



# MEMORANDUM

City Council Item 12(b)

**Re:** 339 Third Street Parking

**Date:** November 7, 2022

**To:** City Council

**From:** Kristi Luger, City Manager

## Summary

The City has spent almost a year working with Red Leaf Partners on the 339 Third Street redevelopment. If the Council believes that the final product, a mix of rowhomes and apartments, will be an asset that will continue to grow in value, the Council may want to take the risk and have the City finance the project. If the Council is hesitant about the unknowns of the economy and any potential TIF law changes over the next 26 years, the Council may want to shift that risk to Red Leaf Partners and have the developer finance it.

## Background

When the City originally decided to partner with Red Leaf Partners on redeveloping the 339 Third Street site, it was agreed that the City would have their current surface parking spaces replaced and expanded to a total of 134 underground spaces by utilizing Tax Increment Financing (TIF). Under the original plans, the City could slightly expand the number of public parking spaces at little or no cost and receive \$2 million for the property.

As the City has started to consider the financial impacts of adding another level of parking, the original project intentions have gotten a little lost in the process. Staff believes that the additional level of parking should be treated as a project enhancement. It's important for the City to know how much of the cost is assigned to the original plan of 134 spaces (expected to be covered by TIF) and how much of the cost is attributed to the City choosing to add 89 or 113 additional spaces to the project.

Staff and Red Leaf Partners is now using this philosophy in all the financial analyses so that the City can see how much is covered by the project and how much the City is choosing to spend. The following is a summary of the options:

- Original Plan – 134 parking spaces
- 2.5-Level Option – 134 spaces + 89 new spaces = 223 spaces
- 3-Level Option – 134 spaces + 113 new spaces = 247 spaces

## **Construction Costs**

When the Council reviewed the construction costs at the October 17<sup>th</sup> work session, the only costs that were included in the financial analysis were the hard costs (construction) and not the soft costs (design, permits, etc.). The most recent financial information includes hard and soft construction costs. The City's financial consultant, Baker Tilly, has provided options for financing the construction costs which are included in the packet. The Council is being asked to provide direction on three areas.

1. How does the City want to finance the public portion of the parking structure?
  - Option 1: Developer Financed – Under this option, Red Leaf Partner would finance the new parking structure and be reimbursed with Tax Increment Financing (TIF). This 'pay-as-you-go' approach is consistent with the City's TIF policy and is the approach the City has used in past TIF Districts.
  - Option 2: City Financed – Under this option, the City would finance the costs upfront by issuing a bond and using the TIF proceeds to make the bond payments. This approach has not been used in the past and would require an amendment to the City's TIF Policy.
  - If developer financing is selected under the 3-level facility option, the City will need to levy \$111,017 annually. However, if City financing is selected, then the City will need to levy \$39,154 - \$124,295 annually depending on how much the value of the development grows over 26 years. Even under the worse-case scenario, the difference of \$13,277, seems potentially worth the risk.
  
2. How much public parking does the City want to add to the development?
  - 2.5-level parking facility provides 223 public parking spaces.
  - 3-level parking facility provides 247 public parking spaces.
  
3. How much up-front funding should be dedicated to the construction of additional parking?
  - The financial projections in the packet include a \$2.6 or \$3.4 million up front investment by the City. This approach minimizes the amount of levy increase that would be necessary to fund the public parking; however, it will likely require the City to bond in the future to fund a new city hall (which is estimated at \$2.5 million). The debt levy projections are included in the packet.

## **Maintenance Costs**

The City hired Walker Parking Consultants to understand the costs to operate a parking structure. At the time of the study, the 2.5-level option included 227 spaces and the 3-level option included 257 spaces. With the design of the parking structure being more refined, the 2.5-level option now

includes 223 spaces, and the 3-level option includes 247 spaces. The table below shows how much funding the original study recommended be set aside annually for operating expenses and future capital and the revised calculation using the most recent parking counts.

