss in revenue.

2021: Alliance membership revenue was \$10,364 (41 members @ \$250/membership) – this reflected \$5000 loss in membership as we had budgeted for 60 members due to the uncertainty of COVID.

We thank the Village of Glen Ellyn for their consideration of ARPA funds to increase the success of our organization to drive dollars spent for our Downtown businesses.

Respectfully, The Alliance of Downtown Glen Ellyn Board of Directors



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: Administration
Department Head: Meredith Hannah
Category: Discussion Item
Prepared By: Meredith Hannah

**AGENDA ITEM (ID
2022-1928)**

DOC ID: 2022-1928

Discussion of the Glen Ellyn Chamber of Commerce's Request for Financial Assistance (Economic Development Director Hannah)

Statement of the Issue:

During the October 28, 2021, Special Village Board Workshop, the Village Board discussed providing additional financial assistance to the Glen Ellyn Chamber of Commerce. Currently, the Village supports the Chamber through the following avenues annually:

- Gold Membership: \$5,00.00. This includes membership for all Village Departments and the Village Links/Reserve 22
- Public Works & Police Expenses for Taste/Carnival: \$10,000 (in-kind)
- Lease of 810 N. Main Street Building: \$20,000 (in-kind estimated value)

Over the course of 15 months during the height of the COVID-19 pandemic, the Village paid an additional total of \$19,413, to the Chamber in support of Glen Ellyn Business memberships in the Chamber as a inducement to permanently join the Chamber. The Glen Ellyn Chamber of Commerce has submitted two (2) financial requests to the Village for Board consideration.

Analysis:

Due to the impact of the COVID-19 pandemic on the Glen Ellyn Chamber of Commerce, the Chamber is asking for financial assistance. The two (2) requests are as follows:

1. \$45,000 to cover the outstanding balance on the Chamber's Wheaton Bank & Trust loan. The Chamber initially took the loan to support necessary improvements to the 810 N. Main Street building owned by the Village but maintained and leased by the Chamber. Due to the COVID-19 pandemic, the Chamber restructured their bank loan to reduce the required monthly payments but extended the life of the loan. Paying off this loan will eliminate a monthly payment of \$1,215.
2. \$75,000 to continue to provide services and programs instituted to support the business community and Village initiatives throughout the COVID-19 pandemic. These programs and initiatives include but are not limited to, promoting, and coordinating the setup of the Polar Plaza, Santa letter correspondence, job fair, non-for-profit support and numerous other enhancements and events. Due to the in-kind annual contribution of \$30,000 that is anticipated to continue for the building and event support, staff is recommending that this request and future support be capped at \$45,000 annually.

Budget Impact:

The Village Board approved \$125,000 in the 2022 Budget to provide financial support to business organizations negatively impacted by the COVID-19 pandemic. This year's request could be supported with these funds on a one-time basis. Future funding requests will be presented to the Board during the annual Budget process.

Action Requested:

Staff is seeking direction from the Village Board to bring an agreement with the Glen Ellyn Chamber of Commerce to a Village Board meeting for consideration.

Attachments:

1. Glen Ellyn Chamber of Commerce Loan Assistance Request
2. COC Village 2-14-22

"Connecting Business With The Greater Community"



Mr. Mark Senak
President, Village of Glen Ellyn
535 Duane Street
Glen Ellyn, IL 60137

Dear Mr. Senak:

The Glen Ellyn Chamber of Commerce would like to formally request funds from the Village's American Rescue Plan allocation. The Chamber currently has a loan from Glen Ellyn Bank & Trust, the proceeds of which were used to renovate the building at 810 North Main Street, Glen Ellyn. This is a building occupied by the Chamber, but owned by the Village. The loan was restructured in the fall of 2020 to reduce the required payment, by stretching the loan period an additional five years. The restructuring was necessary due to the Chamber's pandemic-related loss of income from canceled fundraising events. The monthly payment due on the loan is \$1215, for an annual outlay by the Chamber of \$14,580.

The current balance on the loan is \$46,935 (February 9, 2022). The Chamber is requesting the amount of \$45,000 to be used to retire the loan and thus eliminate this line item from our annual budget. Eliminating this expense allows the Chamber to allocate the \$14,580 to other areas, such as increased payroll and other operating expenses.

Documentation from Glen Ellyn Bank & Trust will be provided as to the current balance due on the loan.

The Glen Ellyn Chamber thanks you, and the Village Board of Trustees, for your consideration of our request.

JP LaCour
President

810 N. Main Street ~ Glen Ellyn Illinois 60137-3910 ~ Office: 630-469-0907 ~ Fax: 630-469-0426
www.GlenEllynChamber.com

WHEATON BANK AND TRUST CO, N.A.
LOAN DEPARTMENT/(630)690-1800
9801 W HIGGINS RD SUITE 400
ROSEMONT, IL 60018

Page 1 of 1

LOAN STATEMENT

GLEN ELLYN CHAMBER OF COMMERCE
 810 N MAIN ST
 GLEN ELLYN IL 60137-3910

Account Number	
Note	00001
Statement Date	02/09/22
Officer	JOHN HUGHES
Branch Number	003
Current Balance	\$46,935.66
Payment Due Date	02/25/22
Amount Due	\$1,215.42

Your Account Number [REDACTED] Will Be Charged
Call 630-690-1800 with questions on your bill.

SUMMARY					
Note/Category	Current Balance	Interest Rate	Maturity Date	Description	Amount Due
00001/C	46,935.66	4.250000	09/25/25	Principal Payment	1,044.18
				Interest To 02/25/22	171.24
				Total Due On 02/25/22	\$1,215.42

YEAR-TO-DATE SUMMARY			
Interest Paid	175.49	Escrow Interest Paid	0.00
Unapplied Funds	0.00	Escrow Balance	0.00
Taxes Disbursed	0.00		

Please return the bottom portion if you are making an additional loan payment.

GLEN ELLYN CHAMBER OF COMMERCE
 810 N MAIN ST
 GLEN ELLYN IL 60137-3910

X _____
 Signature required for all changes

A late fee of \$60.77 will be imposed if payment is not received by 03/07/22.

687

Please remit and make check payable to:

Account Number	[REDACTED]
Note Number	00001
Payment Due Date	02/25/22
Amount Due	\$1,215.42
Additional Prin, Int, Escrow, Fees:	
Amount Enclosed	

WHEATON BANK & TRUST CO, N.A.
 100 N. WHEATON AVENUE
 WHEATON IL 60187

☐ Check here for change of address or phone number and indicate changes.

Mr. Mark Franz
Village Manager
Village of Glen Ellyn
535 Duane Street
Glen Ellyn, IL 60137



Dear Mark:

The Glen Ellyn Chamber of Commerce is a not-for-profit 501(c)(6) organization that has been wholly funded by membership dues and fundraising events since its founding in 1933. The Glen Ellyn Chamber is a voluntary organization of businesses and individuals that work together for the betterment of the business and civic interests of the community. Chamber membership helps Glen Ellyn businesses stay informed, reduce operating costs, and increase their visibility to customers and the community.

Nation-wide, Chambers of Commerce membership rates have declined, not only due to the recent/ongoing covid pandemic, but since 2005, coinciding with the rise of social networking, as stated by PEW Research Center. As a traditional business networking organization, Chambers are struggling to stay relevant, especially with a new generation of businesses that prefer to operate on-line and remotely. According to the US Chamber of Commerce, chamber membership has declined 15% since 2005. In 2005, the Glen Ellyn Chamber had over 350 members, while today it has about 290, a 17% decline, in line with the national trend. The loss in membership dues has affected the operating budget of the Glen Ellyn Chamber.

How is the Glen Ellyn Chamber of Commerce staying relevant to its local members and community? Even prior to the pandemic spring of 2020, the GECOC created a new website, easily adaptable to news, events, and programs, while still showcasing all member pages with a high SEO rate. The Chamber's Community Newsletter is emailed to over 4500 recipients with an average 40% open rate. Our CRM adapts to use all social media, including Facebook, Twitter, LinkedIn, Instagram and YouTube for press releases, event notices, and media posts.

Since the onset of the covid pandemic, the Chamber has pivoted within its strategic plan, increasing social marketing and creatively changing ways of handling events. Listening to members' needs, the Chamber has already conducted two on-line job fairs, and has more scheduled later this year.

The Glen Ellyn Chamber of Commerce requests funds of \$75,000 from the Village of Glen Ellyn to assist the GECOC in its mission, which is vital to the business community and provides ROI to Village residents, adding to the overall tax base of the Village. This amount will provide funds for continued business development, community events, and staff needs of the GECOC.

The Chamber thanks the Village and its staff for their assistance in making the Chamber successful. The Chamber looks forward to continuing its work to keep Glen Ellyn a wonderful place to work, live, and play, both for our residents and our community's visitors, both now and in the future.

Respectfully,

JP LaCour
President



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: System Administrator
Department Head:
Category: Agreement
Prepared By:

**AGENDA ITEM (ID
2022-1925)**

DOC ID: 2022-1925

Discussion Regarding Amending Two Hound Red's Sales Tax Incentive Agreement

Statement of the Issue:

During the June 12, 2017, Regular Village Board meeting, the Board approved a \$105,000 sales tax rebate incentive with Glen Ellyn Brewing, LLC, doing business as 2 Hound Red. The original agreement stipulates the following:

- Sales tax base of \$15,000 to go to the Village
- Sales tax revenue above \$15,000 would be split 75% to Glen Ellyn Brewing, LLC and 25% to Village of Glen Ellyn
- Total incentive to Glen Ellyn Brewing, LLC not to exceed \$105,000 or 10 years, whichever occurs first

Due to the impact the COVID-19 pandemic has had on their business, 2 Hound Red has asked the Village to reassess their current sales tax rebate agreement.

Analysis:

2 Hound Red opened their doors in the spring of 2019, and to date, due to the pandemic, have not hit the \$15,000 sales tax base benchmark to receive any of their incentive funds. The owners have approached the Village to request lowering the Sales Tax Base from \$15,000 to \$10,000. Based on their current projections they believe they will begin to receive incentive dollars this year with the lowered base amount. The revised agreement would stipulate the following:

- Sales tax base of \$10,000 to go to the Village
- Sales tax revenue above \$10,000 would be split 75% to Glen Ellyn Brewing, LLC and 25% to Village of Glen Ellyn.
- Total incentive to Glen Ellyn Brewing, LLC not to exceed \$105,000 or 10 years, whichever occurs first. The 10-year mark will remain at the original date of 10 years from opening their doors, 2029.

The split and term length of the agreement would not change from the original proposal.

Budget Impact:

The incentive maintains the burden of performance on the business to drive sales in order to receive an incentive. It does not include the food and beverage sales tax, as the Village established that after this incentive agreement was approved.

Action Requested:

Staff is seeking direction from the Village Board to bring an updated agreement to a Village Board meeting for consideration.

Attachments:

1. June 2017 Incentive Agreement
2. 2 Hound Red Incentive Adjustment Request



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 06/12/17 07:30 PM
Department: Administration
Department Head: Al Stonitsch
Category: Discussion Item
Prepared By: Meredith Hannah

SCHEDULED

AGENDA ITEM (ID # 2745)

DOC ID: 2745

**Approve a Fire Prevention System Award in the amount of \$15,000,
and a performance-based Sales Tax Rebate Agreement in the
amount of \$105,000, with Glen Ellyn Brewing, LLC, to be located at
486 Pennsylvania Avenue.**

Background

Glen Ellyn Brewing, LLC has recently purchased the former Schmid pharmacy located at 486 Pennsylvania Avenue. Representatives from Glen Ellyn Brewing, LLC presented to the Village Board on November 14, with an Interior and Façade Award request. The Village Board approved a \$15,000 Interior Award and a \$15,000 Façade Award.

Since November, the developer has taken ownership of the property and continued to work on the plans for redeveloping the site for the brewery and restaurant. The interior of the building has been demolished and they have received their building permits from the Village to proceed. Estimates have been coming in significantly higher than originally anticipated due to the age of the building, lack of building maintenance since the shop closed and the complete change in use of the building from retail to brewery/restaurant. The developer is asking the Village Board to consider an additional \$120,000 incentive in the form of a sales tax rebate.

