



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor
FROM: Elizabeth H. Tyler, Community Development Director
DATE: April 12, 2010
SUBJECT: **Olympian Drive Impact Analysis**

Summary

This fiscal impact analysis attempts to project future tax income and city expenses that would result from new development generated by the proposed extension of Olympian Drive. Industrial and office development in the Olympian Drive corridor is expected to result in significantly increased property tax receipts for the city of Urbana, Unit 116 schools, the Urbana Park District and Champaign County government, as well as increased sales taxes for the city and county. New development would also generate increased utility taxes for the city. Additionally, while it is not included in this analysis, the completion of this project will result in a significant benefit to the City of Champaign and associated businesses and organizations.

Most importantly, the development of Olympian Drive is expected to result in the creation of between 3,000 and 8,000 new jobs over the next 30 years, with the numbers varying depending on the build out scenario used. These jobs are expected to pay roughly 75 percent more than jobs in the retail and food service sectors because of the generally higher skill level required for technology and manufacturing jobs.

Because it is difficult to determine the exact rate of development over the next 30 years, the analysis includes three different possible scenarios, including a full build-out, moderate build-out, and limited build-out. Using these scenarios, it is possible to derive a range of potential future property tax revenues and jobs created by the development associated with the project. (see below)

	Full Build-Out	Moderate Build-Out	Limited Build-Out
Jobs Created	6,000 - 8,000	3,600 - 4,800	3,000 - 4,000
Revenue All Districts	\$12,026,243	\$7,450,557	\$6,367,814
City Prop. Tax Rev.	\$1,857,153	\$1,097,198	\$923,517
Unit 116 Schools	\$5,350,964	\$2,941,753	\$2,354,141
Urbana Park District	\$999,034	\$590,225	\$496,795
Champaign County	\$1,065,617	\$629,562	\$529,905

Project Area

The areas considered are based on the adopted City of Urbana 2005 Comprehensive Plan and the Future Land Use Map showing the area north of I-74 up to Olympian Drive (attached). The Olympian Drive area includes approximately 940 acres of undeveloped area north of I-74 between the Canadian National railroad tracks and US 45 up to the proposed Olympian Drive extension. For the purposes of this analysis, the projected future development pattern for this area is based on the 2005 Comprehensive Plan, and includes a mixture of heavy industrial, light industrial (which includes rural/agri-business) and residential. The analysis projects 25 years beyond the approximate completion of the infrastructure for the Olympian Drive area once the road is extended, or until the year 2040.

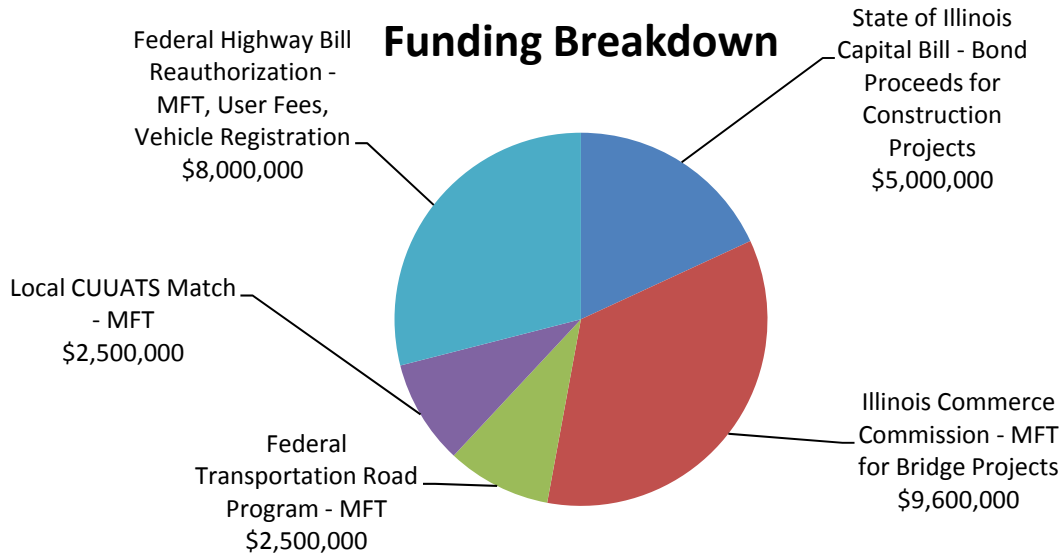
Project Costs

This analysis attempts to calculate the revenue and costs directly attributable to future development from roadway improvements and increased connectivity due to the Olympian Drive project.

The total project cost based on current estimates is \$27.6 million. Urbana currently has \$5 million available from the State of Illinois Capital Bill to spend on design engineering and land acquisition. This funding is made possible through bond proceeds with the specific purpose of funding infrastructure projects like Olympian Drive. There is also \$9.6 million allocated for the project by the Illinois Commerce Commission to help pay for the two-lane bridge over the Canadian National railroad tracks. The Illinois Commerce Commission funding is reserved for bridge projects like Olympian Drive, and the funds are generated from user fees through the motor fuel tax.

There is also \$2.5 million in federal Surface Transportation Program money allocated for the project by the Champaign-Urbana Urbanized Area Transportation Study (CUUATS). The local match, to be paid by Urbana, Champaign and the Champaign County, is \$2.5 million total. This \$5 million in funding (\$2.5 million federal and \$2.5 million local match) is generated from user fees through the motor fuel tax.

The cities and county are seeking approximately \$8 million in additional federal funding through the upcoming highway bill reauthorization. There have been a variety of proposals to fund the reauthorization of the highway bill, including a combination of user fees, motor fuel tax, and vehicle registration fees. (see below)



Aside from the direct project costs related to Olympian Drive, there will also be project costs related to the re-alignment of Lincoln Avenue. It is estimated that the total project costs for Lincoln Avenue will be approximately \$3,500,000, and will potentially be funded through a variety of funding sources, including the City of Urbana, private developers, the federal government, the State of Illinois, and Champaign County. The exact amounts and timing for the project have not been determined at this time.

Fiscal Impact

Costs

For the purpose of this cost-benefit analysis, long term costs to the City from development of the study area were looked at beyond the initial infrastructure costs to construct the Olympian Drive project. These long term costs are related to providing municipal services to the area, including costs related to Police, Fire, Public Works, etc. According to the City's Public Works Director, additional future costs for road maintenance (street sweeping, snow removal, and sign and striping maintenance) are estimated at approximately \$5,000 per mile. Initially, new roads such as Olympian Drive and Lincoln Avenue extended will have little to no maintenance or repair expenses associated with them. They are not projected to have street lighting.

According to Urbana's Police Chief, industry has little, if any, impact on police services. Existing industries such as Solo Cup, Supervalu, and Flex-n-Gate have very few police calls. He states that larger industrial uses usually have their own security and do a good job of handling issues on their own property without involving the police. Chief Bily does not project the need for additional police for the next decade or more for any development related to Olympian Drive, thus costs shown are minimal.

The greatest recurring cost impact due to development north to Olympian Drive would be for fire services. Due to residential development east of Cunningham Avenue (outside the study area for this project), there have been discussions in recent years regarding the possible need for a fire station north of I-74. The potential development resulting from the completion of Olympian Drive might reinforce that need. According to the City's Fire Chief, the initial capital cost of a fire station would be a minimum of \$3,000,000 in today's dollars, along with \$400,000 for fire apparatus. There would be recurring costs for personnel as well as for uniforms, equipment, training, and other associated expenses to run a station. Those annual costs would run approximately \$1,150,000 per year in today's dollars. Since the potential need for a new fire station is partially attributable to properties in the study area and partially attributable to properties outside the study area, 50% of the costs to construct and staff a new station are included in this analysis.

Revenues

The estimated future revenues generated are calculated based on types of development that could be expected to be developed based on projected land uses shown on the Future Land Use Map #1, as depicted in the 2005 Urbana Comprehensive Plan. The estimated acreage projected to be developed was based on measurements on GIS aerials of the undeveloped area shown, which came out to approximately 940 acres. The breakdown works out to about 290 acres for heavy industrial, 570 acres for light industrial/office, and 80 acres for residential use.

Comparable properties were used to represent each land use type and were converted to a per-acre average value so that a total equalized assessed value (EAV) and property tax revenue number could be extrapolated. The comparables used represent land use types existing in the area and a reasonable cross section of what types of uses might be expected to be built when Olympian Drive is extended to US 45. Once the per-acre average EAV was calculated based on the average values of the comparable properties for each land use type, it was multiplied by the number of acres of each land use type to come up with total EAV figures.

Scenario 1 Full Build-Out

Scenario 1 represents full build-out of the Olympian Area within 25 years of completion of Olympian Drive infrastructure (approximately the year 2040) exactly in conformance with development as depicted on the Comprehensive Plan Future Land Use Map #1. Based on this scenario, the total EAV for the Olympian Area came to \$146,640,000. The base EAV of just over \$3.1 million was then subtracted from this number to come up with an EAV over Base of about **\$143,500,000**. The various tax rates were applied to calculate the expected future annual property tax revenue for each taxing district. Projected annual property tax revenue to all districts is estimated at **\$12,026,243** upon full build-out (of which \$10,645,000 would go to Urbana taxing districts), including close to **\$1,857,000** annually to the City of Urbana. It is important to note that these numbers assume annexation of properties that are currently not located within the corporate boundaries of the City of Urbana. These properties would be required to annex before any development could occur.

To calculate utility tax revenues, it is necessary to estimate the square footage of building area

for the entire 940 acres for each land use type. Thus, existing building areas were again looked at for areas adjacent to the Olympian Drive study area. This includes the existing North Lincoln industrial areas just north and south of I-74 in Urbana, the Apollo Industrial Subdivision just over the railroad tracks to the west in Champaign, and existing residential areas in the study area.

Once the building areas were calculated, per-square-foot standards were able to be applied to determine utility usage and utility tax revenues for the City. The standards were those provided by the Building Owners and Managers Association (BOMA) that are used for various building types. The standard for light industrial annual utility usage cost is \$2.89 per square foot for light industrial/office and \$4.54 per square foot for heavy industrial. The standard for residential usage is \$0.90 per square foot, but since much of the residential area currently exists and no significant increase is planned the number was not added to the Annual Benefit number. The calculated square footage for future light industrial/office area is 2,130,000 square feet upon build-out and for heavy industrial is 920,000 square feet. Based on the 5% City utility tax rate, this would represent an annual utility tax benefit of around **\$515,000** to the City.

Because the Olympian Drive study area would include areas adjacent to US 45, it is reasonable to expect that there would be some commercial development along the highway that is consistent with that already found north of the current City boundary. For the purposes of this analysis, as a conservative estimate, it was assumed roughly 15,000 square feet of general merchandise sales and a 6,000 square foot restaurant or bar and grill would be built along US 45. Using the table of estimated sales per establishment (provided by the City Finance Department) those uses could be expected to produce about **\$76,000** in annual sales tax revenue to the City.

