

**AGENDA**  
**SPECIAL PLANNING, BUILDING AND ZONING COMMITTEE**  
**Village of Hoffman Estates**  
**April 6, 2015**

**7:00 P.M. - Helen Wozniak Council Chambers**

<b>Members:</b>	<b>Karen Mills, Chairperson</b>	<b>Anna Newell, Trustee</b>
	<b>Gayle Vandenberg, Vice Chairperson</b>	<b>Gary Pilafas, Trustee</b>
	<b>Gary Stanton, Trustee</b>	<b>Michael Gaeta, Trustee</b>
		<b>William McLeod, Mayor</b>

**I. Roll Call**

**NEW BUSINESS**

1. Request approval of a Termination Agreement related to prior annexation and development agreements.
2. Request approval of an ordinance adding a Wholesale Vehicle Auction House use to the list of business licenses and establishing a Wholesale Vehicle Auction Transfer Tax.
3. Request approval of an Incentive Agreement with Adesa Illinois, LLC.

**II. Adjournment**

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request approval of a Termination Agreement related to prior annexation and development agreements

**MEETING DATE:** April 6, 2015

**COMMITTEE:** Special Planning, Building and Zoning

**FROM:** Arthur L. Janura, Jr., Corporation Counsel

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**REQUEST:** Request approval of a Termination Agreement related to prior annexation and development agreements for property west of Beverly Road and north of the Tollway.

**BACKGROUND:** On January 19, 1981, the Village entered into an annexation agreement for property generally described as the Sears EDA, and property west of Beverly Road, south of Higgins Road, and north of the Tollway. Numerous amendments to that 1981 agreement were subsequently approved, including amendments in 1987, 2000, and 2003. The property lying east of Beverly Road was developed as the Prairie Stone Business Park. The property lying west of Beverly Road contains the Plote offices and construction yard, golf range, recycling, land reclamation, and the old stone quarry (hereinafter the "Property").

Because of procedural discrepancies, it is the Village's position that the Property lying west of Beverly Road is presently zoned Agricultural. The owners of this Property have concerns regarding this zoning and the development obligations relating to prior annexation agreement(s) and amendments.

Presently, a wholesale auto auction use is being planned on 65 acres of the Property, and the present owners and the Village desire to remove any prior development obligations and rights attached to the Property. The owners have no objection to the Property being zoned Agricultural and agree to the removal of any rights or obligations contained in prior annexation agreements. The owners also agree to the purchase and development of 65 acres of the Property as a wholesale auto auction facility. Adesa seeks approval to have the Property rezoned to M2. It is understood by the owners, the facility developer (Adesa), and the Village that if the Adesa property is not developed as a wholesale auto auction facility, the 65 acres will revert to Agricultural.

At the March 23, special PB&Z meeting, a copy of the draft Termination Agreement was presented for informational purposes, and no action was taken.

**DISCUSSION:**

The proposed Termination Agreement will result in (1) the repeal, nullification, and release of the terms, obligations, and rights the Village and owners may have in any prior annexation/development agreements; (2) confirm zoning of the entire property as Agricultural; and (3) facilitate the rezoning (M2) and development of a wholesale auto auction facility on 65 acres of the Property. Should the wholesale auto auction facility not be built, the zoning on said 65 acres will revert to Agricultural.

*Changes Since March 23, Special PB&Z Meeting*

The agreement remains essentially the same as presented on March 23. The current draft now includes the three exhibits referenced in the Termination Agreement. Also, the acreage was revised to 65 acres to reflect the plat and the executed land sale contract.

Further, a copy of the executed land sale contract was forwarded to Corporation Counsel and staff on March 30.

**RECOMMENDATION:**

Corporation Counsel and Village staff recommend approval of the Termination Agreement.

Attachment

cc: Ryan Trottier (PAR Development, Inc.)

Prepared by/return to:

Warren R. Fuller  
Fuller and Fuller  
69 South Barrington Road  
South Barrington, Illinois 60010

### **TERMINATION OF THE BEVERLY PROPERTY ANNEXATION AND DEVELOPMENT AGREEMENTS**

This is an agreement (the "Termination Agreement") made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2015, between the Village of Hoffman Estates, a home-rule municipal corporation ("Village"), the Developer, and the Owners of the Property ("Owners") identified herein.

WHEREAS, on various dates the Owners and the Village have entered into and have amended certain Annexation and Development Agreements commencing on January 19, 1981 ("Prior Agreements") as they related to the Property described in Exhibit A thereto; and

WHEREAS, at this time it is the intent of Beverly Development LLC, the Developer, the Owners, and the Village (collectively the "Parties") to allow development of a portion of the Property with an automobile auction facility; and

WHEREAS it is the intent of the Parties to release and cancel all development obligations and rights contained in all Prior Agreements entered into prior to the date hereof and have the Property rezoned to the Village's AG/Agricultural zoning district, but to allow the Owners (and others in privity with the Owners) to lawfully continue all existing uses and operations now present upon the Property as discussed below.

NOW THEREFORE, it is hereby agreed that:

1) The undersigned are Owners of record of the entire Property contained in the Amended Annexation and Development Agreement dated October 14, 2003 (legally described in Exhibit A attached hereto and herein referred to as "Property") other than portions thereof previously dedicated for roadway purposes to the Village or other governmental bodies.

2) Notwithstanding any provision of all Prior Agreements, all benefits, rights, obligations, and duties of the Parties or their successors in interest contained in any such Prior Agreements heretofore executed by the Parties are hereby vacated, terminated and released.

3) The portions of the Property that are to be transferred to Adesa Illinois, LLC ("Adesa") as legally described in Exhibit B attached hereto and herein referred to as "Adesa Property" shall be zoned and allowed to be used as described in Exhibit C attached hereto. If the portions of the Adesa Property are not under construction within one (1) year or occupied within two (2) years as an automobile auction facility from the date of this Termination Agreement, the Adesa Property zoning will revert to AG/Agricultural and the undersigned Owners shall have no obligations as contained in Exhibit C.

4) All Property, except for the portions of the Adesa Property as such portions are conveyed to Adesa, shall be zoned for agricultural under the Village's AG/Agricultural Zoning District.

5) Existing uses, including, but not limited to, contractor's yard, repair shops, offices and storage of construction materials, parking of trucks, trailers, construction equipment, mineral extraction, mining, processing, crushing, screening, and land reclamation, may continue as previously existing uses without the need for conditional use or special use permits from the Village. Notwithstanding the foregoing previously existing uses, all recycling and golf range uses will be subject to Special Use Ordinance Nos. 4222-2011 and 1913-1988, approved by the Village.

6) The Parties shall cooperate in performing the provisions of this Termination Agreement. The beneficiaries of the land trusts executing this Termination Agreement as Owners are doing so only to acknowledge that they have no objection to the matters stated in this Termination Agreement.

VILLAGE OF HOFFMAN ESTATES

Developer:  
BEVERLY DEVELOPMENT, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

William D. McLeod  
Village President

Its: Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: Bev Romanoff  
Its: Village Clerk

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name:  
Its:

Date: \_\_\_\_\_

Owners:  
CHICAGO TITLE LAND TRUST  
COMPANY AS SUCCESSOR IN  
INTEREST TO FIRST NATIONAL BANK &  
TRUST COMPANY OF BARRINGTON  
AND HARRIS BANK BARRINGTON, N.A.  
AS TRUSTEE U/T/A NUMBERS 398, 11-  
3958, AND 11-5073

BY: \_\_\_\_\_

Its: Trust Officer

CHICAGO TITLE LAND TRUST  
COMPANY AS TRUSTEE U/T/A  
NUMBERS 8002350447, 8002350455  
AND 8002350428

BY: \_\_\_\_\_

Its: Trust Officer

CONSENT ONLY:  
BENEFICIARIES OF THE OWNER  
TRUSTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## EXHIBIT A

### LEGAL DESCRIPTION OF ENTIRE PROPERTY

#### PARCEL 1:

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 30 LYING SOUTH OF THE SOUTHERLY RIGHT OF WAY LINE OF ILLINOIS STATE ROUTE 72, COMMONLY KNOWN AS NEW HIGGINS ROAD, (EXCEPT THE WEST 190 FEET THEREOF) ALL IN TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THE NORTHWEST 1/4 OF SECTION 31 (EXCEPT THE WEST 190 FEET THEREOF AND EXCEPT THE SOUTH 1501.64 FEET AS MEASURED ALONG THE EAST AND WEST LINES THEREOF), ALL IN TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, FOR A PLACE OF BEGINNING; THENCE SOUTH 0 DEGREES 12 MINUTES WEST 2640.0 FEET TO A FENCE CORNER AND THE CENTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 54 MINUTES EAST 2640.70 FEET TO THE SOUTH EAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 31; THENCE NORTHERLY ALONG A FENCE LINE 1306.73 FEET TO A FENCE CORNER; THENCE NORTH 89 DEGREES 20 MINUTES WEST ALONG A FENCE LINE 1318.55 FEET TO THE CENTER LINE OF A PUBLIC ROAD KNOWN AS BEVERLY LAKE ROAD; THENCE NORTH 0 DEGREES 14 MINUTES WEST ALONG THE CENTER OF SAID ROAD 958.02 FEET; THENCE NORTH 89 DEGREES 10 MINUTES WEST ALONG A CYCLONE FENCE 218.60 FEET TO A FENCE CORNER; THENCE NORTHERLY ALONG A CYCLONE FENCE 195.0 FEET TO A RIGHT OF WAY MONUMENT; THENCE NORTH 80 DEGREES 40 MINUTES WEST ALONG THE SOUTH RIGHT OF WAY OF ROUTE 72, 238.0 FEET TO A RIGHT OF WAY MONUMENT; THENCE NORTH 78 DEGREES 35 MINUTES WEST ALONG THE SOUTH RIGHT OF ACCESS LINE OF SAID ROUTE 72, 507.0 FEET TO A RIGHT OF WAY MONUMENT; THENCE NORTH 76 DEGREES 12 MINUTES WEST ALONG THE SOUTH RIGHT OF WAY OF ROUTE 72, 336.50 FEET TO A CONCRETE RIGHT OF WAY MONUMENT ON THE WEST LINE OF THE SOUTHEAST 1/4 OF SECTION 30; THENCE SOUTH 0 DEGREES 12 MINUTES WEST 49.31 FEET TO THE PLACE OF BEGINNING, (EXCEPT THAT PART LYING EAST OF THE CENTER LINE OF BEVERLY ROAD; AND EXCEPT THAT PART FALLING WITHIN THE FOLLOWING DESCRIBED TRACT OF LAND: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF BEVERLY ROAD AND THE RIGHT OF WAY LINE OF HIGGINS ROAD IN SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHERLY ALONG THE CENTER LINE OF BEVERLY ROAD 165 FEET; THENCE WESTERLY 243.59 FEET; THENCE NORTHERLY 195.81 FEET TO THE SOUTH RIGHT OF WAY LINE OF HIGGINS ROAD; THENCE SOUTHEASTERLY ALONG THE SOUTH RIGHT OF WAY LINE OF HIGGINS ROAD TO THE PLACE OF BEGINNING; AND EXCEPT THAT PART DEDICATED FOR BEVERLY ROAD BY PLAT OF DEDICATION RECORDED SEPTEMBER 16, 1988 AS DOCUMENT 88424906), ALSO THE SOUTH 1501.64 FEET AS MEASURED ALONG THE EAST AND WEST LINES OF THE NORTHWEST 1/4 OF SECTION 31 (EXCEPT THE WEST 190 FEET THEREOF), ALL IN TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE NORTH 10 RODS OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4; THE NORTH 1/2 OF THE SOUTHWEST 1/4 AND THE NORTH 10 RODS OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 ALL IN SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THEREFROM THE WEST 190 FEET OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 31 AND EXCEPT THE SOUTH 75.00 FEET OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND EXCEPT THE NORTH 10 RODS (165.00 FEET) OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE WEST 190 FEET THEREOF AND EXCEPT THAT PART OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION WHICH IS 190.0 FEET EAST OF THE SOUTHWEST CORNER OF SAID SECTION;

THENCE NORTH ALONG A STRAIGHT LINE 190.0 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION FOR A DISTANCE OF 150.0 FEET; THENCE SOUTHEASTERLY TO A POINT ON THE SOUTH LINE OF SAID SECTION WHICH IS 250.0 FEET EAST OF THE POINT OF BEGINNING; THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 250.0 FEET TO THE POINT OF BEGINNING), IN COOK COUNTY, ILLINOIS.

