



MEMO

TO: Board of Trustees

FROM: David De Angelis

DATE: March 18, 2021

RE: Underwood Creek Daylighting SOGL/National Fish and Wildlife Fund Grant Acceptance

Please find behind this memo the Sustain our Great Lakes grant through the National Fish and Wildlife Fund for your review and approval. This grant will provide \$300,000 for construction of the daylighting of Underwood Creek through non-federal funding. This grant award is for the period ending 12/2023 and we are allowed to request an extension at no charge. I have included below the text of my January Board memo on the overall project for your review as well. I am requesting the Village Board approve the execution of this agreement.

Please let me know if you have any questions.

January 22, 2021 Board of Trustees MEMO:

Over the past 16 years the Village has been working on ways to fund the daylighting of Underwood Creek through the downtown area to address the deteriorating condition of the box culvert which goes through the Sendik's building and to fulfill our obligations to our Memorandum of Understanding with the DNR regarding daylighting the creek. While many years have passed we have made progress. We have completed engineering with grant monies received and have now received two additional grant awards. The Fund for Lake Michigan has granted the Village \$200,000 for general use on the project and the Sustain our Great Lakes (SOGL) program has awarded us \$300,000 for construction related expenses. I can state that after years of applications and rejections this definitely a great outcome.

The original idea of funding this entire project through grant funding I believe is not realistic as the past 16 years has definitely shown us. We need to be creative and collaborative in moving this forward if that is still our goal. This would mean the Village would have to provide funding in some manner to get this project accomplished. We believe as staff we have come up with a solution to move this project forward to construction in the next few years with no additional taxes on residents and participation from the property owners.

The general idea as previously discussed is to utilize these grant monies and any other grants we may receive in the future, along with storm water utility monies and monies from the existing TIF district through an extension of life of the TIF. Attached you will find two sheets regarding the estimated costs of the project, the TIF cash flow projections and a list of when the current obligations for the stormwater utility are satisfied along with the payback of the advance from the debt fund.

In round numbers the project, with the additional amenities identified previously and including land acquisition, is \$5 million dollars. Without a time extension on the TIF it would generate roughly \$2 million dollars, the storm water utility could generate up to \$250,000 per year available beginning in 2026 when the current debt has been paid off, without increasing the fee and the remainder being funded through the grants and land owner participation. Prior to 2026 the Village could choose to use green infrastructure funds currently in the stormwater fund. There is some flexibility in the TIF numbers as a 3 year extension was added to the law when the legislature removed a large portion of the vocational school levy several years ago. This would allow additional funds and extend the ability to pay back debt for 3 more years. Staff discussed this with the joint review board in the fall of 2020 at the annual meeting and they were open to further discussion as plans developed.

The reason this is coming forward at this time twofold. We need to either accept or reject the grants we have received. The Fund for Lake Michigan is the first grant we have to approve the final paperwork for with SOGL grant coming next month if they stay on schedule. We have three years to expend these monies with the possibility of an extension if they feel it is warranted based on our progress.

The other reason this is coming forward at this time is that the OHM property, which we previously passed a resolution of necessity for, is currently on the market for sale. If we are going to move forward with this project it would be wise for us to start the process by purchasing this important piece of property now to potentially alleviate additional expenses in the future if the property were to be sold and improved.

I have also attached for you a map identifying all of the parcels we would need to have easements on or outright purchase for this project to move forward. All of these properties would have to have resolutions of necessity passed for us to proceed. The intent would be to start those conversations in the coming months.

It is my request of the Board of Trustees to authorize staff to initiate property acquisition for the OHM property, bring forward to the Board the proper resolutions of necessity for the remaining properties and approve the acceptance of the \$200,000 grant from the Fund for Lake Michigan.

As always if you have any questions please do not hesitate to contact me.