Added together the various revenue sources would be estimated to produce **\$2,500,000** in annual revenues to the City of Urbana after 25 years of build-out in the Olympian Drive study area once the Olympian Drive extension is completed. The total impact to all taxing districts would be approximately **\$12,600,000** annually when you take into account property tax revenues to each district plus added utility and sales tax benefits to the City of Urbana upon annexation. In addition, there would be significant benefits to the community through an increase in the number of jobs, many of which would be high quality manufacturing and technology jobs that will provide an influx of personal income to residents much of which would in turn be spent in the local economy.

Scenario 2 Moderate Build-Out

Scenario 2 represents partial build-out of the Olympian Area within 25 years of completion of Olympian Drive infrastructure (approximately the year 2040) minus roughly 350 acres of land that would be expected to remain undeveloped or preserved for continued agricultural use.

Based on this scenario, the total EAV for the Olympian Area came to \$87,920,000. The base EAV of just over \$3.1 million was then subtracted from this number to come up with an EAV over base of about **\$84,780,000**. The various tax rates were applied to calculate the expected future annual property tax revenue for each taxing district. Projected annual property tax revenue to all districts is estimated at **\$7,450,557** upon full build-out (of which \$6,070,000 would go to Urbana taxing districts), including close to **\$1,097,000** annually to the City of Urbana. It is

important to note that these numbers assume annexation of properties that are currently not located within the corporate boundaries of the City of Urbana. These properties would be required to annex before any development could occur.

To determine utility tax revenues, the calculated square footage for future light industrial/office area is 820,000 square feet upon build-out and for heavy industrial is 920,000 square feet. Based on the 5% City utility tax rate, this would represent an annual utility tax benefit of around **\$327,000** to the City.

Because the future commercial areas would be the same as projected in Scenario 1, those uses could be expected to produce about **\$76,000** in annual sales tax revenue to the City.

Added together the various revenue sources would be estimated to produce **\$1,500,000** in annual revenues to the City of Urbana under Scenario 2. The total impact to all taxing districts would be approximately **\$7,853,000** annually when you take into account property tax revenues to each district plus add the utility and sales tax benefits to the City of Urbana upon annexation. As in Scenario 1, there would also be potential benefits through an increase in the number of jobs and increased local spending of personal income.

Scenario 3 Limited Build-Out

Scenario 3 again represents a partial build-out of the Olympian Area within 25 years of completion of Olympian Drive infrastructure (approximately the year 2040) minus roughly another 80 acres of land that would be expected to remain undeveloped or preserved for continued agricultural use as compared to Scenario 2. This represents the most conservative of the scenarios with respect to how much growth would be expected to occur due to Olympian extension by 2040.

Based on this scenario, the total EAV for the Olympian Area is \$74,500,000. The base EAV of just over \$3.1 million was then subtracted from this number to come up with an EAV over base of about **\$71,360,000**. The various tax rates were applied to calculate the expected future annual property tax revenue for each taxing district. Projected annual property tax revenue to all districts is estimated at **\$6,367,814** upon full build-out (of which \$4,986,000 would go to Urbana taxing districts), including close to **\$923,000** annually to the City of Urbana. It is important to note that these numbers assume annexation of properties that are currently not located within the corporate boundaries of the City of Urbana. These properties would be required to annex before any development could occur.

To determine utility tax revenues, the calculated square footage for future light industrial/office area is 520,000 square feet upon build-out and for heavy industrial is 920,000 square feet. Based on the 5% City utility tax rate, this would represent an annual utility tax benefit of around **\$284,000** to the City.

Because the future commercial areas would be the same as projected in Scenarios 1 and 2, those uses could be expected to produce about **\$76,000** in annual sales tax revenue to the City.

Added together the various revenue sources would be estimated to produce **\$1,280,000** in annual revenues to the City of Urbana under Scenario 3. The total impact to all taxing districts would be approximately **\$6,728,000** annually when you take into account property tax revenues to each district plus the added utility and sales tax benefits to the City of Urbana upon annexation. As in Scenarios 1 and 2, there would also be potential benefits through an increase in the number of jobs and increased local spending of personal income.

Economic Analysis

As mentioned above, it is important to consider both the number of jobs created by the project and the resulting development in the area. It would be expected that because of its large area of impact, the Olympian Drive extension would result in significant job creation as well as a large indirect economic impact because of the generally higher skill level required and wages provided by industrial sector jobs over retail jobs that are created through commercial growth. Bureau of Labor Statistics data from 2008 shows jobs in the technology and manufacturing sectors pay roughly 75% more than jobs in the retail and food service sectors (an average median hourly wage of \$18.10 versus \$10.30). The exact wage data is available on the web at http://www.bls.gov/oes/2008/may/oes_16580.htm#b51-0000. Based on the number of jobs created in Champaign's Apollo Industrial Subdivision over the past ten years, a conservative estimate of the number of jobs created in the North Lincoln area due to development of areas south of an extended Olympian Drive would be **6,000 to 8,000** upon full build-out of the study area as shown in Scenario 1, or **3,600 to 4,800** if development occurs as shown in Scenario 2, or **3,000 to 4,000** if development occurs as shown in Scenario 3. These jobs would be in addition to the 900 jobs currently existing along the North Lincoln Avenue corridor.

Olympian Drive would also have a significant overall economic impact on the community due to the scale of the project. The extension of Olympian Drive and eventually a future connection to an improved Lincoln Avenue provides a large area with convenient multi-modal connectivity and the possibility of high speed rail access in the future.

While there would be a substantial benefit financially to the City and other taxing bodies from the development of Olympian Drive, there would also be some additional costs to consider. The majority of additional costs would come from the possible need for an additional fire station to serve existing and future development. According to the City's Fire Chief, planned growth in the area north of I-74, including the area east of Cunningham Avenue (and outside the scope of this analysis), could eventually require building of a new fire station to adequately serve the area. The need for an additional fire station will be dependent on the pattern and timing of new development in the area, but is projected in the cost-benefit spreadsheets to occur in 2020 in Scenario 1 (full build-out), 2023 in Scenario 2 (moderate build-out), and 2025 in Scenario 3 (limited build-out).

Additional future costs for the north growth area would include extension of Lincoln Avenue up to Olympian Drive as well as possible future extension of Airport Road west to Lincoln Avenue (at Somer Drive).

Conclusion

While it is difficult to project the exact time frame for development in the Olympian Drive area, the potential direct revenues coupled with the benefits of the high quality employment generated by the project strongly justify the infrastructure costs for construction of the road and the ongoing costs to provide municipal services to the area. The fiscal benefit of this project is further magnified by the fact that there is currently an opportunity to leverage multiple federal and state funding sources to make this project a reality.

Prepared by:

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Attachments:

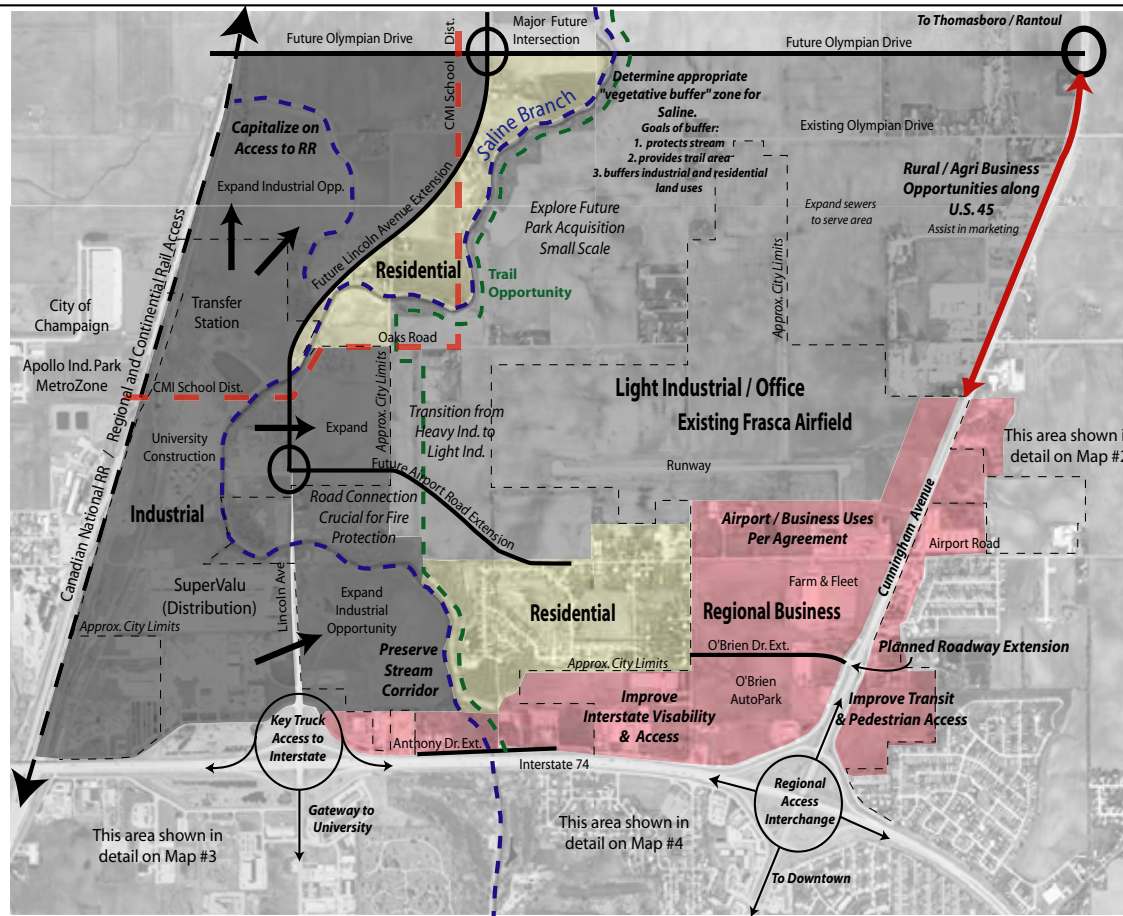
Future Land Use Map #1

Olympian Development Impact Spreadsheets for Growth Scenarios 1, 2 & 3

Property Tax Comparables and Utility Tax Projections



Future Land Use Maps Map #1



**North Lincoln Avenue /
North Cunningham Avenue**

ADOPTED

April 11, 2005
Map Created by City of Urbana
Community Development Services Dept.