ALSO THAT PART OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION WHICH IS 190.0 FEET EAST OF THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH ALONG A STRAIGHT LINE 190.0 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION FOR A DISTANCE OF 150.0 FEET; THENCE SOUTHEASTERLY TO A POINT ON THE SOUTH LINE OF SAID SECTION WHICH IS 250.0 FEET EAST OF THE POINT OF BEGINNING; THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 250.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO THAT PART OF SECTION 5, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF THE NORTHERLY LINE OF PREMISES CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY WARRANTY DEED DATED JUNE 11, 1956 AND RECORDED JUNE 12, 1956 AS DOCUMENT NUMBER 16607889 AND LYING EASTERLY OF THE PREMISES CONVEYED TO COMMONWEALTH EDISON COMPANY BY WARRANTY DEED DATED JANUARY 2, 1963 AND RECORDED JANUARY 7, 1963 AS DOCUMENT NUMBER 18690041, AND LYING WESTERLY OF THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXTENDED SOUTHERLY TO THE AFORESAID NORTHERLY LINE OF ILLINOIS STATE TOLL HIGHWAY, ALSO THAT PART OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF BEVERLY ROAD AND THE SOUTH RIGHT OF WAY LINE OF HIGGINS ROAD; THENCE SOUTHERLY ALONG THE CENTER LINE OF BEVERLY ROAD 165 FEET; THENCE WESTERLY 243.59 FEET; THENCE NORTHERLY 195.81 FEET TO THE SOUTH RIGHT OF WAY LINE OF HIGGINS ROAD; THENCE SOUTHERLY ALONG THE SOUTH RIGHT OF WAY LINE OF HIGGINS ROAD TO THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 70 RODS (1155.00 FEET) OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN,

ALSO THE SOUTH 70 RODS (1155.00 FEET) OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING THAT PART THEREOF LYING EAST AND SOUTH OF THE WEST AND NORTH LINES OF THE LAND CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED RECORDED JULY 29, 1994 AS DOCUMENT NO. 94-667,873, SAID WEST AND NORTH LINES DESCRIBED AS COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER FOR A POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 47 MINUTES 33 SECONDS WEST ALONG THE SOUTH LINE OF SAID SECTION 31 A DISTANCE OF 32.56 FEET; THENCE NORTH 06 DEGREES 06 MINUTES 43 SECONDS WEST 297.65 FEET; THENCE NORTH 00 DEGREES 52 MINUTES 23 SECONDS EAST 400.65 FEET; THENCE SOUTH 89 DEGREES 54 MINUTES 16 SECONDS EAST 58.81 FEET TO THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER), ALSO ALL THAT PART OF FRACTIONAL SECTION 5, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING (i) NORTHERLY OF THE NORTHERLY LINE OF THE PREMISES CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY DEED RECORDED JUNE 12, 1956 AS DOCUMENT NO. 16607889; (ii) EASTERLY OF THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXTENDED SOUTHERLY TO THE AFORESAID NORTHERLY LINE OF THE ILLINOIS STATE TOLL HIGHWAY; AND (iii) WESTERLY OF THE EAST 279.0 FEET OF SAID SECTION 5, EXCEPTING THEREFROM THE FOLLOWING DESCRIBED TRACT CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED RECORDED JULY 29, 1994 AS DOCUMENT NO. 94-667, 873: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 5; THENCE SOUTH



89 DEGREES 58 MINUTES 08 SECONDS WEST ALONG THE NORTH LINE OF SAID SECTION 5 A DISTANCE OF 279.00 FEET TO THE WEST LINE OF THE EAST 279.00 FEET OF SAID SECTION 5 FOR A POINT OF BEGINNING; THENCE CONTINUING SOUTH 89 DEGREES 58 MINUTES 08 SECONDS WEST ALONG SAID NORTH LINE 13.53 FEET; THENCE SOUTH 06 DEGREES 06 MINUTES 43 SECONDS EAST 61.86 FEET TO THE NORTH RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY AS CONVEYED BY DEED DOCUMENT NO. 16607889 RECORDED JUNE 12, 1956; THENCE NORTH 89 DEGREES 51 MINUTES 14 SECONDS EAST ALONG SAID NORTH RIGHT OF WAY LINE 6.71 FEET TO SAID WEST LINE OF THE EAST 279.00 FEET; THENCE NORTH 00 DEGREES 13 MINUTES 12 SECONDS EAST ALONG SAID WEST LINE 61.50 FEET TO THE POINT OF BEGINNING; SAID PREMISES ALSO BEING CAPABLE OF BEING LEGALLY DESCRIBED AS FOLLOWS: THAT PART OF FRACTIONAL SECTION 5, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING (i) NORTHERLY OF THE PREMISES CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY DEED RECORDED JUNE 12, 1956 AS DOCUMENT NO. 16607889; (ii) EAST OF THE WEST LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXTENDED STRAIGHT SOUTH; AND (iii) WESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING AT A POINT ON THE NORTH LINE OF SAID FRACTIONAL SECTION 5, 13.53 FEET WEST OF THE WEST LINE OF THE EAST 279.00 FEET OF SAID FRACTIONAL SECTION 5; AND THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE 61.86 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID PREMISES CONVEYED BY DOCUMENT NO. 16607889, 6.71 FEET WESTERLY OF SAID WEST LINE OF THE EAST 279.00 FEET OF FRACTIONAL SECTION 5, ALL IN COOK COUNTY, ILLINOIS.

EXCEPTING FROM THE AFORESAID PARCEL 1 AND PARCEL 2 THAT PART OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 42 NORTH AND PART OF FRACTIONAL SECTION 5, TOWNSHIP 41 NORTH, ALL IN RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, A DISTANCE OF 125.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST ALONG SAID EAST LINE, 495.77 FEET TO THE NORTH LINE OF PARCEL N-6A-24.5 CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY TRUSTEE'S DEED RECORDED JULY 29, 1994 AS DOCUMENT NO. 94667873; THENCE NORTH 89 DEGREES 59 MINUTES 09 SECONDS WEST (DEED BEING NORTH 89 DEGREES 54 MINUTES 16 SECONDS WEST) ALONG SAID NORTH LINE, 58.78 FEET (DEED BEING 58.81 FEET) TO THE NORTHWEST CORNER OF SAID PARCEL N-6A-24.5; THENCE SOUTH 00 DEGREES 47 MINUTES 30 SECONDS WEST (DEED BEING SOUTH 00 DEGREES 52 MINUTES 23 SECONDS WEST) ALONG THE WEST LINE OF SAID PARCEL N-6A-24.5, A DISTANCE OF 400.65 FEET TO AN ANGLE IN SAID WEST LINE; THENCE SOUTH 06 DEGREES 08 MINUTES 31 SECONDS EAST (DEED BEING SOUTH 06 DEGREES 06 MINUTES 43 SECONDS EAST) ALONG SAID WEST LINE AND ALONG THE WEST LINE OF PARCEL N-6A-24.6 CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY AFORESAID DOCUMENT NO. 94667873, A DISTANCE OF 360.01 FEET (DEED BEING 359.51 FEET) TO THE NORTHERLY RIGHT OF WAY LINE, AS MONUMENTED, OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE ROUTE 90) CONVEYED BY DOCUMENT NO. 16607889 RECORDED JUNE 12, 1956; THENCE SOUTH 89 DEGREES 50 MINUTES 30 SECONDS WEST ALONG SAID NORTHERLY RIGHT OF WAY LINE, AS MONUMENTED, OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE ROUTE 90), A DISTANCE OF 1047.58 FEET; THENCE NORTH 00 DEGREES 03 MINUTES 25 SECONDS WEST 1255.36 FEET TO A LINE THAT IS PARALLEL WITH THE NORTH LINE OF THE AFORESAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31 AND PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 54 MINUTES 05 SECONDS EAST ALONG SAID PARALLEL LINE, 1074.36 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN KANE COUNTY, ILLINOIS.

**EXHIBIT B**  
**LEGAL DESCRIPTION OF ADESA PROPERTY**  
**ADESA SUBDIVISION - OVERALL LEGAL DESCRIPTION**

THAT PART OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 1 OF LIFE CHANGERS INTERNATIONAL CHURCH SUBDIVISION RECORDED AUGUST 15, 2003 AS DOCUMENT NO. 0322718071; THENCE SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31, 248.80 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SOUTHWEST QUARTER, 159.75 FEET TO THE EAST LINE OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 03 MINUTES 25 SECONDS WEST ALONG SAID EAST LINE, 200.00 FEET TO THE NORTH LINE OF THE SOUTH 75.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST ALONG SAID NORTH LINE, 211.00 FEET TO THE WEST LINE OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 03 MINUTES 25 SECONDS EAST ALONG SAID WEST LINE, 200.00 FEET TO A LINE 125.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH SAID NORTH LINE, 456.39 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 49 SECONDS WEST, 856.35 FEET; THENCE NORTH 43 DEGREES 04 MINUTES 11 SECONDS EAST, 632.43 FEET; THENCE NORTH 32 DEGREES 03 MINUTES 26 SECONDS WEST, 208.00 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 211.22 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 115.00 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 35.34 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 747.07 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST, 285.00 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 750.00 FEET TO A LINE 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 01 MINUTE 46 SECONDS WEST PARALLEL WITH SAID EAST LINE, 115.91 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 07 MINUTES 00 SECONDS WEST 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31, A DISTANCE OF 723.61 FEET TO THE SOUTH LINE OF LAND DEDICATED FOR PUBLIC ROADWAY PER DOCUMENT NO. 88424906; THENCE NORTH 89 DEGREES 43 MINUTES 30 SECONDS EAST ALONG SAID SOUTH LINE, 42.00 FEET TO THE WEST LINE OF BEVERLY ROAD PER DOCUMENT NO. 91103116; THENCE SOUTH 00 DEGREES 07 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE OF BEVERLY ROAD, 723.68 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST ALONG SAID WEST LINE OF BEVERLY ROAD, 1294.09 FEET TO THE NORTHEAST CORNER OF LAND DEDICATED FOR PUBLIC ROADWAY PER DOCUMENT NO. 0322719108, ALSO KNOWN AS PRAIRIE STONE PARKWAY; THENCE ALONG SAID NORTH LINE THE FOLLOWING 4 DIMENSIONS 1.) SOUTH 89 DEGREES 58 MINUTES 14 SECONDS WEST, 33.00 FEET, 2.) SOUTH 44 DEGREES 56 MINUTES 09 SECONDS WEST, 42.45 FEET, 3.) SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST, 603.10 FEET AND 4.) SOUTH 87 DEGREES 59 MINUTES 32 SECONDS WEST, 408.55 FEET TO THE NORTHEAST CORNER OF SAID LAND DEDICATED; THENCE SOUTH 00 DEGREES 03 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF SAID LAND DEDICATED, 104.39 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**EXHIBIT C**

**ADESA USES FOLLOWS**



## **ADESA**

### **Overview**

We are the second largest provider of whole car auctions and related services to the vehicle remarketing industry in North America. We serve our international customer base through online auctions and auction facilities that are developed and strategically located to draw professional sellers and buyers together and allow the buyers to inspect and compare vehicles remotely or in person. Our online service offerings include ADESA.com, LiveBlock and DealerBlock and allow us to offer vehicles for sale from any location.

