

ORDINANCE NO. 18 – \_\_\_\_\_

**ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE  
A LEASE AGREEMENT BETWEEN THE CITY OF NAPERVILLE AND  
TRILLIUM TRANSPORTATION FUELS FOR THE ESTABLISHMENT OF A  
CNG FILLING STATION GENERALLY LOCATED AT  
1720 W. JEFFERSON AVE. IN NAPERVILLE**

**WHEREAS**, the City of Naperville (“City”) budgets \$1.2 million annually for fuel and averages 490,000 gallons of fuel, both unleaded and diesel, to run the City's fleet of over 580 vehicles (“fleet”);

**WHEREAS**, Over the last several years, staff has been investigating the potential for the City to transition a portion of the fleet from oil-based fuels such as diesel and gasoline to clean alternative fuels such as electric and compressed natural gas (“CNG”);

**WHEREAS**, CNG is methane stored at high pressure than can be used in place of gasoline or diesel. CNG produces fewer undesirable gases than gasoline or diesel and is generally cheaper. There is a wide range of vehicle types that can be converted to run on CNG, including but not limited to light-duty trucks, heavy-duty trucks, squad cars, buses, vans and other equipment;

**WHEREAS**, CNG is a key component of Naperville’s commitment to a sustainable fleet and could lead to substantial savings for the City in the years ahead as well as a variety of other advantages including positive environmental impacts, public-private partnership opportunities, and economic development chances that are all byproducts of this clean fuel.

**WHEREAS**, to successfully transition to CNG, the City must have access to a local CNG filling station and develop a plan to convert fleet vehicles to run on CNG;

**WHEREAS**, in August of 2015, the City issued an RFP for a design concept and proposal for a CNG station. The City received four responses and after interviews and

evaluations, Trillium Transportation Fuels, LLC (“Trillium”) was selected to work with the City on the construction and operation of a local CNG filling station that would be unmanned, open 24 hours per day, and available to the public (“Station”);

**WHEREAS**, City staff has been working with Trillium for several years to develop a plan and an agreement concerning the implementation of the Station;

**WHEREAS**, in July of 2016, the City and Trillium applied for a grant through the Drive Clean Chicago’s Station Grant Program for the construction of CNG filling stations. The City’s CNG project was awarded the grant qualifying it for reimbursement of up to 30% of station development costs, up to \$300,000. Under the grant program, the Station will need to be operational by July 30, 2019;

**WHEREAS**, initially, Trillium was going to have to require the City to commit to a substantial ten-year minimum CNG purchase agreement to guarantee the feasibility of the Station. Due to minimum CNG purchase agreements Trillium recently entered into with local companies, Ozinga and Groot, Trillium no longer needs a fixed commitment from the City. Trillium is willing to agree to pay the City fair market value and guarantee the City a favorable fixed price for CNG in exchange for leasing City land to Trillium for the establishment of the Station;

**WHEREAS**, the City currently owns approximately 8.8 acres generally located at 1720 W. Jefferson Avenue in Naperville on which it operates the Naperville Test Track;

**WHEREAS**, there is approximately one acre of land on the northeast corner of the property along West Jefferson that is located outside of the fenced Naperville Test Tack area and contains a parking lot that is rarely used;

**WHEREAS**, said one acre of underutilized land is an ideal location for the Station due to its proximity to the City's Department of Public Works building and it being in an industrial zoned area;

**WHEREAS**, the City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to promote the health, safety, and welfare of the City and its residents, to develop a sustainable fleet, encourage healthy economic development, prevent the spread of conditions detrimental to healthy economic development, encourage private development in order to enhance the local tax base, and to enter into contractual lease agreements with third-parties for the purpose of achieving such objectives;

**WHEREAS**, the City is authorized under the provisions of Article VII, Section 10 of the State of Illinois Constitution and its local code to contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law including the leasing of public land; and

**WHEREAS**, the Corporate Authorities of the City, after due and careful consideration, have concluded that leasing said public land to Trillium for the Station upon the terms and conditions as the City Manager may determine would further enable the City to progress the development of a sustainable fleet, promote healthy economic development, and serve the best interests of the City.

**NOW, THEREFORE, BE IT ORDANIED BY THE CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule authority as follows:**

**SECTION 1:** The recitals set forth above are incorporated herein.

**SECTION 2:** The City Manager is hereby authorized to negotiate and enter into a lease agreement upon the terms and conditions as the City Manager may determine with

Trillium for the establishment of the Station on a portion of the property generally located at 1720 W. Jefferson Avenue in Naperville.

**SECTION 3:** The City Manager is authorized to execute a lease agreement on behalf of the City with upon the terms and conditions as the City Manager may determine with Trillium for the establishment of the Station on a portion of the property generally located at 1720 W. Jefferson Avenue in Naperville

**SECTION 4:** This Ordinance shall be in full force and effect upon its adoption and approval.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2018

AYES:

NAYS:

ABSENT:

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Steve Chirico  
Mayor

ATTEST:

\_\_\_\_\_  
Pam Gallahue, Ph.D.  
City Clerk