Glen Ellyn Brewing, LLC presented to the Village Board during the workshop meeting on May 15, 2017, requesting a sales tax rebate and a fire prevention system award to assist with the remaining financial gap to improve and convert the building located at 486 Pennsylvania Avenue from a former retail space to a restaurant and brewery. During the meeting the Village Board expressed interest in considering a \$15,000 Fire Prevention System Award and a \$105,000 sales tax rebate incentive over 10 years to facilitate closing the developer's financial gap and asked staff to present this at the June 12, 2017 Village Board meeting for formal consideration.

Issues

Glen Ellyn Brewing, LLC has provided the following cost estimates:

Projected Development Costs

Building Purchase	\$760,000
Soft Costs	\$96,000
Construction	\$1,400,000
Equipment	\$650,000
Contingencies	\$150,000
Pre-Opening Expenses	\$55,000
Total Project Costs	\$3,111,000
Eligible for Village Incentives	\$1,400,000

Proposed Financing

Total Project	\$3,111,000
Private Investment	\$600,000
Bank Loan	\$2,357,000
Shortfall	(\$154,000)

Assistance Requested

Interior/Façade Award*	\$30,000
Water Service/Disconnect	\$48,000
Sewer Lining	\$20,000
Fire Suppression System	\$36,000
Electric Service Upgrade	\$20,000
Total Financial Assistance Requested Rounded to \$120K (minus \$30K previously approved)	\$154,000

*\$30,000 Awards approved by the Village Board at the November 14, 2016 Village Board meeting.

The developer is asking the Village Board to consider an additional \$120,000 in financial assistance in the form of a sales tax rebate over time. This is not something the Village has done for other restaurants in the community before, however, the developer feels this project warrants additional assistance due to the following reasons:

- Building has been vacant for more than six years, generating no sales tax for the community; and reduced property taxes for many years
- A performance-based sales tax rebate would put the burden of performance on the business to drive sales; and
- Conversion of a retail space to a restaurant space is more costly than renovating a second generation restaurant space to a new restaurant space

Attached is a ten year sales tax projection that predicts that project would generate over \$35,000 in sales tax revenue to the Village in year one. Staff has been working with the developer to negotiate a sales tax rebate incentive to facilitate meeting the \$120,000 financial gap. The scenario being proposed includes the Village receiving a base amount of \$15,000 in sales tax revenue, with the remaining sales tax revenue being split between the Village and the Developer 25/75% respectively over the remaining 10 years or until the developer receives \$120,000; whichever occurs first. With the sales tax projections the developer has provided, the incentive could be closed out by year 6.

This sales tax rebate incentive structure is similar to other sales tax rebates the Village has approved in previous years with other businesses where the Village receives a base amount and then the developer and Village share the remaining revenue.

Business	Approved	Base Revenue to Village	Revenue Split - Village/Developer	Total Incentive	Term
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Haggerty	Sept. 2012	\$224,400	20/80 25/75	\$850,000	1-10 yrs. 11-15 yrs.
The Fresh Market/ OPUS	Jan. 2013	First 10% of new sales tax revenue	60/40	\$1,000,000	10 yrs.
DeSitter Flooring	Sept. 2015	\$700,000	50/50	\$100,000	8 yrs.

The first two scenarios above were for significant redevelopment projects, with Haggerty's improvements being mandated from the corporate offices and The Fresh Market redeveloping a formerly underutilized key retail location, therefore the total incentives are significantly higher. DeSitter was converting a former specialty grocer to the flooring showroom and sales office.

Village Board Action

The Board is being asked to approve a \$15,000 Fire Prevention System Award and a ten year Sales Tax Rebate Incentive where the Village will receive a base amount of \$15,000 in sales tax revenue annually, with the remaining sales tax revenue being split between the Village and the Developer 25/75% respectively over the remaining 10 years or until the developer receives \$105,000; whichever occurs first. With the sales tax projections the developer has provided, the incentive could be closed out by year 6.

Attachments

Proposal from Glen Ellyn Brewing, LLC
Financial Statements from Glen Ellyn Brewing, LLC
Glen Ellyn Brewing LLC, Sales Tax Rebate Agreement

ATTACHMENTS:

- Incentive Request from Two Hound Red (PDF)
- Fire prevention award app 486 Penn (PDF)
- Award Budget Summary 5-31-17 (PDF)
- Glen Ellyn Brewing Agmt-6-12-17 (PDF)
- Two Hound Red Revenue Analysis 2017-06-12 (PDF)

Proposal for Redevelopment and Sales Tax Rebate**Background**

Glen Ellyn Brewing LLC is looking to open a restaurant brewpub at 486 Pennsylvania Avenue in Glen Ellyn. The 7,900 square foot building will allow for a first class restaurant and bar in the front of the building with the brewery located to the rear. By taking a space that has been vacant and underutilized for a 6+ years, we hope to salvage a building that is part of the history of downtown Glen Ellyn. Sales from food, beverage and packaged beer are anticipated to be ~\$2M in the first year from what has been \$0 for the past 6+ years. The renovation for the project will also increase the property value from \$750,000 to an anticipated \$1,500,000. Two Hound Red will be a destination for craft beer enthusiasts throughout Chicagoland that will bring additional visitors and money into the village along with increased foot traffic along Pennsylvania Ave. We want to help Glen Ellyn build a vibrant restaurant and retail scene in anticipation of the large apartment project down the street.

Issues

In purchasing a long time vacant building and making much needed improvements; we have a large financial investment in the project. The plans renovations are extensive and much more costly than originally planned. The current estimates are that it will take \$1.4M to make the building work for our business, when our original plans accounted for \$550k. The total project is projected to be ~\$3M. In order to make the project work for the bank funding the project, we need help from the Village. We are asking for financial assistance from the Village in the form of sales tax rebate money, as well as help with infrastructure improvements. We are asking for a 50% rebate on sales tax up to \$150,000. In addition, we are requesting reimbursement for a new 6" water line brought to the building, as well as the existing water line disconnected at the main. Another expense required to bring this building up to standards is to improve the electrical service, we are requesting reimbursement of \$20k towards updating the electrical service. Finally, we are asking for the village to reimburse the cost of adding a fire suppression system into the building.

Developer Estimate of Project Performance/Tax Revenue**Developer Estimate of Sales Potential**

4 Year Projected Sales				
	Year 1	Year 2	Year 3	Year 4
Sales (annual)	\$ 1,794,199	\$2,063,329	\$2,269,662	\$2,610,111

Developer Pro Forma Outline

A. Cost of Development Estimates

Projected Development Costs	
Building Purchase	\$760,000
Soft Costs	\$96,000
Construction	\$1,400,000
Equipment	\$650,000
Contingencies	\$150,000
Pre-Opening Exp	\$55,000
Total Project	\$3,111,000

B. Proposed Financing

Proposed Financing	
Total Project	\$3,111,000
Private Injection	\$600,000
Bank Loan	\$2,357,000
Shortfall	(\$154,000)
Village assistance	
Facade/interior Grant	\$30,000
Water Service/Disconnect	\$48,000
Sewer lining	\$20,000
Fire Suppression	\$36,000
Electric service upgrade	\$20,000

C. Annual Cash Flow Analysis

See attachment

D. Sales/Profit Analysis

	Year 1	Year 2	Year 3	Year 4
Sales (annual)	\$ 1,794,199	\$2,063,329	\$2,269,662	\$2,610,111
Profit	\$ 74,663	\$110,534	\$110,965	\$122,372

Glen Ellyn Brewery Monthly Cash Flow Projections

Current Month	September	October	November	December	January	February	March	April	May	June	July	August	Total Year
1. Cash on Hand													
Beginning of Month	\$0	\$13,272	\$12,760	\$13,206	\$15,238	\$14,747	\$11,895	\$13,468	\$15,844	\$20,055	\$29,107	\$39,192	\$0
Plus:													
(a) Cash Sales	\$135,857	\$147,914	\$151,457	\$157,657	\$147,914	\$138,800	\$155,886	\$158,986	\$166,071	\$188,057	\$192,643	\$188,214	\$1,794,199
(b) Collections From Accounts Receivable													\$0
(c) Other Cash Income													\$0
2. Total Cash Available (Before Cash Paid Out)	\$0	\$135,857	\$164,217	\$170,863	\$163,152	\$153,547	\$167,781	\$172,454	\$181,915	\$208,112	\$221,750	\$227,406	\$1,794,199
3. Cash Paid Out													
(a) Purchased Inventory	\$40,307	\$44,537.40	\$45,004.21	\$47,471.05	\$44,537.40	\$41,793.15	\$46,937.80	\$47,871.22	\$50,004.54	\$56,805.20	\$58,005.46	\$56,671.87	\$524,474
(b) Gross Wages (Excludes Withdrawals)	\$45,512	\$49,551.19	\$50,738.10	\$52,815.10	\$49,551.19	\$46,498.00	\$52,221.81	\$53,280.31	\$55,535.79	\$63,200.10	\$64,535.41	\$63,051.09	\$583,317
(c) Officer's Salaries	\$0												\$0
(d) Payroll Expenses (Taxes, etc.)	\$14,253	\$15,517.92	\$15,889.62	\$16,540.08	\$15,517.92	\$14,581.76	\$16,354.28	\$16,679.50	\$17,422.80	\$19,792.34	\$20,210.52	\$19,745.87	\$182,740
(e) Outside Services	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$1,543	\$16,973
(f) Supplies (Offices and Operation)	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$686	\$7,546
(g) Repairs and Maintenance	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357	\$25,927
(h) Advertising	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$2,143	\$23,573
(i) Car Delivery and Travel	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$11,781
(j) Account and Legal	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$1,714	\$18,854
(k) Rent	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$5,896
(l) Telephone	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$536	\$5,896
(m) Utilities	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$5,807	\$65,883
(n) Insurance	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$3,270	\$35,970
(o) Taxes (Real Estate, etc.)	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$24,750
(p) Interest Expense	\$11,733	\$11,733	\$11,733	\$11,733	\$11,733	\$11,682	\$11,630	\$11,603	\$11,557	\$11,550	\$11,524	\$11,497	\$128,028
(q) Owner's Withdrawal	\$5,101	\$5,127	\$5,153	\$5,178	\$5,178	\$5,204	\$5,256	\$5,283	\$5,329	\$5,336	\$5,362	\$5,389	\$57,718
(r) Loan Principal Payment (other)													\$0
(s) Miscellaneous (unspecified)													\$0
(t) Other Expenses (Specify each)													\$0
(u) Other Expenses (Specify each)													\$0
4. Total Cash Paid Out (Total 3a Through 3u)	\$0	\$122,585	\$148,406	\$155,625	\$148,406	\$141,652	\$154,313	\$156,610	\$161,860	\$179,605	\$182,558	\$178,288	\$1,719,538
5. Cash Surplus (Deficit) (2 minus 4)	\$0	\$13,272	\$16,780	\$15,238	\$14,747	\$11,895	\$13,468	\$15,844	\$20,055	\$29,107	\$39,192	\$49,137	\$74,663
6. Borrowings													
7. Loan Repayment													
8. Cash on Hand (End of Month)	\$0	\$13,272	\$12,780	\$13,206	\$14,747	\$11,895	\$13,468	\$15,844	\$20,055	\$29,107	\$39,192	\$49,137	\$74,663

Glen Ellyn Cash Flow Projections

	Sept 2017-August 2018	Sept 2018-August 2019	Sept 2019-August 2020
1. Cash on Hand			
Beginning of Month			
Plus			
(a) Cash Sales	\$2,063,329	\$2,269,662	\$2,496,628
(b) Collections From Accounts Receivable			
(c) Other Cash Income			
2. Total Cash Available (Before Cash Paid Out)	\$2,063,329	\$2,269,662	\$2,610,111
3. Cash Paid Out			
(a) Purchased Inventory	\$660,265	\$748,988	\$898,786
(b) Gross Wages (Excludes Withdrawals)	\$691,215	\$760,337	\$874,387
(c) Officer's Salaries	\$50,000	\$50,000	\$57,500
(d) Payroll Expenses (Taxes, etc.)	\$52,878	\$58,166	\$66,891
(e) Outside Services	\$21,471	\$25,765	\$29,630
(f) Supplies (Offices and Operation)	\$9,546	\$11,455	\$13,173
(g) Repairs and Maintenance	\$32,798	\$39,357	\$45,261
(h) Advertising	\$28,288	\$33,945	\$39,037
(i) Car, Delivery and Travel	\$13,548	\$14,903	\$18,629
(j) Account and Legal	\$20,739	\$22,813	\$26,235
(k) Rent	\$6,486	\$7,783	\$8,950
(l) Telephone	\$5,896	\$7,075	\$8,136
(m) Utilities	\$82,366	\$90,603	\$104,193
(n) Insurance	\$43,164	\$51,797	\$59,566
(o) Taxes (Real Estate, etc.)	\$31,500	\$33,075	\$34,729
(p) Interest Expense	\$135,827	\$131,706	\$127,332
(q) Owner's Withdrawal			\$0
(r) Loan Principal Payment(other)	\$66,808	\$70,929	\$75,304
(s) Miscellaneous (unspecified)			\$0
(t) Other Expenses (specify each)			\$0
(u) Other Expenses (specify each)			\$0
4. Total Cash Paid Out (total 3aThrough 3s)	\$1,952,795	\$2,158,697	\$2,487,739
5. Cash Surplus (Deficit) (2 minus 4)	\$110,534	\$110,965	\$122,372
6. Borrowings			
7. Loan Repayment			
8. Cash on Hand (End of Month)	\$110,534	\$110,965	\$122,372

**REDEVELOPMENT AND SALES TAX REBATE INCENTIVE AGREEMENT
BY AND BETWEEN THE VILLAGE OF GLEN ELLYN, ILLINOIS AND
GLEN ELLYN BREWING, LLC OF GLEN ELLYN**

THIS DEVELOPMENT AGREEMENT is entered into this _____ day of _____
2017, by and between the Village of Glen Ellyn (the "*Village*"), Illinois, an Illinois municipal
corporation, and Glen Ellyn Brewing, LLC (the "*Company*"), a corporation of the State of
Illinois.