Vehicles available at our auctions include vehicles from institutional customers such as off-lease vehicles, repossessed vehicles, rental vehicles and other program fleet vehicles that have reached a predetermined age or mileage and have been repurchased by the manufacturers, as well as vehicles from used vehicle dealers turning their inventory. The number of vehicles offered for sale at auction is the key driver of our costs incurred in the whole car auction process, and the number of vehicles sold is the key driver of the related fees generated by the remarketing process.

We offer both online and physical auctions as well as value-enhancing ancillary services in an effective and efficient manner to maximize returns for the sellers of used vehicles. We quickly transfer the vehicles and ownership to the buyer and the net funds to the seller. Vehicles are typically offered for sale at the physical auctions on at least a weekly basis at most locations and the auctions are simulcast over the Internet with streaming audio and video (LiveBlock) so that remote bidders can participate via our online capabilities. Our online auctions (DealerBlock) function 24 hours a day, 7 days a week, providing our customers with maximum exposure for their vehicles and the flexibility to offer vehicles at buy now prices or in auctions that last for a few hours, days or even weeks. We also provide customized "private label" selling systems (including buy now functionality as well as online auctions) for our customers, primarily utilizing technology acquired with the purchase of OPEN LANE.

We generate revenue primarily from auction fees paid by vehicle buyers and sellers. Generally, we do not take title to or bear the risk of loss for vehicles sold at whole car auctions. Our buyer fees and dealer seller fees are typically based on a tiered structure with fees increasing with the sale price of the vehicle, while institutional seller fees are typically fixed. We add buyer fees to the gross sales price paid by buyers for each vehicle, and generally customers do not receive title or possession of vehicles after purchase until payment is received, proof of floorplan financing is provided or credit is approved. We generally deduct seller fees and other ancillary service fees to sellers from the gross sales price of each vehicle before remitting the net amount to the seller.

### **Customers**

Suppliers of vehicles to our whole car auctions primarily include (i) large institutions, such as vehicle manufacturers and their captive finance arms, vehicle rental companies, financial institutions, and commercial fleets and fleet management companies (collectively "institutional customers"); and (ii) franchised and independent used vehicle dealers (collectively "dealer customers"). For the year ended December 31, 2013, no single supplier accounted for more than 5% of ADESA's revenues.

Buyers of vehicles at our whole car auctions primarily include franchised and independent used vehicle dealers. For the year ended December 31, 2013, no single buyer accounted for more than 2% of ADESA's revenues.

### **Services**

Our whole car auctions also provide a full range of innovative and value-added services to sellers and buyers that enable us to serve as a "one-stop shop." Many of these services may be provided or purchased independently from the auction process, including:



<b><u>Services</u></b>	<b><u>Description</u></b>
<b><i>Auction Related Services</i></b>	ADESA provides marketing and advertising for the vehicles to be auctioned, dealer registration, storage of consigned and purchased inventory, clearing of funds, arbitration of disputes, auction vehicle registration, condition report processing, post-sale inspections, security for consigned inventory, title processing, sales results reports, pre-sale lineups and auctioning of vehicles by licensed auctioneers.
<b><i>Transportation Services</i></b>	We provide both inbound (pickup) and outbound (delivery) transportation services utilizing our own equipment and personnel as well as licensed and insured third party carriers. Through our subsidiary, CarsArrive and its Internet-based system which provides automated vehicle shipping services, customers can instantly review price quotes and delivery times, and vehicle transporters can check available loads and also receive instant notification of available shipments. The same system is utilized at our whole car auction locations.
<b><i>Reconditioning Services</i></b>	Our auctions provide detailing, body work, paintless dent repair (“PDR”), light mechanical work, glass repair, tire and key replacement and upholstery repair.
<b><i>Inspection Services Provided by AutoVIN</i></b>	AutoVIN provides vehicle condition reporting, inventory verification auditing, program compliance auditing and facility inspections. Field managers are equipped with handheld computers and digital cameras to record all inspection and audit data on-site. The same technology is utilized at our whole car auction locations and we believe that the expanded utilization of comprehensive vehicle condition reports with pictures facilitates dealers sourcing vehicles via the Internet.
<b><i>Title and Repossession Administration and Remarketing Services Provided by PAR</i></b>	PAR provides end-to-end management of remarketing process including titling, repossession administration, inventory management, auction selection, pricing and representation of the vehicles at auction for those customers seeking to outsource all or just a portion of their remarketing needs.
<b><i>ADESA Analytical Services</i></b>	ADESA Analytical Services provides value-added market analysis to our customers and the media. These services include access to publications and custom analysis of wholesale market trends for ADESA’s customers, including peer group and market benchmarking studies, analysis of the benefits of reconditioning, site selection for optimized remarketing of vehicles, portfolio analysis of auction sales and computer-generated mapping and buyer analysis.

**Sales and Marketing**

Our sales and marketing approach at ADESA is to develop strong relationships and Interactive dialogue with our customers. We have relationship managers for the various categories of institutional customers, including vehicle manufacturers, rental car companies, finance companies and others. These relationship managers focus on current trends and customer needs for their respective seller group in order to better coordinate our sales effort and service offerings.

Managers of individual auction locations are ultimately responsible for providing services to the institutional customers whose vehicles are directed to the auction by the corporate sales team. Developing and



servicing the largest possible population of buying dealers for the vehicles consigned for sale at each auction is integral to maximizing value for our vehicle suppliers.

We have local auction sales representatives who have experience in the used vehicle business and an intimate knowledge of local markets. These local representatives focus on the dealer segment and are complemented by local telesales representatives and are managed by a corporate-level team focused on developing and implementing standard best practices. We believe this combination of a centralized structure with decentralized resources enhances relationships with the dealer community and may further increase dealer consignment business at our auctions.

Through our ADESA Analytical Services department, we also provide market analysis to our customers, as they use analytical techniques in making their remarketing decisions.

### Online Solutions

Our current ADESA online solutions include:

#### Proprietary ADESA Technology    Description

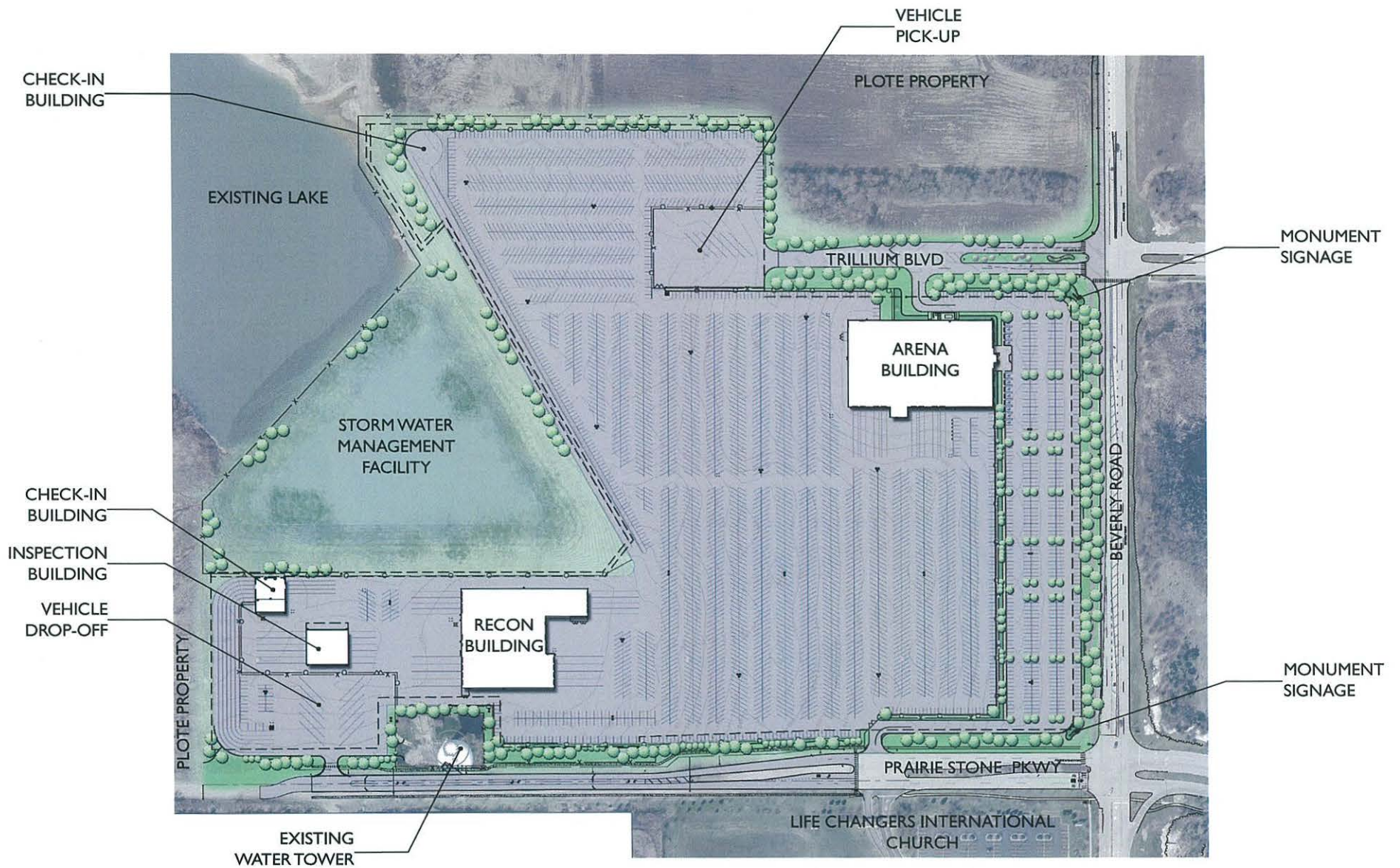
<b><i>ADESA.com and ADESADealerBlock®</i></b>	This platform provides for either real-time or “bulletin-board” online auctions of consigned inventory at physical auction locations and is powered by the technology we acquired from OPENLANE in 2011. We also utilize this platform to provide upstream and midstream selling capabilities for our consignors, which facilitate the sale of vehicles prior to their arrival at a physical auction site. Auctions can be either closed (restricted to certain eligible dealers) or open (available to all eligible dealers) and inventory feeds of vehicles are automated with many customers’ systems as well as third party providers that are integrated with various dealer management systems.
<b><i>ADESA LiveBlock®</i></b>	Our live auction Internet bidding solution, ADESA LiveBlock®, operates in concert with our physical auctions and provides registered buyers with the opportunity to participate in live auctions. Potential buyers bid online in real time along with the live auctions. Potential buyers bid online in real time along with the live local bidders and other Internet bidders via a simple, web-based interface. ADESA LiveBlock™ provides real-time streaming audio and video from the live auction and still images of vehicles and other data. Buyers inspect and evaluate the vehicle and listen to the live call of the auctioneer while viewing the physical auction that is underway.
<b><i>ADESA Run List®</i></b>	Provides a summary of consigned vehicles offered for auction sale, allowing dealers to preview inventory and vehicle condition reports prior to an auction event.
<b><i>ADESA Market Guide®</i></b>	Provides wholesale auction prices, auction sales results, market data and vehicle condition information.
<b><i>ADESA Virtual Inventory</i></b>	Subscription-based service to allow dealers to embed ADESA’s search technology into a dealer’s Web site to increase the number of vehicles advertised by the dealer.



