

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
May 7, 2024**

CALL TO ORDER

President Ryan Kauffman called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Physically Present: President Ryan Kauffman; Trustees Tom Guist, Kit Kuhrt, Karin McCarthy-Lange, Karen Novy, and Andrew Torres.

Board Members Absent: Trustee Jennifer Jones Sinnott

Staff Physically Present: Dan Di Santo, Village Administrator; Jean Bueche, Asst. Village Administrator; Tina Touchette, Village Clerk; Jason Bastin, Police Chief; Jennifer Hughes, Public Works Director; Andrea Lamberg, Finance Director; Rod Zenner, Development Services Director; Joe Renzetti, IT Director; Kevin Leighty, Economic Development Director; Madeline Upham, Management Analyst; Bridget Bittman, Communications Manager; and Dave Silverman, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:01 p.m.

David Rood addressed the Board regarding Wolfs Crossing and the south leg of Douglas. He thanked the Village Board and Director Hughes; he looked at all the documents we have; had access to a lot of documents; the design of Wolfs Crossing is top notch; he is a fan of roundabouts; he knows it is a complicated project; appreciates the adjustments; federal and state funds; thank you for exploring options; consider starting and completing the south leg of Douglas and the realignment; create efficiency with roundabouts; breaks happen at the stops; GPS takes you to south Douglas; Hummel Trails will add more pressure; not sure if the realignment is included in the south section.

There was no one else who requested to speak. The public forum was closed at 6:07 p.m.

OLD BUSINESS

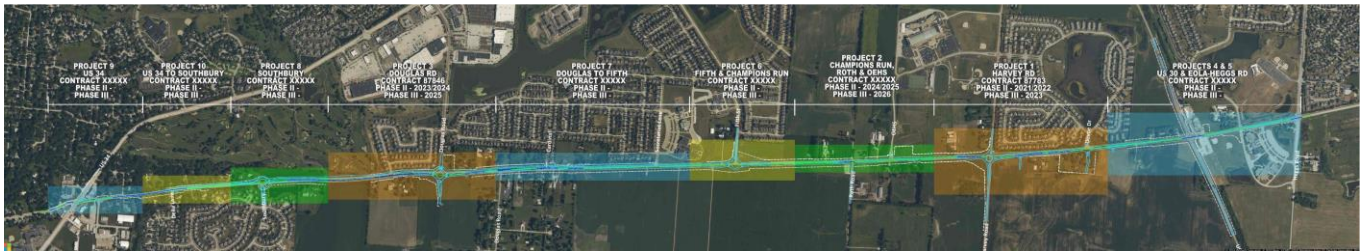
No old business

NEW BUSINESS

F.1 Discussion of Strategies to Complete Construction of Wolfs Crossing

Director Hughes addressed the Board regarding the construction and completion of Wolf Crossing. The Village has been dealing with Wolfs Crossing since 1871. The road has outgrown its usefulness. The Village identified the widening of Wolfs Crossing in the Village's 2012 Transportation Plan. After a meeting of Village officials, state legislators, and county representatives in June 2014, the Village spent a year exploring funding options and determining the general project scope (three-lane versus five-lane). Work began on the Phase 1 engineering in July 2016. The Village convened a Wolf Corridor Advisory Committee (WolfCAT) consisting of stakeholders from the police, fire, township, schools, residents, bike advocates, and others to guide the development of the project concept. The WolfCAT evaluated options for roadway typical sections, intersections, and ancillary improvements such as paths, sidewalks, lighting, and landscaping.

The initial cost estimate was approximately \$75M and was well beyond the Village's ability to fund the project without bonding. The WolfCAT divided the corridor into ten segments and established priorities for construction based upon safety, traffic volumes, and known development. Each segment could be funded through a combination of \$2.5M federal Surface Transportation Program and Village capital improvement funds, including developer impact fees.