PREAMBLES

WHEREAS, the Village of Glen Ellyn, DuPage County, Illinois, is a home rule
municipality pursuant to the Illinois Constitution of 1970 and the laws of this State;

WHEREAS, the Village has the statutory power granted to it, along with the powers
of a home rule municipality, to regulate for the protection of the public health, safety, morals
and welfare of its residents and pursuant thereto, has the power to encourage private
development and redevelopment in order to enhance the local tax base, create employment
opportunities and to enter into contractual agreements with private parties in order to
achieve these goals;

WHEREAS, intends to locate open a brewery and restaurant in the Village (the
"*Restaurant*") located at property commonly known as 486 Pennsylvania Avenue and legally
described on *Exhibit A* (attached hereto and made a part hereof (the "*Subject Property*") which
the Restaurant has chosen to open their business;

WHEREAS, the building on the property has remained vacant for a period of at least five years,
generating no sales taxes;

WHEREAS, the Company is willing to renovate and remodel the facility at the Subject
Property in order to enhance the appearance and meet their business needs with a goal

toward increasing sales and expanding job opportunities;

WHEREAS, the President and Board of Trustees of the Village (the "*Corporate Authorities*") are authorized to enter into economic incentive agreements and share or rebate a portion of the retailers' occupation taxes, ("*Sales Taxes*"), generated by the Company's operations;

WHEREAS, the Company will submit plans and specifications for the renovation of the Subject Property (the "*Project*") and will complete the Project in accordance with all applicable Village ordinances (collectively, the "*Legal Requirements*") as necessary; and

WHEREAS, the Corporate Authorities have reviewed the projected costs of construction and operation of the subject development, a copy of which is attached hereto as Exhibit B, and have determined that the provision by the Village to the Company of the assistance hereinafter described and the renovation by the Company of the Subject Property pursuant to this Agreement are necessary to make the project viable and in the best interests of the Village and its residents and taxpayers, thereby helping to provide for economic development and job opportunities for the inhabitants of the Village, enhance the tax base of the Village and other taxing districts and add to the welfare and prosperity of the Village and its inhabitants.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The Parties agree that all of the recitals contained in the foregoing Preambles are true and correct and are hereby incorporated into this Agreement as though they were fully set forth

in this Section 1.

Section 2. Definitions

- A. **Agreement.** This Economic Incentive Agreement.
- B. **Audit.** The Village may undertake, at the sole cost and expense of the Village, a review of the books and records of the Company, as hereinafter defined by the Financial Consultant for the purpose of making a determination of the amount of Sales Tax the Village should have received under the terms of this Agreement and for the purpose of verifying the Company is in compliance with the terms of this Agreement.
- C. **Financial Consultant.** The person, firm or corporation and agents thereof authorized by the Village to conduct an Audit of the Business regarding all transactions occurring during any given Sales Tax Year following the date of this Agreement.
- D. **Gross Receipts.** The term "Gross Receipts" shall have the same meaning as that which is ascribed to it in the Retailers' Occupation Tax Act.
- E. **Home Rule Sales Tax.** The current one percent (1%) sales tax imposed in the Village pursuant to Village's Home Rule Sales Tax Ordinance No. 2004-16 enacted in accordance with the Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1) and the Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-5). Pursuant to the Home Rule Municipal Retailers' Occupation Tax Act, said tax shall not be imposed upon an item of tangible personal property titled or registered with an agency of the State of Illinois and certain other tax exempt entities.

- F. **Incremental Sales Tax Revenue.** This includes Municipal Sales Tax and Home Rule Sales Tax, but does not include any increase to the Home Rule Sales Tax rate that may be approved by the Village Board subsequent to this agreement.
- G. **Municipal Sales Tax.** That portion or component of the Sales Tax generated by the Business that the Village actually receives from the State of Illinois.
- H. **Municipal Sales Tax Payment.** The payment to the Company of a portion of the Municipal Sales Tax that the Village is required to make pursuant to Section 3 of this Agreement.
- I. **Payment Date.** Within forty-five (45) days after the Company provides documentation of taxes paid for the previous year.
- J. **Retailer's Occupation Tax Act.** The Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 *et seq.*, as the same has been, and may, from time to time hereafter, be amended.
- K. **Sales Tax(es).** Any and all taxes imposed and collected by the State of Illinois.
- L. **Sales Tax Year.** Each year, beginning on January 1st, which commences after all of the Improvements have been put in place and inspected and certified to have been completed by the Village as specified in Section 3(B).
- M. **Service Occupation Tax Act.** The Illinois Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, as the same has been, and may, from time to time hereafter, be amended.
- N. **Base Sales Tax Revenue.** Base Sales Tax Revenue shall mean Fifteen Thousand Dollars (\$15,000.00).

Section 3. Economic Incentives

- A. It is understood by the parties and declared by the Village that the relocation and remodeling by the Company will generate a substantial level of Incremental Sales Tax Revenue. The Company represents, warrants and covenants that the Company will comply in all respects with Retailers' Occupation Tax Act, as amended (35 ILCS 120/1 *et seq.* (2010)).
- B. The rebate under the Term of this Agreement shall commence as of the January 1, 2018, provided that the Owner has received all governmental approvals required, opened for business and all improvements are completed and inspected by the Village, and found to have been built in accordance with the plans. All payments shall expire upon the earlier of: (i) payment by the Village of the total amount (\$105,000) to be rebated under Section 3.C.; or (ii) ten (10) years.
- C. Sales Tax Rebate
1. The Village shall rebate a portion of the Incremental State Sales Tax Revenue it receives based on the Company's sales on an annual basis, with payment due within forty-five (45) days after the Company provides documentation of taxes paid for the previous year.
 2. The amount rebated to the Company shall be as follows: (a) for years 1 through 10 of this Agreement – seventy-five percent (75%) of the amount of the Incremental State Sales Tax Revenue with the Village receiving twenty-five percent (25%) in excess of the Base State Sales Tax Revenue (\$15,000) generated by the Company, and received by the Village, as further limited herein. The total amount rebated to the Company shall not exceed One Hundred Five Thousand Dollars (\$105,000.00)

(the "Aggregate Rebate Limit") during the entire term of this Agreement.

Section 4. Sales Tax Reports

A. The obligation to provide sales tax information to the Village is the Company's responsibility. Within forty-five (45) days after the end of each Sales Tax Year Period, Company shall provide the Village with a statement, accompanied by certified monthly Illinois Department of Revenue returns (ST-1 and/or ST-2), requesting reimbursement pursuant to Section 3 of this Agreement. Company shall also maintain and have available for inspection by the Village copies of any and all Retailers' Occupation Tax returns, Sales Tax reports, amendments, proofs of payment or any other Sales Tax Revenue information filed by Company with the State of Illinois or other appropriate governmental entity, which documents will be made available to the Village for purposes of identifying Sales Tax Revenue collected pursuant to this Agreement. Such documents shall be sent to the attention of the Village Manager of the Village. To the extent permitted by law, the Village shall maintain the confidentiality of the information contained in such reports. In addition, prior to any payments to the Company pursuant to this Agreement, the Company shall provide, or cause the Village to be provided with properly executed authorizations to the State of Illinois granting the Village the right to access the Sales Tax records of the Company. The Company acknowledges and agrees that the provisions of this Agreement shall be a matter of public record, as shall any and all payments made by the Village to the Company pursuant to this Agreement. The Company further covenants and agrees that upon the request of the Village, the Company shall furnish or cause to be furnished such consents

or waivers as may reasonably be required by the Local Tax Allocation Division of the Illinois Department of Revenue, including but not limited to, a Consent to Disclosure Statement in form and content satisfactory to the State and the Village, in order to release the above-described Sales Tax information to the Village. The Company agrees and acknowledges that any disbursements of the Village made pursuant to this Agreement can only be made from and to the extent of the data submitted to the State of Illinois in accordance with this Section.

- B. In the event that any returns or documentation from the Illinois Department of Revenue are delayed, then the Village may request and the Company shall furnish the Village with executed copies of the monthly returns filed with the Illinois Department of Revenue for the operations of the Company at the Property. Whenever the Village deems it necessary to the fulfillment of this Agreement, the Village shall have the right to conduct an audit of the books and records of the sales, returns and payments of Sales Tax relating to the operation of the Company at the Property, upon the giving to the Company reasonable notice, at reasonable times and with payment carried out as set forth in the definition of the word Audit in Section 2.

Section 5. Reimbursement Mechanism

The Village shall remit in full to the Company, or its designee, the pro rata share of the Incremental Sales Tax Revenue to which the Company is entitled as determined in Section 3.C., *supra*. The Village shall be liable to the Company for disbursement of monies hereunder only to the extent of the Sales Tax Revenue generated by the Company by virtue of the Development and actually received by the Village from the Illinois Department of Revenue or other applicable

governmental agency or body. Any payments due the Company pursuant to this Agreement shall be reduced by an amount equal to all collection fees imposed upon the Village by the State of Illinois or the Illinois Department of Revenue or other applicable governmental agency or body, for collection of Sales Tax Revenue generated by the Development.

Section 6. Term of the Agreement

Unless earlier terminated pursuant to Section 14, the term of this agreement shall commence on the date of execution and end on January 1, 2029 which includes final payment for 2028 calendar year.

Section 7. Assignment

This Agreement may be assigned by the Company with the prior written consent of the Village, which consent shall not be unreasonably withheld. Upon approval by the Village to a successor, assignee, Company shall be released from this Agreement notwithstanding anything to the contrary in the foregoing except for its obligations under Section 3-D.

Section 8. Company Indemnification

The Company shall indemnify and hold harmless the Village, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly pertaining to the Subject Property from the failure of the Company or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the

Company) to timely pay any contractor, subcontractor, laborer or material man; from any default or breach of the terms of this Agreement by the Company; or, from any negligence or reckless or willful misconduct of the Company or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Company). The Company shall, at its own cost and expense, appear, defend and pay all reasonable charges of attorneys, costs and other expenses arising there from or incurred in connection therewith. If any judgment shall be rendered against the Village, its agents, officers, officials or employees in any such action, the Company shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the Village or any of its officers, agents, employees or contractors.

Section 9. Waiver

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

Section 10. Severability

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or

unenforceable, shall not be affected thereby.

Section 11. Notices

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows, but with the parties being able to substitute in writing substitutions, from time-to-time:

To the Company:

Glen Ellyn Brewing, LLC
486 Pennsylvania Avenue
Glen Ellyn, Illinois 60137
Attention:
Jon With &
John Lindstrom

With a copy to:

To the Village:

Village Manager
Village of Glen Ellyn
535 Duane Street
Glen Ellyn, Illinois 60137

Section 12. No Joint Venture, Agency or Partnership Created

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

Section 13. Governing Law

This Agreement shall be taken and deemed to have been fully executed, made by the parties, in and governed by the laws of the State of Illinois for all purposes and intents.