### **Competition**

In the North American whole car auction industry, we compete with Manheim, a subsidiary of Cox Enterprises, Inc., OVE.com (Manheim's "Online Vehicles Exchange"), SmartAuction, as well as several smaller chains of auctions and independent auctions, some of which are affiliated through their membership in industry associations. In the United States, competition is strongest with Manheim for the supply of used vehicles from national institutional customers. In Canada, we are the largest provider of whole car vehicle auction services. The supply of vehicles from dealers is dispersed among all of the auctions in the used vehicle market.

Due to the increased viability of the Internet as a marketing and distribution channel, new competition has arisen from Internet-based companies and our own customers who have historically remarketed vehicles through various channels, including auctions. Direct sales of vehicles by institutional customers and large dealer groups through internally developed or third-party online platforms have largely replaced telephonic and other non-auction methods, becoming a significant portion of overall used vehicle remarketing. The extent of use of direct, online systems varies by customer. In addition, we and some of our competitors offer online auctions in connection with physical auctions, and other online companies now include used vehicles among the products offered at their auctions.





**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request approval of an ordinance adding a Wholesale Vehicle Auction House use to the list of business licenses and establishing a Wholesale Vehicle Auction Transfer Tax

**MEETING DATE:** April 6, 2015

**COMMITTEE:** Special Planning, Building and Zoning

**FROM:** Mark Koplín/Kevin Kramer/James Norris  
Patricia Cross/Arthur L. Janura

**REQUEST:** Request approval of an ordinance adding a Wholesale Vehicle Auction House use to the list of business licenses and establishing a Wholesale Vehicle Auction Transfer Tax.

**BACKGROUND:** In 2014, discussions began with an auto auction dealer interested in a Hoffman Estates location to sell quality used vehicles wholesale to auto dealers from around the Chicago area, Midwest region, and potentially from farther away. The Village code does not currently have a category for vehicle wholesale auctions and the Village would need to establish such for this use. At the same time, while the Village receives a 1% sales tax on the sale of new and used vehicles sold at "retail" from our dealerships, neither the state nor the Village currently have a mechanism for a transfer tax on "wholesale" vehicle transactions.

At the March 16, PB&Z meeting, the Committee voted to defer discussion until such time as the other Adesa approvals would appear on a Village Board agenda.

At the March 23, special PB&Z meeting, a copy of the draft ordinance was presented for informational purposes, and no action was taken.

**DISCUSSION:** Because this type of use is not currently contemplated in the Chapter 8 (Licenses) of the Village code, an amendment is proposed to add a new license, including a detailed definition (originally presented on March 16). Corporation Counsel and Assistant Corporation Counsel recommend revisions to Sections 8-2-1, 8-7-1, 8-7-3, and 8-11-6 to add and define a business license category to Chapter 8 (Licenses) for a Wholesale Vehicle Auction House (see attached). The attached ordinance amends the Village code accordingly. Importantly, this new license prohibits the licensee's sale of any "junk vehicles" whatsoever, which are defined in the Illinois Motor Vehicle Code as "disassembled, crushed, compressed, flattened, destroyed or otherwise reduced to a state in which it no longer can be returned to an operable state."

**DISCUSSION:** (Continued)

Permitted sales will include, among others, previously used cars, RVs, buses, trucks and even boats from time to time. Also included are "abandoned vehicles" which are operable or can be driven with minor repairs such as new brakes, and "grey market vehicles" such as antiques (more than 25 years old) and specialty vehicles which are in operable condition and may be licensed and registered in Illinois, although these vehicles are not required by the state to meet current safety and emission standards.

*Wholesale Vehicle Auction Transfer Tax*

The Village's portion of property tax from this type of use is not expected to be significant because a majority of the site is paved vehicle storage and there is a combined total of less than 140,000 square feet of buildings on 65 acres (essentially a large parking lot with three buildings). Retail tax does not apply to these transactions, and there will be very little other tax revenue generated. However, research and review by Assistant Corporation Counsel and Corporation Counsel has indicated that as a home rule municipality, the Village has the option to adopt a per-vehicle wholesale transfer tax as part of Chapter 13 of the Municipal Code (new Article 14 - see attached). As originally presented on March 16, a rate of \$7.00 per vehicle is proposed and would be the responsibility of the purchaser, but collected by the auction house and paid to the Village. The petitioner is requesting, in a separate PB&Z agenda item, an incentive rebate of \$2.00 per vehicle for the initial years until some extraordinary development costs are recouped, netting \$5.00 per vehicle to the Village. At such time as Adesa is reimbursed for their extraordinary MWRD fees, the fee would change from \$7.00 to \$5.00. The tax ordinance also includes the Village's standard language regarding Late Payment, Enforcement, and provides for the Village's audit, if requested, of the licensee's Books and Records.

*Changes Since March 23, Special PB&Z Meeting*

The only change to the ordinance since the March 23, Special PB&Z is the addition of an additional code "clean up" item. Section 8-2-1 (Fees) of the proposed ordinance also includes a minor housekeeping item to include the fees for Residential Rental Licenses that was inadvertently left out of Section 8-2-1 when the Residential Rental License ordinance was approved.

**FINANCIAL IMPACT:**

Adesa has indicated that during the first full year of operation, roughly 15,000 vehicles could be auctioned, and after a two year establishment period, roughly 75,000 vehicles could be auctioned each year. Corporation Counsel has advised that in-state Internet sales would be subject to the tax, but out-of-state Internet sales by an entity not registered with the State of Illinois (perhaps 5-10% of total sales) would not be subject to the tax. This will result in Village tax revenue ranging from \$60,000 in the initial year, to \$320,000 per year after full establishment of the business. This type of revenue generation is similar to some of our new car dealerships and would provide an important increase in the tax base of the community. The tax would apply to the wholesale of more than 1,000 vehicles per year, and this threshold is greater than what any of our local auto dealers is likely to sell at wholesale in a single year.

As a related note, the auctions will attract Chicagoland customers, as well as customers from a multi-state area since Adesa's facilities generally serve a multi-state area, and often attract in-person buyers from across the entire country depending on the nature of each specific auction event. Some of these will stay at local hotels, and local restaurants should also benefit from Adesa.

**RECOMMENDATION:**

Approval of an ordinance adding a Wholesale Vehicle Auction use to the list of business licenses and establishing a Wholesale Vehicle Auction Transfer Tax.

Attachment

cc: Brett Roland (Adesa)  
Ankur Gupta (McDermott Will & Emery LLP)

ORDINANCE NO. \_\_\_\_\_ - 2015

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AMENDING SECTIONS 8-2-1, 8-7-1, 8-7-3, 8-11-6,  
AND CREATING ARTICLE 14 OF CHAPTER 13  
OF THE HOFFMAN ESTATES MUNICIPAL CODE

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: That Section 8-2-1, Fees, of Article 2, LICENSE FEES, of the Hoffman Estates Municipal Code be and is hereby amended to read as follows:

Section 8-2-1. FEES

For Licenses to operate the following businesses, the fees listed opposite the named business shall apply: PER YEAR

A. Business Licenses

Alcoholic Liquors

Class "A" License	2,400.00
Class "AA" License	950.00 (additional)
Class "AC" License	1,000.00
Class "B" License	2,400.00
Class "C" License	25.00 (two days)
Class "D" License	2,400.00
Class "DD" License	1,000.00 (additional)
Class "E" License	950.00 (additional)
Class "F" License	6,000.00
Class "G" License	6,000.00
Class "H" License	40.00 (one day)
Class "I" License	1,000.00
Class "LC" License	2,600.00 (additional)

Amusements

Amusements, General	315.00
Amusement Devices	45.00 (per device)
Billiard and Pool Halls	45.00 (per table)
Bowling Alleys	25.00 (per alley)
Concerts	100.00 (per performance)
Dart Room	25.00 (per alley)
Golf Courses & Miniature Golf Courses	65.00
Ice Skating Rinks	190.00
Jukeboxes	65.00
Lotteries	1.00
Motion Pictures & Theatricals	950.00 (or \$10 per day)
Parades	10.00
Roller Skating Rink	190.00
Shooting Galleries	65.00
Sports Complex	190.00
Video Gaming Terminal (per terminal)	100.00
Terminal Operator	500.00

Foods and Beverages

Automatic Food Vending Machine	15.00 (per machine) 50.00 (per machine - items \$.50 and over)
Bakeries	65.00
Cafeteria	1.00 (per patron chair)
Drive-In/Carry-Out Restaurants	65.00

Food Dealers	65.00
If fish or meat is sold	75.00
Food Deliveries	15.00 (per vehicle)
Food Service Establishments	
Permanent	
Accommodations under 100	300.00
Accommodations from 101 to 500	600.00
Accommodations from 501 to 1000	900.00
Accommodations (including seats in an Arena) over 1000	1,200.00
Banquet	1.00 (per patron chair)
Mobile	50.00
Temporary	50.00
Restaurant Caterer	300.00
Outdoor Food Service Establishment	50.00
Ice Cream Parlor	65.00
Ice Cream Manufacturers	100.00
Milk	65.00
Retail Food Stores	
Less than 1,500 square feet	65.00
1,501 to 4,000 square feet	100.00
over 4,000 square feet	190.00
Health and Care Facilities	
Hospital	315.00
Nursing Home	315.00
Sheltered Care Facility	315.00
Intermediate Care Facility	315.00
Skilled Nursing Facility	315.00
Veterinary Hospitals	100.00
Mobile Health Facilities	150.00
Ambulance Service	45.00 (per vehicle)
Day Care Center	35.00
Congregate Care Facilities	315.00
Merchants (Products)	
Auctioneers (annual or \$10.00/day)	40.00
Automobile Accessories	65.00
Automobile Sales Lot	65.00
Drug, Chemical or Paint Stores (Wholesale)	65.00
Full Service Station or	
Secured Self-Service Station	125.00
Non-Secured Self-Service Station	1,250.00
Firearms, Airguns and Explosive Toy	125.00
Florists, Greenhouses	65.00
Fuel Oil Storage Stations	65.00
Garage Sales No Fee (on site)	10.00
Going Out of Business Sale	75.00
Hardware and Paint Stores	65.00
Junk Dealers (per day)	1.00
Machine Shops	50.00
Resale Business	65.00
Seasonal Outdoor Sales	40.00
Solicitors (for profit)	25.00
(not for profit)	0.00
Tobacco Product or Electronic Smoking Device Dealers	95.00
Items (cannabis & drugs)	150.00
Merchants (Service)	
Carters	35.00
Cleaners and Dryers	
Plant on Premises	100.00
Plant Not on Premises	50.00

