

Village of Tinley Park, Illinois

Kimberly Heights Subdivision

and

Cook County

Unincorporated Cook Infrastructure
Improvement Fund (UCIIF)

Matching Grant Program





Cook County Unincorporated Task Force



History



Cook County Unincorporated Task Force



- November 2011 – Cook County Board President Toni Preckwinkle forms the Cook County Unincorporated Task Force to research the existing and needed services of the County’s unincorporated areas
 - 62 square miles of unincorporated land is spread out over the 945 square miles of Cook County (6.5%)
 - The unincorporated areas include just 2% of County population
 - Providing County services such as building inspection and police patrols is costly and inefficient
- Cook County Unincorporated Task Force included leaders and representation from
 - Chicago Metropolitan Agency for Planning (CMAP)
 - The Civic Federation
 - Metropolitan Planning Council
 - Metropolitan Mayors Caucus
- April 2012 – the Task Force issues report
 - Recommends that municipalities be encouraged to annex small, unincorporated parcels of land.
 - Recognizes that many areas require infrastructure updates that some municipalities are reluctant to take on.



Cook County Unincorporated Cook Infrastructure Improvement Fund



- November 2012 – President Preckwinkle’s 2013 Budget Address proposes an “**Unincorporated Cook Infrastructure Improvement Fund**” (UCIIF) with an initial budget of \$5 million to provide matching grants to municipalities to help complete important infrastructure improvements in areas they agree to annex.
- CMAP supports the UCIIF and similar efforts that enhance the efficiencies in providing public services.
- August 2013 - Tinley Park is approached about submitting a proposal utilizing the UCIIF to support infrastructure improvements associated with the annexation of adjacent unincorporated areas in furtherance of the goal to eliminate unincorporated Cook County



Cook County Unincorporated Cook Infrastructure Improvement Fund



- August 2013 - Tinley Park submits a preliminary grant proposal for use of the \$5 million UCIIF to support infrastructure needs in three primary subdivisions/areas
 - Kimberly Heights
 - “Highland Avenue” (Elmore’s Ridgeland Avenue Estates)
 - “Sayre Avenue” (Elmore’s Harlem Avenue Estates)



Cook County Unincorporated Cook Infrastructure Improvement Fund



- November 2013 – At County request, the grant proposal request is reduced to \$2.5 million with primary focus on Kimberly Heights subdivision where there was already previously expressed interest in annexation.
- Highland Avenue and Sayre Avenue areas were removed from the grant request due to the significantly higher costs associated with the needed infrastructure improvements for water, sanitary sewer, and storm water management



Cook County Unincorporated Cook Infrastructure Improvement Fund



- Cook County budgets for 2014-2016 have reduced the UCIIF to \$2.5 million



Cook County Unincorporated Cook Infrastructure Improvement Fund



- The proposed \$2.5 million UCIF grant will be applied toward Kimberly Heights subdivision infrastructure improvements
 - Completion of the water distribution system \$1 million
 - This will offset some construction costs and place the annexation costs associated with the water improvements for the remaining eastern side of the subdivision to be generally on par with prior Kimberly Heights water system extension projects
 - Storm water collection system improvements \$1.5 million
 - Funds are intended to be used to restore and improve the roadside ditch stormwater collection and drainage system
 - Proposed improvements will **not** address the restoration of rear and side yard overland drainage swales to outfall into the roadside ditch stormwater collection and drainage system



Cook County Unincorporated Cook Infrastructure Improvement Fund



- This presentation is intended to gauge level of interest to continue forward
- Determine interest in the Village undertaking the proposed improvements which includes:
 - Annexation
 - Taking advantage of the County UCIF grant