Section 14. Remedies – Liability

- A. If, in the Village's judgment, the Company is in material default of this Agreement, the Village shall provide the Company with a written statement indicating any failure on the Company's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the Village may not exercise any remedies against the Company in connection with such failure until sixty (60) days after giving such written notice. If such default cannot be cured within such sixty (60) day period, such sixty (60) days period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Company diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Village in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.
- B. If the Company materially fails to fulfill its obligations under this Agreement after notice is given by the Village and any cure periods described in paragraph 14.A above have expired, the Village may elect to exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms

and conditions of this Agreement.

C. If, in the Company's judgment, the Village is in material default of this Agreement, the Company shall provide the Village with a written statement indicating in adequate detail any failure on the Village's part to fulfill its obligations under this Agreement. The Company may not exercise any remedies against the Village in connection with such failure until sixty (60) days after giving such notice. If such default cannot be cured within such sixty (60) day period, such sixty (60) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Village diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. Any failure or delay by the Company in asserting any of its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance; provided, however, no recourse under or upon any obligation contained herein or for any claim based thereon shall be had against the Village, its officers, agents, attorneys, representatives or employees in any amount or in excess of any specific sum agreed to be paid

by the Village hereunder, and no liability, right or claim at law or in equity shall be attached to or incurred by the Village, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sums agreed by the Village to be paid hereunder and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village. Notwithstanding the foregoing, in the event either party shall institute legal action against the other party because of a breach of any agreement or obligation contained in this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

- E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Illinois. Any legal proceedings shall be commenced in the Circuit Court of DuPage County.

Section 15. Force Majeure

Performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes or lack of transportations. An extension of time for any such cause

shall be for the period of the delay, which period shall commence to run from the time of the commencement of the cause, provided that written notice by the party claiming such extension is sent to the other party not more than thirty (30) days after the commencement of the cause or not more than thirty (30) days after the party claiming such extensions could have first reasonably recognize the commencement of the cause, whichever is later.

Section 16. Amendment

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all parties with the adoption of any ordinance or resolution of the Village approving said amendment, as provided by law, and by execution of said amendment by the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof.

Section 17. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Glen Ellyn, Illinois.

Village of Glen Ellyn, an Illinois Municipal Corporation

By: _____
Village President

Jon With, Glen Ellyn Brewing, LLC,

By: _____
Co-Owner

John Lindstrom, Glen Ellyn Brewing, LLC

By: _____
Co-Owner

Attest: _____
Secretary

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 39 IN BLOCK 17 OF THE COUNTY CLERK'S SECOND ASSESSMENT DIVISION, IN GLEN ELLYN, IN SECTION 11, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 3, 1906 AS DOCUMENT 88052, IN DUPAGE COUNTY, ILLINOIS.

EXHIBIT B

All of the Improvements Shown On Exhibit "B" Must Be Completed And Approved As Being In Compliance With This Exhibit And Village Ordinances For The Commence Date To Be Triggered. Those Improvements Are:

- Water Service/Disconnect
- Sewer Lining
- Electric Service Upgrade
- Fire Suppression System

Two Hound Red Brewery-Sales Tax Incentive Request											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Projected annual sales	\$ 1,795,199.00	\$ 1,974,718.90	\$ 2,172,190.79	\$ 2,389,409.87	\$ 2,389,409.87	\$ 2,389,409.87	\$ 2,389,409.87	\$ 2,389,409.87	\$ 2,389,409.87	\$ 2,389,409.87	\$ 22,667,977.77
Increase from previous year		\$ 179,519.90	\$ 197,471.89	\$ 217,219.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
% increase		10%	10%	10%	0%	0%	0%	0%	0%	0%	
Total Sales Tax (2%)	\$ 35,903.98	\$ 39,494.38	\$ 43,443.82	\$ 47,788.20	\$ 47,788.20	\$ 47,788.20	\$ 47,788.20	\$ 47,788.20	\$ 47,788.20	\$ 47,788.20	\$ 357,783.16
Village gets Base (See Below); and splits rest 25/75	\$ 20,226.00	\$ 21,123.59	\$ 22,110.95	\$ 23,197.05	\$ 23,197.05	\$ 23,197.05	\$ 23,197.05	\$ 23,197.05	\$ 23,197.05	\$ 23,197.05	\$ 179,445.79
Developer shares 75/25 after Base	\$ 15,677.99	\$ 18,370.78	\$ 21,332.86	\$ 24,591.15	\$ 24,591.15	\$ 24,591.15	\$ 24,591.15	\$ 24,591.15	\$ 24,591.15	\$ 24,591.15	\$ 178,337.37
Cumulative Developer Incentive	\$ 15,677.99	\$ 34,048.77	\$ 55,381.63	\$ 79,972.78	\$ 104,563.93	\$ 129,155.07	\$ 153,746.22	\$ 178,337.37	\$ 202,928.52	\$ 227,519.67	
Cumulative Village Sales Tax	\$ 20,226.00	\$ 41,349.59	\$ 63,460.54	\$ 86,657.59	\$ 109,854.64	\$ 133,051.69	\$ 156,248.74	\$ 179,445.79	\$ 202,642.84	\$ 225,839.89	
Village Base Sales Tax	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	
Notes:											
Property Owner indicates a \$120K financial gap, this is in addition to the \$30K award funds already approved by Village Board											
Additional \$15K award funds for fire sprinkler system											
Village receives \$15K sales tax first as the new base, then split 25% Village/75% Developer											
Agreement would be \$105K max incentive or 10 years whatever occurs first											



12/19/2021

The following is a request for reconsideration of the Redevelopment and Sales Tax Rebate Incentive agreement between the Village of Glen Ellyn and Glen Ellyn Brewing Company (DBA Two Hound Red) from 2017.

The original agreement was that after a base yearly amount of \$ 15,000 was paid to the Village of Glen Ellyn in taxes that 75% of the amount over that would be returned to Glen Ellyn Brewing while the Village of Glen Ellyn retains 25%. The original term of the agreement was 10 years.

This agreement was never put in place however Glen Ellyn Brewing Company has reclaimed the vacate property and created an appealing and productive business in Glen Ellyn. We have real sales numbers now to use in consideration of the Redevelopment and Sales Tax Rebate Incentive agreement.

For the year 2020 our sales were: \$ 777,137

For the year 2021 we expect sales to be around: \$ 900,000

Our forecast/goal for 2022 is to get to sales around \$ 1,300,000 +

We ask that a new agreement is put in place with the following terms:

1. Reduce the base yearly amount to be just \$ 10,000
2. Retain the original agreement that after the base amount is met that 75% would be returned as a rebate to Glen Ellyn Brewing Company
3. Retain the original term of the agreement to be 10 years.

We believe this is a fair agreement for both the Village of Glen Ellyn and Glen Ellyn Brewing Company.

Please let us know of any questions.

Thanks,

Jon With – Managing Partner

Tim Rodine - CFO



**Glen Ellyn Village
Board**
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/22/2022 7:00 PM
Department: System Administrator
Department Head: Deputy Chief Vavra
Category: Purchase
Prepared By: Commander Andrew Downey

**AGENDA ITEM (ID
2022-1901)**

DOC ID: 2022-1901

Discussion of the Glen Ellyn Police Department purchase of Body Cameras and Squad Car Cameras and the contract proposed by Axon Enterprises of Scottsdale, Arizona in the amount of \$383,560.03.

Statement of the Issue:

In light of recent widely publicized incidents, law enforcement has been greatly scrutinized on a national level. The public's perception of the police has become increasingly skeptical, with many feeling that their trust and confidence has been broken. The Glen Ellyn Police Department has always taken pride in the relationship between the public and the police and recognize the need to maintain this relationship built on trust and integrity. In addition, law enforcement officials are facing new challenges and obstacles with the upcoming requirements set forth in House Bill 3653, commonly referred to as the SAFE-T Act. While body cameras are not required for the Village under this new legislation until January 1, 2025, the Glen Ellyn Police Department immediately began planning for this inevitable purchase and implementation. Also, the existing squad car camera systems are beyond their life expectancy and are in need of replacement. The most cost-effective solution for the Village is to bundle the body camera and in-car camera purchases.

For this reason, we are seeking approval to purchase body cameras and replace our in-car camera system. It is very typical to utilize body camera and squad car camera systems that are compatible and integrated with each other for the most effective functionality. The quotes contained within this document reflect both of these components. On page seven of this memo, you will find a recommendation to purchase Axon body cameras and squad camera system.

Analysis:

VENDOR BACKGROUND:

In April of 2021, we had the opportunity to listen to multiple presentations from each company where various staff members were able to attend including IT Director Chiappetta. Throughout this process, we communicated frequently with the three sales representatives of the aforementioned companies. The initial WatchGuard sales representative, Daniel Freveletti, was the least responsive, often not responding until a second email was sent. The initial quote did not contain all the information we had requested, and therefore we received a second, higher quote. Since that time, we were assigned a different sales rep, Daniel O'Shea. In reviewing WatchGuard's body camera system, it became apparent that the technology was subpar compared to BodyWorn and Axon, and their evidence management system was not as developed/refined as the other two companies. The BodyWorn representative, John Watson, was receptive and informative but while BodyWorn is well established in Indiana, they are not as commonly used in the Illinois region. Axon's representative,

Rachel Leinson, was very responsive and helpful, and often took the initiative to set up additional Zoom meetings to review quotes and features.

FEEDBACK:

We solicited input from many departments in the area that utilize WatchGuard, BodyWorn, or Axon. The following summarizes the feedback we received for each company.

WatchGuard: A recurring complaint about WatchGuard was poor customer service, inconsistent quotes with unexpected price increases, and poor video quality compared to other vendors.

Another agency stated WatchGuard had a two-step server upload process that ultimately required local IT hardware/maintenance.

BodyWorn: As of early 2021, Quincy PD was one of the only departments in Illinois using BodyWorn cameras. They described BodyWorn as a great system with outstanding tech support and customer service. It is a highly configurable system that can be tailored to each Police Department's needs. They did find it necessary for officers to change the battery during their 12-hour shifts. They also found that a sim card needed to be used in each camera through ATT for live GPS features at a cost of \$6 per month per unit. Overall, Quincy PD was very satisfied with BodyWorn and would recommend them. Several agencies in the area conducted a trial with BodyWorn, and some felt Axon's back-end system was more user friendly for officers. Others liked the concealment of the camera, however this feature requires a lot of uniform alterations. Other departments steered away from BodyWorn due to their high costs.

Axon: Axon is the most widely used vendor in the Illinois region. Nearly every department I spoke with commented on the excellent customer service and tech support offered by Axon. The video was described as "superior" quality. One agency reported a camera that was damaged in water during a physical altercation, and Axon honored the warranty and replaced the camera for free. There were no issues with functionality or durability of the equipment. One criticism was the redaction system was very time consuming and did not work as well as they had hoped. It still required someone to review the footage to ensure accuracy.

WHEATON POLICE DEPARTMENT TRIAL:

The Wheaton Police Department researched and conducted a trial with the same three vendors: WatchGuard, BodyWorn, and Axon. Below is the feedback they received from those participating in the trial:

WatchGuard: Wheaton officers were familiar with WatchGuard's products, as they already used WatchGuard squad cameras. WatchGuard was the final camera that was trialed, and the general consensus was WatchGuard's software and hardware were better than BodyWorn but far inferior to Axon. The video and audio quality were average, though the nighttime footage was lower quality. Officers reported difficulties logging in to the case management system and felt it was not a user-friendly system. Downloading footage was reported to be a time-consuming process, often causing unsuccessful DVD transfers due to oversized files. While officers appreciated the spare battery for the cameras, it took longer than expected to reboot the camera after a battery replacement. The majority of officers also did not like the method of manual activations, stating it caused numerous accidental activations. The magnet mounts provided by WatchGuard were strong and reliable, but officers would have appreciated more mounting options to accommodate different gear set ups. Records personnel found the redaction process arduous, time consuming, and not user friendly.

