



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Elizabeth H. Tyler, AICP, City Planner/Director

**FROM:** John Schneider, Manager, Grants Management Division

**DATE:** October 20, 2005

**SUBJECT:** Scottswood Area Stormwater Improvement Project Funding

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### **Description**

This Memorandum is to request direction from the Community Development Commission regarding the possibility of allocating future Community Development Block Grant funds to assist City target area residents who live within the Scottswood Drainage project boundaries. The CDBG funds could be provided to assist all or a portion of the assessments incurred by target area residents.

### **Issues**

The issue is to determine the amount of CDBG funding, if any, that should be used to support this project. If funding is approved, staff should be directed to include the project in the next year's Annual Action Plan, and to develop a plan for future appropriation of funds over the coming years.

### **Background**

The Scottswood Area Stormwater Improvement Project is an intergovernmental effort to improve drainage and reduce flooding in an area including parts of the City of Urbana, Urbana Township, Champaign County, and Urbana Parks and School Districts. The area includes approximately 440 parcels. Of these, 182 are in the City, and 126 are in our Community Development Target Area. Attached is a memo sent to City Council from the Community Development and Public Works Departments, which describes the need for the project and its proposed implementation. The project will cost \$2,055,000, to be paid with Community Development Assistance Program (CDAP) grant funds from the Department of Commerce and Economic Opportunity and through a benefit assessment by the St. Joseph Drainage District #3.

The CDAP construction grants (totaling \$745,430 across two phases) will off-set approximately one-half of the project costs for benefiting residential properties located outside of the City's corporate limits, with the remainder of the cost to be funded over time by the drainage assessment. CDAP funds are not available for use within the City's limits. This is because the source of CDAP funds are federal block grants available for infrastructure projects in income qualifying areas. Within the City limits, equivalent funds are available through our own CDBG allocation. City staff believes that CDBG funds should be used to assist benefiting residential properties within the City limits, in the same manner that the CDAP funds are being used to assist residential properties outside of the City limits. Those living within the corporate limits are already paying a higher overall property tax

rate than those outside of the City limits. Under these circumstances, it could be seen as unfair for these properties to have to pay a higher drainage assessment simply because they are within the City limits.

The assessment was determined by the amount of benefit to each resident and was divided into two development phases (see attached exhibits). For Phase 1, single family homes were assessed \$800. For Phase 2, residents with the “highest” benefit would be in areas that had suffered flood damage. Residents with a “high” benefit live in areas that had experienced a lack of accessibility due to flooding, and would be assessed 75% of the amount paid by the “highest” beneficiaries. Residents with a “moderate” benefit are in areas contributing to flooding, and are assessed 50% the amount paid by the “highest” beneficiaries. The assessment is to be paid by residents incrementally over the next ten years. This assessment will be offset by reduced flood insurance rates and increased property values.

The City Council memorandum (copy attached) suggests that the City consider use of CDBG funds to offset the assessment for single family project beneficiaries who reside in the Community Development Target Area. Staff is currently in the process of determining the number of properties in the Target Area in order to calculate the total amount CDBG assistance needed to offset the assessments for the neighborhood (Target Area), estimated to be approximately **\$83,000**.

This project falls under the goals and strategies of the City’s 2005-2009 Consolidated Plan, including the following goals:

- Develop effective programs to address emerging neighborhood concerns that could lead to decline
- Support opportunities to enhance local public services and facilities

The Scottswood Drainage project is further supported by our Community Development Infrastructure Strategies:

Strategy 1K: The majority of CDBG funds will be targeted toward improvements in the City's Community Development Target Area. The City has recognized Census Tracts 53, 54, and 55 as the City's target area since the early 1980's. (*Block Group One of Census Tract 56 was added recently as one of the City's Target Areas*).

Strategy 2K: The City shall allocate to its designated Community Development Target Area its proportionate share of City capital improvement funds for upgrading infrastructure. CDBG funds may be set-aside during one fiscal year for infrastructure projects scheduled in another fiscal year in order to fulfill a commitment to a scheduled project.

The Target Areas proposed to be assisted are within the boundaries of Census Tracts 55 and 56. Furthermore, the project qualifies for CDBG funding under Section 105(a)(2) of the Housing and Community Development Act as a benefit to a low- and moderate-income neighborhood.