Project 1 - Harvey Road Roundabout

The Village began engineering for the Harvey Road intersection on September 1, 2020. As part of this engineering, the Village acquired all right-of-way (ROW) for the intersection as well as ROW on the north side of Wolfs Crossing to construct a watermain from Fifth Street to Devoe Drive. We are also acquiring ROW on the north side from Della Lane to Fifth Street to install a watermain and support future road widening. The project limits were extended to the east to include the Devoe Drive intersection. IDOT opened bids on January 20, 2023. Construction started on April 3, 2023, and the roundabout was opened to traffic on December 29, 2023. Work will continue through early summer 2024. The total cost of this segment is estimated at \$17,368,000, with \$14,937,000 deriving from grants, \$877,000 from development impact fees, and \$1,554,000 from local funds.

Project 2 and 3 were flipped with project 3 being constructed next.

Project 3 (2nd Constructed Project) - Douglas Road Roundabout

The Village began engineering for the Douglas Road roundabout on January 10, 2023. This project was moved ahead of the Roth Road/Oswego East High School segment due to development occurring at the Douglas Road intersection. The project is scheduled to be let in November 2024 with construction in 2025. The Village has budgeted \$1.3M for construction engineering and \$10M for construction in CY25. The limits have been extended to the west to include the new entrance to the Piper Glen subdivision. The budget for this segment is \$12,805,000, with \$5,500,000 estimated from STP-L, STP-S, and ARPA grants and \$295,300 estimated from development impact fees.

Project 2 (3rd Constructed Project) - Roth Road/Oswego East High School Intersections

The Village entered into an annexation agreement for the development of Sonoma Trails (Ord. 24-07 approved January 23, 2024). This development is located south of Wolfs Crossing and west of Roth Road. The Developer has agreed to construct improvements to Wolfs Crossing and contribute \$4,557,129.39 of the estimated \$5.9M construction cost. The agreement established the following timeline:

- May 1, 2025: Village to provide Developer written notice of our election to proceed;
- July 1, 2024: Village shall commence engineering and property acquisition;
- September 1, 2025: Village complete engineering and property acquisition;
- July 1, 2026 or completion of Developer's Phase 2 improvements, whichever is later. Developer may terminate if Wolfs Crossing engineering not complete.

The Village has budgeted \$435,000 in TY24 and \$163,000 in CY25 to complete the engineering and property acquisition. The Village's share of construction and engineering is budgeted at \$1.8M for summer 2026.

Project Funding

The corridor was divided into ten segments to maximize readily available funding programs. The funding sources we have used for the current projects include:

- **Oswego Capital Improvement Funds** – these funds are used for the local match of federal funds. The capital funds compete against other needs of the Village. Our annual revenue for capital improvements is approximately \$5.3M. These funds are used for all capital improvements except for water and sewer projects. The Village allocates funds on a priority basis as part of the budget review.
- **Developer Impact Fees** – We are requiring developers improving properties along the Wolfs Crossing to dedicate right-of-way at no cost to the Village as part of the subdivision approval process. In addition, the Village receives \$1,915 per residential dwelling unit for a road impact fee which is assigned to Wolfs Crossing for projects adjacent to the roadway. The Village also receives an impact fee for general Village capital projects (\$5,645.07 for single-family homes and \$3,104.79 for multi-family units). The dedication, road impact fee, and Village impact fee are dependent on the timing of development.
- **Surface Transportation Program – Local (STP-L)** – administered through Kane-Kendall Council of Mayors (KKCOM). These federal funds have a \$2.5M per project cap (80% of project cost max.) – this funding source is competitive among projects in Kane and Kendall County only; we have obtained this funding for the Harvey Road and Douglas Road roundabouts. This funding source has been consistent over the years and will likely be available for future projects.
- **Surface Transportation Program – Shared (STP-S)** – administered by CMAP – In theory, these federal funds are capped only by the available fund at the program level. The higher the value requested and the higher the percentage, the less likely the project will be funded (80% of project cost max.). This funding source is competitive among projects in all of northeast Illinois; this funding mechanism is relatively new and we were first able to apply for it for the Douglas Road roundabout. We are on the contingency list to receive \$2.5M for Douglas Road and have been advised by CMAP that we will likely be receiving this funding based upon the current availability of federal funding. As the available program funds decrease over time, this funding source may become more difficult to acquire.
- **Congressionally Directed Spending (CDS)** – these are targeted funds from legislators. They typically only have \$1-2M available per project as they like to spread the money around. To date, we have not been successful in obtaining this funding.
- **State Funding-** we utilized \$2,244,756 of one-time funds from the Rebuild Illinois bond distribution as part of the local share to offset federal money for the design and construction of Harvey Road. We have received several appropriations for the Harvey Road intersection from our state legislators in amounts ranging from \$100,000 - \$250,000. Future appropriations are subject to state budget and local support.
- **Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSAA)** – one-time funds in the amount of \$2,749,096 used for the construction of Harvey Road. It will not be available in the future.
- **American Rescue Plan Act (ARPA)** – one-time funds in the amount of \$4,933,340 used for land acquisition and the construction of watermain along Wolfs Crossing. This funding will not be available in the future.
- **Illinois Transportation Enhancement Program (ITEP)** – we used this source to fund the bike path in the Harvey Road project in the amount of \$91,820. This state-wide competitive funding source can also be used for streetscapes. We will keep applying for this grant.