Contractors	100.00
Department Stores	0.00
Exterior Drop Boxes	125.00 (per box)
For Profit Schools	50.00
Hotels	6.00 (per room for rent)
Housemovers, Houseraisers & Shorers	125.00
Insurance - Foreign Fire Insurance Companies	Statutory 2%
Itinerant Merchants	40.00
Laboratories	15.00 (per employee)
Landscape Material Processing	1,000.00 ✓
Laundries	
Plant on Premises	100.00
Plant Not on Premises	50.00
Coin Operated Laundry Machines	50.00 (plus \$3/unit)
Laundry Vehicles	40.00 (per vehicle)
Motor Vehicle Repair Shops	65.00
Pet Shops and Kennels	65.00
Photographers	65.00
Public Passenger Vehicles (Business)	50.00
Public Passenger Vehicles	40.00
Public Passenger Vehicle (Chauffeurs)	15.00 (plus \$10 background check if necessary)
Refuse Collectors	125.00 (per unit for first two units, \$50 for each unit thereafter)
Tanning Facilities	65.00 (for first unit & \$10 for each additional unit)
Wearing Apparel Stores	65.00
Self-Storage Facilities	
Less than 50,000 square feet	315.00
50,001 to 100,000 square feet	470.00
more than 100,000 square feet	625.00
Special Licenses:	
General License	30.00
General Business Premises License	
<u>Square Feet</u>	
1 to 1,999	\$ 35.00
2,000 to 3,999	40.00
4,000 to 5,999	45.00
6,000 to 7,999	50.00
8,000 to 9,999	55.00
10,000 to 14,999	70.00
15,000 to 19,999	85.00
20,000 to 24,999	100.00
25,000 to 29,999	115.00
30,000 to 39,999	160.00
40,000 to 49,999	205.00
50,000 to 74,999	265.00
75,000 to 99,999	325.00
100,000 to 199,999	400.00
200,000 to 499,999	475.00
500,000 or greater	475.00 (plus \$75 for each additional 100,000 sq. ft. or portion thereof)

General Business Premises License (Otherwise Licensed)

<u>Square Feet</u>		
1	to	9,999 \$ 10.00
10,000	to	29,999 55.00
30,000	to	99,999 115.00
100,000	to	499,999 325.00
500,000	or greater	400.00 (plus \$75 for each additional 300,000 sq.ft. or portion thereof)
Special Events License		\$ 50.00 (plus applicable fees if license would otherwise be required)
Home Based Business License		25.00
Retail Sales & Service		50.00
Helipads		100.00
Special Use Antennas		50.00
Residential Rental Property License		150.00
Individual Unit within Licensed Building		75.00
Wholesale Vehicle Auction House		\$1,000.00

There shall be a penalty applicable to all licenses listed in the Subsection A of 25 percent or \$15.00, whichever is greater, for the renewal of a license purchased after the date such renewal license fee is due. An additional penalty of 25 percent of the original license fee or \$15.00, whichever is greater, shall be assessed for each additional 30 days after the date such renewal license fee is due.

B. Public and Private Swimming Pools.

Public .....\$65.00

Private .....65.00

C. Animal License Fees: The schedule of animal license fees is as follows:

1. Each Dog .....\$5.00

2. Each Cat ..... \$5.00

Senior Citizens: The animal license fees required of citizens sixty-five (65) years of age and over shall be Two Dollars (\$2.00) per animal, said discount not to exceed two (2) such animals per household. A penalty of \$1.50 per month will be assessed beginning December 1 for animals that were eligible for licensing on November 1 of that year.

D. Renewal. Any licensee may renew his license at the expiration thereof, provided that he is then qualified to receive a license, and has paid all other applicable business license fees and any other fees or monies then owed to the Village. The renewal privileges herein provided for shall not be construed as a vested right.

Section 2: That Section 8-7-1, Auctioneers, of the Hoffman Estates Municipal Code be and is hereby amended to read as follows:

Section 8-7-1. AUCTIONEERS

A. License Required - It shall be unlawful for any person, firm or corporation to conduct an auction in the Village of Hoffman Estates or to do business as an auctioneer without having obtained a license therefor.

B. Auction in Streets - No person shall sell or attempt to sell or offer for sale at public auction, any goods, chattels, or personal or real property of any kind upon the public streets or sidewalks of the Village.

C. Exemptions - Nothing in this Article shall apply to any public auction or sale made or conducted by a public officer by virtue of any authority contained in a mortgage or trust deed, or where a Wholesale Vehicle Auction House license is issued in accordance with Section 8-11-6 of this Code.

Section 3: That Section 8-7-3, Automobile Sales Lot, of the Hoffman Estates Municipal Code be and is hereby amended by amending sub-section B to read as follows:

Section 8-7-3. AUTOMOBILE SALES LOT

B. License Required - It shall be unlawful for any automobile dealer to engage in or do business in the Village without having secured a license therefor, but nothing contained in this Article shall apply to a Wholesale Vehicle Auction House duly licensed in accordance with Section 8-11-6 of this Code.

Section 4: That Section 8-11-6, Wholesale Vehicle Auction House, of Article 11, SPECIAL LICENSES, the Hoffman Estates Municipal Code be and is hereby created to read as follows:

Section 8-11-6. WHOLESALE VEHICLE AUCTION HOUSE

A. Definitions

1. "Wholesale Vehicle Auction House" shall mean any Person engaged in the business of auctioning Vehicles for sale at Wholesale within the Village of Hoffman Estates, and not otherwise licensed hereunder as an automobile sales lot.

2. "Vehicle" shall mean each Vehicle as that term is defined in the Illinois Motor Vehicle Code (625 ILCS 5/1-101 et seq.), as amended, including but not limited to motor vehicles, trucks, recreational vehicles and trailers, and shall also include watercraft as defined in the Illinois Boat Registration and Safety Act (35 ILCS 159/15-5), as amended.

3. "Wholesale" as used herein shall mean the transfer of the ownership or title to tangible personal property in the form of a Vehicle to another for purposes of resale or lease, other than to a consumer or end user which transfer is not subject to a retail sales tax.

4. "Person" means any individual, partnership, limited liability company, corporation or other legal entity.

5. "Purchaser" shall mean any Person who receives a Wholesale Vehicle from a business licensed by the Village in exchange for money or pursuant to an auction conducted by a business licensed by the Village.

A-B. License required. It shall be unlawful for any Person to conduct business as a Wholesale Vehicle Auction House in the Village of Hoffman Estates without having first obtained a license therefor. No more than five percent (5%) of the Wholesale Vehicle



Auction House sales shall be made up of abandoned vehicles (625 ILCS 5/1-101.05, as amended) and grey market vehicles (625 ILCS 5/1-124.1, as amended). No sales of junk vehicles whatsoever (625 ILCS 5/1-134.1, as amended) shall be permitted by a Wholesale Vehicle Auction House licensed hereunder.

C. Application. An application for a Wholesale Vehicle Auction House license shall be made in conformity with the general requirements of this Chapter relating to applications for licenses.

D. Exemptions. No other or further business license as an Auctioneer (Sec. 8-7-1) or an Automobile Sales Lot (Sec. 8-7-3) shall be required nor fee paid where a Wholesale Vehicle Auction House license is secured.

E. Regulations. Each Wholesale Vehicle Auction House shall comply with this Sec. 8-11-6 and with all applicable State laws and this Municipal Code, and the Village's Code Enforcement and the Fire and Police Departments, including the right of inspection.

F. Exclusion. The terms and procedures of this Section shall not be made applicable to any activity carried on or operated by a governmental institution.

Section 5: That Article 14, TAX ON WHOLESALE PURCHASE OF MOTOR VEHICLE FROM AUCTION HOUSE, of Chapter 13, REVENUE TAXES AND CHARGES, of the Hoffman Estates Municipal Code be and is hereby created to read as follows:

#### ARTICLE 14

#### TAX ON PURCHASE OF VEHICLE AT WHOLESALE

##### Section 13-14-1. DEFINITIONS

Unless the context otherwise requires, the following words or terms as used shall be construed according to the definitions given below:

A. "Vehicle" shall mean each Vehicle as that term is defined in the Illinois Motor Vehicle Code (625 ILCS 5/1-101 et seq.), as amended, including but not limited to motor vehicles, trucks, recreational vehicles and trailers, and shall also include watercraft as defined in the Illinois Boat Registration and Safety Act (35 ILCS 159/15-5), as amended.

B. "Wholesale" as used herein shall mean the transfer of the ownership or title to tangible personal property in the form of a Vehicle to another for purposes of resale or lease, other than to a consumer or end user which transfer is not subject to a retail sales tax.

C. "Person" means any individual, partnership, limited liability company, corporation or other legal entity.

D. "Purchaser" shall mean any Person who receives a Wholesale Vehicle in exchange for money from a business licensed by the Village or pursuant to an auction conducted by a business licensed by the Village.

Section 13-14-2. IMPOSITION OF TAX

A. Effective and commencing as of the 1st day of January, 2016, a tax, in addition to any and all other taxes, is imposed on the purchase of a Vehicle at Wholesale within the Village of Hoffman Estates at the flat rate of \$7.00 per Vehicle until such time as the gross revenues under this Section 13-4-2 equals \$1,680,000, or January 1, 2022, unless otherwise amended, as certified by the Village's Finance Director. Thereafter, the tax rate shall be \$5.00 per Vehicle. The ultimate incidence and liability for payment of this tax shall be borne by the Purchaser, and nothing in this Section shall be construed to impose a tax upon the occupation of any Person engaged in the business of selling or conducting an auction of Vehicles at Wholesale within the Village of Hoffman Estates.

A. It shall be deemed a violation of this Article for a Person selling or conducting an auction of Vehicles at Wholesale to fail to add and to collect the tax imposed in this Article to the sales price of a Vehicle or to otherwise absorb such tax.

B. The tax imposed by this Article shall, when collected, be stated as a distinct item separate and apart from the selling or auction price of the Vehicle, and the Person collecting the tax shall give to the Purchaser a receipt for such tax. Such receipt shall be sufficient to relieve the Purchaser from further liability for the tax on the purchase of a Vehicle at Wholesale as provided herein.

D. There shall be no duty on the part of a Person selling or conducting an auction of Vehicles at Wholesale to collect or to remit the taxes collected to the Village until more than 1,000 Vehicles are purchased from him at Wholesale during a calendar year.

Section 13-14-3. COLLECTION OF TAX

The Person who is the owner and operator of each premises, enclosure or other place within the Village of Hoffman Estates where the business of selling or conducting an auction of Vehicles at Wholesale is conducted, shall jointly and severally have the duty to collect and account to the Village for this tax from each Purchaser at the time that the consideration for such purchase at Wholesale is paid or failing to do so, to otherwise absorb such tax.

Section 13-14-4. EXEMPTIONS

A. This tax shall not apply to the purchase of a Vehicle at retail from a duly licensed Automobile Sales Lot within the Village of Hoffman Estates.

B. This tax shall not apply to the on-line purchase of a Vehicle at Wholesale where the Purchaser is not registered with the State of Illinois.

C. It shall be presumed that all purchases of Vehicles being sold at Wholesale within the Village of Hoffman Estates are subject to the tax imposed under this Article 14.

D. The burden of proving that the purchase of a Vehicle is not taxable hereunder shall be upon the Person so claiming.

Section 13-14-5. BOOKS AND RECORDS

The Person who is the owner and operator of each premises, enclosure or other place within the Village of Hoffman Estates where the business of selling or conducting an auction of Vehicles at Wholesale is conducted, shall jointly and severally have the duty to

maintain complete and accurate books, records and accounts showing the number of Vehicles purchased at Wholesale and the taxes thereon collected each day, which shall be made available to the Village for examination and for audit by the Village upon reasonable notice during customary business hours.