## Options

Among the options to consider are:

- Plan to allocate CDBG funding for FY06/07 to the project in the full amount of the assessment to City residents of the Target Area that fall within the boundaries of Scottswood Area Stormwater Improvement Project.
- Plan to allocate CDBG funding for FY06/07 to offset a portion of the assessment to City residents of the Target Area that fall within the boundaries of Scottswood Area Stormwater Improvement Project.
- In addition to assisting Target Area Residents, consider assisting income-qualified residents who are within City limits but not in a City Target Area. (*These residents do not qualify for CDAP or any other project assistance*)
- Do not fund any portion of the assessment.

## Fiscal Impacts

As discussed above, from an equity standpoint, City residents within the assessment area may expect to have their assessments offset at least to the same extent as those residents living outside of the City. Use of CDBG funds to help pay for infrastructure and improve property values and neighborhood quality within the target area is an appropriate application and is consistent with the policy guidance of the Consolidated Plan.

Based on the pattern of recent past allocations, it is anticipated that the City will have approximately \$500,000 allocated in CDBG funds in 2006/2007. A portion of these funds could be set aside to help offset the assessment for the Scottswood project. If the construction project were spread out over two fiscal years, the annual set aside could be reduced. Taking into account the existing programs (see the Annual Action Plan for listing and description), it is anticipated that approximately **\$82,000** may be available annually in the CDBG budget for the next several years, assuming Federal funding stays at its current level. The City currently has \$35,000 unprogrammed in CDBG funds that need to be spent this fiscal year. If Transitional Housing program is discontinued beginning with the 06/07 fiscal year, additional funds of up to \$47,000 could be available for other projects. There is also another CDBG infrastructure project that is expected to be completed this year under budget.

Anticipated other future public improvements for CDBG in FY 2006/2007 include the following:

- Continued Assistance to Frances Nelson Health Care Facility
- Webber Street area street lighting project
- Housing Inspection
- Exterior Rehabilitation Program (“Paint” Program)

As a result of the drainage project, the increased property values in the area would also mean additional property tax revenues to the City. The anticipated increase in value for the properties receiving the highest benefit could be up to \$4000. If the City were to eventually annex the Scottswood subdivision this would represent an additional taxable property value of approximately \$1,760,000.

Staff concludes that there is fiscal capacity to fund 50% of the Scottswood assessment spread over two years without impacting other regular programs. This action would limit other special projects that may arise but would still allow for potential funding of the Frances Nelson and Webber Street projects. Additional projections for CDBG funding will be provided at a later date in preparation for the 06/07 Annual Action Plan.

## **Recommendations**

Staff will provide additional information regarding potential funding and project information as it becomes available. At this time, staff requests Community Development Commission review the potential for the Scottswood Drainage Assessment to be considered as a project to be funded by CDBG over 06/07 and 07/08 and provide input for City Council direction.