Olympian Drive Tax Impacts

All Tax Districts Expected Tax Revenues Upon Scenario 1 Build-Out (2040)*

Assumptions for Buildout

Project Type	Est. EAV**	Est. Acreage
Heavy Industrial	\$38,280,000	290
Light Industrial/Office	\$95,760,000	570
Residential	\$12,600,000	80
	\$146,640,000	940

	BASE EAV	PROJ. EAV
Total	\$3,141,890	\$146,640,000
EAV Over Base***:	\$0	\$143,498,110

Projected Annual Property Tax Over Base****

CUSD4	\$1,380,916
USD116	\$5,350,964
City	\$1,857,153
Park	\$999,034
County	\$1,065,617
Comm Coll	\$733,993
MTD	\$369,508
Twncshp	\$269,059
Total	\$12,026,243

Total Annual Benefit to City

Property Tax	\$1,857,153
Utility Tax	\$516,625
Sales Tax	\$76,200
Total	\$2,449,978

*Buildout according to Scenario 1 map by the year 2040

**Present Value (2010 dollars)

***EAV assumptions based on prelim. site plan and comparable development EAV's

****Based on most recently available taxing district rates (08 payable 09)

Updated April 7, 2010 by RLB, City of Urbana Community Development Services

Olympian Drive Tax Impacts

All Tax Districts Expected Tax Revenues Upon Scenario 2 Build-Out (2040)*

Assumptions for Buildout

Project Type	Est. EAV**	Est. Acreage
Heavy Industrial	\$38,280,000	290
Light Industrial/Office	\$36,960,000	220
Residential	\$12,600,000	80
Agricultural	\$80,000	350
	\$87,920,000	940

	BASE EAV	PROJ. EAV
Total	\$3,141,890	\$87,920,000
EAV Over Base***:	\$0	\$84,778,110

Projected Annual Property Tax Over Base****

CUSD4	\$1,380,916
USD116	\$2,941,753
City	\$1,097,198
Park	\$590,225
County	\$629,562
Comm Coll	\$433,640
MTD	\$218,304
Twنشp	\$158,959
Total	\$7,450,557

Total Annual Benefit to City

Property Tax	\$1,097,198
Utility Tax	\$327,330
Sales Tax	\$76,200
Total	\$1,500,728

*Buildout according to Scenario 2 map by the year 2040

**Present Value (2010 dollars)

***EAV assumptions based on prelim. site plan and comparable development EAV's

****Based on most recently available taxing district rates (08 payable 09)

Updated April 7, 2010 by RLB, City of Urbana Community Development Services

Olympian Drive Tax Impacts

All Tax Districts Expected Tax Revenues Upon Scenario 3 Build-Out (2040)*

Assumptions for Buildout

Project Type	Est. EAV**	Est. Acreage
Heavy Industrial	\$38,280,000	290
Light Industrial/Office	\$23,520,000	140
Residential	\$12,600,000	80
Agricultural	\$100,000	430
	\$74,500,000	940

	BASE EAV	PROJ. EAV
Total	\$3,141,890	\$74,500,000
EAV Over Base***:	\$0	\$71,358,110

Projected Annual Property Tax Over Base****

CUSD4	\$1,380,916
USD116	\$2,354,141
City	\$923,517
Park	\$496,795
County	\$529,905
Comm Coll	\$364,997
MTD	\$183,747
Twنشp	\$133,796
Total	\$6,367,814

Total Annual Benefit to City

Property Tax	\$923,517
Utility Tax	\$283,980
Sales Tax	\$76,200
Total	\$1,283,697

*Buildout according to Scenario 3 map by the year 2040

**Present Value (2010 dollars)

***EAV assumptions based on prelim. site plan and comparable development EAV's

****Based on most recently available taxing district rates (08 payable 09)

Updated April 7, 2010 by RLB, City of Urbana Community Development Services

Olympian Drive Cost-Benefit Projection for City of Urbana

Scenario 1 - Full Build-Out

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Revenues:															
Property Tax Rev.	1,220	1,250	1,290	200,000	360,000	432,120	516,180	620,820	695,320	778,760	872,210	959,430	1,055,370	1,108,140	1,163,540
Utility Tax Rev.	0	0	0	20,000	57,000	60,000	62,400	65,000	67,600	72,000	74,880	76,000	130,000	152,000	154,000
Sales Tax Rev.	0	0	0	19,420	20,000	20,600	21,218	21,855	22,510	43,185	44,481	45,815	47,190	48,606	50,064
Total Revenues	\$1,220	\$1,250	\$1,290	\$239,420	\$437,000	\$512,720	\$599,798	\$707,675	\$785,430	\$893,945	\$991,571	\$1,081,245	\$1,232,560	\$1,308,746	\$1,367,604
Expenses:															
Olympian Drive - City Share	0	0	0	500,000	500,000	500,000	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	0	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	0	0	0	0	10,000	10,000	15,000	15,000	15,000	18,000	18,000	18,000	20,000	20,000	20,000
Nuisance Enforcement	0	0	0	0	2,000	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	4,000	4,000
Police Services	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000
Fire District Payments	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	0	0	0	0	0	0	0	0	0	177,500	177,500	177,500	177,500	177,500	177,500
Fire Equipment & Personnel	0	0	0	0	0	0	0	0	0	0	775,000	575,000	575,000	575,000	575,000
Township Payments	0	500	1,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	6,500	6,000	6,000	5,500
Total Expenses	\$0	\$1,500	\$2,500	\$504,000	\$516,500	\$517,000	\$22,500	\$23,000	\$104,500	\$205,500	\$986,000	\$786,000	\$787,500	\$868,500	\$788,000
Net Revenues:	\$1,220	(\$250)	(\$1,210)	(\$264,580)	(\$79,500)	(\$4,280)	\$577,298	\$684,675	\$680,930	\$688,445	\$5,571	\$295,245	\$445,060	\$440,246	\$579,604
Cumulative Net Revenues/Loss:	\$1,220	\$970	(\$240)	(\$264,820)	(\$344,320)	(\$348,600)	\$228,698	\$913,373	\$1,594,303	\$2,282,748	\$2,288,319	\$2,583,565	\$3,028,625	\$3,468,870	\$4,048,474

Assumptions:

1. All numbers use 2010 dollars (present value)
2. Property tax estimate based on 2009 City tax rate of 1.2942 per \$100 EAV (EAV data from County Clerk)
3. Utility tax estimate based on adjusted average per household provided by Finance Dept. and BOMA (Building Owners and Managers Association) data
4. Fire Station cost assumes new \$3,000,000 station built with 15 year amortization period paid for with bonds at 3.9% (current) fixed rate (pro rata share with revenues from other developments in area to be served by new station)
5. Fire District payments as a result of compensation for annexation according to State statute
6. Township payments to Somer Township as a result of annexation in accordance with inter-governmental agreement

Olympian Drive Cost-Benefit Projection for City of Urbana (2025-2040)

Scenario 1 - Full Build-Out

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040
Revenues:															
Property Tax Rev.	1,210,080	1,246,390	1,283,830	1,322,300	1,362,000	1,402,820	1,452,000	1,502,740	1,555,340	1,602,000	1,650,060	1,699,557	1,750,544	1,803,061	1,857,153
Utility Tax Rev.	156,000	160,000	165,000	170,000	225,000	230,000	275,000	285,000	360,000	375,000	405,000	420,000	475,000	490,000	516,625
Sales Tax Rev.	80,064	82,466	84,940	87,488	90,113	92,816	95,600	98,468	101,422	104,465	107,599	110,827	114,152	117,576	121,104
Total Revenues	\$1,446,144	\$1,488,856	\$1,533,770	\$1,579,788	\$1,677,113	\$1,725,636	\$1,822,600	\$1,886,208	\$2,016,762	\$2,081,465	\$2,162,659	\$2,230,384	\$2,339,696	\$2,410,637	\$2,494,882
Expenses:															
Olympian Drive - City Share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	80,000	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	20,000	20,000	20,000	23,000	23,000	23,000	23,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Nuisance Enforcement	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Police Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fire District Payments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	0	0	0	0	0
Fire Equipment & Personnel	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Township Payments	5,500	5,500	5,000	5,000	5,000	4,500	4,500	4,000	4,000	3,500	3,000	2,500	2,000	2,000	2,000
Total Expenses	\$788,000	\$788,000	\$787,500	\$870,500	\$790,500	\$791,000	\$791,000	\$792,500	\$872,500	\$792,000	\$614,000	\$613,500	\$613,000	\$693,000	\$613,000
Net Revenues:	\$658,144	\$700,856	\$746,270	\$709,288	\$886,613	\$934,636	\$1,031,600	\$1,093,708	\$1,144,262	\$1,289,465	\$1,548,659	\$1,616,884	\$1,726,696	\$1,717,637	\$1,881,882
Cumulative Net Revenues/Loss:	\$4,706,618	\$5,407,474	\$6,153,743	\$6,863,031	\$7,749,644	\$8,684,280	\$9,715,880	\$10,809,588	\$11,953,851	\$13,243,316	\$14,791,975	\$16,408,859	\$18,135,555	\$19,853,192	\$21,735,074

Assumptions:

1. All numbers use 2010 dollars (present value)
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3. Utility tax estimate based on adjusted average per household provided by Finance Dept. and BOMA (Building Owners and Managers Association) data
4. Fire Station cost assumes new \$3,000,000 station built with 15 year amortization period paid for with bonds at 3.9% (current) fixed rate (pro rata share with revenues from other developments in area to be served by new station)
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Olympian Drive Cost-Benefit Projection for City of Urbana

Scenario 2 - Moderate Build-Out

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Revenues:															
Property Tax Rev.	1,220	1,250	1,290	90,000	200,000	340,500	485,000	529,700	661,220	672,900	683,080	691,600	702,000	714,000	720,000
Utility Tax Rev.	0	0	0	20,000	57,000	60,000	62,400	65,000	67,600	72,000	74,880	76,000	130,000	152,000	154,000
Sales Tax Rev.	0	0	0	19,420	20,000	20,600	21,218	21,855	22,510	43,185	44,481	45,815	47,190	48,606	50,064
Total Revenues	\$1,220	\$1,250	\$1,290	\$129,420	\$277,000	\$421,100	\$568,618	\$616,555	\$751,330	\$788,085	\$802,441	\$813,415	\$879,190	\$914,606	\$924,064
Expenses:															
Olympian Drive - City Share	0	0	0	500,000	500,000	500,000	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	0	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	0	0	0	0	10,000	10,000	15,000	15,000	15,000	18,000	18,000	18,000	20,000	20,000	20,000
Nuisance Enforcement	0	0	0	0	2,000	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	4,000	4,000
Police Services	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000
Fire District Payments	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	0	0	0	0	0	0	0	0	0	0	0	0	177,500	177,500	177,500
Fire Equipment & Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	775,000	575,000
Township Payments	0	500	1,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	6,500	6,000	6,000	5,500
Total Expenses	\$0	\$1,500	\$2,500	\$504,000	\$516,500	\$517,000	\$22,500	\$23,000	\$104,500	\$28,000	\$33,500	\$33,500	\$212,500	\$1,068,500	\$788,000
Net Revenues:	\$1,220	(\$250)	(\$1,210)	(\$374,580)	(\$239,500)	(\$95,900)	\$546,118	\$593,555	\$646,830	\$760,085	\$768,941	\$779,915	\$666,690	(\$153,894)	\$136,064
Cumulative Net Revenues/Loss:	\$1,220	\$970	(\$240)	(\$374,820)	(\$614,320)	(\$710,220)	(\$164,102)	\$429,453	\$1,076,283	\$1,836,368	\$2,605,309	\$3,385,225	\$4,051,915	\$3,898,020	\$4,034,084

