

Capital Improvement Plan

This section represents the City of Waukegan's goals for maintaining and improving its infrastructure, buildings, equipment and vehicles for the May 1, 2010 to April 30, 2011 fiscal year.

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Introduction

The 2010/2011 fiscal year Capital Improvement Plan (CIP) allows the City to identify the best tools for capital investments. The selection of appropriate financing mechanisms is important to guarantee that capital improvement projects are equitably financed over the projects' life spans. Debt financed over a number of years most clearly matches the life of the investment rather than deplete the City's "rainy day" funds or idle cash balances better used for current operations.

In addition to identifying financing sources, the CIP is a policy document that outlines the City's goals and priorities for capital improvements. The City's infrastructure requires extensive resources for maintenance, and provides for strengthened facilities, roadways and site improvements.

The process for identifying annual capital improvement projects begins with City staff, particularly the City's Engineer and Agency Heads. As part of the CIP process, City staff submits specific capital improvement requests over a multi-year basis with preliminary costs and scope estimates. Finance staff reviews the funding capacity for the annual capital budget, and provides a budgetary framework for the City's capital outlay. The capital budget process occurs simultaneously with the operating budget cycle.

This 10/11 CIP presents only about one-third of the initial requests. While all of the requests submitted have value to the community, due to time, funding, and staff constraints, only the highest priority projects are being submitted for budget consideration this year. Engineering and Finance staff will continue to work toward a multi-year CIP for future consideration by City Council.

Building & Improvements

Project Name	Fund	Funding Source	FY 2011
Carnegie Library Renovation	307	State Grant	300,000
Downtown/Lakefront Building Rehabilitation	307	Bond Proceeds	1,000,000
Downtown/Lakefront Property Acquisition	307	Bond Proceeds	1,000,000
Railroad Relocation & Realignment	307	Bond Proceeds	100,000
Fire Station Improvements	307	Bond Proceeds	300,000
Police Dept. Building Improvements	307	Bond Proceeds	550,000
Public Works Facility Renewal & Replacement	307	Bond Proceeds	200,000
			<u>3,450,000</u>

Carnegie Library Renovation

\$300,000

The City-owned Carnegie Library will be transformed into a visitor or community center. This building was conveyed back to the City by a community group and is subject to the conditions of land marking and renovating the building. The architectural process has begun but needs completed plans to compete for tourism and other capital grants.

Downtown / Lakefront Building Rehabilitation

\$1,000,000

There are several redevelopment projects that will stimulate downtown and lakefront revitalization. One potential project is the redevelopment or demolition of the former News Sun property now owned by the City. In addition, the City owns 221 N. Genesee that may use a vanilla box buildout, a standard procedure by landlords to make a space attractive to potential renters or buyers. Funding may be used for renovations.

Downtown / Lakefront Property Acquisition

\$1,000,000

These funds may be utilized to purchase properties via negotiation or eminent domain that may be held by the City in a land bank for future remediation, development or sale. Specifically, these funds will be tapped for the Pershing Road project, potential railroad relocation, and the Belvidere Bridge project.

Railroad Relocation & Realignment

\$100,000

This realignment of the railroad is necessary for the continuation of the south lakefront development. Over the past several years, the City has constructed the embankment

along the proposed alignment. This embankment allows for the change in grade of the tracks to allow the at-grade crossing at South Avenue. This project is a multi-year project. The current funding proposed is to start the negotiation process. Phase I/II Engineering is estimated to cost \$240,000, and is projected to take place in 2011. Land acquisition can also take place during this time period. Construction is estimated at \$5,000,000, and is expected to take place in 2012 or 2013. There are no identified federal funding sources for this project.

Fire Station Improvements

\$300,000

Several repairs are required at Fire Station #1 and #4. Fire Station #1 was not designed for a computer server room, and repairs are needed to preserve equipment at a constant temperature to extend their useful life. The roof is over 25 years old with several leaks, and both air conditioning condensing units are past their life expectancy with potential for failure at any time. Fire Station #4 generator has a crack in the block and is leaking water in the oil. The 50-year old roof requires repair, and there is no central air conditioning in the station. Fire apparatus housed below living quarters requires the fire station be sprinkler equipped.