Section 13-14-6. TRANSMITTAL OF TAXES COLLECTED AND FILING OF RETURNS

The Person who is the owner and operator of each premises, enclosure or other place within the Village of Hoffman Estates where the business of selling or conducting an auction of Vehicles at Wholesale is conducted, shall jointly and severally have the duty to cause to be filed a sworn Wholesale Vehicle Purchase Tax return with the Director of Finance for the Village of Hoffman Estates for each such licensed premises located in the Village. Said return shall be prepared and submitted in forms prescribed by the Village's Director of Finance and shall be filed with the Village by the 20<sup>th</sup> day of each month even when no tax is due. Said return shall also be accompanied by payment to the Village of any and all taxes imposed by this Article which are due and owing for the period covered by the return.

Section 13-14-7. LATE PAYMENT PENALTY

If any tax imposed by this Article 14 is not paid when due, a late payment penalty equal to five percent (5%) of the unpaid tax shall be added for each month, or any portion thereof, that such tax remains unpaid, and the total of such late payment penalty shall be paid by the Person who is the owner and operator of each premises, enclosure or other place within the Village of Hoffman Estates where the business of selling or conducting an auction of Vehicles at Wholesale is conducted along with the tax imposed by this Article.

Section 13-14-8. TRANSMITTAL OF EXCESS TAX COLLECTIONS

If any Person collects an amount in excess of the tax imposed by this Article, but which amount is purported to be a collection thereof, and does not return the same to the Purchaser who paid the tax, the Person who collected the tax shall account for and pay over those excess amounts to the Village along with the tax properly collected.

Section 13-14-9. ENFORCEMENTS

Payment and collection of the tax imposed by this Article 14 and any late payment penalty may be enforced by an action in any court of competent jurisdiction. The failure to collect, account for, pay over the tax imposed by this Article or otherwise to absorb such tax, including any late payment penalty, shall be cause for suspension or revocation of any Village license issued pursuant to Chapter 8 - Licenses, of the Hoffman Estates Municipal Code.

Section 13-14-10. PENALTY

A. Any Person failing or omitting to pay said tax when due or failing or omitting to collect, account for or pay over said tax or otherwise to absorb such tax, together with any late payment penalty, or failing to maintain or allow the examination of the required

records shall, in addition to any other payment penalty or fee provided by law, be fined not less than Fifty Dollars (\$50.00) nor more than Five Hundred Dollars (\$500.00) for each offense, and each day a violation continues shall be considered a separate and distinct violation.

B. Any Person failing or omitting to pay said tax when due or failing or omitting to collect, account for or pay over said tax or otherwise to absorb such tax, together with any late payment penalty, or failing to maintain or allow the examination of the required records shall, in addition to any other payment or fee provided by law, be required to pay a hearing fee if a hearing is required under Section 8-1-14 of the Hoffman Estates Municipal Code to show cause why the business license should not be revoked. Such fee shall be \$100.00 for each hearing, but \$250.00 if it is the second such hearing in 12 months and \$500.00 if it is the third or more such hearing in 12 months. Such fee shall be required under any circumstance causing such hearing to be scheduled whether or not the Person pays said tax or not subsequent to the notice of the hearing.

Section 13-14-11. CONFIDENTIALITY

All information received by the Village from returns filed pursuant to this Article 14 or from any investigations conducted pursuant to this Article, except for official Village purposes, or as required by the Freedom of Information Act, shall be confidential.

Section 6: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 7: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2015

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Trustee Gary G. Stanton	_____	_____	_____	_____
Trustee Michael Gaeta	_____	_____	_____	_____
Trustee Gayle Vandenberg	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

Published in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request approval of an Incentive Agreement with Adesa Illinois, LLC

**MEETING DATE:** April 6, 2015

**COMMITTEE:** Special Planning, Building and Zoning

**FROM:** Mark Koplin/Kevin Kramer/James Norris/Arthur L. Janura

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**REQUEST:** To present an Incentive Agreement with Adesa to share Wholesale Vehicle Transfer Tax generated at the proposed Auto Auction facility on at the corner of Beverly Road and Prairie Stone Parkway.

**BACKGROUND:** After investing significant funds in the development of plans for this project, Adesa learned of an extraordinarily high Metropolitan Water Reclamation District (MWRD) "connection fee". Most properties in the Village have not been subject to this fee because they were annexed into the MWRD prior to adoption of the impact fee ordinance by MWRD. It is our understanding that the subject property was annexed to MWRD in 1999, while MWRD adopted their fee in 1997, and current owners have not yet paid this fee. The MWRD Connection Fees are assessed to all properties annexed into MWRD after their Connection Fee ordinance was adopted.

The fee is \$7,500 per acre for an "industrial" use (and Adesa meets that definition under MWRD), in addition to all normal MWRD permitting fees.

At the March 23, special PB&Z meeting, a copy of the draft Incentive Agreement was presented for informational purposes, and no action was taken.

**DISCUSSION:** The proposed Adesa project has three primary benefits for the Village. First, this project led to the Termination Agreement with the owners of the Beverly Properties which causes all prior agreements (all entitlements and all obligations by both parties) to be null and void (separate PB&Z agenda item). Second, this project opens the door for other non-residential development. Adesa sets the tone for future commercial development on the 400 or so acres, whether it be light industrial, commercial, or even hospitality. Third, with the proposed Wholesale Vehicle Transfer Fee, this project will generate a substantial amount of revenue to the Village. Adesa qualifies as a "major tax generator" with annual revenues similar to some of our new car dealers.

**DISCUSSION:** (Continued)

Adesa projects 75,000 wholesale vehicle transactions per year after a couple years of sales ramping up. Adesa and the Village previously agreed on a new \$5.00 per vehicle Wholesale Vehicle Transfer Tax, with the Village retaining the entire amount.

Adesa proposes up to three separate phases, and has the ability in their land scale contract to acquire 65 acres initially, then 29 acres for Phase II and 42 acres for Phase III. The land scale contract allows them only five years for these options:

- ◆ Phase I - 65 acres = \$487,500
- ◆ Phase II - 29 acres = \$217,500
- ◆ Phase III - 42 acres = \$315,000

A total of a little over \$1 million would be due to MWRD for all three phases. Because this unforeseen expense was not known by Adesa during the formative stages of this project, and not budgeted, and when a commitment was made to locate at this site, they are requesting a portion of the newly created Wholesale Vehicle Transfer Tax be rebated for the initial years of operation to help facilitate this project to happen. Adesa requested that the Village consider increasing the Wholesale Vehicle Transfer Tax from the \$5.00 originally discussed to \$7.00 and rebating \$2.00 to Adesa to mitigate the financial impact of the MWRD Connection Fees until such fees are recouped. This would continue until such time as they were reimbursed for the MWRD Connection Fees actually paid by Adesa, which would include Phase I, and potentially Phase II and III. The increase to \$7.00 is reflected in the ordinance creating the Wholesale Vehicle Transfer Tax. The ordinance with language adopting the Wholesale Vehicle Transfer Tax is presented in a separate PB&Z item.

The proposed incentive is structured to rebate \$2.00 per wholesale transaction, until Adesa recoups whatever they pay MWRD. If Phases II and III never happen, the tax would revert to just the \$5.00 for the Village after Phase I fees are paid. If Phase II, and then Phase III happen, the tax would remain at \$7.00 until such time as the MWRD fees for those phases are recouped by Adesa. The term of the agreement will be capped so that this incentive does not continue indefinitely. The reversion to \$5.00 is reflected in the ordinance.

The agreement proposes a term for Phase I expiring in 2023, with Phase II expiring in 2025, and Phase III in 2028. This should allow sufficient time for Adesa to recoup the MWRD expense, and we would know by 2020 if subsequent phases would proceed. The Village also benefits from extending the term for the expirations as more cars on-site would translate into more sales for the Village's \$5.00 tax. The agreement would allow for Adesa to be fully paid IF they initiate development promptly AND if they achieve their sales targets. If sales fall short, they would not receive total recoupment and that is at their risk.

**DISCUSSION:** (Continued)

*Changes Since March 23, Special PB&Z Meeting*

- ◆ Top of page 1 - Parties is now a defined term.
- ◆ Phase I defined in the 2nd WHEREAS clause.
- ◆ The 7th and 8th WHEREAS clauses now shows employment and sales projections as "expected" as they are just a projection.
- ◆ The 17th WHEREAS clause now clarifies that the tax is payable by the purchaser which is consistent with the ordinance. Also shown in 2.A. It also references the reduction to \$5.00, as set forth in the ordinance.
- ◆ Section 3.C. and 3.D. - Wording changes, Phase I defined.
- ◆ Section 9.A. - Minor wording changes.
- ◆ Section 15.B.3. - New language added.
- ◆ Sections 16 and 17 - Minor wording changes.
- ◆ Section 19 - Defined all three Parties.

**FINANCIAL IMPACT:**

With annual sales of 75,000 vehicles, and assuming 90% are taxable transactions (subtracting out-of-state Internet sales of 5-10%), and subtracting the 1,000 vehicle threshold, the Village would receive approximately \$332,000 per year. The additional \$2.00 would generate \$133,000 per year for Adesa. Adesa would receive reimbursement for their Phase I MWRD fees in about six years. If Phase II and III proceed, it would take a total of ten years for them to receive the full amount. At that time, the Wholesale Vehicle Transfer Tax would revert to \$5.00, with the Village retaining the full amount.

**RCOMMENDATION:**

Recommend approval of an incentive with Adesa Illinois, LLC, rebating \$2.00 of the \$7.00 Wholesale Vehicle Transfer Tax collected until such time as Adesa has been reimbursed for MWRD Connection Fees.

Attachments

cc: Brett Roland (Adesa)  
Ankur Gupta (McDermott Will & Emery LLP)

Adesa Vehicle Transfer Tax

3/25/2015

f:Adesa transfer tax

Acres/Phase MWRD fee

66	\$	7,500	\$	495,000	\$	495,000
29	\$	7,500	\$	217,500	\$	712,500
42	\$	7,500	\$	315,000	\$	1,027,500

**Scenario #1** (\$7.00 tax, \$5.00 to VHE/\$2.00 to Adesa, assume 10% of total sales not taxable-out of state and on line, and subtract 1000 for threshold)

	# of vehicles/yr (-5% for online out of state)	Xfr tax	\$ to VHE (\$5.00/veh.)	VHE Cumulative	\$ to Adesa (\$2.00/veh.)	Adesa Cumulative	
Yr 1	12,500	\$ 7.00	\$ 62,500	\$ 62,500	\$ 25,000	\$ 25,000	
Yr 2	21,500	\$ 7.00	\$ 107,500	\$ 170,000	\$ 43,000	\$ 68,000	
Yr 3	66,500	\$ 7.00	\$ 332,500	\$ 502,500	\$ 133,000	\$ 201,000	
Yr 4	66,500	\$ 7.00	\$ 332,500	\$ 835,000	\$ 133,000	\$ 334,000	
Yr 5	66,500	\$ 7.00	\$ 332,500	\$ 1,167,500	\$ 133,000	\$ 467,000	
Yr 6	66,500	\$ 7.00	\$ 332,500	\$ 1,500,000	\$ 133,000	\$ 600,000	Ph 1 MWRD connection fee paid off
Yr 7	66,500	\$ 7.00	\$ 332,500	\$ 1,832,500	\$ 133,000	\$ 733,000	
Yr 8	66,500	\$ 7.00	\$ 332,500	\$ 2,165,000	\$ 133,000	\$ 866,000	Ph 2 MWRD connection fee paid off
Yr 9	66,500	\$ 7.00	\$ 332,500	\$ 2,497,500	\$ 133,000	\$ 999,000	
Yr 10	66,500	\$ 7.00	\$ 332,500	\$ 2,830,000	\$ 133,000	\$ 1,132,000	Ph 3 MWRD connection fee paid off



**ECONOMIC INCENTIVE AGREEMENT  
BETWEEN THE  
VILLAGE OF HOFFMAN ESTATES AND ADESA ILLINOIS, LLC**

THIS ECONOMIC INCENTIVE AGREEMENT (this "Agreement") is entered into as of this \_\_\_\_ day of April 2015, by and between the Village of Hoffman Estates, an Illinois municipal corporation (the "Village"), and ADESA Illinois, LLC, an Illinois limited liability company ("ADESA").