Wheaton PD spoke with Bloomingdale, Woodridge, and Mount Prospect Police Departments to gain further insight. All said the quality of the audio and video were strengths for WatchGuard. However, the redaction software was a significant disadvantage, with some calling it “awful” and a “disaster.” One agency reported taking four hours to redact less than one minute of footage. Bloomingdale’s IT analyst reported a noticeable decline in hardware reliability and customer support. Only Woodridge PD stated they would recommend the product to another agency.

BodyWorn: The officers and supervisors who participated in the BodyWorn trial period overwhelmingly disapproved of the software and hardware. The audio and video quality were rated very low, with complaints about the narrow field of vision. Officers felt it did not accurately display the officer’s perception at the time of the footage, with valuable footage being omitted. Other times officers discovered the audio recorded by the video was non-existent because the camera was not seated properly, or it was completely obstructed by the uniform. Often, the officers could be heard clearly but responses from others on scene were diminished quality and volume. The battery life was not sufficient for the shift, sometimes draining to 10-15% on a call that lasted more than an hour. The camera would also get hot during longer calls which made the officers uncomfortable. The “officer down” feature proved to be inconvenient, as the camera would activate every time an officer would bend down. The evidence management system was found to be confusing, time consuming, and tedious. Overall, the officers felt the negative attributes of the BodyWorn camera drastically outweighed the positives. Records personnel reported the redaction software to be disappointing and not user friendly. The audio redaction tool did not work properly, and they were unable to blur license plates or people during nighttime footage. When staff called technical support, they did not receive a call back but were instead referred to PDF files that were unhelpful. Wheaton PD spoke with three agencies in Indiana that were using BodyWorn products, and it should be noted that none of the three were using the redaction software and therefore could not provide any feedback on that feature. The agencies reported mixed reviews. One agency appreciated the policy-based activation feature and immediate video offloads. Two of the agencies did not report any issues with customer service, while the third said the service was “questionable.”

Axon: The officers and supervisors who participated in the Axon body camera trial period strongly approved of the software and hardware. The quality of the audio and video were rated the highest, not only picking up the officer’s voice but other parties as well. The wide-angle lens more accurately mimicked the officer’s perception while on scene. The evidence management system was considered to be Axon’s most significant advantage. The layout is simple and easy to navigate, and there was no difficulty accessing, sharing, or viewing footage. One slight issue was the battery life of the camera not lasting through an entire 12-hour shift. Officers were required to charge the battery in their squad or at the station while on break/lunch. While this was seen as an inconvenience, officers did state the battery charged quickly. Most officers noticed that the battery could in fact last the entire shift on days of low call volume. During the trial period, officers had no need to contact customer service for support. Records personnel rated the redaction software favorably and considered it to be the best product out of the three tested. Though the process was reported to be slightly time consuming, the customer service and training materials were outstanding. The system offered clear, hand-on training, easy to access videos, and assistance from “short cut keys.” All officers, supervisors, and records staff recommended implementing Axon body cameras, largely due to the high quality of the cameras and the ease of the evidence management system.

GLEN ELLYN POLICE DEPARTMENT AXON TRIAL:

I made arrangements for the Department to complete a trial with the Axon body cameras. The trial

began 2/19/21 and was completed 4/12/21. Four officers were assigned to wear the body cameras during their shifts. Evidence Custodian Bill Bruno was given access to Evidence.com to familiarize himself with the system. During the trial period, officers wore several of the different mounts and had no issues with cameras falling off. All officers felt confident that the cameras were securely mounted. Officers were able to download Axon apps on the district phones which allowed them to easily categorize and add incident numbers to events immediately after clearing a call. The other option is to complete this process at the end of the shift by going through each event for the day.

The feedback I received from the officers was overwhelmingly positive. All agreed the user functionality is straight forward, the design is simplistic, and the app on the phone was convenient and efficient. The quality of the video/audio is very good, and overall, they felt having the body cameras was beneficial. The officers recognize the system will be even more streamlined if/when the squads are equipped with Axon cameras.

Bill Bruno had more experience with the back end of the Axon system. Bill spent a great deal of time researching the Evidence.com system, and even went to several departments to observe the way they utilize the system. He learned that all officers need to enter a specific number for saving video files, which has the potential to lead to human error. Bill appreciated all the features in the system and the ability to store anything digital, videos, photos, pdf files, etc. In addition, these files can be shared easily with the Village Prosecuting Attorney and Assistant State's Attorneys without downloading or burning anything to DVDs or Blu-Rays. With everything being stored in the cloud through Evidence.com, there is less physical evidence stored in the property room. This system allows the Evidence Custodian to better manage his time and address other demands. Axon also offers a service called Citizen Evidence in which a citizen may upload video to a web link provided by the officer, and it is stored in Evidence.com. The officers did not have an opportunity to utilize this feature during the trial period.

A key factor analyzed was the amount of time and personnel required to effectively manage these evidence systems and process the redaction of audio and video. Both the BodyWorn and Watchguard systems appear to require the greatest amount of time processing these files. With these two systems, there is the potential that additional staff may be needed to effectively manage the redaction process. Based upon our research and testing, Axon appears to be a more efficient system. Agencies reported an average redaction time of a single event at approximately three hours.

Based on the information collected, the interaction with the company representatives, costs, features, system compatibility and efficiency it was clear that Axon was the most compatible company for the Department. In addition, Axon is the dominant vendor of body camera and squad car camera systems in DuPage County. The Department elected not to schedule an equipment test of the BodyWorn and WatchGuard equipment based on the outlined factors.

QUOTES:

The following is a summary of the quotes provided by each vendor. An effort was made to keep the quotes as consistent with one another as possible. All the quotes reflect a total of 48 body cameras, 12 squad cars, and any additional necessary licenses. The following features are included in the quotes, with an asterisk indicating the features that are optional, and they may be removed if desired. Currently, there are no Federal or State grant opportunities available for funding. It should be noted that previous grants have required the purchase and implementation of the camera equipment prior to reimbursement.

Budget Impact:

COST:

	Axon	BodyWorn	WatchGuard/Motorola
Body Cameras Only	\$242,598.44	\$269,000	\$181,077
Squad Cameras Only	\$136,281.59	\$248,000	\$210,450
Body & Dash Cameras	\$378,880.03	\$509,000	\$310,167
Contract Term	5 Years	5 Years	5 Years
Body Camera Refresh	3 years	39 months	3 years
Monthly Payments	Can negotiate	Can negotiate	Yes
Quarterly Payments	Can negotiate	Can negotiate	Yes
Yearly Payments	Yes	Yes	Yes
Other Notes	Can adjust initial payment, squad camera payment due after shipment	40% Due Upon Signing of Contract	Can adjust initial amount paid
Availability	BWC-90 days Car-10 months	5-8 weeks	10-14 weeks

FEATURES:

	Axon	BodyWorn	WatchGuard/Motorola
License Plate Readers*	✓	✓	✓ (90-day trial, then charged)
CAD Integration*	✓	✓ Included in base price	✓
Auto-Tagging*	✓	✓ Included in base price	
Unlimited Cloud Storage	✓	✓	✓
Evidence Management System	✓	✓	✓
Extra Batteries			✓
Rapid Recharge	✓	✓	
Camera Mount	Various Options	Concealed	Limited Options
Docking Stations	✓		✓
Redaction Software	✓ (Basic)	✓	✓
Camera Activation	Manual	Policy based activation	Manual
Gun holster sensor*	✓	✓ Included in base price	✓
Taser holster sensor*	✓	✓	✓
Record After the Fact			✓
Officer Down Alerting		✓	

Multi-Use Camera		✓	
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Action Requested:

Based on the above research and evaluation the recommendation is made to purchase Axon body cameras along with the Axon in-car system. The Department has long carried Axon tasers and has had a positive experience with the product and the company. Feedback from many agencies indicate an overwhelming positive response, with customer service being at the forefront. With the ease of its use coupled with the sophisticated technology, the product certainly meets our standards and offers a solution to some of the challenges facing the Department.

IT Justin Chiappetta was present for all three product demonstrations and offered technical support during the trial period. After the demonstrations, trial, and additional meetings, Justin Chiappetta recommended using Axon's body cameras and squad car cameras. The police department agrees with his recommendation to use Axon's products.

Attachments:

1. Executive Summary
2. AXON BWC ONLY
3. AXON SQUAD CAMS ONLY
4. BODYWORN BWC AND SQUAD
5. BODYWORN BWC ONLY
6. BODYWORN SQUAD CAMS
7. WATCHGUARD BWC AND SQUAD
8. WATCHGUARD BWC ONLY
9. WATCHGUARD SQUAD CAM ONLY

GLEN ELLYN POLICE DEPARTMENT

MEMORANDUM

TO: Deputy Chief Kurt Vavra
FROM: Commander Andrew Downey
DATE: February 10, 2022
SUBJECT: **Executive Summary: Body Camera and Squad Car Camera Proposal**

This memorandum is being presented to provide a summary of findings and recommendations outlined the Body Camera and Squad Car Camera Proposal memorandum.

In 2021, the Glen Ellyn Police Department began proactively researching, testing, and evaluating various companies that could meet the needs of the Department regarding body worn and in-car cameras. Body worn cameras by police officers have become the expectation of communities and municipalities throughout the country to ensure transparency, trust, and accountability. In addition, House Bill 3653, commonly referred to as the SAFE-T Act, will require police departments to implement body camera systems by January 1, 2025. Furthermore, the Department's existing squad camera system is beyond its life expectancy and needs replacement. The most cost-effective solution for the Village is to bundle the body camera and in-car camera purchases.

The companies Axon, BodyWorn and WatchGuard, were selected for research and evaluation. Each of these companies are dominant vendors in the industry. To evaluate these companies, demonstrations were presented by their sales representatives, feedback was solicited from Departments utilizing their equipment and software, and quotes were obtained for feature and cost comparison. Through this process the Department elected to test and evaluate Axon's system, which is also the most prevalent vendor in DuPage County. IT Director Chiappetta was also able to evaluate all three companies and provide input and recommendations.

It is the Department's opinion that Axon's products best meet the needs for body worn and squad cameras. We are seeking permission to sign a contract with Axon for both the body camera and squad camera systems. We anticipate the cost for both systems combined is approximately \$378,880.03. We anticipate that an additional license or two will be needed which will increase the total cost. These additional licenses will allow administrative police staff use of the redaction software which is needed for internal investigations. The anticipated final costs for both systems and an additional two licenses is approximately \$383,560.03.



Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-366001-44595.958RL

Issued: 02/03/2022



Quote Expiration: 02/01/2022

EST Contract Start Date: 03/01/2022

Account Number: 198482

Payment Terms: N30

Delivery Method: Fedex - Ground

SHIP TO		BILL TO	
Business;Delivery;Invoice-65 S Park Blvd 65 S Park Blvd Glen Ellyn, IL 60137-6228 USA		Glen Ellyn Police Dept. - IL 65 S Park Blvd Glen Ellyn, IL 60137-6228 USA Email:	
SALES REPRESENTATIVE		PRIMARY CONTACT	
Rachel Leinson Phone: rleinson@axon.com Email: rleinson@axon.com Fax:		Norah Rabatah Phone: (630) 547-5470 Email: nrabatah@glenellyn.org Fax:	

Program Length	60 Months
TOTAL COST	\$242,598.44
ESTIMATED TOTAL W/ TAX	\$242,598.44
Bundle Savings	\$45,519.61
Additional Savings	\$24,092.15
TOTAL SAVINGS	\$69,611.76

PAYMENT PLAN	
PLAN NAME	INVOICE DATE
Year 1	Feb, 2022
Year 2	Feb, 2023
Year 3	Feb, 2024
Year 4	Feb, 2025
Year 5	Feb, 2026
AMOUNT DUE	
\$48,519.68	
\$48,519.69	
\$48,519.69	
\$48,519.69	
\$48,519.69	

BILLED ON FULFILLMENT		
PLAN NAME	INVOICE DATE	AMOUNT DUE
None	As Fulfilled	\$0.00

Quote Details

Bundle Summary			
Item	Description	QTY	QTY
AB3C	AB3 Camera Bundle		47
AB3MBD	AB3 Multi Bay Dock Bundle		6
BWCamMBDTAP	Body Worn Camera Multi-Bay Dock TAP Bundle		6
BWCamTAP	Body Worn Camera TAP Bundle		47
BasicLicense	Basic License Bundle		40
ProLicense	Pro License Bundle		5
DynamicBundle	Dynamic Bundle		1