Police Department Building Improvements

\$550,000

The heating and air conditioning system that supplies the police department and old city hall needs to be replaced. System breakdowns are commonplace. The police department computer room experiences drastic temperature ranges that have a negative impact on the department's operating systems. Temperature fluctuations may cause a system failure. In addition, the station's roof is starting to fail, and is in need of repair and replacement. The funding allocated will make much needed repairs as a longer term plan may be developed to improve the overall working conditions of the Department.

Public Works Facility Renewal & Replacement

\$200,000

This funding is earmarked for repairs and maintenance related to the City's Public Works facility, grounds and parking lots.

Environmental

Project Name	Fund	Funding Source	FY2011
OMC Containment Cell	307	Bond Proceeds	50,000
Slip 3 Improvements	238	TIF Revenues	490,500
Slip 3 Improvements	307	Bond Proceeds	550,000
Slip 3 Improvements	307	Local Govt Contri	100,000
			<u>1,190,500</u>

OMC Containment Cell

\$50,000

The two PCB containment cells located on the OMC property and one PCB containment cell in former Slip 3 are maintained by the City per the 2002 "Option Agreement" as part of the OMC property purchase from the OMC bankruptcy proceedings. The City is required per this agreement to perform certain operational and maintenance tasks on the PCB containment cells. Since 2002, the City has hired River's Bend Engineering to complete these tasks, and prepare the required reporting to the USEPA and IEPA.

Slip 3 Improvements

\$1,140,500

This project provides for the improvement of Slip 3 in the Waukegan Harbor, preparing the site for an indoor boat storage facility. Currently, Slip 3 is a PCB containment cell, holding dredging materials from the 1991 Waukegan Harbor dredging project. To achieve an acceptable building elevation, the containment liner must be removed, contaminated material must be excavated and disposed of off-site, and the containment liner must be replaced.

Per a settlement agreement between the City and Larson Marine Services, Inc., the City must complete these improvements by July, 2010. If the site is not prepared for the construction of a boat storage facility, Larsen Marine Services may elect to take possession of another parcel in the area, which will significantly impact the City's Master Plan in this area.

In addition to available TIF monies and bond proceeds, the County Board approved a grant extension request of \$100,000. Any grant reimbursement must be requested within one year per the terms of the grant agreement

Streets & Sidewalks

Project Name	Fund	Funding Source	FY2011
Bridge Rehabilitation Engineering	312	State Grant	590,000
Bridge Rehabilitation Engineering	312	Bond Proceeds	150,000
Jackson Street LAPP	312	Bond Proceeds	275,000
Jackson Street LAPP	312	Federal Grant	650,000
Lakefront Bike Path	312	State Grant	106,000
Lakefront Bike Path	312	Bond Proceeds	27,000
Pershing Road Realignment	312	Bond Proceeds	315,000
Road Widening - Delany Road	312	Developer Contrib	200,000
Washington Street Wetland & Detention	312	Federal Grant	317,000
Washington Street Wetland & Detention	312	State Grant	153,000
Sidewalk/Bikeway Renewal & Replacement	312	Bond Proceeds	150,000
Street Renewal & Replacement	312	Bond Proceeds	1,500,000
Traffic Signal Renewal & Replacement	312	Bond Proceeds	75,000
			4,508,000

Bridge Rehabilitation

\$740,000

Two bridge projects are proposed, Belvidere Road and Genesee Street.

The Belvidere Road Bridge located over the Amstutz Expressway and the Union Pacific Railroad will need to be modified to conform to the City's Lakefront Master Plan. The master plan calls for the EJ & E Railroad to be moved from the lakefront to the adjacent Union Pacific Railroad. This will require the span to be lengthened to accommodate the additional tracks. In addition, the ramp toward Lake Michigan will continue to the east to the relocated Pershing Road which will be closer to the lakefront. Phase II engineering (design) scheduled for 2010, be funded with 80-20 split of Federal highway bridge program funds. Construction of the bridge is projected to cost \$4.2 million and is tentatively scheduled for years 2012 and 2013. The construction/construction engineering will also be an 80-20 split using highway bridge funds.