	Original Walker Study		Revised Expenses	
	227 Spaces	257 Spaces	223 Spaces	247 Spaces
Operation Expenses (\$230/space)	\$52,210	\$59,110	\$51,290	\$56,810
Capital Expenses (\$250/space)	\$56,750	\$64,250	\$55,750	\$61,750
Total Annual Expenses	\$108,960	\$123,360	\$107,040	\$118,560

Staff recommends funding the operation and capital expenses of the parking structure by utilizing the following revenue sources:

	223 Spaces	247 Spaces
Special Event Parking*	\$80,280	\$88,920
Parking Maintenance Fees**	\$12,000	\$12,000
Trial Area Parking 'Excess'	\$10,000	\$10,000
Total	\$102,280	\$110,920
Remaining Deficit	\$4,760	\$7,640

\*\* The amount the City collected in maintenance fees for the west lot in 2022

\* Special Event Revenue Calculations

Event	Days
Klondike Dog Derby	1
Luck 'O the Lake	1
Art on the Lake	2
Fourth of July	1
Apple Days	2
Christkindlsmarkt	2
Total Event Days	9
Revenue Per Stall	\$40.00 (\$5.00/hour for 8 hours)
223 Spaces	\$8,920/event day * 9 = \$80,280
247 Spaces	\$9,880/event day * 9 = \$88,920

To fund the construction of the parking structure, the City is proposing to use \$50,000 annually in parking meter revenue from the trial area. The trial area is likely to generate \$60,000 in revenue annually so the 'excess' revenue of \$10,000 could be used to fund the operation and capital expenses of the parking structure. When the parking structure is paid off in 26 years, the full revenue from the trial area could be dedicated to fund the operation and capital of the parking structure. Under this scenario, it would take about 2½ - 4 years to recover the deficit.

	223 Spaces	247 Spaces
Annual Deficit	\$4,760	\$7,640
Deficit Over 26 Years	\$123,760	\$198,640
Shift \$50,000 to Operations/Maintenance	2.5 years	4 years

Considering that the parking structure would more than likely not incur any significant capital expenses within the first twenty years, staff believes that this would be a feasible funding option. To ensure that the City is adequately setting aside enough funding to cover larger capital expenses, staff would recommend that the City hire Walker Consultants to create a maintenance plan for the parking structure. Staff also recommends that the City solicit proposals to have a consultant complete a comprehensive review of how the City should allocate and charge for parking. The current system has not been studied in decades and could use a thorough review considering the significant improvements that have and will be made to the municipal lots and the anticipated future development.

### **Staff Recommendations**

1. Construct a 3-level parking structure. Staff believes that the City may regret not building a full 3-level parking structure when the cost difference over time is not that large. Having additional parking may allow other properties within the downtown area to redevelop at a lower scale if they are allowed to utilize this parking, and it may provide the City with options for the east lot in the distant future.
2. Give strong consideration to the City-financing option. The risk factor seems relatively low and the City has the ability to either contribute \$750,000 in capital funds (in addition to the \$2,617,000 already pledged) or levy annually for \$39,154 (or up \$124,294 under worse-case).
3. Request a proposal from Walker to create a maintenance plan for the parking structure to ensure the City is setting aside enough funding to cover significant capital improvements when they are likely to occur.
4. Direct staff to draft a Request for Proposals to have a consultant complete a comprehensive review of how the City should allocate and charge for parking.

**Attachments**

- Bakertilly Memo dated November 3, 2022
- Summary of Financial Analysis for 339 Third Street Parking
- Debt Levy Projections
- Pavement Management Plan dated October 28, 2022

---

# Memo – Draft for Review

---

To: Members of the City Commission  
Kristi Luger, City Manager, City of Excelsior

From: Mikaela Huot, Director

Date: November 7, 2022

Subject: Updated Financial Analysis and Revenue Projections for Proposed 339 3<sup>rd</sup> Street Redevelopment Project to include Financing of Public Parking

---

## **Background**

The City of Excelsior (the “City”) has been working with Red Leaf Partners (the “developer”) on the proposed redevelopment of the current city hall and west parking lot. The proposed project would include approximately 50 units of new residential rowhomes & multifamily apartments, civic/commercial spaces, and multi-level public parking uses that would replace and expand the City’s existing surface parking capacity. The developer and City have been working towards a public/private partnership in which the City would finance the costs of replacing parking and other public space using tax increment financing. Tax increment financing is a tool many communities use to capture the incremental taxes generated from a redevelopment project to finance extraordinary costs. The project financing is still in preliminary stages. Several assumptions have been made for purposes of providing the financing options for the City’s consideration. The purpose of this memo is to provide a summary of the financial analysis and outline of assumptions used to prepare the estimates.

