



**AGENDA ITEM # 9C**

**AGENDA ITEM EXECUTIVE SUMMARY**

**Village Board Meeting**

**March 8, 2021**

**Item Title: Pre-Annexation Discussion of 6N736 and 6N744 Medinah Road, Medinah**

**Staff Contact: Caron Bricks, Village Planner**

**VILLAGE BOARD ACTION**

**Provide direction to staff regarding the pre-annexation requests of 6N736 and 6N744 Medinah Road for the purposes of connecting to utilities.**

**Executive Summary:**

At the July 13, 2020 Village Board meeting, the Board directed staff to further analyze the impact on the Village's water and sewer systems of permitting 6N736 and 6N744 Medinah Road to connect to utilities and identifying a fee that the Village could impose upon the petitioner to pay for the impact of providing water and system services.

Staff retained the services of Trotter & Associates to perform a water modeling, sewer capacity, and Devlin Wastewater Treatment Flow development review based upon providing water and sewer services to the parcels on Medinah Road. The review was paid for by the petitioner. The main takeaway from the review is that the petitioner will need to upsize the water extension to their site to 12" in order to ensure proper fire flow. The full report was provided to Arcadis, the petitioner's engineering consultant, and they have agreed to construct the upsizing recommended to their site.

The Board also directed staff to analyze the financial impact of allowing these properties to connect to utilities. These properties would be subject to a pre-annexation agreement as they are not contiguous to the Village's corporate limits. A pre-annexation agreement would allow for the Village and the petitioner to agree to terms and conditions of allowing the properties to connect to utilities. Staff is recommending financial contributions based on the following:

- **Watermain:** We are only requiring, at this time, for the developer to upsize the watermain that they are installing as part of their extension. However, the existing 8" main will need to be upsized when future development occurs south of the parcels along Medinah Road. Staff recommends that the petitioner pay their share of the estimated cost to upsize the remainder of the watermain in the future. Their share would be **\$82,688** of an approximate cost of \$220,500.

- Lake Park Lift Station: The lift station constructed to allow Lake Park East Campus to connect to utilities will need to be upgraded in the future as more properties in the area connect to utilities as well as the due to lift station aging. Their share for this improvement would be **\$22,000** of an estimated \$2M project.
- Devlin Expansion: As more properties connect and as development increases in the Town Center, Devlin will need to be expanded to properly service the community. The fair share of this estimated \$16M project would be **\$9,170**.

Attached is a spreadsheet detailing the annual financial contributions recommended by staff. A 2.5% consumer price index (CPI) escalator is applied each year over the course of 20 years. The first year's payment would total \$11,385.80 concluding in 20 years with a final payment of \$18,201.91. The Village Board previously required an annual payment from the former Coach House property as they required frequent Police assistance while remaining unincorporated.

Finalizing a financial contribution and therefore the terms of a pre-annexation agreement at the March 8<sup>th</sup> Village Board meeting would permit staff to schedule a public hearing to formally consider the pre-annexation at the April 12<sup>th</sup> Village Board meeting.

**Implications:**

**Is this item budgeted?** No.

**Any other implications to be considered?** The total financial contributions would be \$290,846.36 over 20 years.

**Attachments:**

Proposed Annual Payment Schedule

**PROPOSED PREANNEXATION ANNUAL CONTRIBUTIONS**

	Watermain	Lake Park Lift Station	Devlin Expansion	Annual Escalator	Annual Total
	\$82,688.00	\$22,000.00	\$9,170.00		
Year 1	\$8,268.80	\$2,200.00	\$917.00	-	\$11,385.80
Year 2	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$11,670.45
Year 3	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$11,962.21
Year 4	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$12,261.26
Year 5	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$12,567.79
Year 6	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$12,881.99
Year 7	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$13,204.04
Year 8	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$13,534.14
Year 9	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$13,872.49
Year 10	\$8,268.80	\$2,200.00	\$917.00	2.50%	\$14,219.30
	<u>\$82,688.00</u>	<u>\$22,000.00</u>	<u>\$9,170.00</u>		<u>\$127,559.46</u>
Year 11				2.50%	\$14,574.79
Year 12				2.50%	\$14,939.16
Year 13				2.50%	\$15,312.64
Year 14				2.50%	\$15,695.45
Year 15				2.50%	\$16,087.84
Year 16				2.50%	\$16,490.03
Year 17				2.50%	\$16,902.28
Year 18				2.50%	\$17,324.84
Year 19				2.50%	\$17,757.96
Year 20				2.50%	\$18,201.91
					<u>\$163,286.90</u>
<b>GRAND TOTAL</b>					<b>\$290,846.36</b>