The Genesee Street Bridge over the Waukegan River was built in 1913 and had its last major renovation in 1984. The bridge was inspected and has a sufficiency rating of 23 out of 100. This low rating will require the bridge to have a major renovation. In recent months, IDOT required the City to post a reduced load rating on this structure. If further deterioration of the structure continues without remediation, the bridge could potentially be closed to vehicular traffic. With the Highway Bridge Program (HBP) grant, 80% of the engineering for the bridge phase I study is provided through the Illinois Department of Transportation. The City of Waukegan is currently funding the local match (20%) for the Phase I engineering services. Phase II is projected to cost 483,000, also with an 80-20 split using HBP funds. Construction is estimated at 7,590,000.

Jackson Street LAPP

\$925,000

Jackson Street was identified as a Local Agency Pavement Preservation (LAPP) project through a countywide competitive submittal process. This project is funded with ARRA federal funds through the state of Illinois. If this project is not completed at the present time, the federal funds will be used on other LAPP projects within the County. Since this is a onetime funding opportunity, the City will not be able to re-apply for ARRA LAPP funding in subsequent years. Work to be performed under this contract consists of roadway improvements to Jackson Street within the City of Waukegan. This work will include, but not be limited to, hot-mix asphalt surface removal, leveling binder, utility adjustments, pavement patching, hot-mix asphalt surface course, thermoplastic pavement markings, and all incidental and collateral work necessary to complete the project. Improvements are located on Jackson Street (FAU 2738) between Dugdale Road and Golf Road (FAU 1215) for a total distance of 13,683 feet (2.59 miles) in length.

Lakefront Bike Path

\$133,000

The Lakefront Bike Path will be a welcome addition to Lake County's bikeway system. The new path will end on the south at the Robert McClory Bike Path, thereby also indirectly connecting to the North Shore Bike Path and the Des Plaines River Trail. In this way, the Lakefront Bike Path will allow bicyclist from throughout Lake County to enjoy the lakeshore. This bike path is a component of the City's Lakefront Master Plan. The City has initiated the Phase I environmental planning studies for a new Lakefront Bike Path to be funded through the CMAQ program. The new bike path will start at the Waukegan Metra Station and proceed south along the lakefront through Waukegan and North Chicago. It will end at the intersection of Sheridan Road (east of the Union Pacific Railroad tracks) and Martin Luther King Jr. Drive, next to Gate 4 of the Great Lakes Naval Training Center (GLNTC). The project is being sponsored by the Cities of Waukegan and North Chicago. With the CMAQ grant, 80% of the engineering for the bike path will be provided through the Illinois Department of Transportation. The City of Waukegan is currently funding the local match (20%). Future construction costs are estimated at \$2,090,000, also with an 80-20 funding split using CMAQ funds.

Pershing Road Realignment

\$315,000

The re-aligned Pershing Road is a major transportation component in the City's Downtown and Lakefront Master Plan. The construction of this roadway will provide this south lakefront with the needed transportation infrastructure for the proposed development called out for in the master plan. If this needed infrastructure was not constructed, the development will most likely not take place. This project consists of the

realignment / construction of Pershing Road from South Avenue to Water Street/Madison Street. There are no matching federal funds available for STP projects in Lake County. Therefore, the costs for phase II Engineering are 100 percent City funded. The Phase II engineering is estimated to cost 630,000, half in 2011 and half in 2012. Construction is funded using STP funding with a 70-30 split. The estimated construction cost is \$9,974,000, with construction taking place in 2013 and 2014.

Road Widening - Delany Road
\$200,000

The City entered into an agreement with LCDOT in August of 2009 outlining the percent participation of costs between the City and the County. This is only the developers' portion, and the City will fund some of this from Streets & Sidewalks project funds. This project is currently scheduled for the June 29, 2010 letting, with the contract award expected in July, 2010. This project is a Lake County DOT project which will widen Delany Road from 2 lanes to 5 lanes, along with intersection improvements and signalization of Delany and Continental Drive. A proposed water main component of this project is in the Water & Sewer section of this presentation.