## **Tax Increment Analysis**

The following assumptions were used to estimate the amount of projected revenues:

- Total project area (2 parcels)
  - Parcel ID: 34-117-23-11-0076
  - Parcel ID: 34-117-23-11-0077
  - *City owned property and currently tax exempt*
- Total estimated base value of \$2,000,000
  - Based on initial purchase price estimate
  - Additional refinement based on tax status change
- Estimated total market value upon completion
  - \$22,177,500
  - Split between apartments and rowhomes
    - Multifamily apartments: rental classification (39 units)
      - \$310,000 - \$345,000/unit
    - Rowhomes: rental classification (11 units)
      - \$820,000 – \$890,000/unit
- Maximum term of tax increment redevelopment district
  - 26 total years
  - Ability to delay receipt of first increment (up to 4 years)
- Construction commences in late 2022 and completes by December 31, 2023
  - 100% assessed in January of 2024 for taxes payable in 2025
- Present value assumptions
  - Discount (interest) rate of 5.5% (Developer PayGO)
  - Interest rate of 4.75% (City Bonds)

- Tax rates, class rates and future market values remain constant
  - Tax rates (payable 2022)
    - Total: 99.065%
  - Class rates.
    - Residential Rental: 1.25%
  - 2.25% annual market value inflator
  - Administrative retainage: 2%
    - (maximum 10%)

**Tax Increment Estimates**

Based on the assumptions outlined above, the projected tax increment revenues that could be generated the project are shown in the chart below.

Tax Increment Revenue Estimates	
Estimated Base Value	\$2,000,000
Total Estimated Taxable Value upon Completion (residential components)	\$22,177,500
Total estimated annual increment (year 2)	\$256,257
Total estimated gross increment (26 years)	\$8,846,942
Estimated total annual City admin retainage (2%)	\$176,940
<b>Estimated total net revenues (98%) for 26 years</b>	<b>\$8,670,002</b>
Estimated available parking revenues of \$86,000 (impact and meter fees collected over 26 years)	\$2,408,000
<b>Total projected available revenues over maximum 26-year period</b>	<b>\$11,078,002</b>
<b>Estimated Present Value (5.5% Interest Rate)</b>	<b>\$5,372,204</b>
<b>Estimated Developer TIF Note Proceeds (90% of Present Value of \$5,372,204)</b>	<b>\$4,834,984</b>

**Project Financing**

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the applicant’s initial project costs through the issuance of bonds or as an internal loan. Future tax increment would be collected by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the applicant would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the applicant. If tax increment revenues are less than originally projected, the applicant receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of tax increment revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if tax increment revenues are not sufficient.

The City Council has been discussing both financing options for the project. We prepared several financing scenarios to assist with analyzing financial feasibility of the projected revenues to support construction of public parking in conjunction with the redevelopment project. We have received updated construction cost estimates for the entire project and breakout for the parking construction. The estimated hard construction cost per stall

has been updated and estimated to be approximately \$33,992 and with soft costs the estimate per stall is closer to \$38,000. This number is reflected in the updated analysis. The scenarios illustrating potential developer financing (pay-as-you-go) and City financing (bonding) is based on the revised design schematics for the project as related to the options for construction of parking and number of public parking stalls:

1. 247 stalls with full P3
  - a. 134 original planned spaces plus 113 additional spaces
  - b. Total estimated public parking cost of \$9,423,202
2. 223 stalls with partial P3
  - a. 134 original planned spaces plus 89 additional spaces
  - b. Total estimated public parking cost of \$8,555,242

The City has identified several funding sources that could potentially be used to finance the parking costs:

- 1) Tax increment revenues from new tax increment district
  - a. \$8,846,942 less 2% for admin/City retainage expenses
- 2) Annual parking revenues
  - a. \$36,000/year parking impact
  - b. \$50,000/year parking meters
- 3) Upfront city funds
  - a. \$200,000 parking impact funds
  - b. \$120,000 parking meter funds
  - c. \$297,000 ARPA funds
  - d. TBD – Other City funds

The original development proposal included the developer redeveloping the project site including construction of the new multifamily housing development with private parking stalls to serve the residents and public parking stalls to replace existing parking lot stalls that will be redeveloped. The developer conveyed that the project was financially feasible to redevelop and construct the private housing project and supportive parking but would need assistance through tax increment financing to construct the entire project including the lost public parking spaces. Tax increment revenues from the new development was identified as a source of funds to finance the extraordinary parking costs not supported by the project. The City requested the developer consider increasing the level of public parking spaces as an enhancement to the development. Since tax increment revenues were projected to support the original parking concept of financing the replacement stalls, the City would need to find alternate sources to finance the additional parking spaces (89-113 additional stalls). We are providing the following funding scenarios to illustrate the potential funding options for financing of the project costs.