Bundle: Dynamic Bundle Quantity: 1 Start: 3/1/2022 End: 2/28/2027 Total: 63232.05 USD					
Category	Item	Description	QTY	List Unit Price	Net Unit Price Total(USD)
Other	70116	SPPM, SIGNAL CONNECTED BATTERY PACK, X2X26P	45	\$121.76	\$121.76 \$5,479.20
Other	71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	90	\$1.00	\$0.00 \$0.00
Other	75015	SIGNAL SIDEARM KIT	45	\$249.00	\$249.00 \$11,205.00
Other	73682	AUTO TAGGING LICENSE	45	\$9.00	\$9.00 \$24,300.00
Other	73478	REDACTION ASSISTANT USER LICENSE	45	\$9.00	\$1.13 \$3,047.85
Other	79999	AUTO TAGGING / PERFORMANCE IMPLEMENTATION SERVICE	1	\$0.00	\$0.00 \$0.00
Other	85144	AXON STARTER	1	\$2,750.00	\$0.00 \$0.00
Other	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	800	\$0.40	\$0.40 \$19,200.00

Bundle: AB3 Camera Bundle Quantity: 47 Start: 3/1/2022 End: 2/28/2027 Total: 32853 USD					
Category	Item	Description	QTY	List Unit Price	Net Unit Price Total(USD)
Camera	73202	AXON BODY 3 - NA10 - US - BLK - RAPIDLOCK	47	\$699.00	\$699.00 \$32,853.00

Spare Camera	73202	AXON BODY 3 - NA10 - US - BLK - RAPIDLOCK	1	\$0.00	\$0.00	\$0.00
Camera Mount	11507	MOLLE MOUNT, SINGLE, AXON RAPIDLOCK	52	\$0.00	\$0.00	\$0.00
USB	11534	USB-C to USB-A CABLE FOR AB3 OR FLEX 2	52	\$0.00	\$0.00	\$0.00

Bundle: AB3 Multi Bay Dock Bundle Quantity: 6 Start: 3/1/2022 End: 2/28/2027 Total: 9233.4 USD						
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)
Dock	74210	AXON BODY 3 - 8 BAY DOCK	6	\$1,495.00	\$1,495.00	\$8,970.00
	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	6	\$0.00	\$0.00	\$0.00
Wall Mount	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	6	\$43.90	\$43.90	\$263.40

Bundle: Body Worn Camera Multi-Bay Dock TAP Bundle Quantity: 6 Start: 3/1/2022 End: 2/28/2027 Total: 10619.99 USD						
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)
Dock Warranty	80465	EXT WARRANTY, MULTI-BAY DOCK (TAP)	6	\$21.00	\$8.16	\$2,937.69
Multi-Bay Dock Refresh 1	73689	MULTI-BAY BWC DOCK 1ST REFRESH	6	\$1,610.00	\$625.62	\$3,753.72
Multi-Bay Dock Refresh 2	73688	MULTI-BAY BWC DOCK 2ND REFRESH	6	\$1,685.00	\$654.76	\$3,928.58

Bundle: Body Worn Camera TAP Bundle Quantity: 47 Start: 3/1/2022 End: 2/28/2027 Total: 78960 USD						
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)
Camera Warranty	80464	EXT WARRANTY, CAMERA (TAP)	47	\$11.67	\$8.55	\$24,111.87
Camera Refresh 1 with Spares	73309	AXON CAMERA REFRESH ONE	48	\$755.00	\$553.17	\$26,552.11
Camera Refresh 2 with Spares	73310	AXON CAMERA REFRESH TWO	48	\$790.00	\$578.81	\$27,783.00
Spare Camera Warranty	80464	EXT WARRANTY, CAMERA (TAP)	1	\$11.67	\$8.55	\$513.02

Bundle: Basic License Bundle Quantity: 40 Start: 3/1/2022 End: 2/28/2027 Total: 36000 USD						
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)
E.com License	73840	EVIDENCE.COM BASIC LICENSE	40	\$15.00	\$15.00	\$36,000.00
A La Carte Storage	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	40	\$0.00	\$0.00	\$0.00

Bundle: Pro License Bundle Quantity: 5 Start: 3/1/2022 End: 2/28/2027 Total: 11700 USD						
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)
3 Q-366001-44595.958RL						

E.com License	73746	PROFESSIONAL EVIDENCE.COM LICENSE (Formerly SKU 73746)	5	\$39.00	\$39.00	\$11,700.00
A La Carte Storage	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	15	\$0.00	\$0.00	\$0.00

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

2/3/2022

Date Signed



Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-365409-44595.961RL

Issued: 02/03/2022

Quote Expiration: 10/15/2022

EST Contract Start Date: 11/01/2022

Account Number: 198482

Payment Terms: N30

Delivery Method: Fedex - Ground

SHIP TO		BILL TO	
Business;Delivery;Invoice-65 S Park Blvd	Janet Terranova	GLEN ELLYN POLICE DEPT. 535 DUANE ST. Glen Ellyn, IL 60137 US Email:	
65 S Park Blvd			
Glen Ellyn, IL 60137-6228 USA			

SALES REPRESENTATIVE		PRIMARY CONTACT	
Rachel Leinson	Janet Terranova	Phone: (630) 469-1187	
Email: rleinson@axon.com		Email: jtterranova@glenellyn.org	
Fax:		Fax:	

Program Length	60 Months
TOTAL COST	\$136,281.59
ESTIMATED TOTAL W/ TAX	\$136,281.59

Bundle Savings	\$34,704.47
Additional Savings	\$13,478.42
TOTAL SAVINGS	\$48,182.89

PAYMENT PLAN	
PLAN NAME	INVOICE DATE
Year 1	Oct, 2022
Year 2	Oct, 2023
Year 3	Oct, 2024
Year 4	Oct, 2025
Year 5	Oct, 2026
	AMOUNT DUE
	\$30,663.38
	\$30,663.36
	\$30,663.36
	\$30,663.36
	\$30,663.36

Quote Details

Bundle Summary

Item	Description	QTY	Total(USD)
Fleet3A	Fleet 3 Advanced	12	

Bundle: Fleet 3 Advanced		Quantity: 12	Start: 11/1/2022	End: 10/31/2027	Total: 136281.59 USD		
Category	Item	Description	QTY	List Unit Price	Net Unit Price	Total(USD)	
Storage	80410	FLEET, EVIDENCE LICENSE, 1 CAMERA STORAGE, LICENSE	24	\$17.00	\$12.56	\$18,085.72	
E.com License	80400	FLEET, VEHICLE LICENSE, LICENSE	12	\$20.00	\$14.78	\$10,638.66	
ALPR License	80401	FLEET 3, ALPR LICENSE, 1 CAMERA, LICENSE	12	\$49.00	\$36.20	\$26,064.72	
Respond License	80402	RESPOND DEVICE LICENSE - FLEET 3 - LICENSE	12	\$15.00	\$11.08	\$7,979.00	
Camera Kit & Warranty	72036	FLEET 3 STANDARD 2 CAMERA KIT	12	\$2,405.00	\$1,776.80	\$21,321.65	
SIM	72034	FLEET SIM INSERTION, VZW	12	\$15.00	\$11.08	\$132.98	
Router	11634	CRADLEPOINT IBR900-1200M-B-NPS+5YR NETCLOUD	12	\$1,249.00	\$922.76	\$11,073.07	
Router Antenna	71200	FLEET ANT, AIRGAIN, 5-IN-1, 2LTE, 2WIFI, 1GNSS, BL	12	\$249.00	\$183.96	\$2,207.52	
Ethernet Cable	74110	FLEET ETHERNET CABLE, CAT6, 25 FT	12	\$25.00	\$18.47	\$221.64	
Vehicle Installation	73391	FLEET 3 NEW INSTALLATION (PER VEHICLE)	12	\$1,200.00	\$886.56	\$10,638.66	
Camera Refresh	72040	FLEET REFRESH, 2 CAMERA KIT	12	\$2,710.00	\$2,002.14	\$24,025.64	
Other	80495	EXT WARRANTY, FLEET 3, 2 CAMERA KIT	12	\$8.96	\$6.62	\$3,892.33	

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Signature

2/3/2022

Date Signed



Glen Ellyn IL PD

Glen Ellyn Police Department

65 S Park Blvd

Glen Ellyn, IL 60137

United States

Kurt Vavra

Deputy Chief

kvavra@glenellyn.org

Reference: 20220201-195020139

Quote created: February 1, 2022

Quote expires: March 31, 2022

Quote created by: Mark Osborn

Business Manager

mosborn@utility.com

+1 (470) 391-6440

Janet Terranova

Sergeant

jterranova@glenellyn.org

630-469-1187

Comments from Mark Osborn

Utility is honored the Glen Ellyn, IL Police Department has chosen the Utility BodyWorn solution for its officers. We Look forward to partnering with you to serve the Glen Ellyn community. Please accept this professional services agreement and proposal for review and consideration.

*The below items will service 48 Officers with 48 BWC's, 45 CEW Holster Sensor kits, 12 Police Vehicles with RocketIoT Communications, 12 in-car video systems, 12 ALPR units, CAD Integration and Activation.

**The value on this quote covers all 5 years of the service agreement.

Products & Services

Item & Description	SKU	Quantity	Unit Price	Total
CEW Holster Sensor Kit Holster Sensor for CEW Devices.	BWH-H-4001	45	\$300.00	\$13,500.00 for 5 years
BodyWorn w/ Rocket IoT Communications, In-Car Video & ALPR Bundle BodyWorn Camera and Mount, Holster Sensor, CAD Activation, Media Controller, Rocket IoT In- Car Video System Hardware Bundle, ALPR Hardware Bundle, Battery Backup, Ruggedized Tablet Display, OBD 2, AVAIL Web SaaS, Warranty, and 24/7 Technical Support.	BWA-H/S-4005	11	\$26,790.00	\$294,690.00 for 5 years

CAD Integration Integration, via replication services, with CAD system for automatic classification of BodyWorn generated video.	CAD-I-4001	1	\$15,000.00	\$15,000.00 for 5 years
BodyWorn Bundle BodyWorn Camera and Mount, Holster Sensor, Media Controller, CAD Activation, AVAIL Web SaaS, Warranty, and 24/7 Technical Support, Installation, Training.	BW-H/S-4005	36	\$7,220.00	\$259,920.00 for 5 years
BodyWorn w/ Rocket IoT Communications and In-Car Video Bundle BodyWorn Camera and Mount, Holster Sensor, CAD Activation, Media Controller, Rocket IoT In-Car Video System Hardware Bundle, Battery Backup, OBD 2, AVAIL Web SaaS, Warranty, and 24/7 Technical Support.	BWI-H/S-4005	1	\$15,730.00	\$15,730.00 for 5 years
ALPR (ICV Upgrade) Complete ALPR System to Supplement Current ICV System, Two (2) External Vehicle Mount Cameras, AVAIL Web SaaS, Warranty, and 24/7 Technical Support, Installation, Training.	ALPR-H/S-4005 ICV Upgrade	1	\$11,200.00	\$11,200.00 for 5 years
Subtotals				
One-time subtotal				\$610,040.00
Other Fees				
Added ALPR Customer Bonus 1 for 10				-\$11,200.00
Marquee Customer Discount				-\$89,840.00
			Total	\$509,000.00

Purchase terms

40% required upon signature. Remaining balance will be split in equal anual payments for years 2-5.

Payment upon signing of Offer Letter \$203,600.00
year 2 anniversary \$76,350.00
year 3 anniversary \$76,350.00
year 4 anniversary \$76,350.00
year 5 anniversary \$76,350.00

Signature

Signature

Date

Printed name

Questions? Contact me



Mark Osborn
Business Manager
mosborn@utility.com
+1 (470) 391-6440

Utility Associates, Inc.
250 E. Ponce de Leon Ave, Suite 700
Decatur, GA 30030
US



Glen Ellyn IL PD

Glen Ellyn Police Department

65 S Park Blvd

Glen Ellyn, IL 60137

United States

Kurt Vavra

Deputy Chief

kvavra@glenellyn.org

Reference: 20220201-193940852

Quote created: February 1, 2022

Quote expires: March 31, 2022

Quote created by: Mark Osborn

Business Manager

mosborn@utility.com

+1 (470) 391-6440

Janet Terranova

Sergeant

jterranova@glenellyn.org

630-469-1187

Comments from Mark Osborn

Utility is honored the Glen Ellyn, IL Police Department has chosen the Utility BodyWorn solution for its officers. We Look forward to partnering with you to serve the Glen Ellyn community. Please accept this professional services agreement and proposal for review and consideration.