Washington Street Wetland and Detention
\$470,000

The City of Waukegan has proposed the construction of a detention basin on Washington Street at the headwaters of the Skokie River, with the City of Waukegan acting as the lead agency. This basin is one that was recommended as part of the July 2006 STS Consultants, LTD Skokie Headwater Study. This project would reduce flooding in the immediate area along Monroe Street, Oakwood Avenue, and Noll Street, benefitting the Waukegan Businesses in this area. City has received an ARRA Revolving Loan in the amount of \$317,000 from the IEPA as part of the ARRA green infrastructure program. The stimulus program will forgive 25% of the loan amount with the balance to be paid back over 20 years at zero percent interest. The City has funding commitments from Lake County (\$25,000), the Village of Gurnee (\$10,000), and has already received \$5,000 from Park City. The yearly loan payback is estimated at \$12,000. The City has also received an \$118,000 grant from the IEPA Section 319 program. This grant requires 50 percent in local matching funds or in-kind services. It is proposed to use a combination of funds from the City's Wetland Mitigation Fund account and in-kind services (engineering and surveying) for the local match.

Sidewalk/Bikeway Renewal & Replacement
\$150,000

The City of Waukegan has approximately three hundred thirty miles of sidewalks. While the anticipated life of a sidewalk is forty years, many of our sidewalks are older. This project funding provides for the repair, renewal and replacement of the most worn sidewalks under the supervision of the Public Works department.

Street Renewal & Replacement
\$1,500,000

The City of Waukegan has approximately seventy miles of main streets, sixty miles are the City's responsibility, 10 miles are the County or State's responsibility. The City also has approximately one hundred seventy five miles of residential streets and twenty miles of alleys. As the replacement of our aged roadways continues to be deferred, the costs to fix them in the future increase exponentially. To fully address the roadways in need of repair, the City would require a \$30 million program for 63 miles of streets. The \$1 ½ million proposed will repave / repair less than 5 miles of roadway, and may be tapped to defray the costs associated with the Delany Road project.

Traffic Signal Renewal & Replacement
\$75,000

The City must routinely replace traffic signals due to wear or construction. When replaced or repaired, every effort is made to add the emergency vehicle preemption components and related upgrades. IDOT is replacing the traffic signals on Green Bay Road at the following four locations: 10th Street; Washington Street; Crescent Avenue and Sunset Avenue at an estimated cost of \$701,500.00, with the City's share of the work to be \$21,000. In addition, the emergency vehicle preemption components will need to be upgraded at a cost of \$15,300 (100% City funds). The balance of the budgeted amount will be used on an as-needed basis.

Vehicles & Equipment

Project Name	Fund	Funding Source	FY2011
ERP System Upgrade & Migration	307	Bond Proceeds	150,000
Fire Equipment & Vehicles	307	Bond Proceeds	750,000
Information System Renewal & Replacement	307	Bond Proceeds	150,000
Police Equipment Renewal & Replacement	307	Bond Proceeds	200,000
Siren System Improvements	307	Bond Proceeds	250,000
Public Works Equip & Vehicle Renewal & Replacement	307	Bond Proceeds	400,000
			1,900,000

ERP System Upgrade & Migration

\$150,000

The City's Enterprise Resource Planning (ERP) system is Cayenta Financial (CF) and Cayenta Utility (CU) software version 7.3 which is two versions behind the current release, 7.5.0. Cayenta will only provide statutory requirements and fixes for this older version. The 7.5.0 version provides improved budgeting, accounting, accounts payable / purchasing, payroll and accounts receivable capabilities in a more user friendly format. This will provide for more efficient and effective processing of financial transactions throughout the organization.

Current UNIX server will be replaced. The database for Cayenta is on an EOL (end of life) HP UNIX server. This improvement will allow for financial data to be moved to a Windows server, allowing for more power, smaller server with less air conditioning and space requirements and faster performance for users.

Fire Equipment & Vehicles

\$750,000

An analysis was performed in October 2008 of the current fleet based on NFPA standards for emergency vehicles, normal life expectancies, accrued mileage, and maintenance cost. A comprehensive replacement schedule established a replacement schedule thru 2015, now pushed back to 2016. This assumes no further expansion of the City or increased needs and services provided by the Fire Department. As the fire department fleet ages, cost of parts and maintenance increase exponentially by the month. The current request includes the replacement of a Command Van (\$60,000), a Fire Engine (replaces engine 6, currently at 110,180 miles) \$495,000, and an Ambulance (replaces ambulance with 109,975 miles) \$195,000.

Information System Renewal & Replacement

\$150,000

The Police Department is currently being served by fifteen servers that have reached the end of their useful life. The servers have reached their storage capacity and performance is slowed due to the amount of data storage. This investment will upgrade the Department's information system hardware, software, licenses, and storage solutions. Location of various systems will be centralized and security will be enhanced.