#### Full P3 Parking Structure with Total Development Cost of \$9,423,202 for 247 Parking Stalls

- 1) Developer financed through pay-as-you-go
  - a. Developer PayGO based on \$5,088,626 parking costs
    - i. 134 parking stalls plus associated soft costs
    - ii. TIF PayGO Note of approximately \$4,834,984
      1. Estimated financial gap of \$(253,643)
        - a. (unidentified funds to fill or reduction in project costs)
  - b. City financing based on \$4,264,576
    - i. 113 parking stalls plus associated soft costs
    - ii. Upfront funds of up to \$2,617,000 and remaining amount financed with annual levy support (est. debt service levy of approximately \$111,017)
- 2) City financed through bond issuance to fund the entire project cost amount
  - a. City financing based on \$9,423,202
    - i. 247 parking stalls plus associated soft costs
    - ii. Upfront funds of up to \$2,617,000 and remaining amount financed with annual levy support (est. debt service range of \$11,382 - \$(124,294) subject to annual growth assumptions



Partial P3 Parking Structure with Total Development Cost of \$8,555,242 for 223 Parking Stalls

- 1) Developer financed through pay-as-you-go
  - a. Developer PayGO based on \$5,081,141 parking costs
    - i. 134 parking stalls plus associated soft costs
    - ii. TIF PayGO Note of approximately \$4,834,984
      1. Estimated financial gap of \$(246,157)
        - a. (unidentified funds to fill or reduction in project costs)
  - b. City financed based on \$3,404,101
    - i. 89 parking stalls plus associated soft costs
    - ii. Upfront funds of up to \$2,617,000 and remaining amount financed with annual levy support (est. debt service levy of approximately \$53,036)
- 2) City financed through bond issuance to fund the entire project cost amount
  - a. City financing based on \$8,555,242
    - i. 223 parking stalls plus associated soft costs
    - ii. Upfront funds of up to \$2,617,000 and remaining amount financed with annual levy support (est. range of \$69,867 - \$(65,809) subject to annual growth assumptions)

Thank you for the opportunity to be of assistance to the City of Excelsior. Please contact me at 651-368-2533 or [mikaela.huot@bakertilly.com](mailto:mikaela.huot@bakertilly.com) with any questions or to discuss.

Summary of Financing Scenarios for Full P3 Parking Construction with 247 Parking Spaces includes Developer PayGO for Portion (134 spaces) and City Financing for Portion (113 spaces) alternatively City Financing for all 247 spaces

	Developer PayGO and City Bonds Financing		No Developer PayGO and All City Bonds Financing			
	Red Leaf Pay-Go TIF Sub-Allocation 2% annual growth Private and Replace	Other City Funds Sub-Allocation Additional	City Funds and Bonds Full Allocation 2% annual growth Add'l Upfront Funds	City Funds and Bonds Full Allocation 2% annual growth Annual CF Deficit	City Funds and Bonds Full Allocation 1% annual growth Annual CF Deficit	City Funds and Bonds Full Allocation 0% annual growth Annual CF Deficit
	Total number of parking spaces	134	247			
Estimated hard cost per stall	134	113	247	247	247	247
Total parking hard costs	33,992	33,992	33,992	33,992	33,992	33,992
Total soft costs	4,540,724	3,855,300	8,396,024	8,396,024	8,396,024	8,396,024
Total development costs	547,902	409,276	1,027,178	1,027,178	1,027,178	1,027,178
	5,088,626	4,264,576	9,423,202	9,423,202	9,423,202	9,423,202
Total Estimated TIF	8,670,002	-	8,670,002	8,670,002	7,345,631	6,456,357
Total Estimated Parking Revenues	2,408,000	-	2,408,000	2,408,000	2,408,000	2,408,000
Total Estimated Revenues (TIF and Parking)	11,078,002	-	11,078,002	11,078,002	9,753,631	8,864,357
Estimated Present Value (5.5% Dev PayGO and 4.75% City Bonds)	5,372,204	-	5,859,756	5,859,756	5,305,120	4,925,977
Net TIF Amount (TIF PayGO 90% and City Bonds 100%)	4,834,984	-	5,859,756	5,859,756	5,305,120	4,925,977
Estimated Surplus/Deficit	(253,643)	(4,264,576)	(3,563,446)	(3,563,446)	(4,118,082)	(4,497,225)
<b>Upfront City Funds</b>						
ARPA and Parking Revenues		617,000	617,000	617,000	617,000	617,000
Land Sale Proceeds		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Revenues		-	750,000	-	-	-
Total Upfront City Funds	-	2,617,000	3,367,000	2,617,000	2,617,000	2,617,000
Financing Gap	(253,643)	(1,647,576)	(196,446)	(946,446)	(1,501,082)	(1,880,225)
Par Amount of Bonds	-	1,647,576	6,056,202	6,806,202	6,806,202	6,806,202
Estimated Annual Debt Service		(111,017)	(408,079)	(458,616)	(458,616)	(458,616)
Estimated Annual Revenues		-	419,462	419,462	368,524	334,321
Estimated Annual Levy		(111,017)	11,382	(39,154)	(90,091)	(124,294)