Updated Project Costs

Table 1. Cost Estimate by Work Type

	Total Cost by Work Type	Est. Fed Share @ 80%	Est. Village Share
Phase II (Design) Engineering	\$ 6,891,429	\$0	\$ 6,891,429
Right-of-way Acquisition	\$ 3,399,650	\$0	\$ 3,399,650
Utility Relocation	\$10,100,000	\$0	\$10,100,000
Construction	\$53,892,233	\$43,113,786	\$10,778,447
<u>Phase III (const.obs.) engineering</u>	<u>\$ 8,083,835</u>	<u>\$0</u>	<u>\$ 8,083,835</u>
Total	\$82,367,147	\$43,113,786	\$39,253,361

Option 1 – RAISE Grant

Rebuilding American Infrastructure with Sustainability and Equity (RAISE) – This nationally competitive federal funding source is discretionary up to 80% of the project cost with a minimum award of \$5M and a maximum cap of \$25M per project. The Notice of Funding Opportunity is issued annually. In theory, this funding could cover the whole project. The 80% federal share of the \$82M would leave the Village to come up with \$16.5M. Our share amounts to approximately 3 years of revenue in the capital improvement fund. We have not previously utilized federal funding for design, right-of-way acquisition, or utility relocation. These costs total \$28.4M. The Village's 20% share of the construction costs is \$10.8M bringing the total cost for the Village to \$39.2M if the RAISE grant was only applied to construction costs. We could use state funds and developer impact fees to offset the local share. For example, if the State contributed the requested \$15M for the intersection at US30, our share would be reduced from \$39.2M to \$24.2M. We would still need to bond the balance. We asked Benesch (Phases 1 & 2 engineer) to investigate the process for applying for RAISE funds. We would need to generate an economic analysis, environmental risk assessment, and financial completeness assessment among other tasks. This work will take several months. The estimated cost to develop the missing elements and prepare the application is approximately \$60,400.

Option 2 – Bond

The Village could opt to move the project forward with limited federal or state funding by choosing to bond the project. The Village's Debt Policy states debt should be limited to 5.0% of the EAV.

- \$61,536,834 Debt Limit with new EAV
- \$49,155,000 Outstanding Debt Principal as of 5/1/24
- \$12,381,834 Available Debt

The police department headquarters bonds were issued for 20 years and are scheduled to be paid off in 2037.

The Village will incur additional debt for the construction of the Lake Michigan watermain, pushing well above the debt policy. The Village is also considering the expansion or replacement of the Public Works Facility which could cost approximately \$20-30M.

As a home rule community, the Village may revise its debt policy. However, the result will likely lower the Village's credit rating and result in higher interest rates.

We ran three scenarios involving issuing debt for Wolfs Crossing for twenty years beginning in 2025/2027 and running through 2045/2047.

Receive maximum RAISE grant and borrow \$16.5M

\$9M in interest payments
\$1.2M annual debt service payment

Receive minimum RAISE grant and borrow \$39.0M

\$22M in interest payments
\$2.8M annual debt service payment

Receive no grant funds, borrow \$82.0M

\$45M in interest payments
\$6.0M annual debt service payment

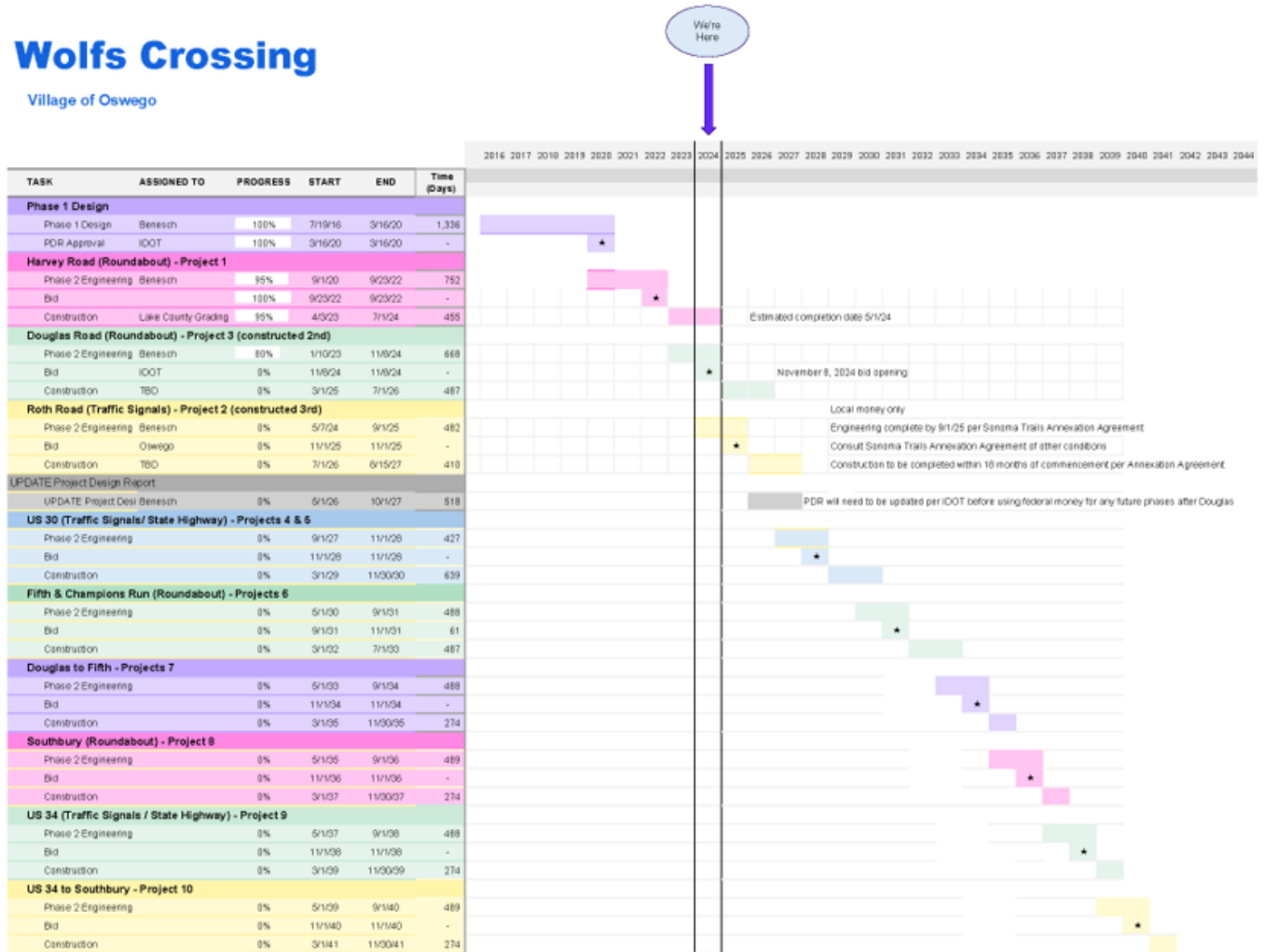
Option 3 – Maintain Current Project Approach

The current approach has been to leverage development impact fees and smaller state and federal grants, allowing us to complete segments one at a time as funding becomes available. While this approach will take years to implement, we have made strides by increasing project limits and partnering with private developers to obtain ROW and fund projects. By the end of 2027, we anticipate completing the Harvey, Douglas, and Roth Road

projects. Together, with the extension of project limits, these projects will cover approximately four of the original segments. Should the requested state funding of \$15M become available, the Village could move forward with the US 30 project (segments 4&5) to complete all work east of Roth Road by 2030 without incurring debt. We anticipate continued success in obtaining federal and state funding for the projects. The projected schedule for completing the remaining segments is as follows:

Wolfs Crossing

Village of Oswego



Board and staff discussion focused on Harvey Road intersection has the highest traffic volume; Harvey Road roundabout is essentially done; need to have local cost share; opted for five lanes with the 5th lane being in the center to allow for turning; bike path on north side; sidewalk on the south side; prioritizing could change; need a lot of money and ROW for the south leg of Douglas; need to rely on developers; environmental studies were not done for the south leg and will be expensive; developer donations for project 2 and 3; traffic signals at Roth Road and Oswego East H.S.; 3rd segment in 2026; initial pace was for 30 years; have been able to reduce to 20 years; new cost estimate is \$82 million to complete; savings could come from ROW from developers; likely to get money from CMAP; RAISE is a nationally competitive grant; don't have all the data to apply; will need to hire a consultant that would cost \$60,000; will need to apply several times in hopes of getting the funds; we are exceeding what we can do with the CIP projects; changing our debt policy could affect our credit rating; continue doing what we are doing now with the segments; recognize we need to do the Rt. 30 project soon; need to give time to show the state we can complete a project; piece meal the project to help with paying for each project; could apply for a RAISE grant for a project after the Douglas segment; whether STP grant can be applied towards the project in addition to the RAISE grant; can only use state grants; can't be combined with federal funds; need to find other ways to fund; can't determine

when we will get impact fees; whether we need to show proof we can get funds in order to get the RAISE grant; our projects will be scored against other projects; what impact this will be on our water project; staff will provide funding information on the water project at a later time; don't have this project in our capacity for debt; Village policy is 5% of the EAV; made a lot of progress; asking state to help for Rt. 30 to Eola; temporary traffic signal at Roth Road until the roundabout can be built; if we get money from the state, we can apply it to segment 4 and 5; should know in 3 weeks on whether we will get money from the state; Governor is proposing a capital bill; if we don't make it into the capital bill, then we go into the IDOT five year plan; optimistic about our chances; think we need to try and do the RAISE grant; taking one step at a time; \$100 million is available in the Chicago area, but usually not given out because the project is not shovel ready; our project may not be the most desirable; project limits; not liking to bond out the project; have to justify needing the RAISE grant; don't know if anyone has been awarded the RAISE grant twice; criteria has to be met; don't have the data to make the RAISE grant application work; would need help; received a grant for the budgeted \$90,000 housing study; could swap out the \$90,000 budgeted amount for the \$60,000 needed for hiring a consultant to prepare the application; PDR report has a shelf life and will need to be updated once we get to the 4th segment; not much will be changing, but it will still need to be updated; cost to update the PDR report; if we get the grant, we could get the funds in 3 months; shovel ready means the plans are approved and the project is ready to go; 1 ½ -2 years to get design plans done; how long it takes to obtain ROW; approximately \$5.7 million to purchase the remaining ROW; impact fees for Wolfs Crossing can only be used for Wolfs Crossing development; certain fees need to go to what would benefit the project that is being developed; could use general impact fees for anything we want; can bring options to the Board for future developments; where we stand on the impact fees amount; estimated calculated into Wolfs Crossing; we are already holding the impact money; Avanterra impact fees have already been spent because we received the money years ago; Douglas south land acquisition; significantly more land needed; have ROW on the Avanterra side; further south it curves back in; concerns with setting the ROW now.

Direction was given to move forward with a consultant for \$60,000 for applying for a RAISE grant. Staff will bring a contract to the Board. Application for the RAISE grant is due by the end of February 2025. There was no further discussion.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 7:02 p.m.

Tina Touchette
Village Clerk