Police Equipment Renewal & Replacement

\$200,000

The current sprinkler / fire suppression system in the jail / booking area is unreliable and non-compliant to CALEA standards. The proposed updated system is necessary for further CALEA certification which leads to lower insurance premiums and potentially limits liability exposure of the Police Department.

Illinois state law requires all Homicide interviews to be completely recorded. The Department currently has four interview rooms with non-standard, out-dated antiquated recording equipment with no storage capabilities. As the laws become more restrictive it is vital to have the above described capabilities; therefore, four additional interview room' cameras are requested.

Realistic scenario based computer generated system that allows officers to use realistic duty type firearms in a variety of deadly force decisional based situations without using live ammunition is imperative to the safety of our officers as well as to the community. Due to the high cost of ammunition, a Firearms Training System of this type of system would allow the department a realistic training system that can be used in decision based scenario training better equipping the police officer for the challenges they face on the street without the high cost of ammunition, instructors and range time. This would compliment, not replace, range time.

Siren System Improvements

\$250,000

The City has fifteen Emergency Alert Sirens (EAS) that are due for enhancement, upgrades or replacement. The antiquated, assembled in the 1960's, system is having mechanical and electrical failures. Installation of battery back-up systems along with removing EAS from the telephone line system and upgrading it to a radio wave activated system are needed improvements.

Public Works Equip & Vehicle Renewal & Replacement

\$400,000

The Public Works Vehicle Repair hoists used for the repair of our medium and large truck and equipment fleet are twenty five years old. Because the company that manufactured them is no longer in business; an evaluated was performed. The recommendation is to replace the existing cylinders as they are leaking and cannot be repaired.

In addition, the Departments fleet needs heavy equipment and truck repair and replacement. Funding will be used to extend the useful life of the City's snow removal and other public works equipment, replacement vehicles or equipment will occur when the cost of maintenance exceeds the cost of replacement.

Water & Sewer

Project Name	Fund	Funding Source	FY2011
Lift Station Repairs	555	Water Charges	120,000
Lift Station Repairs	555	Bond Proceeds	55,000
Ravine Sewer Improvements	555	Bond Proceeds	50,000
Sanitary & Storm Sewer Repairs	555	Bond Proceeds	500,000
Water & Sewer Main Renewal and Replacement	555	Water Charges	500,000
Water & Sewer Rate / Reinvestment Study	555	Bond Proceeds	80,000
Water Main Relocation - Delany Road	555	Bond Proceeds	650,000
Water Plant Energy Efficiency Plan	555	Federal Grant	220,000
Water Plant HVAC Replacement	555	Federal Grant	185,000
Water Plant Pumps & Motors	555	Federal Grant	330,000
Water Plant Renewal & Replacement	555	Bond Proceeds	250,000
Water Plant Wind Turbines	555	Federal Grant	120,000
			3,060,000

Lift Station Repairs

\$175,000

The City operates fourteen lift stations. They are a vital part of the City's sanitary sewer system. Presently, there is one spare pump for each lift station which is rotated on a semi-annual basis. Some of the generators for alternative power are over 30 years old. These funds will allow the City to modernize the lift stations and improve their productivity.

Ravine Sewer Improvements

\$50,000

The City televised the sanitary sewer system in the ravines several years ago to assess the condition of the sewer line in real time discovering several instances of root infestation and water infiltration. This program will begin the corrective actions identified within the ravine system.

Sanitary & Storm Sewer Repairs

\$500,000

The City maintains over 250 miles of sanitary and 200 miles of storm lines. This funding will be used to televise and then make repairs as identified.

Water & Sewer Main Renewal and Replacement

\$500,000

Multiple failures on the 16" Greenbay Water Main have put safe service into jeopardy. By replacing this main, staff repair time will be minimized and service will improve. In addition, these funds may be tapped to review and make repairs / replacements to the City's least performing water and sewer mains.

Water & Sewer rate / Reinvestment Study

\$80,000

A complete analysis of the existing Water & Sewer Rates will be performed including existing customers, potential customers, rate structure, evaluation of maintenance and operation costs, current bonding encumbrances and development of a 10-year capital improvement plan. The study for implementation of a correct long term rate structure will ensure fiscal responsibility and adequate enterprise fund reserves.