**Memorandum Prepared By:**

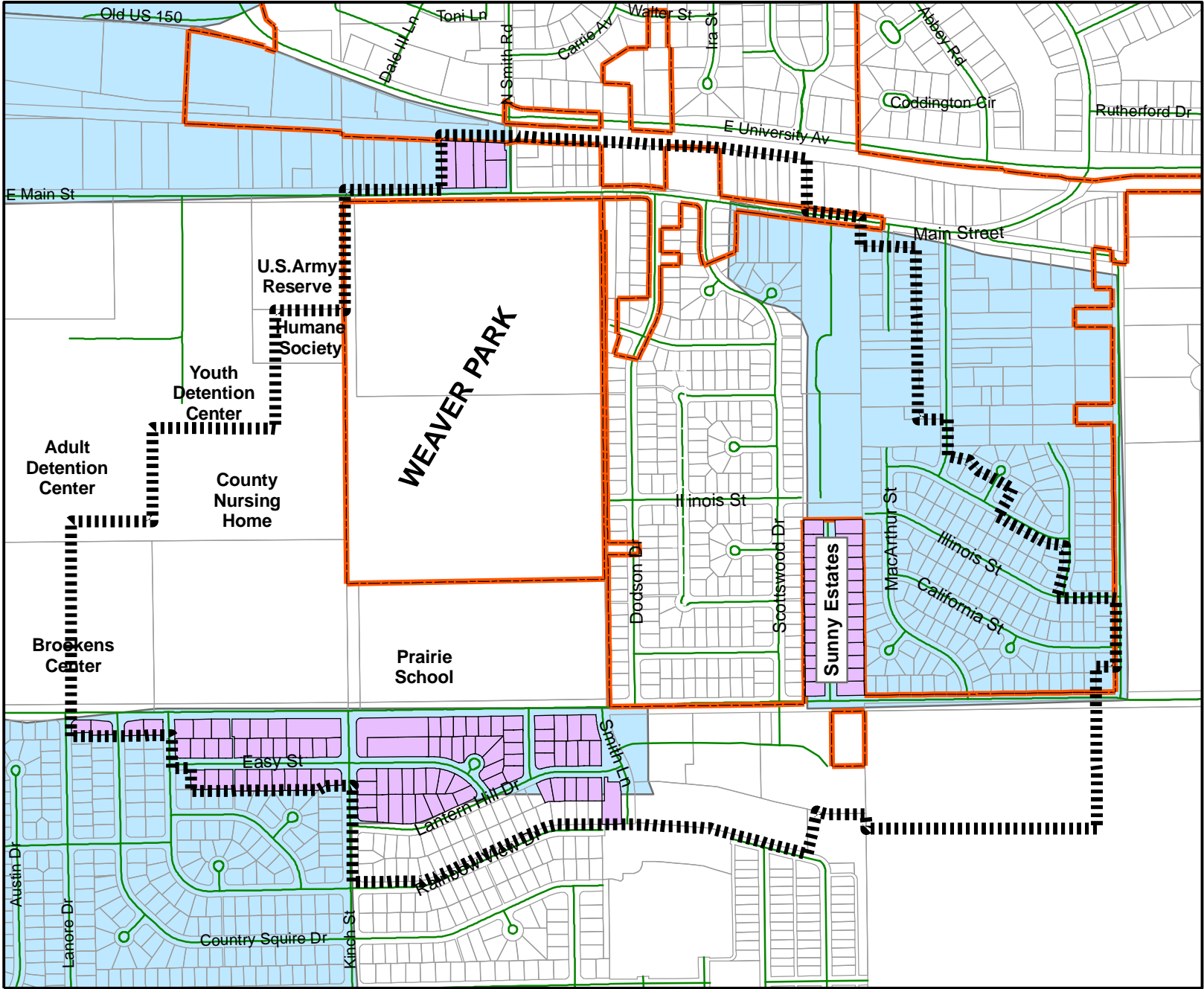
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Jeffrey Engstrom  
Grants Management Intern






## **Attachments:**

- 1) Map of Scottswood Drainage Area and CD Target Area residents
- 2) September 15<sup>th</sup> Community Development/Public Works memo to Council
- 3) Preliminary Special Project Assessment from Berns, Clancy and Associates

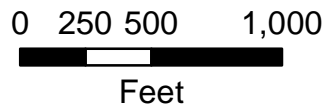
# Scottswood Drainage Improvement Project