WITNESSETH:

WHEREAS, ADESA is contract purchaser of a parcel of land west of Beverly Road and north of Prairie Stone Parkway, Hoffman Estates, IL (the "Property", as more particularly described in Exhibit A attached hereto and made a part hereof); and

WHEREAS, ADESA will purchase and develop approximately sixty-five (65) acres of commercial land west of Beverly Road and north of Prairie Stone Parkway for the initial development phase ("Phase I"); and

WHEREAS, ADESA has options to purchase additional acreage contiguous to the Property; and

WHEREAS, ADESA desires to undertake site and building improvements (as more particularly described in the site plan dated March 12, 2015, prepared by Kimley-Horn, and attached hereto as Exhibit B); and

WHEREAS, ADESA expects to conduct up to seventy-five thousand (75,000) or more yearly wholesale vehicle transactions; and

WHEREAS, that the Property is currently vacant and has been vacant for more than a year prior to the date of the Agreement; and

WHEREAS, that development of the Property will create employment opportunities within the Village, bringing an expected 150 new full time and 100 new part-time jobs to the Village; and

WHEREAS, that development of the Property is expected to bring 25,000 customers to the facility annually, many of whom will patronize other businesses in Hoffman Estates; and

WHEREAS, that development of the Property will enhance Village revenues, as well as the Village's tax base; and

WHEREAS, ADESA meets high standards of credit worthiness and has the financial strength and ability to successfully use and develop the Property pursuant to the Agreement and

applicable Village codes and standards by using its own equity to finance more than 10% of the total project costs; and

WHEREAS, development of the property will strengthen the commercial sector of the Village; and

WHEREAS, that after full consideration of all planning, development, economic, fiscal and land use issues affecting the use and development of the Property, it is in the best interest of the Village to enter into the Agreement; and

WHEREAS, the expansion of the tax base and infusion of money into the local economy are public benefits for which the expenditure of funds is proper; and

WHEREAS, to facilitate the construction of the Facility, the Village commits to payment to ADESA of the amounts attributable to unique circumstances herein provided; and

WHEREAS, development of the Property will serve to further the development of adjacent property and make the adjacent property more attractive to other complementary companies and tenants that will also enhance employment opportunities and Municipal revenues; and

WHEREAS, the retailers occupation tax does not apply to wholesale transactions; and

WHEREAS, ADESA agrees to a wholesale vehicle transaction tax of seven dollars (\$7.00) per transaction to be payable by the purchaser in such transaction, subject to potential reduction to five dollars (\$5.00) per transaction as set forth herein; and

WHEREAS, ADESA will incur extraordinary costs related to Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) Connection Fees and has requested Village assistance in the form of certain tax revenue sharing; and

WHEREAS, it is anticipated that ADESA will generate substantial Wholesale Vehicle Tax revenue; and

WHEREAS, absent participation by the Village pursuant to this Agreement, the Facility would not have been constructed within the Village.

NOW, THEREFORE, in consideration of the premises and of the mutual promises, agreements, covenants, and undertakings set forth herein, the parties hereto agree as follows:

1. Incorporation of Preambles. The parties hereby adopt the recitals contained in the preambles as provisions of this Agreement and find the same to be true and correct.
2. Definitions.

A. Wholesale Vehicle Tax. For the purposes of this Agreement, the use of the term "Wholesale Vehicle Tax" shall mean a tax imposed on the purchase of a vehicle at wholesale within the Village of Hoffman Estates at the flat rate of seven dollars (\$7.00) per vehicle and payable by the purchaser, subject to potential reduction to a flat rate of five dollars (\$5.00) per vehicle as set forth herein.

B. Revenue Year. For the purposes of this Agreement, "Revenue Year" shall mean the twelve (12) month period commencing January 1 and ending December 31 in each calendar year.

3. Economic Incentives.

A. Facility. It is understood by the parties that ADESA's operations at the Property will generate revenue in the form of Wholesale Vehicle Tax revenue.

B. ADESA Representation. ADESA represents, warrants, and covenants that it will comply in all material respects with the Wholesale Vehicle Tax adopted by the Village (Ordinance #\_\_\_\_\_-2015).

C. Wholesale Vehicle Tax Incentive. The Village shall remit to ADESA on an annual basis two dollars (\$2.00) per vehicle of the Wholesale Vehicle Tax actually collected by the Village (the "Incentive"). Such Incentive shall be remitted to ADESA until such time as the MWRDGC Connection Fees actually paid to MWRDGC for property development by ADESA has been remitted to ADESA. Should ADESA proceed with subsequent phases of development (approximately 29 acres ("Phase II") and 42 acres ("Phase III"), respectively), and should the MWRDGC Connection Fees be assessed, the Village shall remit two dollars (\$2.00) per vehicle of the Wholesale Vehicle Tax collected by the Village to ADESA until such time as ADESA is fully reimbursed for all MWRDGC Connection Fees paid by ADESA. Notwithstanding any provision contained in this Agreement to the contrary, (i) remittance of the Incentive will end and no further payments will be made by the Village upon termination of this Agreement, and (ii) at such time as the remittance or Incentive is no longer payable to ADESA hereunder, the Wholesale Vehicle Tax shall be reduced to a flat rate of five dollars (\$5.00) per vehicle for the balance, if any, of the term of this Agreement.

D. Payment. On or before April 1 of each year, the Village shall pay upon the receipt of sales records from the ADESA, the applicable Incentive payment to ADESA for the immediately preceding Revenue Year. ADESA shall release information, as reasonably required by the Village relating to the Wholesale Vehicle Tax for the subject Revenue Year. Notwithstanding the terms of this Section 3(D), the Village agrees to pay ADESA the applicable Incentive. Payment will end upon termination of this Agreement.

4. Vehicle Sales and Wholesale Tax Reports. ADESA shall report all vehicle transactions and the Wholesale Vehicle Taxes monthly in accordance with Village Ordinance #\_\_\_\_\_-2015.

5. No Guarantee. The parties acknowledge and agree that none of the terms, conditions, or provisions of this Agreement shall be construed, deemed, or interpreted as either (1) a guarantee that the Village will receive any Wholesale Vehicle Taxes as a result of the operation of the development on the Property, or (2) a requirement or obligation by ADESA to develop the Property and generate Wholesale Vehicle Tax from the Property.

6. Default Remedies. Except as otherwise provided in this Agreement, in the event of any default or breach of this Agreement or any terms or conditions by any party hereto, such party shall, upon written notice from the non-defaulting party, proceed promptly to cure or remedy such default or breach within sixty (60) days after receipt of such notice. In case any action hereunder is not taken or not diligently pursued or the default or breach be cured or remedies within the above periods, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach. No waiver made by any party with respect to any specific default by any other party under this Agreement shall be construed as a waiver of rights with respect to any other default by the defaulting party under this Agreement or with respect to the particular default except to the extent specifically waived in writing or otherwise prohibited by law.

7. Entire Agreement. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between ADESA and the Village relative to the subject matter hereof.

8. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

9. Confidentiality.

A. The Village agrees that the Confidential Information (hereinafter defined) shall be used solely for the purpose of enforcing the terms of this Agreement and for no other purpose. The Village agrees that any Confidential Information disclosed by ADESA or its Representatives is and will remain the property of ADESA.

(i) As used herein, the term "Confidential Information" means all financial, business and other information, in whatever form or medium (whether written, oral or electronic), including, without limitation, any sales tax returns, sales tax reports, amendments, proof of payment, that is furnished or disclosed by ADESA to the Village relating to, pertaining to or involving ADESA, and any reports, analyses, compilations, memoranda, notes and any other written or electronic materials prepared by the Village which contain, reflect or are based upon such information, *except that* such term will not include (aa) information in the possession of the Village prior to the date hereof without an obligation of confidentiality, (bb) information that is or becomes publicly known other than through a breach by the Village of the obligations set forth in this Agreement, (cc)

subject to Section 9(B)(ii) hereof, information which the Village is legally obligated to disclose, and (dd) information received by the Village from a third party who is not under an obligation of confidence to ADESA.

(ii) As used herein, "Representative" means the directors, officers, employees, investment bankers, consultants, counsel, accountants, agents or other legal representatives of a party.

**B. Confidentiality Obligation.**

(i) Except as required by law, the Village will treat as confidential and will not use (other than for the purposes set forth herein), disclose or otherwise make available any Confidential Information to any person other than Representatives of the Village who have a business need to know and who have been advised by the Village of the terms and conditions of this Agreement. The Village will instruct its Representatives who have access to the Confidential Information to keep the same confidential.

(ii) If the Village is required by applicable law, regulation, court order, or legal process to disclose any Confidential Information, the Village will in advance of such disclosure provide ADESA with notice of such requirement. The Village also agrees, to the extent legally permissible, to provide ADESA, in advance of any such disclosure, with copies of any Confidential Information that it intends to disclose (including any related disclosure language associated therewith). Disclosure of Confidential Information in accordance with the foregoing provisions of this Section 9(B) will not violate the terms of this Agreement.

10. Notices. Any notice, request, demand, or other communication made in connection with this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery, if delivered to the persons identified below in person or by courier service or five (5) business days after mailing if mailed by certified mail, postage prepaid, return receipt requested, addressed as follows:

If to the Village: Village of Hoffman Estates  
Attn: Village Manager  
1900 Hassell Road  
Hoffman Estates, IL 60169

Copy to: Village of Hoffman Estates  
Attn: Village President  
1900 Hassell Road  
Hoffman Estates, IL 60169

If to ADESA: ADESA Illinois, LLC

c/o ADESA, Inc.  
13085 Hamilton Crossing Boulevard  
Carmel, Indiana 46032  
Attn: Brett Roland

Copies to: ADESA, Inc.  
13085 Hamilton Crossing Boulevard  
Carmel, Indiana 46032  
Attn: Michelle Mallon

and

McDermott Will & Emery LLP  
227 West Monroe Street  
Chicago, Illinois 60606  
Attn: Ankur Gupta

11. No Third Party Beneficiaries. Nothing in this Agreement shall create, or be construed to create, any third party beneficiary rights in any person or entity not a signatory to this Agreement.

12. Severability. If any provision, condition, covenant, or other clause, sentence, or phrase of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be deemed to be excised and the invalidity thereof shall not affect any other provision, condition, covenant, or other clause, sentence, or phrase contained herein. Notwithstanding the foregoing, if any such invalid provision goes to the essence of this Agreement so that the purpose of this Agreement cannot be fulfilled, then this Agreement shall terminate as of the date of such judgment. The court shall, however, to the extent possible, constitute all of the terms and provisions of this entire Agreement so as to make the same enforceable.

13. Village Approval. A certified copy of the ordinance adopting this Agreement and authorizing and directing the Village to execute this Agreement shall be provided to ADESA.