Water Main Relocation - Delany Road

\$650,000

The City entered into an agreement with LCDOT in August 2009 to relocate the water main thwarting the Delany Road widening project. By agreement, the water main must be relocated by October 1, 2010.

Water Plant Energy Efficiency Plan

\$220,000

A Department of Energy EECBG grant will be used to develop and implement an Energy Efficient and Conservation Strategy (EECS) for the City's water operations, as well as conduct engineering studies for energy efficiency. The grant will fully cover the costs of this project.

Water Plant HVAC Replacement

\$185,000

A Department of Energy EECBG grant will be used to replace two energy inefficient boilers at the Water Treatment Plant, resulting in an annual estimated savings of 369,000 kWh and 350 metric tons of carbon dioxide.

Water Plant Pumps & Motors

\$330,000

A Department of Energy EECSBG grant will be used to replace existing motors for pumps and other water purifying and pumping equipment at the City's Water Treatment Plant. This will reduce energy use and decrease the optional cost of large pumping.

Water Plant Renewal & Replacement

\$250,000

Equipment replacement due to obsolescence, non-performance, regulatory requirement, and redundancy of service are necessary. This includes the following items: sludge collector replacement, flocculator replacement, traveling screen replacement, on-site chlorine generator, and an emergency generator at the plant. These devices, when installed will decrease the operating and maintenance costs necessary to keep the over 50 year old equipment functioning. The generator will enable the Water Department to enter into a profitable VLR Program with the energy provider.

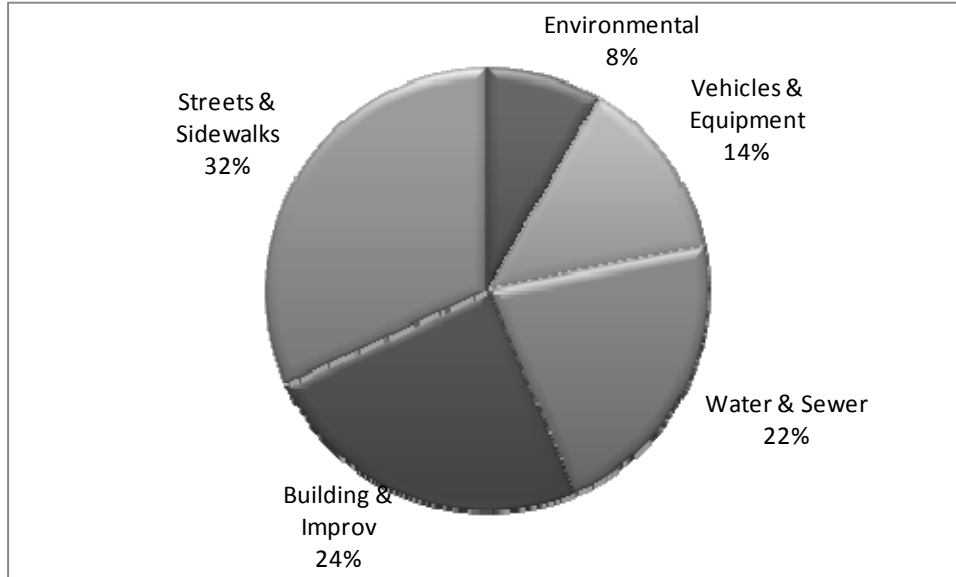
Water Plant Wind Turbines

\$120,000

A Department of Energy EECSBG grant will be used to install building integrated wind turbines capable of producing electrical energy and reducing the energy used and purchased from the utility at the City's Water Treatment Plant. This activity will replace fossil fuel based power with renewable power generation, and will offset some of the energy costs used for operations.

Funding & Use Summary

The CIP for the May 1, 2010 to April 30, 2011 fiscal year is proposed for \$14,108,500: Building & Improvements \$3,450,000; Environmental \$1,190,500; Streets & Sidewalks \$4,508,000, Vehicles & Equipment \$1,900,000, and Water & Sewer \$3,060,000.



The CIP will be funded from a combination of bond proceeds, grants, contributions, and other revenues: \$8,142,000 General Obligation (*Property Tax Supported*) Bond Proceeds, \$2,045,000 Revenue Bonds (*Water & Sewer Supported*), and \$3,921,500 Grants and other revenues..