### Legend

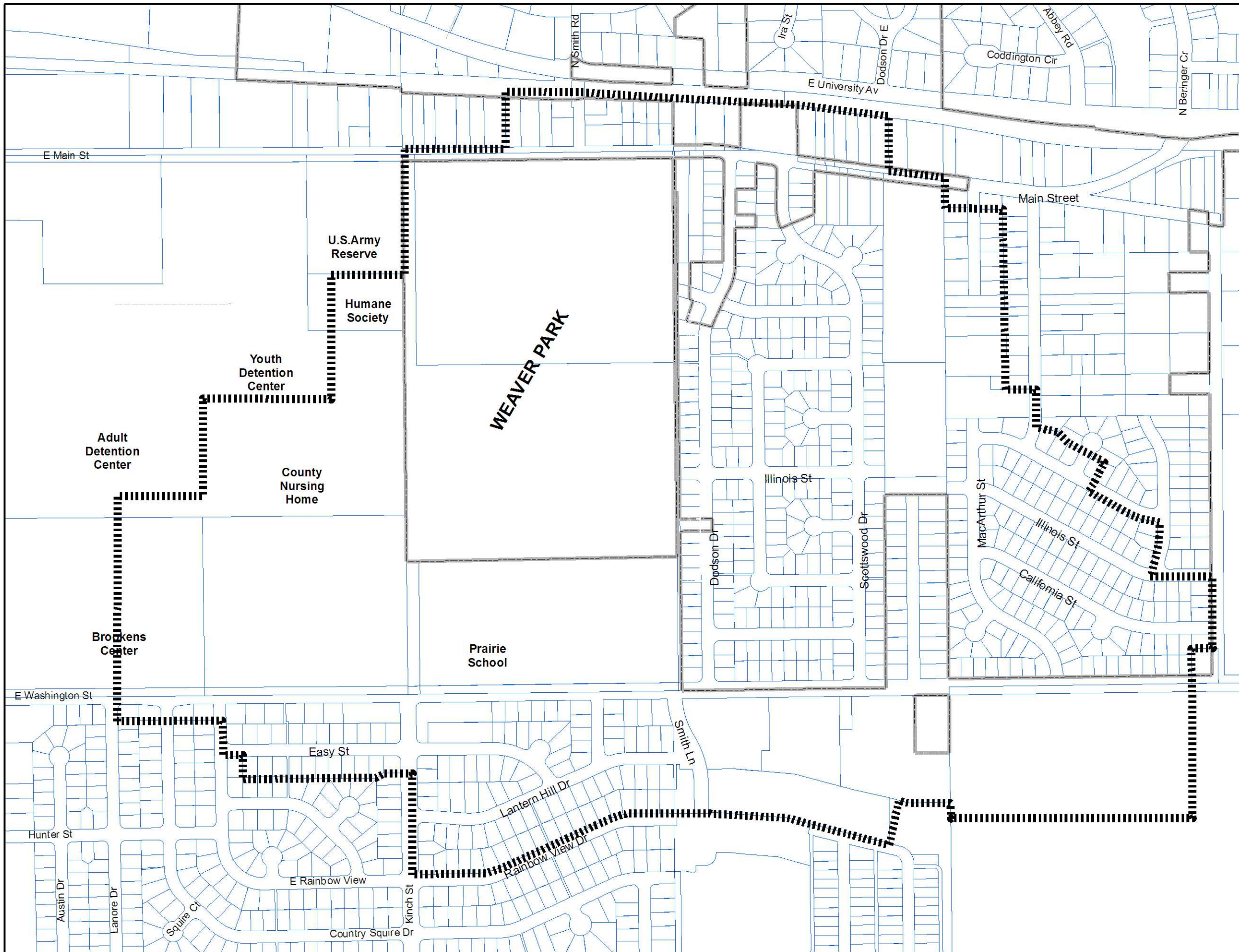
-  City Boundary
  -  Lot Lines
  -  Target Area Block Groups
  -  CD Target Parcels
  -  Project Watershed Boundary
- Note:  
Watershed boundaries are approximate

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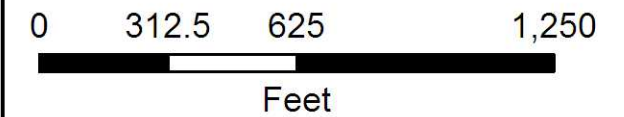
# Scottswood Drainage Improvement Project



**Legend**

-  City Boundary
-  Lot Lines
-  Project Watershed Boundary

Note:  
Watershed boundaries are approximate





## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Planning Division*

### **m e m o r a n d u m**

**TO:** Bruce K. Walden, Chief Administrative Officer

**FROM:** William R. Gray, P.E., Public Works Director/City Engineer  
Elizabeth H. Tyler, AICP, Community Development Director

**DATE:** September 15, 2005

**SUBJECT:** Scottswood Area Stormwater Improvement Project

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### **Introduction**

The Scottswood Area Stormwater Improvement Project is a cooperative project involving seven governmental agencies, including the City of Urbana, Urbana Township, the Urbana Township Road District, the Urbana School District, the Urbana Park District, Champaign County, and the St. Joseph Drainage District No.3. This project will create multiple benefits for the residents of Southeast Urbana and the Scottswood Subdivisions. These benefits include improved storm water drainage, reductions in localized flooding, new recreational opportunities, and additional green space.

Funding for the approximately two million dollar project is being provided in the form of substantial grants as well as property owner assessments by the drainage district. As the owner assessment rolls are nearing finalization, it is important that the public be fully informed about the project. In order to provide this awareness, a public information packet has been prepared by staff of the Urbana Park District (copy attached), local media have been contacted, and a special neighborhood meeting is being held on September 28, 2005 at Prairie School (6:00 to 8:00 p.m.). The purpose of this memorandum is to provide a summary of information on the project to the Mayor and Councilmembers.