*The below items will service 48 Officers with 48 BWC's and 45 CEW Holster Sensor Kits.

** No CAD Activation

***The value on this quote covers all 5 years of the service agreement.

Products & Services

Item & Description	SKU	Quantity	Unit Price	Total
CEW Holster Sensor Kit Holster Sensor for CEW Devices.	BWH-H-4001	45	\$300.00	\$13,500.00 for 5 years
BodyWorn Bundle BodyWorn Camera and Mount, Holster Sensor, Media Controller, AVaiL Web SaaS, Warranty, and 24/7 Technical Support, Installation, Training.	BW-H/S-4005	48	\$7,220.00	\$346,560.00 for 5 years

Subtotals

One-time subtotal	\$360,060.00
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Other Fees

Marquee Customer Discount	-\$91,060.00
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Total	\$269,000.00
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Purchase Terms

40 % required upon signaure. Remaining balance split ove years 2-5 in equal anual payments.

Due upon signature of Offer Letter \$107,600.00

year 2 Anniversary date \$40,350.00

year 3 Anniversary date \$40,350.00

year 4 Anniversary date \$40,350.00

year 5 Anniversary date \$40,350.00

Signature

Signature

Date

Printed name

Questions? Contact me



Mark Osborn
Business Manager
mosborn@utility.com
+1 (470) 391-6440

Unity Associates, Inc.

250 E. Ponce de Leon Ave, Suite 700

Decatur, GA 30030

US



Glen Ellyn, IL PD

Glen Ellyn Police Department
65 S Park Blvd
Glen Ellyn, IL 60137
United States

Kurt Vavra
Deputy Chief
kvavra@glenellyn.org

Reference: 20220201-191746734

Quote created: February 1, 2022

Quote expires: March 31, 2022

Quote created by: Mark Osborn

Business Manager

mosborn@utility.com

+1 (470) 391-6440

Janet Terranova

Sergeant

jterranova@glenellyn.org

630-469-1187

Comments from Mark Osborn

Utility is honored the Glen Ellyn, IL Police Department has chosen the Utility BodyWorn solution for its officers. We Look forward to partnering with you to serve the Glen Ellyn community. Please accept this professional services agreement and proposal for review and consideration.

*The below items will service 12 Police Vehicles with RocketIoT Communications, 12 In-car video and 12 ALPR systems.

**The value on this quote covers all 5 years of the service agreement.

Products & Services

Item & Description	SKU	Quantity	Unit Price	Total
Rocket IoT Communications and In-Car Video Bundle In Car Video System with Rocket IoT High Speed Mobile Data Communications, BodyWorn Microphone, Battery Backup, Media Controller, OBD 2, AVaiL Web SaaS, Warranty, and 24/7 Technical Support, Installation, Training.	IOTVID-H/S-4005	12	\$13,130.00	\$157,560.00 for 5 years
ALPR (ICV Upgrade) Complete ALPR System to Supplement Current ICV System, Two (2) External Vehicle Mount Cameras, AVaiL Web SaaS,	ALPR-H/S-4005 ICV Upgrade	12	\$11,200.00	\$134,400.00 for 5 years

Tablet Interface	TAB-H-4001	12	\$1,010.00	\$12,120.00
Ruggedized Tablet Display				for 5 years

Subtotals

One-time subtotal				\$304,080.00
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Other Fees

Added ALPR Customer Bonus 1 for 10				-\$12,200.00
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Marquee Customer Discount				-\$43,880.00
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Total	\$248,000.00
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Purchase Terms

40% required upon signature. Remaining balance in equal annual years 2-5.
Due upon signature of Offer Letter \$99,200.00
year 2 Anniversary date \$37,200.00
year 3 Anniversary date \$37,200.00
year 4 Anniversary date \$37,200.00
year 5 Anniversary date \$37,200.00

Signature

Signature

Date

Printed name



Mark Osborn

Business Manager

mosborn@utility.com

+1 (470) 391-6440

Utility Associates, Inc.

250 E. Ponce de Leon Ave, Suite 700

Decatur, GA 30030

US



MOTOROLA SOLUTIONS

Quote For:

Glen Ellyn Police Department

Attn: Janet Terranova

Reference:

(12)M500 (36)V300 VAAS LPR

Quote By:

WatchGuard Video / Motorola Solutions

Danny O'Shea

Date: 02-03-22

Serving Law Enforcement with the Most Compelling, Quality Video Products



FACT SHEET

MOTOROLA SOLUTIONS

Motorola Solutions is a global leader in mission-critical communications. Our technology platforms in communications, command center software, video security & analytics, and managed & support services make cities safer and help communities and businesses thrive.

We have a rich history of firsts, including pioneering mobile communications in the 1930s, making equipment that carried the first words from the moon in 1969 and developing the first commercial handheld cellular phone in 1983.

Today, our global employees are committed to designing and delivering the solutions our customers refer to as their lifeline. At Motorola Solutions, we are ushering in a new era in public safety and security.

TECHNOLOGY PLATFORMS



**MISSION-CRITICAL
COMMUNICATIONS**



**COMMAND CENTER
SOFTWARE**



**VIDEO SECURITY &
ANALYTICS**



**MANAGED &
SUPPORT SERVICES**

AWARDS

The Wall Street Journal Management Top 250,
No. 92, November 2019

WayUp Top 100 Internship Programs, August 2019

Fortune World's Most Admired Companies,
No. 3 in Networks and Other Communications
Equipment, January 2019

Forbes World's Best Employers, October 2018

Dow Jones Sustainability North American Index,
September 2018

CHAIRMAN & CEO

Greg Brown

HEADQUARTERS

500 W. Monroe
Chicago IL USA

MEDIA CONTACT

Brittany Kelly | 224-246-3914
brittnay.kelly@motorolasolutions.com

BY THE NUMBERS

\$7.3 BILLION

in annual sales (2018)

\$637 MILLION

in R&D spending (2018)

\$3.3 BILLION

in acquisitions spending since 2016

17,000+ EMPLOYEES

in 60 countries

100,000+ CUSTOMERS

in over 100 countries

6,900+ PATENTS

granted and pending

13,000 NETWORKS

across the globe



Motorola Solutions, Inc. 500 West Monroe Street, Chicago, IL 60661 U.S.A. motorolasolutions.com

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WatchGuard Video

415 E. Exchange

Allen, TX 75002

(P) 800-605-6734 (F) 212-383-9661

**MOTOROLA SOLUTIONS****Prepared For:**

Glen Ellyn Police Department - Attention: Janet Terranova

(12)M500 (36)V300 VAAS LPR

QUOTATION - VH3-0047-03

DATE: 02-03-22

Additional Options

Deliverables / Materials / Services	Qty	Unit Price	Sell Price	Amount
M500 In-car video system with Integrated V300 Body-worn camera and Command Central Evidence - 5 Year Video-as-a-Service Package @ \$205 per Month	12	\$12,300.00	\$12,300.00	\$147,600.00
AAS-M5-BWC-5YR (PaaS)				
Video-as-a-Service Bundle includes the cloud-based evidence management system, with unlimited storage and unlimited cloud sharing.				
1 User License per bundle.				
CommandCentral Evidence, capture, records, redaction and community engagement capabilities included.				
V300 Body-worn camera (choice of mount)				
Third year technology (Hardware) refresh.				
M500 In-Car Video System				
M500 with 1TB DVR, 5" touch display, front camera with 4k sensor, infrared cabin camera,				
V300 WiFi Dock, MikroTik WiFi Kit & Smart Power Switch				
5-year agreement (billed Quarterly or Annually)				
No-Fault hardware warranty, Advanced hardware replacement service & 24/7 support				

Body-worn camera and evidence management software - 5 Year Video-as-a-Service Package @ \$49 per Month	36	\$2,940.00	\$2,940.00	\$105,840.00
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AAS-BWC-5YR-001 (PaaS)

Video-as-a-Service includes CommandCentral Evidence, the cloud-based evidence management system with unlimited device storage and unlimited cloud sharing.

1 User License per Body Worn Camera.

50 GB of non-device storage included per device, averaged across all devices in the program

CommandCentral Evidence, Records, Redaction, Sharing, Community Engagement capabilities and capture application included.

Body-worn camera (battery + choice of mount included)

Third year technology (Hardware) refresh.

5-year agreement (billed Quarterly or Annually)

Advanced hardware replacement service & 24/7 support

No-Fault hardware warranty

V300, Battery, Removable and Rechargeable, 3.8V, 4180mAh	48	\$99.00	\$69.00	\$3,312.00
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WGP02614

Pre Configured V300 Transfer Station II with Power Supply and Cables.	6	\$1,495.00	\$1,200.00	\$7,200.00
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BW-ACK-V3-TSC

V300 Transfer Station II

TS02, D350, 8-Slot Rack Mount Charge/Upload Dock, 10GB

includes kit with Power Supply and Cables.

V300 Base Assembly, USB Desktop Dock	5	\$95.00	\$65.00	\$325.00
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WGA00640-KIT1

Universal Firearm Holster Trigger Sensor Kit	45	\$260.00	\$200.00	\$9,000.00
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YDM-HLS-TRG-KIT

Holster Trigger Sensor, Primer, USB Charging Cable

Taser X26P Holster with Trigger Sensor and Belt Clip (Right Hand Draw)	45	\$420.00	\$320.00	\$14,400.00
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YDM-TSR-TRG-X26

Taser X26P Holster with integrated Trigger Sensor and Belt Clip (Right Hand Draw)

MikroTik Configured Wireless Access Point, 802.11n, 5GHz, SXT, AP (Sector)	2	\$250.00	\$250.00	\$500.00
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IV-ACK-WF-CS-AP

MikroTik Configured Wireless Access Point, 802.11n, 5GHz, SXT, AP

M500 Basic LPR Annual Service Fee	12	\$550.00	\$550.00	\$6,600.00
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SVC-LPR-BSC-001

Automatic License Plate Recognition using M500 Front camera to read license plates and query Agency Owned Data. • Includes 90 Day Free Trial of Investigative Data Platform (IDP) • Service per Vehicle per Year

Advanced Remote Support Services for WG LPR	1	\$1,500.00	\$1,500.00	\$1,500.00
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SSUWGA-R

Agency Manager Training

Installation & Configuration of LPR System

Camera Alignment assistance

Up to 5 systems

All Services are remote

Hardware Install Not Included (Sold Separately)

Investigative Data Platform - Annual Subscription for up to 50 Sworn - State and Local	1	\$7,750.00	\$7,750.00	\$7,750.00
--	---	------------	------------	------------

VS-IDP-01A

Commercial LPR Data access - Up to 50 Sworn

Access to all Vigilant commercially acquired national vehicle location data

Unlimited use by authorized agency personnel to complete suite of LEARN data analytics

Includes full use of hosted/managed LPR server account via LEARN

FaceSearch with Vigilant Image Gallery Access For up to 50 Sworn

Access to all agency/shared images and Vigilant Image Gallery

Unlimited use by authorized agency personnel to all FaceSearch tools

Image gallery of up to 5,000 images

Learner Subscription	45	\$0.00	\$0.00	\$0.00
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SSV00S01450B

Learning Services

Managed Software Installation Service; On-Site Assist Install, Training, Configuration, Project Management, Consultation	1	\$5,000.00	\$5,000.00	\$5,000.00
WGW00122-400				
Shipping - BWC Unit	36	\$15.00	\$15.00	\$540.00
FRT-BWC-01				
Freight delivery for each Body Worn Camera Unit				
Shipping - BWC ICV Pkg	12	\$50.00	\$50.00	\$600.00
FRT-BWCICV01 (PaaS)				
Freight delivery for each Body Worn & In Car Video combo Package				
Subtotal Price				\$310,167.00

Total Price	\$310,167.00
Deferred	\$254,040.00
Direct Purchase Items	\$56,127.00
Due Now	\$106,935.00
Annual Invoice	\$50,808.00

Purchase as a Service (PaaS)
Financial Profile

Total Price:	\$254,040.00
Contract Term:	5 Years
Monthly Payments:	\$4,234.00
Annual Invoice:	\$50,808.00

Notes:

1. This Quote is valid for 90 days from the Quote Date. Pricing may change thereafter.
2. Any sales transaction resulting from this Quote is based on and subject to the applicable Motorola's Standard Terms and Conditions, notwithstanding terms and conditions on purchase orders or other Customer ordering documents.
3. Motorola's Standard Terms and Conditions are found at www.motorolasolutions.com/product-terms.
4. Payment Terms: Equipment-Net 30 days upon shipment; Installation-Net 30 days upon completion; Services and Subscription Agreements-Net 30 days from receipt of Order.
5. The pricing in this Quote does not include any applicable taxes (e.g. sales/use tax).