Kimberly Heights



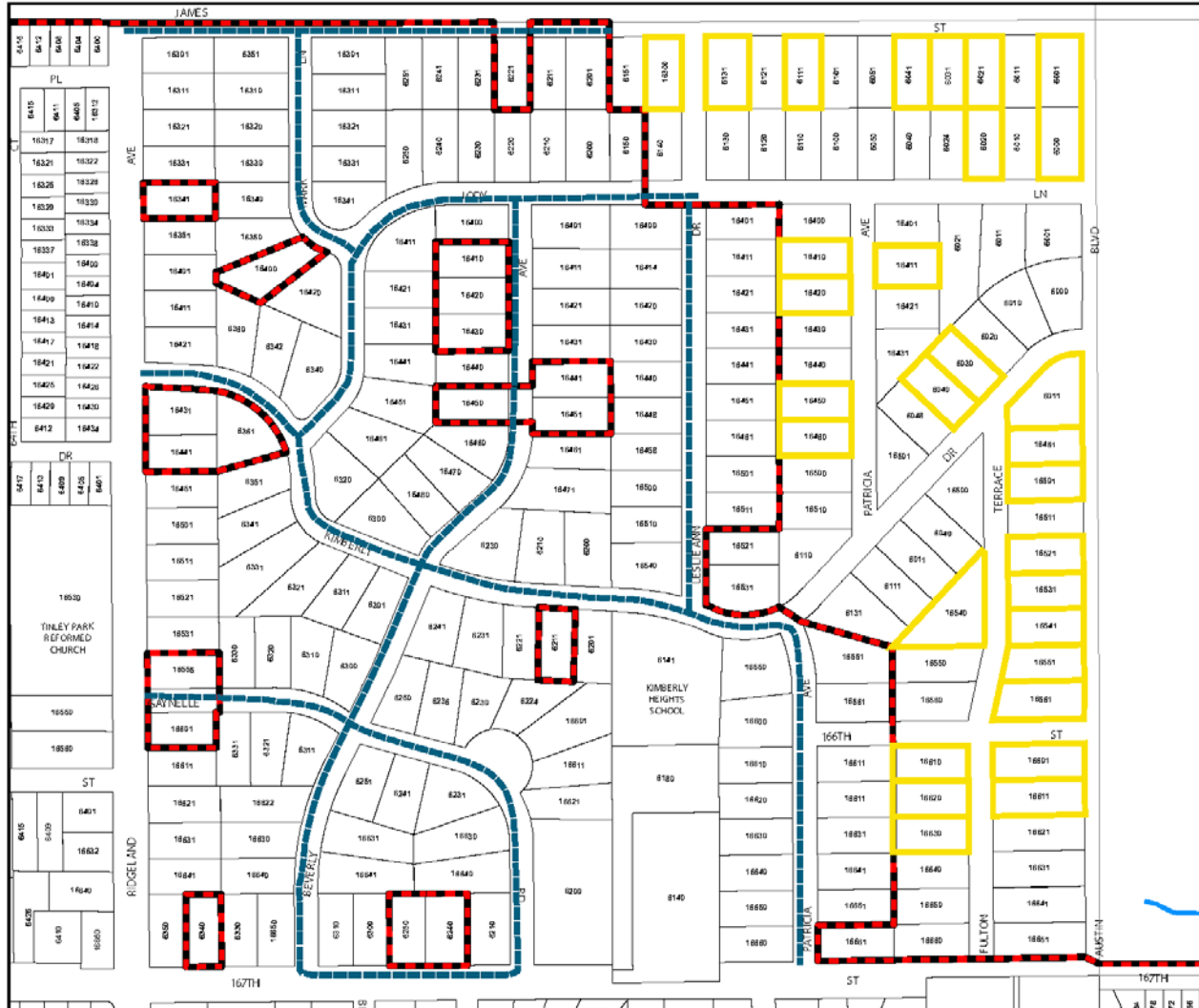
- 242 parcels in total
- 145 parcels have previously annexed (60%)
- 97 unincorporated parcels remain

- 75 parcels (70 homes) currently do not have water main infrastructure available to access the public (Lake Michigan) water supply

- A portion of the UCIF grant will apply toward installing the water system improvements impacting the 75 parcels not currently served by the public water system



Kimberly Heights



Map Key: Red line – current Village boundaries; Blue line – existing water main;
Yellow – previous interest in annexation/water has been expressed



Kimberly Heights Annexation



- Annexation by request of property owner
 - Petition signed by owners and registered voters on each parcel
 - Any unincorporated KH property may petition for annexation
- Property (or group of properties) must be contiguous to Village boundaries to be annexed
- Annexation is required in order to obtain Lake Michigan water
- Annexation of balance of Kimberly Heights is required by Cook County as a condition of the UCIIF grant



Kimberly Heights Annexation



- The rural character of the neighborhood will be maintained
- The following items will not be included:
 - Sidewalks
 - Streetlights (except at intersections)
 - Curb and gutter streets



Kimberly Heights Annexation



- No change in school districts
 - Arbor Park Elementary School District 145
 - Bremen Community High School District 228
 - South Suburban Community College District 510
- Kimberly Heights Sanitary District (KHSD) may go out of existence
 - By statute if 100% of Kimberly Heights is annexed
 - By mutual agreement between KHSD and Village of Tinley Park (Village of Tinley Park takes over sewer system)
- Annexation by Tinley Park Park District (TPPD) is expected to follow Village annexation



Kimberly Heights Annexation



- Routing of emergency 9-1-1 (hardline) phone calls will be directed to Tinley Park Dispatch Center instead of Cook County Emergency Dispatch
- Police services to be provided by Tinley Park instead of County Sheriff after annexation
- Fire services will be unchanged (Tinley Park)
- Ambulance services provided through Tinley Park after annexation



Kimberly Heights Annexation



- Garbage service for all annexed homes must be through Village contracted scavenger service (currently NuWay Disposal)
- Vehicle Stickers will be obtained through Village of Tinley Park for years after annexation



Kimberly Heights Annexation



- Street maintenance including snow plowing would be performed by Village of Tinley Park after annexation
- Roadside drainage ditches would be maintained by Village of Tinley Park after annexation (UCIIF Grant will support rehabilitation and improvements)



Kimberly Heights Annexation



- Cook County General Business Licensing (GBL) for home based businesses will no longer apply after annexation (affects all home based businesses in unincorporated Cook County)
- Contact your insurance agent after annexation improvements are complete – rates may be reduced (ISO Rate Class 10 vs. Rate Class 3)



Kimberly Heights Annexation



- Wells may be kept
 - Homeowner is not required to connect to the public water system
 - Homeowner may continue to use well for sole domestic water supply
 - Well water source cannot be interconnected with the public water system
 - Wells may continue to be used for outside irrigation
 - Wells must be kept in good working order
 - If well use is to be discontinued, it must be capped following IEPA guidance and procedures



Kimberly Heights Annexation



- Water system public improvements included
 - Installation of water main
 - Installation of service line to front of property
 - Cost of water meter
 - Plumbing permit and inspection



Kimberly Heights Annexation



- Property Owners individually responsible for costs of household connection from front of property into the house
 - Homeowners may be able to obtain better pricing from contractors by soliciting bids/quotes together for multiple home hook-ups.
 - Cannot be included in a Village Special Assessment financing program
 - Connections must be performed by a licensed plumber



Kimberly Heights Annexation



- Property Taxes
 - Village of Tinley Park added
 - Tinley Park Public Library added
 - Acorn Library District removed
- Increase from above three changes ~12.8%
- Annexation in 2016 will not be reflected until tax year 2017 at earliest (taxes paid in 2018)



Kimberly Heights Annexation



- Property Taxes (continued)
- Tinley Park Park District will add ~4%
 - Park District can mirror Village annexation for areas not otherwise currently served by a park district
 - Park District has annexed other Kimberly Heights properties after Village annexation
 - Tax impact no earlier than tax year 2017 (taxes paid in 2018) and possibly later



Kimberly Heights Annexation



- Property Taxes (continued)
- Kimberly Heights Sanitary District possibly dissolved/eliminated
 - By statute if 100% of Kimberly Heights is annexed
 - By mutual agreement between KHSD and Village of Tinley Park (Village of Tinley Park would take over the sanitary sewer system)
 - Decrease property taxes ~1.8%
 - Tax impact depends on when District is eliminated



Kimberly Heights Annexation



- What does Village get out of this?
 - Property Taxes
 - \$51,260 additional annually for the 75 eastern lots; or
 - \$68,140 additional annually if all 97 parcels are annexed
 - Vehicle Stickers – estimated \$700-900 additional annually
 - For 92 homes, large number of senior citizens
 - Utility billing



Kimberly Heights Annexation



- Potential State shared revenues
 - Income Tax Sharing - \$105.00 per capita annually
 - Use Tax Sharing - \$22.20 per capita annually
 - Motor Fuel Tax Sharing - \$25.80 per capita annually
 - Library - \$1.25 per capita annually
- Village will generally not receive these per capita allocations from newly annexed population until a new census is conducted (2020). Possible population credit can be received if an entire census block or tract is annexed & can be documented.



Kimberly Heights Annexation



- Project summary
 - Installation of water mains to eastern portion of subdivision
 - Installation of service connections to the front of each residential property
 - Roadway resurfacing within the construction zone
 - Restore and improve the roadside ditch stormwater collection and drainage system
 - Landscape restorations



Kimberly Heights Annexation



- The rural character of the neighborhood will be maintained
- The following items are not included:
 - Sidewalks
 - Streetlights
 - Curb and gutter streets



Kimberly Heights Annexation



- Annexation Steps

- Homeowners submit signed petitions requesting annexation
- Preparation of annexation ordinance (Village)
- Preparation of Plat of Annexation (Village)
- Village Board adopts annexation (two meetings)
- Annexation recorded with Cook County
- Annexation filed with utilities and Illinois Department of Revenue



Kimberly Heights Annexation



- Special Assessment financing
 - Follows annexation approval
 - Village Board approves Special Assessment financing arrangements for homeowners to pay for the improvement and annexation costs (Public Hearing and two meetings)
 - Homeowners make arrangements for paying the improvement costs and annexation fees
 - Cash; or
 - Special Assessment financing over 15 years



Kimberly Heights Annexation



- After Village Annexation is approved
 - Village finalizes Special Assessment financing
 - Bidding and construction of water main extensions
 - Property owner can apply for permit to install water service to home
 - Homeowner caps well (if use is discontinued)



Kimberly Heights Annexation



- After Village Annexation is approved
 - Tinley Park Park District approves parallel annexation of properties
 - Kimberly Heights Sanitary District possibly dissolved (discussed earlier)
 - Residents can vote for Village offices in the next election following annexation
 - Residents can run for Village offices in the election occurring at least one year after annexation



Kimberly Heights Annexation



- Stormwater Management improvement
 - Regrade and shape ~49,000 square yards of ditch
 - Installation of ~5,000 feet of storm sewer/culverts
 - Installation of ~2,200 feet of elliptical/arch pipe
 - Installation of box culvert, catch basins, manholes
 - Restoration: streets, driveways, ditches, parkways



Kimberly Heights Annexation



- Stormwater Management improvement
 - Projected costs \$1,500,000*
 - UCIIF grant (1,500,000)
 - Net projected costs \$ -0-

* Estimated cost subject to change based on bid results



Kimberly Heights Annexation



- Water main construction
 - Installation of ~8,400 feet of 8” water main
 - Installation of ~30 fire hydrants
 - Installation of ~20 valves
 - Installation of water services to front of property
 - Restoration: streets, driveways, ditches, parkways



Kimberly Heights Annexation



- Water main extension
 - Projected cost \$1,700,000*
 - UCIIF grant (1,000,000)
 - Net projected costs \$ 700,000
 - Annexation fees (legal, Plat) 20,000*
 - Special Assessment fees (legal) 20,000*
 - Impact fees, meter, tap 126,000*
 - Projected homeowner cost \$ 866,000
 - Divided by 70 homes \$ 12,400* each

* Estimated cost subject to change



Kimberly Heights Annexation



For the 70 homes without existing water mains
(eastern portion of subdivision)

• Improvements per homeowner	\$12,400*
• Installation of water into home	<u>~ 4,500*</u>
• Estimated total costs per home	\$16,900

* Estimated costs subject to change



Kimberly Heights Annexation



For the 22 properties with existing water mains
(western portion of subdivision)

• Improvements per homeowner	\$10,800
• Installation of water into home	<u>~ 4,500*</u>
• Estimated total costs per home	\$15,300

* Estimated costs subject to change



Kimberly Heights Annexation



- If the UCIIF grant is not received, the estimated costs for the 70 homes without existing water mains (eastern portion of subdivision)
- Improvements per homeowner \$26,660*
- Installation of water into home ~ 4,500*
- Estimated total costs per home \$31,160

* Estimated costs subject to change



Kimberly Heights Annexation



- If the UCIIF grant is not received, the Stormwater Management (ditch drainage) improvements will not be undertaken
- The UCIIF grant is predicated on the elimination of all unincorporated Kimberly Heights properties through annexation



Kimberly Heights Annexation



- Property Owner share of improvement costs
 - Payable in cash
 - Payable by Special Assessment
 - Financing at low interest rate
 - Cannot exceed 9% by law; expected to be 2-3% range
 - Payments spread over 15 years
 - Interest can be deductible for income tax purposes
 - Principal is not deductible
 - considered a home improvement – adds to cost basis



Kimberly Heights Annexation



- Special Assessment Financing
 - 15 year repayment (normally only 10 years)
 - 1/15 of principal to be paid each year
 - Plus interest on the unpaid balance
 - Payments due January 1 each year
 - Can make additional payments to pay off quicker
 - Costs for installation into home can not be part of the special assessment financing



Kimberly Heights Annexation



Hypothetical Special Assessment Payment Schedules							
Assumed interest rate		3%					
Estimated Financed Costs		\$12,400					
<u>15 year payment term</u>				<u>Normal 10 year payment term</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1	\$822	\$372	\$1,194	\$1,240	\$372	\$1,612	
2	827	347	1,174	1,240	335	1,575	
3	827	323	1,150	1,240	298	1,538	
4	827	298	1,125	1,240	261	1,501	
5	827	273	1,100	1,240	223	1,463	
6	827	248	1,075	1,240	186	1,426	
7	827	223	1,050	1,240	149	1,389	
8	827	198	1,025	1,240	112	1,352	
9	827	174	1,001	1,240	75	1,315	
10	827	149	976	1,240	37	1,277	
11	827	124	951				
12	827	99	926				
13	827	74	901				
14	827	50	877				
15	827	25	852				
Totals	<u>\$12,400</u>	<u>\$2,977</u>	<u>\$15,377</u>	<u>\$12,400</u>	<u>\$2,048</u>	<u>\$14,448</u>	



Kimberly Heights Annexation



- Next Steps?
- Is there sufficient interest to proceed further?
 - Annexation; and
 - Taking advantage of availability of the UCIIF grant



Kimberly Heights Annexation



- Yes, Very interested
 - Submit completed Annexation Petition
 - Annexation will not proceed before details are finalized
- Yes, Interested, but need more information
 - Identify information that is needed
 - Determine means of sharing information
- Determine if follow-up meeting is required and set follow-up meeting date, as necessary



Kimberly Heights Annexation



- No, Not interested.
 - Village will advise Cook County that we will not be proceeding further with the UCIIF grant
 - Proposed improvements will not be undertaken
 - Annexation petitions will not be processed



Kimberly Heights Annexation



Questions?