14. Amendments: Recordation. This Agreement may be amended from time to time with the written mutual consent of the parties hereto.

15. Representations, Warranties and Covenants.

A. ADESA represents, warrants, and covenants, as of the date of this Agreement, and throughout the term of this Agreement, as follows:

(1) ADESA is a duly organized and validly existing Illinois limited liability company which is qualified to do business in Illinois.

(2) ADESA has the right, power, and authority to enter into, execute, deliver, and perform this Agreement.

(3) The execution, delivery, and performance by ADESA of this Agreement has been duly authorized by all necessary action, and does not and will not violate its bylaws or Articles or Organization as amended and supplemented, or constitute a breach of default under or require any third party consent under any agreement, instrument, or documents to which ADESA is a party or by which ADESA is now or may become bound.

B. The Village of Hoffman Estates, an Illinois municipal corporation, represents, warrants, and covenants, as of the date of this Agreement as follows:

(1) It is "home rule unit" pursuant to Article VII, Section 6, of the Illinois Constitution of 1970.

(2) It has the right, power, and authority to enter into, execute, deliver, and perform this Agreement.

(3) The execution, delivery, and performance by the Village of this Agreement has been duly authorized by all necessary action.

16. Limited Liability of Corporate Authorities. The parties hereto acknowledge and agree that the individuals who are members of the group constituting the corporate authorities of the Village and ADESA are entering into this Agreement in their respective corporate capacities as members of such group and shall have no personal liability in their individual capacities. Notwithstanding anything to the contrary contained in this Agreement, in no event shall the Village or ADESA have any liability or responsibility whatever to the other party (or any third party) for any consequential, punitive or indirect damages (including lost profits), whether proximately or remotely related to a default by the other hereunder.

17. Term of Agreement. This Agreement terminates on January 1, 2018 if ADESA has not acquired and developed the approximately 65 acre Phase I parcel and is open for business generating wholesale vehicle transactions. Otherwise, this Agreement shall expire on January 1, 2023, if ADESA acquires, develops, and opens for business on the Phase I property. If ADESA acquires and develops either the Phase II or Phase III property, this Agreement shall expire on January 1, 2025. If ADESA acquires and develops all three (3) phases (Phase I, Phase II and Phase III) of the property, this Agreement shall expire on January 1, 2028.

18. Non-Assigned. This Agreement shall not be assigned by any party for any purpose.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the year and date first above written.

**VILLAGE OF HOFFMAN ESTATES**  
an Illinois municipal corporation

**ADESA ILLINOIS, LLC**  
an Illinois limited liability company

By: \_\_\_\_\_  
William D. McLeod  
Village President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Village Clerk

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





**EXHIBIT A**

**LEGAL DESCRIPTION**

**PHASE I - 65 ACRES**

THAT PART OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 1 OF LIFE CHANGERS INTERNATIONAL CHURCH SUBDIVISION RECORDED AUGUST 15, 2003 AS DOCUMENT NO. 0322718071; THENCE SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31, 248.80 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SOUTHWEST QUARTER, 159.75 FEET TO THE EAST LINE OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 03 MINUTES 25 SECONDS WEST ALONG SAID EAST LINE, 200.00 FEET TO THE NORTH LINE OF THE SOUTH 75.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST ALONG SAID NORTH LINE, 211.00 FEET TO THE WEST LINE OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 03 MINUTES 25 SECONDS EAST ALONG SAID WEST LINE, 200.00 FEET TO A LINE 125.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH SAID NORTH LINE, 456.39 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 49 SECONDS WEST, 856.35 FEET; THENCE NORTH 43 DEGREES 04 MINUTES 11 SECONDS EAST, 632.43 FEET; THENCE NORTH 32 DEGREES 03 MINUTES 26 SECONDS WEST, 208.00 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 211.22 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 115.00 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 35.34 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 747.07 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST, 285.00 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 14 SECONDS EAST, 750.00 FEET TO A LINE 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 01 MINUTE 46 SECONDS WEST PARALLEL WITH SAID EAST LINE, 115.91 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 07 MINUTES 00 SECONDS WEST 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31, A DISTANCE OF 723.61 FEET TO THE SOUTH LINE OF LAND DEDICATED FOR PUBLIC ROADWAY PER DOCUMENT NO. 88424906; THENCE NORTH 89 DEGREES 43 MINUTES 30 SECONDS EAST ALONG SAID SOUTH LINE, 42.00 FEET TO THE WEST LINE OF BEVERLY ROAD PER DOCUMENT NO. 91103116; THENCE SOUTH 00 DEGREES 07 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE OF BEVERLY ROAD, 723.68 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST ALONG SAID WEST LINE

OF BEVERLY ROAD, 1294.09 FEET TO THE NORTHEAST CORNER OF LAND DEDICATED FOR PUBLIC ROADWAY PER DOCUMENT NO. 0322719108, ALSO KNOWN AS PRAIRIE STONE PARKWAY; THENCE ALONG SAID NORTH LINE THE FOLLOWING 4 DIMENSIONS 1.) SOUTH 89 DEGREES 58 MINUTES 14 SECONDS WEST, 33.00 FEET, 2.) SOUTH 44 DEGREES 56 MINUTES 09 SECONDS WEST, 42.45 FEET, 3.) SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST, 603.10 FEET AND 4.) SOUTH 87 DEGREES 59 MINUTES 32 SECONDS WEST, 408.55 FEET TO THE NORTHEAST CORNER OF SAID LAND DEDICATED; THENCE SOUTH 00 DEGREES 03 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF SAID LAND DEDICATED, 104.39 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

#### **PHASE II - 29 ACRES**

THAT PART OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF LIFE CHANGERS INTERNATIONAL CHURCH SUBDIVISION RECORDED AUGUST 15, 2003 AS DOCUMENT NO. 0322718071; THENCE SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31, 248.80 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SOUTHWEST QUARTER, 159.75 FEET TO THE EAST LINE OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 03 MINUTES 25 SECONDS WEST ALONG SAID EAST LINE, 200.00 FEET TO THE NORTH LINE OF THE SOUTH 75.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST ALONG SAID NORTH LINE, 211.00 FEET TO THE WEST LINE OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 03 MINUTES 25 SECONDS EAST ALONG SAID WEST LINE, 200.00 FEET TO A LINE 125.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH SAID NORTH LINE, 456.39 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 49 SECONDS WEST, 80.00 FEET TO A LINE 45.00 FEET SOUTH OF AND PARALLEL WITH SAID NORTH LINE AND POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH SAID NORTH LINE, 518.90 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 15 SECONDS WEST PARALLEL WITH THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 31, A DISTANCE OF 710.00 FEET; THENCE SOUTH 89 DEGREES 49 MINUTES 18 SECONDS WEST PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST QUARTER, 1136.39 FEET TO A LINE 150.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SOUTHWEST QUARTER; THENCE NORTH 00 DEGREES 00 MINUTES 15 SECONDS WEST PARALLEL WITH SAID WEST LINE, 656.69 FEET TO THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE NORTH 89 DEGREES 49 MINUTES 18 SECONDS EAST ALONG SAID NORTH LINE, 40.00 FEET TO A LINE 190.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 03 MINUTES 04 SECONDS WEST PARALLEL WITH SAID WEST LINE, 240.85 FEET; THENCE NORTH 24 DEGREES 25

MINUTES 46 SECONDS EAST, 170.94 FEET; THENCE NORTH 49 DEGREES 03 MINUTES 34 SECONDS EAST, 117.04 FEET; THENCE NORTH 64 DEGREES 17 MINUTES 50 SECONDS EAST, 106.59 FEET; THENCE NORTH 85 DEGREES 00 MINUTES 51 SECONDS EAST, 54.60 FEET; THENCE SOUTH 72 DEGREES 34 MINUTES 33 SECONDS EAST, 97.98 FEET; THENCE SOUTH 36 DEGREES 27 MINUTES 35 SECONDS EAST, 87.42 FEET; THENCE SOUTH 19 DEGREES 46 MINUTES 21 SECONDS EAST, 384.48 FEET; THENCE SOUTH 24 DEGREES 27 MINUTES 33 SECONDS EAST, 407.49 FEET; THENCE SOUTH 53 DEGREES 20 MINUTES 31 SECONDS EAST, 179.71 FEET; THENCE SOUTH 75 DEGREES 43 MINUTES 24 SECONDS EAST, 265.77 FEET; THENCE SOUTH 85 DEGREES 14 MINUTES 29 SECONDS EAST, 243.45 FEET; THENCE SOUTH 62 DEGREES 32 MINUTES 20 SECONDS EAST, 143.61 FEET; THENCE SOUTH 56 DEGREES 30 MINUTES 23 SECONDS EAST, 107.55 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 49 SECONDS EAST, 732.34 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

### **PHASE III - 42 ACRES**

THAT PART OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF LIFE CHANGERS INTERNATIONAL CHURCH SUBDIVISION RECORDED AUGUST 15, 2003 AS DOCUMENT NO. 0322718071; THENCE SOUTH 89 DEGREES 54 MINUTES 05 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31, 248.80 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SOUTHWEST QUARTER, 159.75 FEET TO THE EAST LINE OF THE WEST 211.00 FEET OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE NORTH 00 DEGREES 03 MINUTES 25 SECONDS WEST ALONG SAID EAST LINE, 200.00 FEET TO THE NORTH LINE OF THE SOUTH 75.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST ALONG SAID NORTH LINE, 211.00 FEET TO THE WEST LINE OF THE EAST 370.75 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 03 MINUTES 25 SECONDS EAST ALONG SAID WEST LINE, 200.00 FEET TO A LINE 125.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31; THENCE SOUTH 89 DEGREES 32 MINUTES 46 SECONDS WEST PARALLEL WITH SAID NORTH LINE, 456.39 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 49 SECONDS WEST, 856.35 FEET; THENCE NORTH 43 DEGREES 04 MINUTES 11 SECONDS EAST, 632.43 FEET; THENCE NORTH 32 DEGREES 03 MINUTES 26 SECONDS WEST, 208.00 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 77.54 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 00 MINUTE 17 SECONDS WEST, 446.82 FEET ; THENCE NORTH 34 DEGREES 50 MINUTES 18 SECONDS WEST, 771.01 FEET ; THENCE NORTH 89 DEGREES 53 MINUTES 00 SECONDS EAST, 1280.85 FEET TO THE WEST LINE OF LAND DEDICATED FOR PUBLIC ROADWAY PER DOCUMENT NO. 88424906; THENCE SOUTH 00 DEGREES 07 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE, 457.41 FEET TO THE SOUTHWEST CORNER OF SAID LAND DEDICATED; THENCE NORTH 89 DEGREES 43 MINUTES 30 SECONDS EAST ALONG THE SOUTH LINE OF SAID LAND DEDICATED, 8.00 FEET TO A

LINE 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 07 MINUTES 00 SECONDS EAST PARALLEL WITH SAID EAST LINE, 723.61 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 01 MINUTE 46 SECONDS EAST 42.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 31, 115.91 FEET; THENCE SOUTH 89 DEGREES 58 MINUTES 14 SECONDS WEST, 750.00 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 46 SECONDS WEST, 285.00 FEET; THENCE SOUTH 89 DEGREES 58 MINUTES 14 SECONDS WEST, 747.07 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 35.34 FEET; THENCE SOUTH 89 DEGREES 58 MINUTES 14 SECONDS WEST, 115.00 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 133.67 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**EXHIBIT B**  
**SITE PLAN FOLLOWS**