Assumptions:

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Olympian Drive Cost-Benefit Projection for City of Urbana (2025-2040)

Scenario 2 - Moderate Build-Out

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040
Revenues:															
Property Tax Rev.	732,800	748,500	770,900	793,000	816,418	840,910	866,140	892,120	918,890	946,450	975,850	1,004,090	1,034,210	1,065,240	1,097,198
Utility Tax Rev.	156,000	160,000	165,000	170,000	225,000	238,000	248,000	258,000	270,000	280,000	291,000	300,000	308,000	318,000	327,330
Sales Tax Rev.	80,064	82,466	84,940	87,488	90,113	92,816	95,600	98,468	101,422	104,465	107,599	110,827	114,152	117,576	121,104
Total Revenues	\$968,864	\$990,966	\$1,020,840	\$1,050,488	\$1,131,531	\$1,171,726	\$1,209,740	\$1,248,588	\$1,290,312	\$1,330,915	\$1,374,449	\$1,414,917	\$1,456,362	\$1,500,816	\$1,545,632
Expenses:															
Olympian Drive - City Share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	80,000	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	20,000	20,000	20,000	23,000	23,000	23,000	23,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Nuisance Enforcement	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Police Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fire District Payments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	0	0
Fire Equipment & Personnel	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Township Payments	5,500	5,500	5,000	5,000	5,000	4,500	4,500	4,000	4,000	3,500	3,000	2,500	2,000	2,000	2,000
Total Expenses	\$788,000	\$788,000	\$787,500	\$870,500	\$790,500	\$791,000	\$791,000	\$792,500	\$872,500	\$792,000	\$791,500	\$791,000	\$790,500	\$693,000	\$613,000
Net Revenues:	\$180,864	\$202,966	\$233,340	\$179,988	\$341,031	\$380,726	\$418,740	\$456,088	\$417,812	\$538,915	\$582,949	\$623,917	\$665,862	\$807,816	\$932,632
Cumulative Net Revenues/Loss:	\$4,214,948	\$4,417,914	\$4,651,253	\$4,831,241	\$5,172,272	\$5,552,998	\$5,971,738	\$6,427,826	\$6,845,639	\$7,384,554	\$7,967,503	\$8,591,420	\$9,257,282	\$10,065,098	\$10,997,730

Assumptions:

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Olympian Drive Cost-Benefit Projection for City of Urbana

Scenario 3 - Limited Build-Out

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Revenues:															
Property Tax Rev.	1,220	1,250	1,290	90,000	200,000	340,500	485,000	529,700	569,800	602,800	642,880	672,580	682,670	692,910	703,310
Utility Tax Rev.	0	0	0	20,000	57,000	60,000	62,400	65,000	67,600	72,000	74,880	76,000	130,000	152,000	154,000
Sales Tax Rev.	0	0	0	19,420	20,000	20,600	21,218	21,855	22,510	43,185	44,481	45,815	47,190	48,606	50,064
Total Revenues	\$1,220	\$1,250	\$1,290	\$129,420	\$277,000	\$421,100	\$568,618	\$616,555	\$659,910	\$717,985	\$762,241	\$794,395	\$859,860	\$893,516	\$907,374
Expenses:															
Olympian Drive - City Share	0	0	0	500,000	500,000	500,000	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	0	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	0	0	0	0	10,000	10,000	10,000	15,000	15,000	15,000	15,000	18,000	18,000	18,000	20,000
Nuisance Enforcement	0	0	0	0	2,000	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	4,000	4,000
Police Services	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000
Fire District Payments	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	177,500
Fire Equipment & Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Township Payments	0	500	1,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	6,500	6,000	6,000	5,500
Total Expenses	\$0	\$500	\$2,500	\$504,000	\$516,500	\$517,000	\$17,500	\$23,000	\$104,500	\$25,000	\$25,500	\$33,500	\$33,000	\$114,000	\$213,000
Net Revenues:	\$1,220	\$750	(\$1,210)	(\$374,580)	(\$239,500)	(\$95,900)	\$551,118	\$593,555	\$555,410	\$692,985	\$736,741	\$760,895	\$826,860	\$779,516	\$694,374
Cumulative Net Revenues/Loss:	\$1,220	\$1,970	\$760	(\$373,820)	(\$613,320)	(\$709,220)	(\$158,102)	\$435,453	\$990,863	\$1,683,848	\$2,420,589	\$3,181,485	\$4,008,345	\$4,787,860	\$5,482,234

Assumptions:

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4. Fire Station cost assumes new \$3,000,000 station built with 15 year amortization period paid for with bonds at 3.9% (current) fixed rate (pro rata share with revenues from other developments in area to be served by new station)
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Olympian Drive Cost-Benefit Projection for City of Urbana (2025-2040)

Scenario 3 - Limited Build-Out

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040
Revenues:															
Property Tax Rev.	713,860	724,560	735,430	746,460	757,660	769,030	780,560	792,270	808,110	824,280	840,760	857,580	879,000	900,990	923,517
Utility Tax Rev.	156,000	160,000	165,000	170,000	225,000	238,000	244,500	249,000	253,000	255,000	259,000	269,560	273,540	278,500	283,980
Sales Tax Rev.	80,064	82,466	84,940	87,488	90,113	92,816	95,600	98,468	101,422	104,465	107,599	110,827	114,152	117,576	121,104
Total Revenues	\$949,924	\$967,026	\$985,370	\$1,003,948	\$1,072,773	\$1,099,846	\$1,120,660	\$1,139,738	\$1,162,532	\$1,183,745	\$1,207,359	\$1,237,967	\$1,266,692	\$1,297,066	\$1,328,601
Expenses:															
Olympian Drive - City Share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Patching	0	0	0	80,000	0	0	0	0	80,000	0	0	0	0	80,000	0
Street Maintenance	20,000	20,000	20,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Nuisance Enforcement	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Police Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fire District Payments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fire Station	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500	177,500
Fire Equipment & Personnel	775,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Township Payments	5,500	5,500	5,000	5,000	5,000	4,500	4,500	4,000	4,000	3,500	3,000	2,500	2,000	2,000	2,000
Total Expenses	\$988,000	\$788,000	\$787,500	\$870,500	\$790,500	\$791,000	\$791,000	\$790,500	\$870,500	\$790,000	\$789,500	\$789,000	\$788,500	\$868,500	\$788,500
Net Revenues:	(\$38,076)	\$179,026	\$197,870	\$133,448	\$282,273	\$308,846	\$329,660	\$349,238	\$292,032	\$393,745	\$417,859	\$448,967	\$478,192	\$428,566	\$540,101
Cumulative Net Revenues/Loss:	\$5,444,158	\$5,623,184	\$5,821,053	\$5,954,501	\$6,236,774	\$6,545,620	\$6,875,280	\$7,224,518	\$7,516,551	\$7,910,296	\$8,328,155	\$8,777,122	\$9,255,314	\$9,683,880	\$10,223,981

Assumptions:

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3. Utility tax estimate based on adjusted average per household provided by Finance Dept. and BOMA (Building Owners and Managers Association) data
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Property Tax Comparables (Similar Industries)

Heavy Industrial	2009 EAV	Acres	EAV/Acre
SuperValu	\$3,648,830	31.00	\$117,704
APL Engineered Materials	\$2,296,140	7.00	\$328,020
Emulsicoat	\$516,810	10.94	\$47,240
Average	\$6,461,780	48.94	\$132,035

Light Industrial	2009 EAV	Acres	EAV/Acre
E. Urbana Ind. Park	\$206,890	1.53	\$135,222
FedEx	\$432,040	4.33	\$99,778
2805 Boulder Dr.	\$568,180	1.29	\$440,450
Average	\$1,207,110	7.15	\$168,827