Summary of Financing Scenarios for Partial P3 Parking Construction with 223 Parking Spaces includes Developer PayGO for Portion (134 spaces) and City Financing for Portion (89 spaces) alternatively City Financing for all 223 spaces

	Developer PayGO and City Bonds Financing		No Developer PayGO and All City Bonds Financing			
	Red Leaf Pay-Go TIF Sub-Allocation 2% annual growth Private and Replace	Other City Funds Sub-Allocation Additional	City Funds and Bonds Full Allocation 2% annual growth Add'l Upfront Funds	City Funds and Bonds Full Allocation 2% annual growth Annual CF Deficit	City Funds and Bonds Full Allocation 1% annual growth Annual CF Deficit	City Funds and Bonds Full Allocation 0% annual growth Annual CF Deficit
	134	223				
Total number of parking spaces	134	89	223	223	223	223
Estimated hard cost per stall	33,992	33,992	33,992	33,992	33,992	33,992
Total parking hard costs	4,515,431	3,064,785	7,580,216	7,580,216	7,580,216	7,580,216
Total soft costs	565,709	339,317	975,026	975,026	975,026	975,026
Total development costs	5,081,141	3,404,101	8,555,242	8,555,242	8,555,242	8,555,242
Total Estimated TIF	8,670,002	-	8,670,002	8,670,002	7,345,631	6,456,357
Total Estimated Parking Revenues	2,408,000	-	2,408,000	2,408,000	2,408,000	2,408,000
Total Estimated Revenues (TIF and Parking)	11,078,002	-	11,078,002	11,078,002	9,753,631	8,864,357
Estimated Present Value (5.5% Dev PayGO and 4.75% City Bonds)	5,372,204	-	5,859,756	5,859,756	5,305,120	4,925,977
Net TIF Amount (TIF PayGO 90% and City Bonds 100%)	4,834,984	-	5,859,756	5,859,756	5,305,120	4,925,977
Estimated Surplus/Deficit	(246,157)	(3,404,101)	(2,695,486)	(2,695,486)	(3,250,122)	(3,629,265)
<u>Upfront City Funds</u>						
ARPA and Parking Revenues		617,000	617,000	617,000	617,000	617,000
Land Sale Proceeds		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Revenues		-	750,000	-	-	-
Total Upfront City Funds	-	2,617,000	3,367,000	2,617,000	2,617,000	2,617,000
Financing Gap	(246,157)	(787,101)	671,514	(78,486)	(633,122)	(1,012,265)
Par Amount of Bonds	-	787,101	5,188,242	5,938,242	5,938,242	5,938,242
Estimated Annual Debt Service		(53,036)	(349,594)	(400,131)	(400,131)	(400,131)
Estimated Annual Revenues		-	419,462	419,462	368,524	334,321
Estimated Annual Levy		(53,036)	69,867	19,331	(31,606)	(65,809)

**Summary of Financial Analysis for 339 Third Street Parking**

**247 Parking Stalls - 3 Level Structure**

Project Financing	Developer	City	City	City	City
Parking Impact, Meters, and ARPA	617,000	617,000	617,000	617,000	617,000
Land Sale Proceeds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Funds	0	750,000	0	0	0
Original Parking Deficit (unaccounted)	(253,643)	(253,643)	(253,643)	(253,643)	(253,643)
Annual Levy Impact	(111,017)	11,382	(39,154)	(90,091)	(124,294)
Annual Growth	2%	2%	2%	1%	0%