### **Background**

The Scottswood Subdivisions were developed beginning in the early 1960s, before current engineering practices for control of storm drainage were required. This area includes approximately 1,300 residents and 440 homes, the majority of which are located outside the City limits of the City of Urbana (see attached watershed location map). The subdivisions experience recurring drainage problems, including street flooding, storm and sanitary sewer backups, debris deposition, and standing water with the accompanying problems of odor and mosquitoes. These

problems have negatively impacted the neighborhood by causing property damage of approximately \$50,000 annually and decreasing overall property values.

At the June 1998 Champaign County Board Environment and Land Use Committee meeting, Scottswood Subdivisions residents reported surface flooding problems in their subdivisions, especially following a storm event in May 1998. As a result of this meeting, in October 1998, a neighborhood meeting with intergovernmental participation was held for Scottswood Subdivisions residents. Agencies involved were Urbana Township, the City of Urbana, and the Champaign County Regional Planning Commission. As a result of this meeting and the outlined intergovernmental cooperation, the County agreed to apply for a Community Development Assistance Program (CDAP) grant from the Department of Commerce and Economic Opportunity to fund a drainage study for the Scottswood Subdivisions area. The Champaign County Regional Planning Commission prepared the grant application and the City of Urbana agreed to fund the local matching portion of the grant with “in-kind” services.

In April 1999, a CDAP grant was awarded to the County for the preparation of the drainage study. The City of Urbana served as the project engineer and the Champaign County Regional Planning Commission provided planning and grant management services. The purpose of this study was to obtain background information that would identify the magnitude of the flooding problem and develop a set of alternatives that would best improve flooding conditions within Scottswood Subdivisions. The study also identified financing mechanisms to fund construction.

In August 2000, Scottswood Subdivisions residents were presented with the preliminary findings of the drainage study. Extensive flooding was verified, and it was determined that the storm sewer system was undersized and in need of maintenance. Residents in attendance were supportive of future grant applications to address the drainage issues within the subdivisions. The Scottswood Subdivision Drainage Study (Engineering Analysis and Design Report), prepared by the City of Urbana and the Champaign County Regional Planning Commission, was issued on September 29, 2000. The study identified the factors that contribute to surface flooding in the Scottswood Subdivisions and presented alternate means of addressing the surface flooding problems. The recommendations of the study were the following: improvements including a 12 acre-foot detention basin, a 48-inch-diameter outlet storm sewer, various inlet improvements, and surface swale improvements.

In October 2001, Urbana Township applied for a Design Engineering CDAP grant to implement the recommendations and help address the flooding problems. The \$100,000 grant was awarded in March 2002. The local engineering firm of Berns, Clancy and Associates was hired and began design work to implement the recommendations resulting from the study.

The Urbana Park District purchased the Smith/Strube property west of Scottswood Subdivisions and north of Prairie School in 2003, with the purpose of developing a community park with multiple recreational uses. This park is now known as Weaver Park. The Urbana Park District became one of the participants in the project and agreed to accommodate an area for storm water management within the park. The Park District also desired to integrate the storm water



management area and surrounding grading to coordinate with their master plan for the park (copy attached). This design was revised to allow the detention area within Weaver Park to be a “wetland” area. In addition, a drainage swale within the park was added to help drain the area directly north of the park across Main Street. This area currently drains to a low area within the park and then to Elm Street within Scottswood Subdivisions. The swale will direct the water to the proposed “wetland” within the park. The storm water management capacity was increased two acre-feet to provide detention for the adjacent Champaign County Nursing Home, which increased the required basin size to 14 acre-feet.

As the project proceeded through the design phase, some of the drainage study recommendations were revised. Sunny Estates Subdivision, which is bordered by Scottswood Subdivisions and Washington Street, was planned with a 12-inch-diameter storm sewer. The Scottswood Subdivisions project includes extension of this 12-inch diameter storm sewer to provide an outlet for a part of the storm sewer system within the subdivisions. The drainage study recommended a surface swale to provide an outlet for the Ennis Lane drainage. This proved to be infeasible to construct and the design was changed to a storm sewer through backyards and along Macarthur Drive, to outlet at the ditch northeast of Sunny Estates Subdivisions.