Utility Tax Projections

North Lincoln/Olympian Drive Industrial

~1,700,000 sq. ft. existing on ~350 acres = ~4,285 sf/ac

Scenario 1

~2,130,000 sq. ft. projected light industrial/office

~920,000 sq. ft projected heavy industrial

Scenario 2

~820,000 sq. ft. projected light industrial/office

~920,000 sq. ft projected heavy industrial

Scenario 3

~520,000 sq. ft. projected light industrial/office

~920,000 sq. ft projected heavy industrial

BOMA standard for light industrial = \$2.89/sf

BOMA standard for heavy industrial = \$4.54/sf

5% local utility tax

Scenario 1

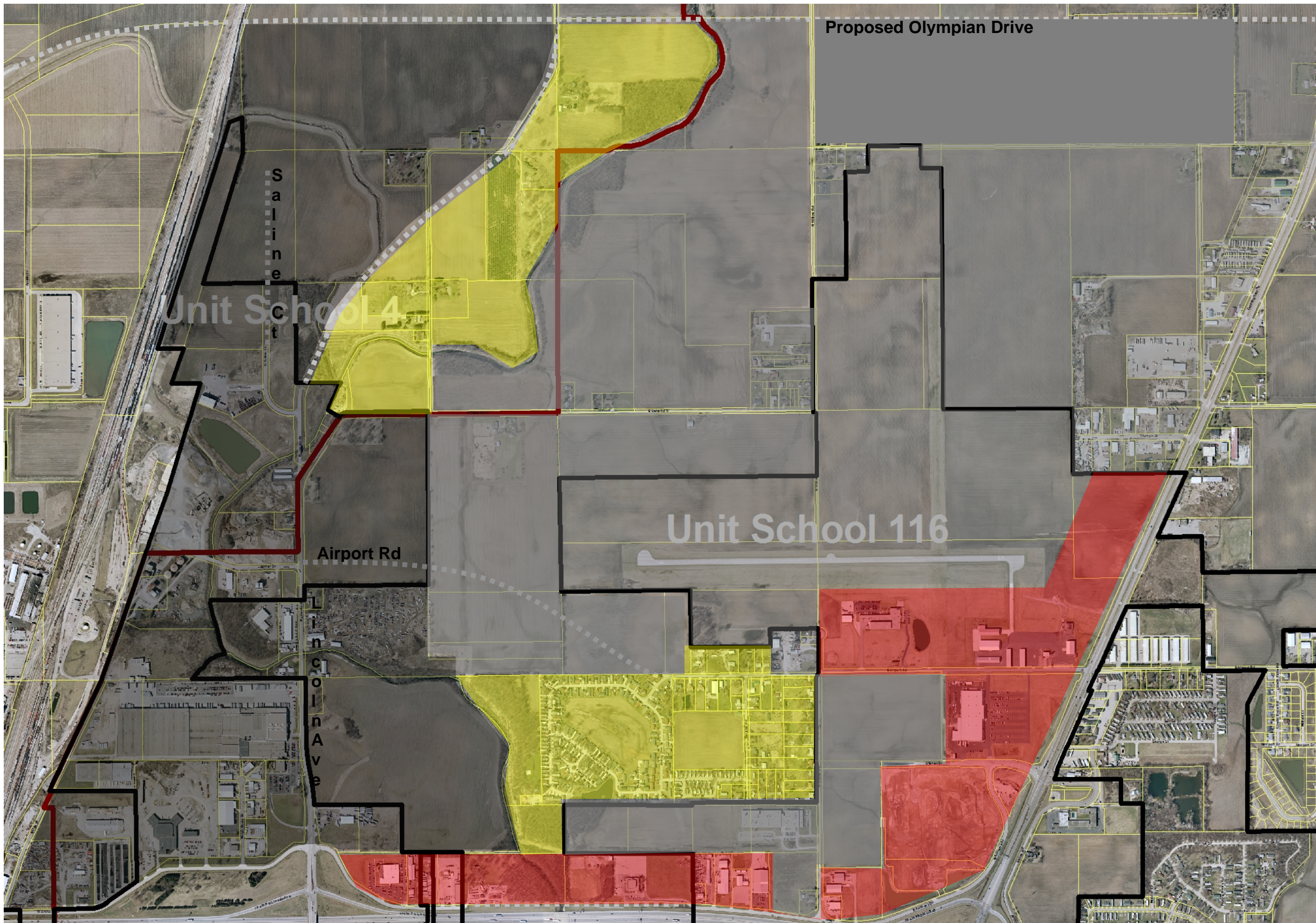
2,130,000 * 2.89*.05 =	\$307,785
920,000*4.54*.05=	\$208,840
	<hr/>
	\$516,625

Scenario 2

820,000 * 2.89*.05 =	\$118,490
920,000*4.54*.05=	\$208,840
	<hr/>
	\$327,330

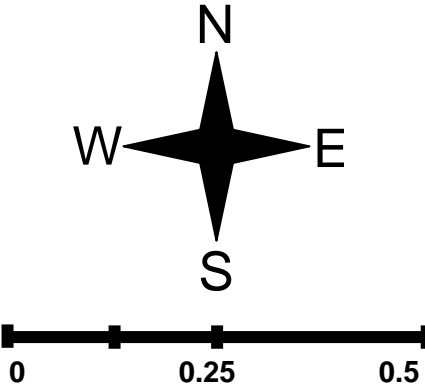
Scenario 3

520,000 * 2.89*.05 =	\$75,140
920,000*4.54*.05=	\$208,840
	<hr/>
	\$283,980

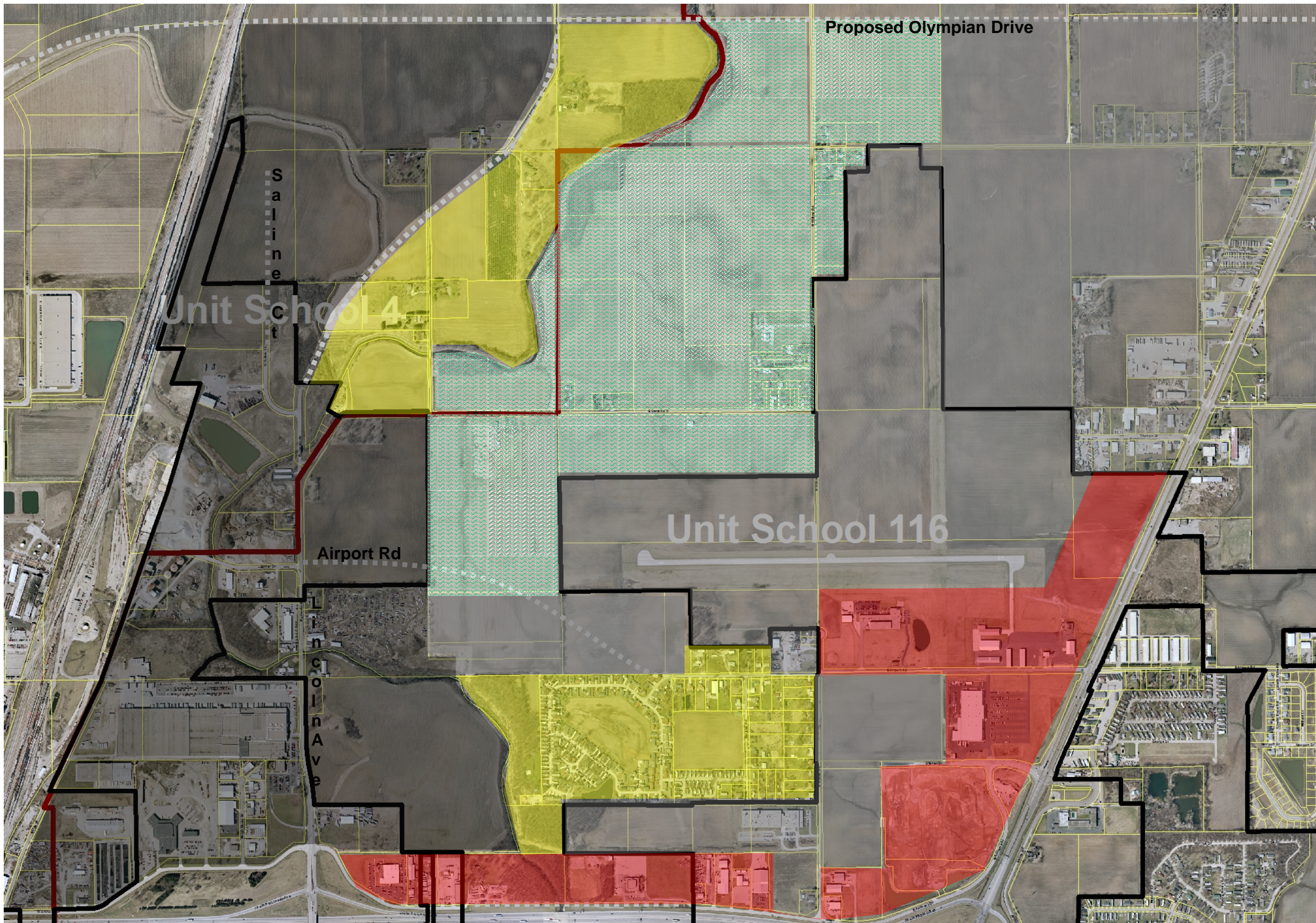


City of Urbana
 Future Growth
 Scenario #1:
 Full Build-Out

- Residential
- Commercial
- Light Industrial/Office
- Heavy Industrial
- Agricultural
- Future Roads
- City Boundary
- USD116 Boundary

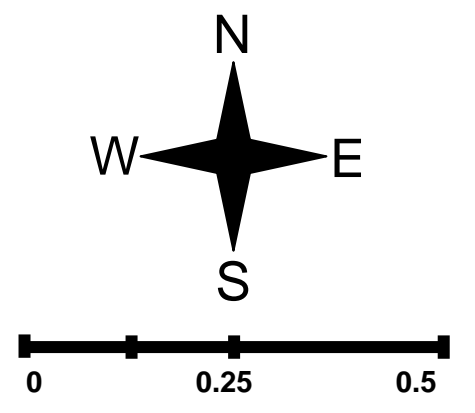


Created April 5, 2010 by RLB, City of Urbana
 Community Development Services

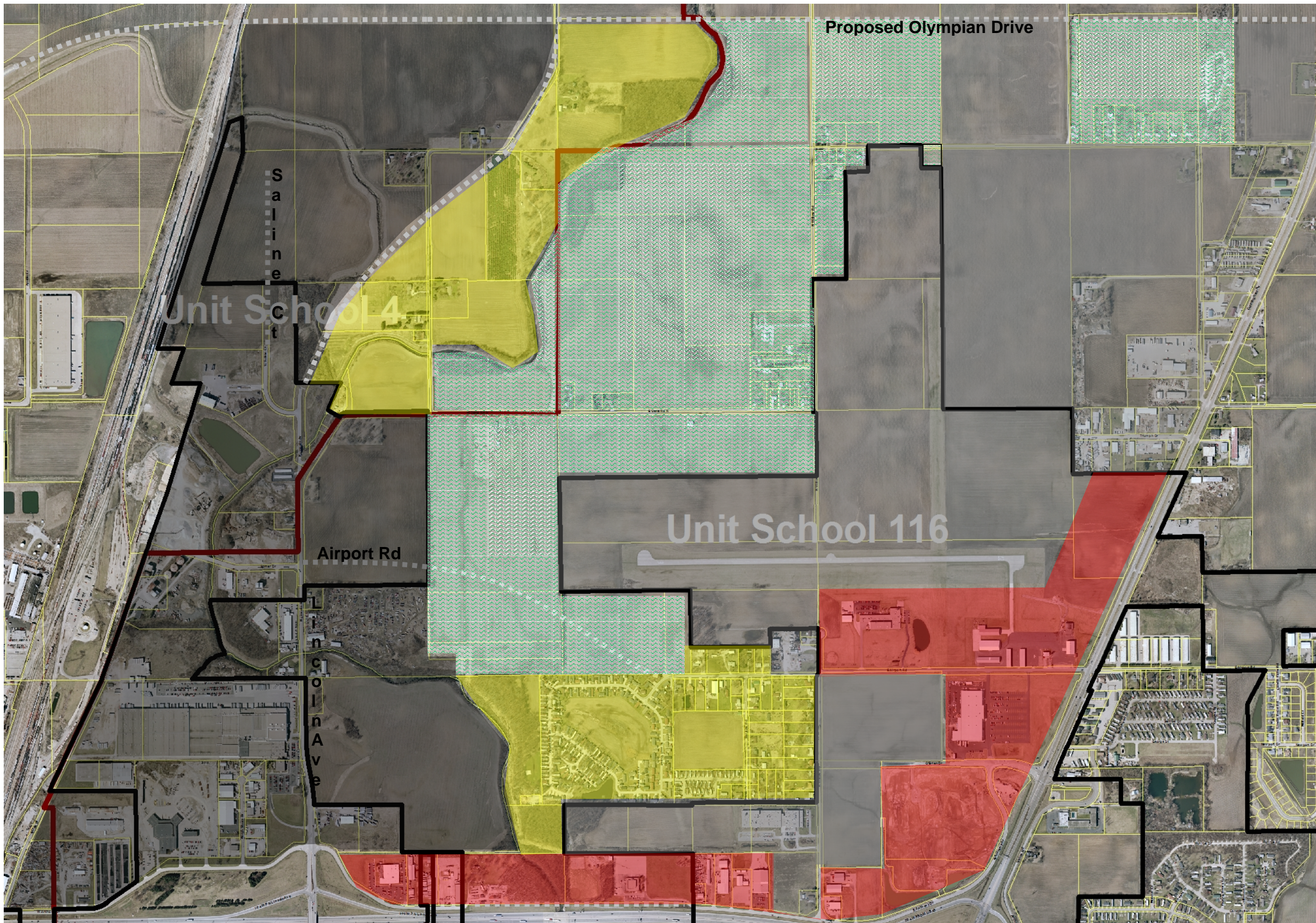


City of Urbana
 Future Growth
 Scenario #2:
 Moderate Build-Out

- Residential
- Commercial
- Light Industrial/Office
- Heavy Industrial
- Agricultural
- Future Roads
- City Boundary
- USD116 Boundary



