

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**JANUARY 9, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Financing for Brick Street Improvement Project	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">✓</div> <div> Resolution  Ordinance  Motion  Discussion Only </div> </div>	David H. Barber, PE Director of Public Works

**SYNOPSIS**

A motion is requested to direct staff to initiate the necessary actions to establish a Special Service District Area (SSA) to provide for the repayment to the Village for the homeowner contribution for the Brick Street reconstruction project (CIP Project ST-002).

**STRATEGIC PLAN ALIGNMENT**

The Village Goals for 2011 include *Top Quality Infrastructure and Facilities* and *Preservation of our Residential and Neighborhood Character*.

**FISCAL IMPACT**

The Brick Street Improvement Project (ST-002) is currently estimated at a total cost of \$2,655,000. The Village costs will include \$1,411,800 from the Capital Fund (220) and \$450,000 for the waterline from the Water Fund (481). The DG Sanitary District will contribute \$425,000 for the replacement of the sanitary sewer. The local (homeowner's) share is currently estimated at \$368,200.

The funds to be used initially for this homeowner's share of the project will be paid from the cash balance in the Capital Fund. The creation of the SSA will enable the Village to recover these funds from the homeowners commencing with payments in 2009. The plans for this improvement project anticipated the creation of a Special Service Area (SSA) to repay the funds for this local cost. Staff is following the same method developed for financing of a similar project implemented in 1988 (SSA #1).

**RECOMMENDATION**

Approval of the motion on the January 16, 2007 active agenda.

**BACKGROUND**

The Brick Street Improvement Project (ST-002) was included in the Community Investment Program and the contract for the engineering design was awarded to Baxter Woodman Engineers in an amount not to exceed \$83,000. An initial meeting with the neighbors was held in 2005 to determine neighborhood interest in this project. There was adequate interest to move forward and plans were completed in 2006 and a second neighborhood meeting was held in October, 2006.

The project as proposed includes work on:

- Oakwood Avenue (Warren to Prairie),
- Middaugh Avenue (Warren to Prairie), and
- Franklin (Oakwood to Linscott).

These are existing brick streets that have not been overlaid with asphalt. The streets are characterized by substantial tire groves and are increasingly in disrepair. The bricks need to be removed, the base repaired and the bricks replaced. Water line work is also needed beneath the street as well as sanitary sewer work.

The project was estimated at \$1,475,000 in the FY 2006-2010 CIP and the FY 2006-07 Capital Project Sheet is provided for reference. During the design of the project staff determined that the condition of the water line in this area is not good and is recommending this waterline be replaced as part of this project to avoid potential problems after the new street work is completed. The DG Sanitary District has also decided they are interested in replacing their sewer in this area which is about 100-years old. The full project as currently proposed is summarized on the FY 2007-2011 Capital Project Sheet which is also attached.

In 1988, other brick streets in this area were improved and a formula was developed that provided for a contribution from the adjacent property owners to pay the difference for maintaining the brick street surface (rather than asphalt). This formula provided a credit for previous maintenance that was deferred and for future maintenance that would be avoided. The local costs were paid (and are still being paid) by the adjacent homeowners under Special Service Area #1. The payments were based on a 20-year repayment plan with no interest costs included to the homeowners.

The proposed project is currently estimated as follows:

Street Construction Cost	\$1,411,800
Water Line Construction Cost	\$ 450,000
Sanitary Sewer Construction Cost	\$ 425,000
Materials Testing Services	<u>\$ 25,000</u>
Total Project Cost	\$2,655,000

The Village share of the project costs were determined based on the following breakdown. Included is the assumption that the Village would pay 100% for the water main, curbs and gutters, storm sewer replacements and the estimated costs of a new asphalt surface.

Curb and Gutter Costs	\$ 125,000
Materials Testing Costs	\$ 25,000
Water Main & Services	\$ 450,000
Sanitary Sewer & Services	\$ 425,000 (Paid by DG Sanitary District)
Storm Sewer Replacements	\$ 285,000
Cost of Asphalt Surface	\$ 256,000
Maintenance Cost Avoided by Brick Surface for 50 Years	\$ 216,000
Value of Deferred Maintenance Over Last 25 Years	<u>\$ 136,600</u>
Sub-Total	\$1,918,600
Difference from Total Project	\$ 736,400
One-Half of Remainder (By Village)	\$ 368,200
One-Half of Remainder (By Owners)	\$ 368,200

Based on the most recent determination of the Equalized Assessed Value of the properties in the area adjacent to the streets being reconstructed (\$8,361,730) and the cost to the owners of \$368,200 shown above, the cost to the homeowners will be about \$4,403 per \$100,000 of EAV and if paid back over 20 years would be about \$220 per year.