Phase 1 of the Scottswood Subdivisions Drainage Improvements Project includes construction of approximately 3,000 lineal feet of 48-inch diameter and 30-inch diameter storm sewer, 1,100 lineal feet of 12-inch diameter under drain, manholes, pavement restoration, earthwork, and other improvements (See attached “Exhibit 1” for locations). Phase 1 also includes the “wetland” storm water management basin outlet and storm sewer that connects to the St. Joseph Drainage District #3 interceptor sewer south of Washington Street.

Phase 2 of the Scottswood Subdivisions Drainage Improvements Project includes a 14 acre-foot “wetland” storm water management basin to be located in Weaver Park, approximately 1,300 lineal feet of 10-inch diameter under drain and drainage swale within Weaver Park, approximately 900 feet of 12-inch diameter storm sewer, approximately 1,100 feet of 12-inch diameter to 24-inch diameter storm sewer, storm inlet improvements to five (5) intersections, and manholes, pavement restoration, earthwork, and other improvements (See attached “Exhibit 1” for locations).

## **Fiscal Impacts**

Construction costs for the estimated \$2,055,000 project total costs will be paid from the grant funds from the Department of Commerce and Economic Opportunity and through a benefit assessment by the St. Joseph Drainage District #3.

In addition to the previously awarded planning and drainage study grants (totaling \$125,000) and in-kind contributions, a CDAP grant was awarded in May 2004 for \$350,000 for Phase 1 construction of drainage improvements in the Scottswood Subdivisions area. Another CDAP grant of an additional \$395,430 was received in July 2005 for construction of Phase 2 of the Drainage Improvements Project. Grant totals from DCEO towards this project total more than

\$870,000. These grants were obtained through the expertise of grant preparers at the Regional Planning Commission and with the assistance of DCEO regional staff.

The project includes an assessment to be levied by the Saint Joseph Drainage District No. 3 on properties within the area benefited by the Improvement Project. A summary of the properties within City Limits proposed to be assessed is as follows:

Area	Number of Parcels	Lots/Acres	Proposed Assessment	Total Proposed Assessment
<b>North of Main Street</b>				
Single Family	16	Lots	\$2,200 per lot	\$35,200
Multi-Family	1	Lots	\$2,200 per lot	\$2,200
<b>South of Washington Street and East of Smith Road</b>				
Undeveloped	1	Lots	\$1,100 per lot	\$1,100
Multi-Family	1	4.8 acres	\$26,300 total	\$26,300
Multi-Family	3	10.7 acres	\$23,500 total	\$23,500
<b>South of Washington Street and West of Smith Road</b>				
Single Family	128	Lots	\$800 per lot	\$102,400
Commercial	2	Lots	\$2,300 per lot	\$4,600
<b>Total Assessments to Parcels Within the City of Urbana</b>				<b>\$297,400</b>

Additionally, the City will be assessed \$4,500 for three City owned properties within the Project Area. The Public Works Department has also agreed to operate and maintain the 48-inch storm sewer installed in Phase 1 of the Improvements Project.

It is possible that the City’s CDBG funds may be used to offset the assessment of single-family residents within the assessment area who are also located within the City’s target area. This potential will be reviewed as part of the City’s 2006-2007 Annual Action Plan.

Residential property owners benefiting from the project will pay their assessments at a modest amount over an extended period of time. The assessment amount will be well within the payment tolerance levels indicated through surveys of the affected residents. This investment will be more than made up for in reduced flooding, reduced insurance costs, and improved property values.

## **Recommendation**

City planning and engineering staff recommend that the City Council support the Scottswood Area Stormwater Improvement Project. This project is a unique example of many agencies working together to create improved living conditions in a previously neglected area of the community, while also providing for shared drainage facilities for county and park district lands.

The “wet prairie” detention basin will be designed in such a way that it will benefit all members of the community by providing environmental education and recreational amenities. This project is also a good example of agencies working together with the State of Illinois to obtain and leverage grants to achieve project results while minimizing the burden upon the local property owner.

Prepared by:

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Brad Bennett, Civil Engineer

Attachments:

- Scottswood Project Watershed Boundary
- Exhibit 1, Scottswood Subdivision Drainage Improvement Project
- Weaver Park Master Plan
- Scottswood Area Stormwater Improvement Project (Public Information Packet)