Created April 5, 2010 by RLB, City of Urbana
 Community Development Services



City of Urbana

Future Growth
Scenario #3:

Limited Build-Out

Residential

Commercial

Light Industrial/Office

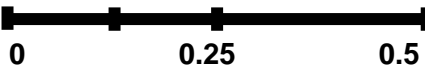
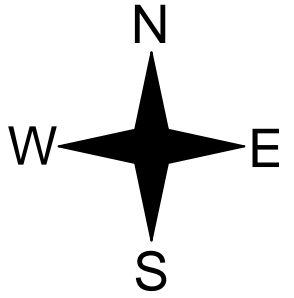
Heavy Industrial

Agricultural

Future Roads

City Boundary

USD116 Boundary



Created April 5, 2010 by RLB, City of Urbana
Community Development Services



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: William R. Gray, Public Works Director
DATE: March 29, 2010
RE: Olympian Drive Improvement – Response to Questions and Comments

On Monday, March 22, 2010 a variety of questions were asked by council members at the Committee of the Whole meeting. There have been additional inquiries by various parties too. Below please find questions and comments with a corresponding response. A companion memo titled Olympian Drive Impact Analysis also addresses questions and comments recently asked.

- List the sources of funding for the \$27.5M project.*

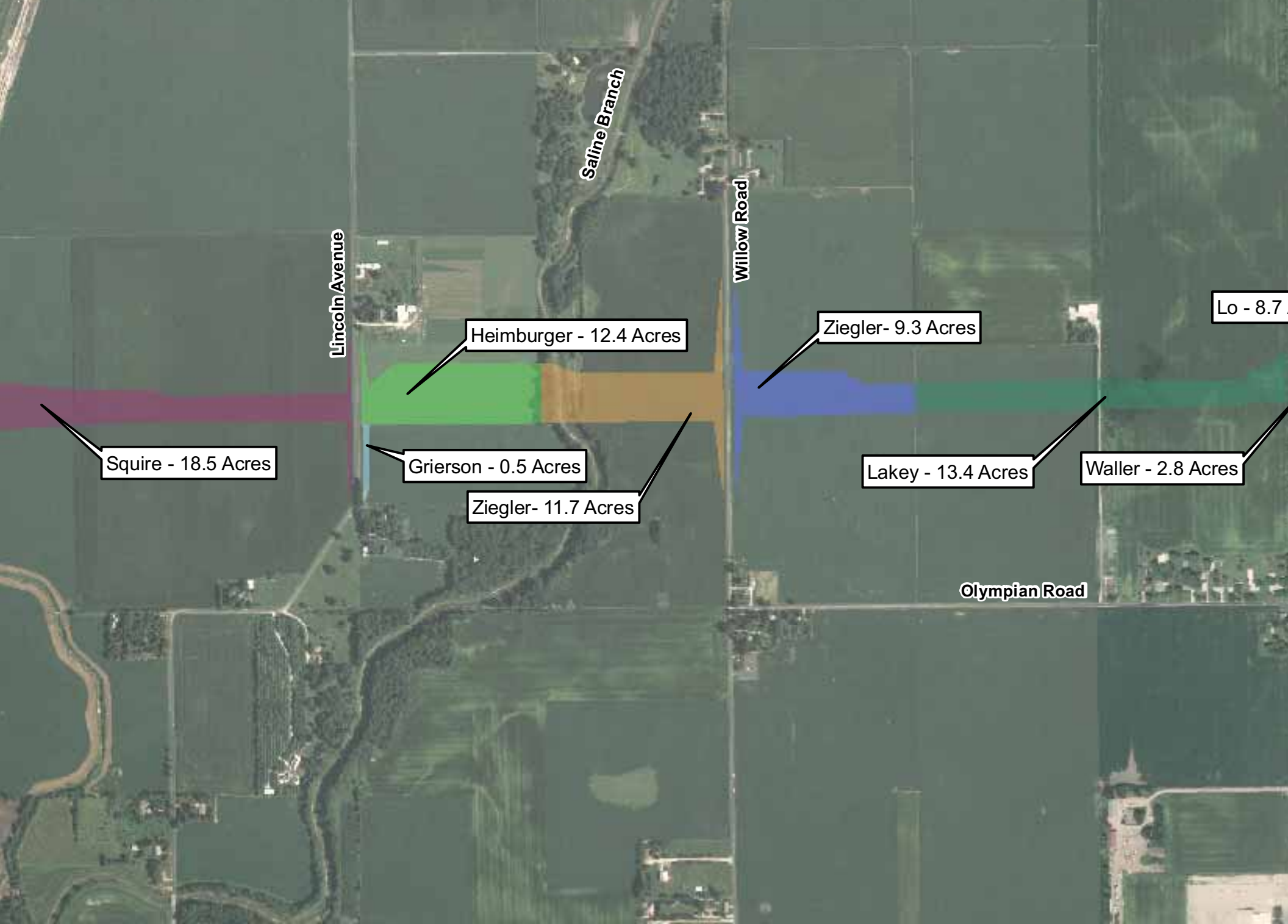
\$5 M – State Illinois Jobs Now! Capital Bill requires **no** local match.
\$9.6 M – Illinois Commerce Commission (ICC) Grade Crossing Protection Fund (60% funding of all related costs) requires a \$6.4 M (40%) local match that can **include** federal and local funds. This money is in the ICC multi-year plan.
\$2.5 M – Surface Transportation Urban (STU) program fund (50%) which requires a 50% local match of \$2.5 M. This money is guaranteed assuming there is a new six year reauthorization of the Federal Highway Bill.
\$8 M – Possible earmark in the reauthorization of the Highway Bill which requires a 20% local or state match.
\$2.5 -5 M – Local share to be split between the cities and county. The local funding determination is complicated and is dependent on what additional federal funding we may receive. Without additional federal funding we can still chose to proceed. The project, however, would take longer to complete, would be phased and would cost the locals more money. In this scenario, we would want to capture future STU dollars to match the local share. The City of Urbana's share, assuming we receive \$8M in federal funds, will be somewhere between \$1-2M.
- What is the time frame that the three local agencies would have to come up with their share of the money? If the \$8M federal share is included in the Highway Bill, the local match and obligation is required no later than September 30, 2015.*
- Is the projected \$27.5 M price tag for the project estimated from studies done several years ago or is it from current studies (2009)? This estimate is using 2009 unit prices for the estimated quantities from the 1997 location study. The west leg of the project (Champion Avenue to Duncan Road) is using 2009 unit prices and quantities.*
- Who maintains the road after it's built and how much will that cost? Once the project is complete, the local agency where the road is within its corporate limits will be the responsible for the maintenance of the road. For the most part the road, east of the Canadian National (CN)*

tracks will be Urbana's to maintain, assuming we will annex the adjacent land; and west of the CN tracks will be the City of Champaign's responsibility. Responsibility to maintain the CN bridge will be on a cost share arrangement with the City of Champaign, probably based on population. The cost to maintain can be quantified based on our known costs to maintain our streets. For our two mile stretch, those costs will be about \$10,000 per year (\$5000 for snow removal and \$5000 for sweeping/signs/stripping/mowing). In about 20 years, it is expected there would be a need to perform a hot mix asphalt overlay which is a more costly expense typically paid from available motor fuel tax funds.

5. *Can we develop an industrial park along the CN Railroad and along north Lincoln Avenue without building the whole segment to Route 45?* In a phased approach this could be done with the understanding that plans and efforts would continue to complete Olympian Drive all the way to US 45.
6. *Can we improve north Lincoln Avenue instead and the segment of Olympian Drive to connect to I-57 without building the segment from Lincoln Avenue east to US Route 45?* The \$5M State money is specifically targeted for Olympian Drive design and land acquisition. Any change to this would require approval from the City of Champaign and Champaign County. If all three agencies approve the change, then the three agencies together would submit a request to Senator Frerichs and Representative Jakobsson to seek their concurrence. Keep in mind the estimated \$3.5 M cost to complete the one mile segment of Lincoln Avenue to Olympian Drive would probably come from local sources – developers, city and county. In the future, STU money may be possible for this project pending CUUATS approval. The availability of such dollars is probably over five years away and would have to compete with other area projects.
7. *How many acres of right-of-way and detention basin/borrow pit area is required?* There is a total of 102 acres required. The acreage broken down by parcel east of the CN Railroad is shown on the attached right-of-way map. Immediately west of the CN Railroad in Champaign the acreage required is 18.5 and at the far west end at Duncan Road the acreage required is 5.0.
8. *What uses can the detention basins/borrow pit areas provide?* This answer can be discussed and explored in the public engagement process working with the design engineer. Detention basins can be dry or wet; they can include typical slope grasses or native vegetation. They may also be designed to handle stormwater runoff on a more regional basis which allows adjacent developable land to not be encumbered with individual detention cells and for a more efficient use of land. A good example of a successful regional detention basin is the one between I-74 and Killarney Street/Kenyon Road, west of Lincoln Avenue across from Peoria Charter. This particular basin provides stormwater protection for all the commercial and apartment developments north and west of Lincoln Avenue and Bradley Avenue.
9. *What is the cost breakdown between Projects A, B, and C?* Project A is estimated to cost around \$16M. Project B is estimated to cost around \$10M. Project C is estimated to cost around \$1.5M.
10. *What are the more significant aspects within scope of services in the design contract with the consulting engineer?* The design engineering contract cost should be no more than \$1.75M. This contract scope will include: stakeholder engagement, public engagement and awareness, public outreach and communications, readdress the need for the road, perform survey and collect data, take soil borings, supplement the location study, prepare preliminary roadway design, drainage design, bridges design, Illinois Commerce Commission and Canadian National Railroad coordination, final plans, specifications, estimate of cost, and obtain permits.
11. *Will there be public input in the design phase?* Yes. Since there has been considerable interest for and against this project, the initial design phase will be heavily involved with interviews engaging the public and stakeholders and holding public meetings. It should be noted some aspects of the location study will be revisited and updated, such as a Preliminary Environmental

Site Assessment. A tree replacement plan will be incorporated into the project plans. The need for the project will be readdressed providing accompanying supporting data.

12. *Since we were told years ago (mid 1990's) that the project was stopped because of the issue of who would receive tax dollars (Urbana versus Champaign school districts), how can the project be renewed without going through the same studies and public hearings that were undertaken back in the mid 1990's?* The planning and public input processes for this project were completed according to all requirements and accepted by local, state and federal authorities. Following the completion of these activities, the project commenced with the first phase of the Olympian Drive improvements between Mattis Avenue and Apollo Drive being completed in 2004. The Olympian Drive improvement is listed as an Urbana City Council Goal #3 Economic Development; Strategy G approved last month and was also listed as a City Council goal in 2006. Also letters of support for this project have been received from both school districts.
13. *Why has the Lincoln Avenue realignment part of the overall project been dropped from the current Olympian Drive Extension proposal?* This project was never part of the Olympian Drive project. The Lincoln Avenue realignment is a stand-alone project. Similarly, in the city of Champaign, this project does not entail improvements to Duncan Road between US 150 and Olympian Drive nor does it include improvements extending Neil Street to Olympian Drive.
14. *One argument that favors the Olympian Drive Extension is that it will serve a similar function to Windsor Road (become an east-west connector road at the north end of the cities). Windsor Road has several feeder roads to allow traffic access and flow, including Race Street, Lincoln Avenue, and First Street that facilitates University access and movement within the community. One major flaw in this argument is that there are no feeder streets into the proposed Olympian Drive extension (east of the railroad tracks and connecting with US Highway 45). The only access is the current Lincoln Avenue, which is a narrow, curving township road. Given that Lincoln Avenue is not part of this plan, it is not clear how semi-trucks from existing industries, such as SuperValu, UPS and Open Road Paving, will have access to Olympian Drive in its current state. In due time, Lincoln Avenue and Willow Road will need to be improved to accommodate the growth that will occur in the years ahead. There may be other intervening north-south roads constructed depending on the development and platting patterns of the area.*



ESTIMAT



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: William R. Gray, Public Works Director
DATE: March 18, 2010
RE: Olympian Drive Improvement Agreements

Introduction

Last year the cities of Champaign and Urbana and Champaign County received notice from the Illinois Department of Transportation (IDOT) that a \$5,000,000 Illinois Jobs Now State of Illinois Capital Program grant was awarded to the cities and county. These funds are to be used for the design engineering and land acquisition for right-of-way for the proposed roadway. There is no local match to these funds. IDOT requires an intergovernmental agreement with the lead agency to obligate these funds and needs to receive an executed agreement by May 1, 2010. (See attached letter from IDOT.) Staff from the cities and county have discussed and agreed that the City of Urbana should be the lead agency by virtue of the fact that a majority of this improvement is in Urbana's Extraterritorial Jurisdictional area. As a result the attached IDOT Local Agency Agreement lists the city as the lead agency. It is estimated at this time that the design fees for this \$27,500,000 project are estimated to be \$1,750,000. The balance of the funds in the Local Agency Agreement is available for land acquisition and other expenses yet to be determined. The city may unilaterally proceed with executing this IDOT agreement.

Also included with this memorandum is an Intergovernmental Agreement for the Design of Olympian Drive between the City of Champaign, the City of Urbana, and the County of Champaign. This agreement outlines that Urbana is the lead agency; states Urbana will pay for design fees, which will be reimbursed by IDOT; divides the Olympian Drive improvements into three projects; defines the phases with each project; identifies the selected consultant to perform the design; and states there is no local share to be paid by the parties. A future amended agreement will further detail the acquisition of rights-of-way and the responsible parties for that work.

History

The Olympian Drive roadway was conceived as part of an area transportation plan in 1960. Since that time succeeding transportation plans have solidified its importance as a major east-west arterial roadway north of and parallel to I-74. In 1989 IDOT completed building the Olympian Drive and I-57 interchange. In 1997 the Location Study/Design Report was completed and approved by IDOT. In 2004 the first phase of Olympian Drive between Mattis Avenue and Apollo Drive was completed and in

2008 a one mile stretch was completed west of Mattis Avenue past Champion Avenue. Approximately three miles remain to be constructed to complete the six mile roadway between Duncan Road at the west end and Cunningham Avenue (US 45) at the east end. The remaining roadway will consist of two lanes, two bridges, pedestrian and bicycle facilities, and is estimated to cost \$27,500,000 in today's dollars. This estimate includes design and construction engineering, land acquisition, and construction costs. This improvement fits within the cities' respective comprehensive plans, completes an important transportation link to accommodate the land uses planned for this area, supports the economic development that is occurring and will continue to occur, enhances emergency response for responders, provides more jobs, and generates revenues that will financially support the local governmental agencies in the cities and the county.

Fiscal Impact

The IDOT/City Local Agency Agreement and the Intergovernmental Agreement for the Design of Olympian Drive between the City of Champaign, the City of Urbana, and the County of Champaign do not obligate the city for any out of pocket expenses. Staff time will be expended to manage, coordinate, and communicate with the consultant and with the City of Champaign and Champaign County staff, elected officials, property owners, and residents.

Recommendation

It is recommended that the attached two resolutions be approved. It is also recommended that an Ordinance Revising the Annual Budget Ordinance (Olympian Drive Engineering/Land Acquisition) be approved.

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHAMPAIGN AND THE COUNTY OF CHAMPAIGN FOR THE DESIGN OF OLYMPIAN DRIVE

WHEREAS, the City of Urbana has a population of more than 25,000 and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois authorizes Champaign, Urbana, and the County to contract, to perform and to share services in any manner not prohibited by law; and

WHEREAS, 65 ILCS 5/11-91.2-1 and 605 ILCS 5/5-102, 5-105, 5-408, 5-410, 5-410.1, 7-101 and 9-101 all provide statutory authority for Champaign, Urbana, and the County to enter into this cooperative agreement with respect to the jurisdiction and maintenance of roads and streets; and

WHEREAS, the responsibility to provide for a highway system rests with Champaign, Urbana, the County, and the State; and

WHEREAS, Champaign, Urbana, and the County desire to perform this function as efficiently and effectively as possible thereby reducing costs to local taxpayers; and

WHEREAS, Olympian Drive between Cunningham Avenue (US 45) and Duncan Road will provide a necessary major east-west transportation link across the north side of the community; and

WHEREAS, Champaign, Urbana, and the County find it to be in the best interest of the public to design and construct the section of Olympian Drive from Apollo Drive to Cunningham Avenue (US 45) according to the location study and project design report that was completed for this road and approved by the Illinois Department of Transportation in 1997; and

WHEREAS, Champaign, Urbana, and the County find it to be in the best interest of the public to design and construct the section of Olympian Drive from Champion Avenue to Duncan Road; and

WHEREAS, Champaign, Urbana, and the County have received \$5,000,000 from the State of Illinois Capital Bill specifically for the Olympian Drive Improvements which requires no local

match and is to be used for engineering design fees and expenses.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the **INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHAMPAIGN AND THE COUNTY OF CHAMPAIGN FOR THE DESIGN OF OLYMPIAN DRIVE**, in substantially the form of the copy of said Agreement, attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 3. That the Mayor is authorized to take such actions as are required of the City under the Agreement.

PASSED by the City Council this _____ day of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

AN INTERGOVERNMENTAL AGREEMENT
FOR THE DESIGN OF OLYMPIAN DRIVE BETWEEN
THE CITY OF CHAMPAIGN, THE CITY OF URBANA, AND
THE COUNTY OF CHAMPAIGN

THIS INTERGOVERNMENTAL AGREEMENT is entered into by and between the City of Champaign, a municipal corporation (“Champaign”); the City of Urbana, a municipal corporation (“Urbana”); and the County of Champaign, Illinois (“County”).

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois authorizes Champaign, Urbana, and the County to contract to perform and share services in any manner not prohibited by law; and

WHEREAS, 65 ILCS 5/11-91.2-1 and 605 ILCS 5/5-102, 5-105, 5-408, 5-410, 5-410.1, 7-101 and 9-101 all provide statutory authority for Champaign, Urbana, and the County to enter into this cooperative agreement with respect to the jurisdiction and maintenance of roads and streets; and

WHEREAS, the responsibility to provide for a highway system rests with Champaign, Urbana, the County, and the State; and

WHEREAS, Champaign, Urbana, and the County desire to perform this function as efficiently and effectively as possible thereby reducing costs to local taxpayers; and

WHEREAS, Olympian Drive between Cunningham Avenue (US 45) and Duncan Road will provide a necessary major east-west transportation link across the north side of the community; and

WHEREAS, Champaign, Urbana, and the County find it to be in the best interest of the public to design and construct the section of Olympian Drive from Apollo Drive to Cunningham

Avenue (US 45) according to the location study and project design report that was completed for this road and approved by the Illinois Department of Transportation in 1997; and

WHEREAS, Champaign, Urbana, and the County find it to be in the best interest of the public to design and construct the section of Olympian Drive from Champion Avenue to Duncan Road; and

WHEREAS, Champaign, Urbana, and the County have received \$5,000,000 from the State of Illinois Capital Bill specifically for the Olympian Drive Improvements which requires no local match and is to be used for engineering design fees and expenses.

NOW, THEREFORE, Champaign, Urbana, and the County, in consideration of the mutual promises and covenants herein, agree as follows:

Paragraph 1. Definitions.

- (a) “Highway” means any public way for vehicular travel, which has been laid out in pursuance of any law of this State. The term “highway” includes rights-of-way, curbs, sidewalks, bikeways, sidepaths, bridges, drainage structures, channels and detention basins, signs, traffic signals, guards rails, protective structures and all other structures and appurtenances necessary or convenient for vehicular, bicycle, or pedestrian traffic.
- (b) “Direct expenses” include costs for appraisers, ROW agents, attorneys, and other direct expenses necessary for the completion of the project.
- (c) “Engineer” is a Professional Engineer appointed by the lead agency for a project. The duties of the Engineer are described in the IDOT Design Manual.

Paragraph 2. Projects. “Project A” is defined as all work required to complete Olympian Drive from Apollo Drive to Lincoln Avenue. “Project B” is defined as all work

required to complete Olympian Drive from Lincoln Avenue to Cunningham Avenue (US 45). “Project C” is defined as all work required to complete Olympian Drive from 1400’ west of Champion Avenue to Duncan Road.

Paragraph 3. Lead Agency. Urbana shall be the lead agency for Projects A, B, and C.

Paragraph 4. Phases. Each project will be completed in phases. For Projects A and B, Phase 1 will include design engineering. A future amendment will address Phase 2 which will include acquisition of all rights-of-way, construction engineering, excavation, embankment work, utility relocations, bridges, sidepaths, drainage structures and facilities, installation of signs, traffic signals, and paving for two lanes of Olympian Drive. For Project C, Phase 1 will include a project development report. Phase 2 will include design engineering. A future amendment will address Phase 3 which will include acquisition of all rights-of-way, construction engineering, excavation, embankment work, utility relocation, sidepaths, installation of signs, drainage structures and facilities and paving for two lanes of Olympian Drive.

Paragraph 5. Engineering and Other Services.

- (a) **Consulting Engineer.** A Qualifications Based Selection process was used to select the consulting engineer, Hanson Professional Services Inc. (Engineer), to complete the location study update and project design report for Projects A, B and C. The parties intend to negotiate a contract with the same Engineer to prepare plans, specifications, and estimates (PS&E) for Projects A, B, and C. The Engineer selected for PS&E shall not be an employee of any of the parties. Urbana is the lead agency that will contract with the Engineer for Projects A, B, and C. Prior to entering into such contracts, Urbana shall obtain prior written approval from the other parties for the scope of the work to be performed by the Engineer and the terms of the contract for Projects A, B, and C. If any

change orders are required with the Engineer for Projects A, B, and C, Urbana shall receive prior written approval from the other parties before approving any change order.

- (b) Other Professional Services. The lead agency shall select and enter into contracts with other professionals or for other professional services as necessary for the completion of the projects, including, but not limited to, title companies, real estate appraisals, right-of-way agents, soils and material testing services and other professional services associated with administering, managing, applying for grants, engineering and acquiring rights-of-way for the projects. Prior to entering into any contract for necessary professional services, the lead agency shall provide a good faith estimate of the cost and a description of such services to the other parties and obtain their written approval before contracting with any of the said professionals. The lead agency shall not be authorized to enter into a contract with any of the said professionals unless the cost has been previously agreed upon by the other parties in writing. The lead agency shall also obtain written authorization from the other parties should the lead agency determine that it is necessary for any reason to increase the cost of the contracts for any of the said professionals.

Paragraph 6. Implementation.

- (a) Timing. Champaign, Urbana, and the County agree to take all necessary steps to implement the projects and perform those activities set forth in this Agreement. It is the intent of the parties to complete the Phase 1 work for Projects A and B in 2012. Phase 2 of Project A and B timing is to be determined based on federal, state, Illinois Commerce Commission, and local funding. Phase 1 and Phase 2 of Project C are intended to be completed in 2011. Phase 3 timing is to be determined based on federal, state, and local funding.

- (b) Champaign Budgeting; Urbana Budgeting; County Appropriations. For this Agreement there is no financial commitment or share by Champaign, Urbana, or the County.

Paragraph 7. Further Actions.

- (a) Champaign, Urbana, and the County hereby agree to take any official action necessary to accomplish any of the undertakings set forth in this agreement, including the passage of legally sufficient resolutions or ordinances, and any and all other undertakings set forth in this Agreement. The Mayor and City Manager of Champaign, the Mayor and City Engineer of Urbana, and the Champaign County Board Chair and County Engineer are hereby authorized by the approval of this Agreement by the respective governing bodies of Champaign, Urbana, and the County to execute any such documents necessary to carry out the terms of this Agreement.
- (b) Time is of the essence of this Agreement.

Paragraph 8 . Maps. Attached hereto as Exhibit A is a map of which the parties agree is the section of highway subject to the provisions of this Agreement. The limits of Projects A, B, and C are also identified.

Paragraph 9. Cooperation. Champaign, Urbana, and the County agree to reasonably cooperate to allow the Engineer selected to commence work by June 30, 2010.

Paragraph 10. Funding. The parties have received \$5,000,000 in funding from the State of Illinois Capital Bill that requires no local match. The parties further agree that the funds shall be used for engineering services for Projects A, B, and C. The remaining funds will be assigned in a future amendment to this Agreement. If the \$5,000,000 in funding from the State of Illinois Capital Bill is not sufficient to complete the design then the parties shall consider a local match or other available funding and amend this Agreement accordingly.

Paragraph 11. Invoices. A local agency agreement with the lead agency and IDOT is required for Projects A, B, and C. The lead agency shall make direct payment to the Engineer. The lead agency shall seek immediate reimbursement from IDOT.

Paragraph 12. Effective Date of Agreement. The Agreement shall be effective, as between Champaign, Urbana, and the County, when approved by all of the parties hereto, on the date approved by the last party to approve it.

Paragraph 13. Termination. If the Engineer has not commenced performing their professional services by June 30, 2010, any party may declare its intent to withdraw from this agreement within ninety (90) days by submitting written notice. Upon receipt of such written notice and prior to the expiration of ninety (90) days, the parties shall meet to identify and, to the best of their ability, resolve the cause for delay or develop a plan for resolution to allow the project to continue. If the cause for delay is within the control of the parties and is not resolved or a plan for resolution is not accepted by all parties within ninety (90) days of the written notice of intent to withdraw from this agreement, all benefits and obligations contained herein shall be null and void as to the declaring party after the ninety (90) days has elapsed.

Paragraph 14. Amendment. No amendment to this Agreement shall be effective unless it is in writing and signed by the parties hereto.

Paragraph 15. Notices. Notice with respect to any matter contained herein shall be sent first class and mailed to:

CHAMPAIGN:
City Manager
City of Champaign
102 N. Neil St.
Champaign, IL 61820

URBANA:
Mayor
City of Urbana
400 S. Vine St.
Urbana, IL 61801

COUNTY:
County Board Chair
County of Champaign
1776 E. Washington St.
Urbana, IL 61802

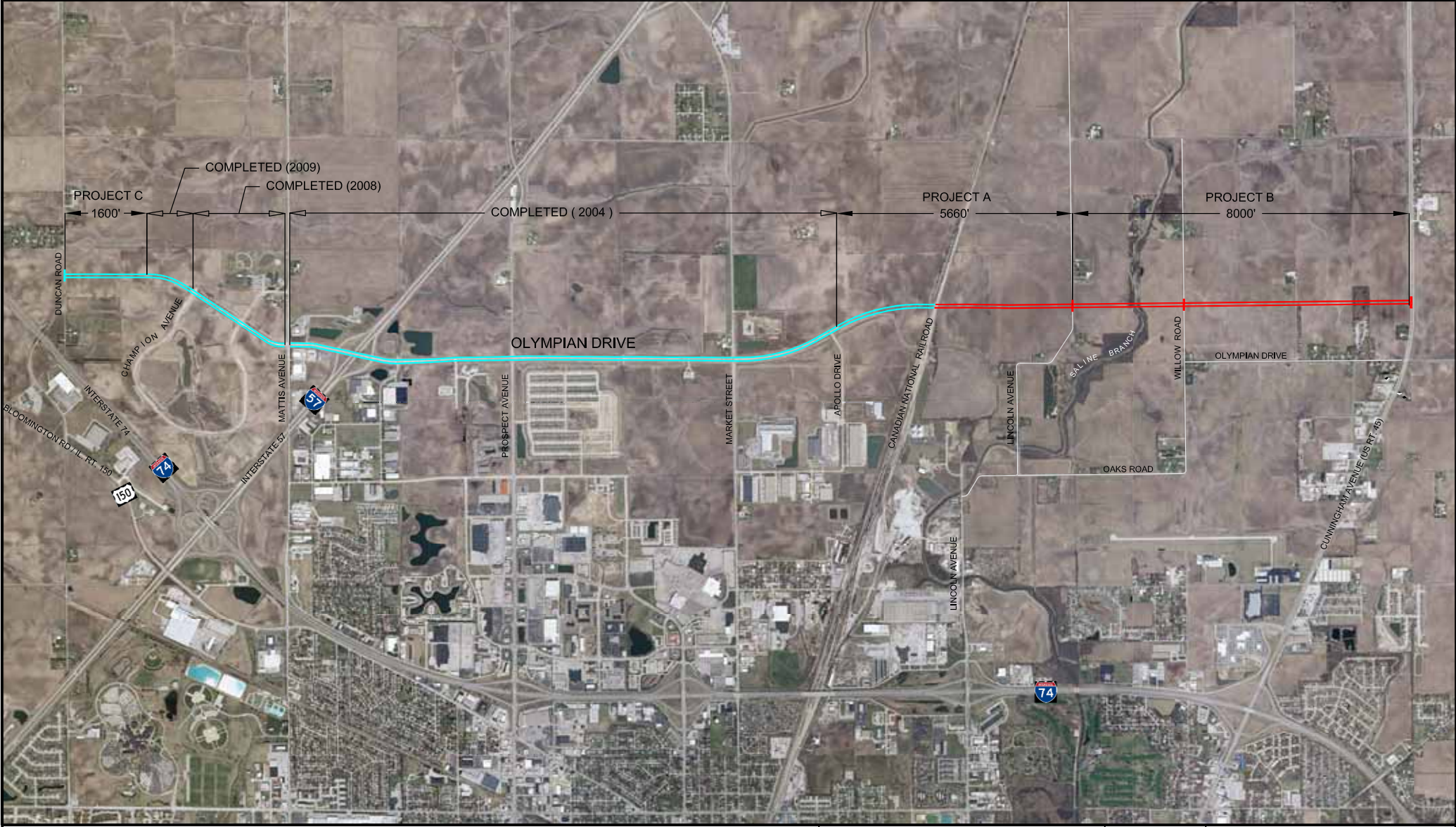
City Engineer
City of Champaign
702 Edgebrook Dr.
Champaign, IL 61820

City Engineer
City of Urbana
706 S. Glover Ave.
Urbana, IL 61802

County Engineer
County of Champaign
1605 E. Main St.
Urbana, IL 61802

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF CHAMPAIGN	CITY OF URBANA	COUNTY OF CHAMPAIGN
By: _____	By: _____	By: _____
City Manager	Mayor	Chair
Date: _____	Date: _____	Date: _____
Attest: _____	Attest: _____	Attest: _____
City Clerk	City Clerk	County Clerk
APPROVED AS TO FORM:	APPROVED AS TO FORM:	APPROVED AS TO FORM:
By: _____	By: _____	By: _____
City Attorney	City Attorney	Its Attorney
_____	_____	_____
City Council Approval Date	City Council Approval Date	County Board Approval Date



OLYMPIAN DRIVE CONSTRUCTION PROJECT

EXHIBIT A - OLYMPIAN DRIVE

LEGEND

- ▬▬▬ CHAMPAIGN
- ▬▬▬ COUNTY/URBANA


NO SCALE

City of Urbana
Public Works Department
Engineering Division
706 S. Glover Avenue
Urbana, IL 61802
Date: 03.16.2010