#### **ATTACHMENTS**

2006 Capital Project Sheet – CIP Project ST-002

2007 Capital Project Sheet – CIP Project ST-002

# 2006-2010 CAPITAL PROJECT SHEET

Proj. #: **ST-002**

Project Description: **Brick Streets**

Submitted By: **Michael D. Millette**

Dept.: **Public Works - Engineering**

Fund: **220**

Program: **342**

Project Type:

- ☐ New Project/Expansion  
☒ Replacement ☐ Maintenance

Priority Setting Factors:	H/S/W	Maint.	Expan.	New	Low	Medium	High	OVERALL
Rating:		X				X		2

## BREAKDOWN OF PROJECT COST AND FUNDING SOURCES

Cost Summary	FY 06-07	FY 2007	FY 2008	FY 2009	FY 2010	Future Yrs	TOTAL
Professional Services	100,000	75,000					175,000
Land Acquisition							-
Infrastructure Improvements		1,300,000					1,300,000
Building Improvements							-
Machinery and Equipment							-
Other/Miscellaneous							-
<b>TOTAL COST</b>	<b>100,000</b>	<b>1,375,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,475,000</b>
Funding Source(s)	FY 06-07	FY 2007	FY 2008	FY 2009	FY 2010	Future Yrs	TOTAL
220-Capital Improvements Fund ▼	100,000	995,000					1,095,000
Special Service Area ▼		380,000					380,000
▼							-
▼							-
<b>TOTAL FUNDING SOURCES</b>	<b>100,000</b>	<b>1,375,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,475,000</b>

### 1. Briefly Describe and provide justification for this Capital Project Request.

Program to repave brick streets utilizing as much existing brick as possible. Oakwood Ave (Prairie to Warren), Middaugh Ave (Prairie to Warren) and Franklin St (Oakwood to Linscott). Linscott Ave (Prairie to Franklin) was dropped from the project based on the neighborhood input during 2005.

### 2. Describe the project status and completed work.

Initial public review process was completed in 2005 and a report on the project scope was accepted by the Public Services Subcommittee in October 2005. Design is scheduled for 2006 and construction in 2007. Request has been adjusted accordingly.

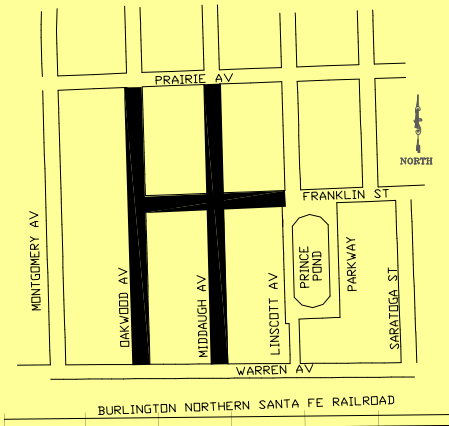
### 3. Describe any anticipated grants related to the project.

Creation of a Special Service Area (SSA) to fund the local share of the project needs to occur in 2006 in advance of construction in 2007.

### 4. What impact will the project have on annual operating expenses? Please quantify and describe.

	FY 06-07	FY 2007	FY 2008	FY 2009	FY 2010	Future Yrs	TOTAL
Projected Operating Expenses							-
Lower patching cost							

Map and/or pictures of Project/Project Area:



# 2007-2011 CAPITAL PROJECT SHEET

Proj. #: **ST-002**

Project Description: **Brick Streets**

Project Lead: **Michael D. Millette**

Dept.: **Public Works - Engineering**

Fund: **220**

Program: **342**

Project Type:

☐ New Project/Expansion ☐ Changed  
☒ Replacement ☐ Maintenance

Priority Setting Factors:	H/S/W	Maint.	Expan.	New	Low	Medium	High	OVERALL
Rating:		<b>X</b>				<b>X</b>		<b>2</b>

## BREAKDOWN OF PROJECT COST AND FUNDING SOURCES

Cost Summary	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Future Yrs	TOTAL
Professional Services	25,000						<b>25,000</b>
Land Acquisition							-
Infrastructure Improvements	2,630,000						<b>2,630,000</b>
Building Improvements							-
Machinery and Equipment							-
Other/Miscellaneous							-
<b>TOTAL COST</b>	<b>2,655,000</b>	-	-	-	-	-	<b>2,655,000</b>
Funding Source(s)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Future Yrs	TOTAL
220-Capital Improvements Fund ▼	1,411,800						<b>1,411,800</b>
Special Service Area ▼	368,200						<b>368,200</b>
481-Water Fund ▼	450,000						<b>450,000</b>
Grants/Other Sources, Approved ▼	425,000						<b>425,000</b>
<b>TOTAL FUNDING SOURCES</b>	<b>2,655,000</b>	-	-	-	-	-	<b>2,655,000</b>

### 1. Briefly Describe and provide justification for this Capital Project Request.

Project includes the reconstruction of the streets listed and surfacing of the brick streets, utilizing as much existing brick as possible. Oakwood Ave (Prairie to Warren), Middaugh Ave (Prairie to Warren) and Franklin St (Oakwood to Linscott) are included in this project. Linscott Ave (Prairie to Franklin) was dropped from the project based on the neighborhood input during 2005.

### 2. Describe the project status and completed work.

Initial public review process and approval by the Public Services Subcommittee occurred in 2005. Design contract awarded in 2006. Construction is scheduled for 2007.

### 3. Describe any anticipated grants related to the project.

Creation of a Special Service Area (SSA) to fund the local share of the project needs to occur by early 2007 in advance of the award of the contract for construction.

### 4. What impact will the project have on annual operating expenses? Please quantify and describe.

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Future Yrs	TOTAL
Projected Operating Expenses	-	-	-	-	-	-	-

### Map and/or pictures of Project/Project Area:

