



AGENDA ITEM # 19

AGENDA ITEM EXECUTIVE SUMMARY

Village Board Meeting

March 28, 2022

Item Title: **Recapture Agreements**

Staff Contact: Jason Bielawski, Village Administrator
Tom Dahl, Finance Director

VILLAGE BOARD ACTION

Consider a recommendation from the annexation and recapture working group to rescind/waive existing recapture agreements contained in Exhibit A.

Executive Summary:

On October 25, 2021 staff presented an overview of current outstanding recapture ordinances which were approved by the Village as a means to recapture a pro-rated portion of the costs incurred for installing public infrastructure such as streets, sewers, traffic-signals, water mains, etc from properties which benefit from the infrastructure. Some of the largest recaptures in Roselle go back to the 1970's and 1980's when the Village was growing and developers were building new subdivisions. The recaptures often included compounded interest at high rates, which have added in some cases significant costs to current day property owners who wish to annex into the Village and/or connect to Village owned utilities. Staff was directed to meet with a working group comprised of Trustees Berkshire and Lenisa to evaluate outstanding recaptures and make recommendations that address the additional costs put onto property owners.

To better track outstanding recaptures, staff updated parcels subject to a recapture ordinance in the Village's financial software, Munis, to indicate the recapture agreement owed per parcel. The working group met recently and discussed several issues surrounding recapture agreements, annexations and the Village's next steps. The first recommendation is, as of May 1, 2021, waiving the remaining recapture fees for the 20 recapture ordinances shown in Exhibit A. These ordinances:

- 1) Date as far back as 1972
- 2) Charged high interest rates
- 3) Reflect the Village collecting a total of 97% of the original construction costs across the 20 recaptures.
- 4) Reflect the Village collecting at least 75% of the original construction costs for 14 recaptures with 4 exceeding 100% of the costs.

- 5) Reflect recaptures with low levels of collection and lower probability of any future collection on infrastructure installed several decades ago.

Overall, these recommendations are made to reduce the financial burden of future annexations or connection to utilities and eliminate the tracking of this data across 1,000's of individual properties. Many of these properties are highly unlikely to annex or connect to Village utilities in the future and thereby will never pay any recapture fees to the Village as they will not benefit from the public infrastructure.

The working group continues to meet and evaluate recaptures as well as the Village's approach to annexations. The group is expected to make a future recommendation related to the recaptures on Exhibit B, which will at a minimum reduce the amount owed per property owner by eliminating the accrued interest. A recommendation is expected for the Village Board meeting on April 11, 2022.

Implications: The recommendation to waive outstanding recaptures back to May 1, 2021, will result in a refund to the property owners at 556 Lincoln who annexed into the Village and connected to Village utilities. The recapture paid was \$5,083.50.

Any other implications to be considered? Recaptures are not part of the Village's financial position or part of its budget, so rescinding any uncollected amounts will not have any material impact on the Village's budget.

Attachments:

Exhibit A
Exhibit B

Recaptures to Waive

RECAPTURE	YEAR OF RECAPTURE	COST	\$ COLLECTED	% COLLECTED
02 MEDINAH HILLS UNIT #3 SEWER	1979	13,800.00	13,269.04	96%
06 NORTH GARDEN AVE W/S	1986	198,490.00	199,096.77	100%
13 NATIONAL HOMES WATER/SEWER	1972	54,448.37	37,912.19	70% Age of Recapture
14 OAK ST WATER AND SEWER	1981	23,864.85	14,752.59	62% Age of Recapture
17 HILL ST SEWER RECAP	1977	8,737.93	3,170.70	36% Age of Recapture
18 TURNER SEWER RECAP	1978	36,237.83	28,333.71	78%
20 WALNUT/WEST END SEWER	1977	5,873.40	4,393.97	75%
21 ARDMORE/WOODWORTH PL SEWER	1991	30,382.80	32,869.43	108%
22 WOODWORTH PL WATER	1991	30,958.36	32,198.08	104%
27 ROSELLE/NERGE TRUNK SEWER	1977	422,853.58	414,487.97	98%
28 HEATHERGREEN WATER/SEWER	1986	375,326.00	450,558.74	120%
30 ROSELLE RD/SCHREIBER SEWER	1986	90,318.10	71,861.39	80%
31 TURNER PLAZA WATER	1992	11,480.18	5,904.61	51% Most property is ComEd or I-390 right of way
32 MAPLE AVE WATER RECAP I	1987	37,104.00	32,116.19	87%
39 N GARDEN AVE STREET RECAP	1990	271,034.54	266,360.62	98%
42 PICTON RD WATER RECAP II	1991	16,562.62	17,039.40	103%
44 FOSTER AVE/ACACIA LN WATER	1990	30,675.00	0.00	0%
50 CONCORD TERR SEWER	1991	29,429.92	14,916.59	51% Roslyn/Indian Hill
51 INDIAN HILL DR SEWER	1991	13,000.00	11,375.00	88%
62 ROSEDALE POINT W/S RECAP I	1996	22,226.00	18,697.62	84%
		<u>1,722,803.48</u>	<u>1,669,314.61</u>	<u>97%</u>

Recaptures to Waive Interest

RECAPTURE	YEAR OF RECAPTURE	COST	\$ COLLECTED	% COLLECTED
15 PICTON RD WATER AND SEWER	1991	30,153.24	17,081.83	57%
16 S ROSELLE RD WATER	1992	12,052.00	5,442.59	45%
19 WALNUT/VALLEY SEWER	1993	37,214.99	24,358.53	65%
36 EAST IRVING PARK WATER	2004	133,714.40	28,397.12	21%
37 BRYN MAWR AVE WATER/SEWER	1988	164,822.20	69,310.09	42%
38 GLENDALE/WEBSTER WATER/SEWE	1990	58,590.00	34,465.45	59%
43 WILLIAMS STREET WATER RECAP	1992	20,436.50	14,572.84	71%
49 SEWARD SEWER EXTENSION	1991	35,551.62	25,864.17	73%
52 HILL STREET/NELMS SEWER	1991	15,120.00	9,223.88	61%
55 NERGE RD SEWER	1992	175,971.12	61,264.85	35%
56 BLOOMINGDALE/FOSTER WATER	1992	4,545.64	3,071.83	68%
58 WILLIAMS ST SEWER	1992	16,853.00	9,889.50	59%
61 GLENDALE ROAD WATER/SEWER	1995	99,503.96	16,284.52	16%
64 WOODWORTH PLACE SEWER	2000	26,250.00	15,230.97	58%
65 GLENDALE TERRACE W/S	2000	69,617.73	58,316.01	84% After 2000
67 INDIAN HILL SEWER RECAP II	2000	52,073.66	17,357.94	33%
68 WEST END/W PINE SEWER	2003	31,645.00	19,777.00	62%
69 WEST PINE AVE WATER/SEWER	2003	160,500.00	151,078.79	94% After 2000
71 NERGE RD WATER	2004	84,456.00	28,067.49	33%
72 ROSEDALE/GOODRIDGE WATER/SEWER	2004	231,703.20	170,983.26	74% After 2000
77 W WOODWORTH WATER	2011	94,177.65	13,453.96	14%
79 S WALNUT SEWER	2013	20,385.00	15,288.75	75% After 2000