6. UNLESS OTHERWISE NOTED IN THIS QUOTE / ORDER, INSTALLATION OF EQUIPMENT IS NOT INCLUDED
7. In-car installation of M500 ICV's and Access Point(s) installation are not included.

Quoted by: Danny O'Shea - 800-605-6734 - daniel.oshea@motorolasolutions.com



MOTOROLA SOLUTIONS

Quote For:

Glen Ellyn Police Department

Attn: Janet Terranova

Reference:

(48) V300 BWC VAAS

Quote By:

WatchGuard Video / Motorola Solutions

Danny O'Shea

Date: 02-03-22

Serving Law Enforcement with the Most Compelling, Quality Video Products



FACT SHEET

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TECHNOLOGY PLATFORMS



**MISSION-CRITICAL
COMMUNICATIONS**



**COMMAND CENTER
SOFTWARE**



**VIDEO SECURITY &
ANALYTICS**



**MANAGED &
SUPPORT SERVICES**

AWARDS

The Wall Street Journal Management Top 250,
No. 92, November 2019

WayUp Top 100 Internship Programs, August 2019

Fortune World's Most Admired Companies,
No. 3 in Networks and Other Communications
Equipment, January 2019

Forbes World's Best Employers, October 2018

Dow Jones Sustainability North American Index,
September 2018

CHAIRMAN & CEO

Greg Brown

HEADQUARTERS

500 W. Monroe
Chicago IL USA

MEDIA CONTACT

Brittany Kelly | 224-246-3914
brittnay.kelly@motorolasolutions.com

BY THE NUMBERS

\$7.3 BILLION

in annual sales (2018)

\$637 MILLION

in R&D spending (2018)

\$3.3 BILLION

in acquisitions spending since 2016

17,000+ EMPLOYEES

in 60 countries

100,000+ CUSTOMERS

in over 100 countries

6,900+ PATENTS

granted and pending

13,000 NETWORKS

across the globe



MOTOROLA SOLUTIONS

Motorola Solutions, Inc. 500 West Monroe Street, Chicago, IL 60661 U.S.A. motorolasolutions.com

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WatchGuard Video

415 E. Exchange

Allen, TX 75002

(P) 800-605-6734 (F) 212-383-9661

**Prepared For:**

Glen Ellyn Police Department - Attention: Janet Terranova

(48) V300 BWC VAAS

QUOTATION - VH3-0049-02

DATE: 02-03-22

Additional Options

Deliverables / Materials / Services	Qty	Unit Price	Sell Price	Amount
Body-worn camera and evidence management software - 5 Year Video-as-a-Service Package @ \$49 per Month AAS-BWC-5YR-001 (<i>PaaS</i>) Video-as-a-Service includes CommandCentral Evidence, the cloud-based evidence management system with unlimited device storage and unlimited cloud sharing. 1 User License per Body Worn Camera. 50 GB of non-device storage included per device, averaged across all devices in the program CommandCentral Evidence, Records, Redaction, Sharing, Community Engagement capabilities and capture application included. Body-worn camera (battery + choice of mount included) Third year technology (Hardware) refresh. 5-year agreement (billed Quarterly or Annually) Advanced hardware replacement service & 24/7 support No-Fault hardware warranty	48	\$2,940.00	\$2,940.00	\$141,120.00
V300, Battery, Removable and Rechargeable, 3.8V, 4180mAh WGP02614	48	\$99.00	\$69.00	\$3,312.00
Pre Configured V300 Transfer Station II with Power Supply and Cables. BW-ACK-V3-TSC V300 Transfer Station II TS02, D350, 8-Slot Rack Mount Charge/Upload Dock, 10GB includes kit with Power Supply and Cables.	6	\$1,495.00	\$1,200.00	\$7,200.00

V300 Base Assembly, USB Desktop Dock WGA00640-KIT1	5	\$95.00	\$65.00	\$325.00
Universal Firearm Holster Trigger Sensor Kit YDM-HLS-TRG-KIT Holster Trigger Sensor, Primer, USB Charging Cable	45	\$260.00	\$200.00	\$9,000.00
Taser X26P Holster with Trigger Sensor and Belt Clip (Right Hand Draw) YDM-TSR-TRG-X26 Taser X26P Holster with integrated Trigger Sensor and Belt Clip (Right Hand Draw)	45	\$420.00	\$320.00	\$14,400.00
Learner Subscription SSV00S01450B Learning Services	45	\$0.00	\$0.00	\$0.00
Managed Software Installation Service; On-Site Assist Install, Training, Configuration, Project Management, Consultation WGW00122-400	1	\$5,000.00	\$5,000.00	\$5,000.00
Shipping - BWC Unit FRT-BWC-01 Freight delivery for each Body Worn Camera Unit	48	\$15.00	\$15.00	\$720.00

Subtotal Price	\$181,077.00
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Total Price	\$181,077.00
Deferred	\$141,120.00
Direct Purchase Items	\$39,957.00
Due Now	\$68,181.00
Annual Invoice	\$28,224.00

**Purchase as a Service (PaaS)
Financial Profile**

Total Price:	\$141,120.00
Contract Term:	5 Years
Monthly Payments:	\$2,352.00
Annual Invoice:	\$28,224.00

Notes:

1. This Quote is valid for 90 days from the Quote Date. Pricing may change thereafter.
2. Any sales transaction resulting from this Quote is based on and subject to the applicable Motorola's Standard Terms and Conditions, notwithstanding terms and conditions on purchase orders or other Customer ordering documents.
3. Motorola's Standard Terms and Conditions are found at www.motorolasolutions.com/product-terms.
4. Payment Terms: Equipment-Net 30 days upon shipment; Installation-Net 30 days upon completion; Services and Subscription Agreements-Net 30 days from receipt of Order.
5. The pricing in this Quote does not include any applicable taxes (e.g. sales/use tax).
6. UNLESS OTHERWISE NOTED IN THIS QUOTE / ORDER, INSTALLATION OF EQUIPMENT IS NOT INCLUDED
7. Not including the sync of BWC to current 4RE in-car system.

Quoted by: Danny O'Shea - 800-605-6734 - daniel.oshea@motorolasolutions.com



MOTOROLA SOLUTIONS

Quote For:

Glen Ellyn Police Department

Attn: Janet Terranova

Reference:

(12) M500 ICV VAAS LPR

Quote By:

WatchGuard Video / Motorola Solutions

Danny O'Shea

Date: 02-03-22

Serving Law Enforcement with the Most Compelling, Quality Video Products



FACT SHEET

MOTOROLA SOLUTIONS

Motorola Solutions is a global leader in mission-critical communications. Our technology platforms in communications, command center software, video security & analytics, and managed & support services make cities safer and help communities and businesses thrive.

We have a rich history of firsts, including pioneering mobile communications in the 1930s, making equipment that carried the first words from the moon in 1969 and developing the first commercial handheld cellular phone in 1983.

Today, our global employees are committed to designing and delivering the solutions our customers refer to as their lifeline. At Motorola Solutions, we are ushering in a new era in public safety and security.

TECHNOLOGY PLATFORMS



**MISSION-CRITICAL
COMMUNICATIONS**



**COMMAND CENTER
SOFTWARE**



**VIDEO SECURITY &
ANALYTICS**



**MANAGED &
SUPPORT SERVICES**

AWARDS

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**Prepared For:**

Glen Ellyn Police Department - Attention: Janet Terranova

(12) M500 ICV VAAS LPR

QUOTATION - VH3-0048-02

DATE: 02-03-22

Additional Options

Deliverables / Materials / Services	Qty	Unit Price	Sell Price	Amount
M500 In-car Video System and Command Central Evidence - 5 Year Video-as-a-Service Package @ \$165 per Month	12	\$9,900.00	\$9,900.00	\$118,800.00
AAS-M5-5YR-001 (<i>PaaS</i>)				
Video-as-a-Service includes the CommandCentral Evidence cloud-based evidence management system				
Unlimited storage & Unlimited cloud sharing				
1 User License per In-Car System				
In-Car Video System				
M500 with 1TB DVR, 5" touch display, front camera with 4k sensor, infrared cabin camera,				
HiFi wireless microphone kit, MikroTik WiFi Kit & Smart Power Switch				
5-year agreement (billed Quarterly or Annually)				
CommandCentral Evidence PLUS - Five (5) Year Subscription	35	\$2,340.00	\$2,000.00	\$70,000.00
SSV00S02601A-05				
Digital Evidence Management				
Field Response Application				
Records Management				
PLUS these additional features:				
Advanced Tools: Redaction, Transcription, and Reporting				
Community Interaction Tools				
Case Sharing Capabilities				
Five (5) Year Subscription Duration				
Priced Per Named User (Qty = # of Users)				

MikroTik Configured Wireless Access Point, 802.11n, 5GHz, SXT, AP (Sector)	2	\$250.00	\$250.00	\$500.00
IV-ACK-WF-CS-AP MikroTik Configured Wireless Access Point, 802.11n, 5GHz, SXT, AP				
M500 Basic LPR Annual Service Fee	12	\$550.00	\$550.00	\$6,600.00
SVC-LPR-BSC-001 Automatic License Plate Recognition using M500 Front camera to read license plates and query Agency Owned Data. • Includes 90 Day Free Trial of Investigative Data Platform (IDP) • Service per Vehicle per Year				
Advanced Remote Support Services for WG LPR	1	\$1,500.00	\$1,500.00	\$1,500.00
SSUWGA-R Agency Manager Training Installation & Configuration of LPR System Camera Alignment assistance Up to 5 systems All Services are remote Hardware Install Not Included (Sold Separately)				
Investigative Data Platform - Annual Subscription for up to 50 Sworn - State and Local	1	\$7,750.00	\$7,750.00	\$7,750.00
VS-IDP-01A Commercial LPR Data access - Up to 50 Sworn Access to all Vigilant commercially acquired national vehicle location data Unlimited use by authorized agency personnel to complete suite of LEARN data analytics Includes full use of hosted/managed LPR server account via LEARN FaceSearch with Vigilant Image Gallery Access For up to 50 Sworn Access to all agency/shared images and Vigilant Image Gallery Unlimited use by authorized agency personnel to all FaceSearch tools Image gallery of up to 5,000 images				
Learner Subscription	45	\$0.00	\$0.00	\$0.00
SSV00S01450B Learning Services				

Managed Software Installation Service; On-Site Assist Install, Training, Configuration, Project Management, Consultation	1	\$5,000.00	\$5,000.00	\$5,000.00
WGWO0122-400				
Shipping - ICV Unit	12	\$25.00	\$25.00	\$300.00
FRT-ICV-01				
Freight delivery for each In Car Video Unit				
Subtotal Price			\$210,450.00	

Total Price	\$210,450.00
Deferred	\$118,800.00
Direct Purchase Items	\$91,650.00
Due Now	\$97,590.00
Quarterly Invoice	\$5,940.00

Purchase as a Service (PaaS)
Financial Profile

Total Price:	\$118,800.00
Contract Term:	5 Years
Monthly Payments:	\$1,980.00
Quarterly Invoice:	\$5,940.00

Notes:

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4. Payment Terms: Equipment-Net 30 days upon shipment; Installation-Net 30 days upon completion; Services and Subscription Agreements-Net 30 days from receipt of Order.
5. The pricing in this Quote does not include any applicable taxes (e.g. sales/use tax).
6. UNLESS OTHERWISE NOTED IN THIS QUOTE / ORDER, INSTALLATION OF EQUIPMENT IS NOT INCLUDED
7. Installation of M500 ICV's and Access Points not included.

Quoted by: Danny O'Shea - 800-605-6734 - daniel.oshea@motorolasolutions.com