**223 Parking Stalls - 2.5 Level Structure**

Project Financing	Developer	City	City	City	City
Parking Impact, Meters, and ARPA	617,000	617,000	617,000	617,000	617,000
Land Sale Proceeds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Funds	0	750,000	0	0	0
Original Parking Deficit (unaccounted)	(246,157)	(246,157)	(246,157)	(246,157)	(246,157)
Annual Levy Impact	(53,036)	69,867	19,331	(31,606)	(65,809)
Annual Growth	2%	2%	2%	1%	0%

**City of Excelsior, Minnesota**  
**Debt Levy Projections**

	<b>339 Third St.</b>	<b>Placeholder</b>	<b>Pavement Management Plan</b>				
Project:	<u>339 Improve</u>	<u>City Hall</u>	<u>MCES</u>	<u>Area 4</u>	<u>Area 5</u>	<u>Area 6</u>	<u>Area 7</u>
Construction/Bond Year:	2023	2024	2023	2026	2027	2028	2029
First Levy Year:	2024	2025	2024	2027	2028	2029	2030
Tax Levy Portion:	\$1,000,000	\$2,500,000	\$750,000	\$2,900,000	\$2,500,000	\$2,750,000	\$1,250,000
Term:	26	20	20	20	20	20	20
Rate:	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Annual Payment:	\$63,000	\$184,000	\$55,000	\$213,000	\$184,000	\$202,000	\$92,000
Statutory Debt Limit:	No	Yes	Yes	Yes	Yes	Yes	Yes

Levy Collect Year	Payment Date	Current Debt Levy						Projected Debt Levy							Grand Total	Annual Change
		2010A	2017A	2019A	2020A	2021A	Current Total	339 Improve (2023)	City Hall (2024)	MCES (2023)	Area 4 (2026)	Area 5 (2027)	Area 6 (2028)	Area 7 (2029)		
2022	02/01/2023	100,000	120,000	160,000	97,000	187,000	664,000	-	-	-	-	-	-	-	664,000	
2023	02/01/2024	100,000	120,000	160,000	97,000	208,000	685,000	-	-	-	-	-	-	-	685,000	3%
2024	02/01/2025	100,000	120,000	160,000	97,000	208,000	685,000	63,000	-	55,000	-	-	-	-	803,000	17%
2025	02/01/2026	100,000	120,000	160,000	97,000	208,000	685,000	63,000	184,000	55,000	-	-	-	-	987,000	23%
2026	02/01/2027		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	-	-	-	-	887,000	-10%
2027	02/01/2028		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	-	-	-	1,100,000	24%
2028	02/01/2029		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	184,000	-	-	1,284,000	17%
2029	02/01/2030		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	184,000	202,000	-	1,486,000	16%
2030	02/01/2031		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,578,000	6%
2031	02/01/2032		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,578,000	0%
2032	02/01/2033		120,000	160,000	97,000	208,000	585,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,578,000	0%
2033	02/01/2034			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	-8%
2034	02/01/2035			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2035	02/01/2036			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2036	02/01/2037			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2037	02/01/2038			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2038	02/01/2039			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2039	02/01/2040			160,000	97,000	208,000	465,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,458,000	0%
2040	02/01/2041				97,000	208,000	305,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,298,000	-11%
2041	02/01/2042					208,000	208,000	63,000	184,000	55,000	213,000	184,000	202,000	92,000	1,201,000	-7%

**Pavement Management Plan  
10/28/2022 - All Reported in 2023 Dollars**

Road	2021 OCI (0-100)	Length	Width	Area	%Street w/ Storm	Proposed Improvements	Surface Improvements	Watermain Improvements	Sanitary Improvements	Storm Improvements	Grand Total Improvement Cost
<b>Area 4:</b>											
Third Street	37	1,760	32	56,320	20%	Surface Recon (w/walk -both sides), Watermain, Sanitary, Storm	\$2,816,000	\$550,000.00	\$990,000.00	\$449,000.00	\$4,805,000.00
<b>Area 4 Totals:</b>							<b>\$2,816,000.00</b>	<b>\$550,000.00</b>	<b>\$990,000.00</b>	<b>\$449,000.00</b>	<b>\$4,805,000.00</b>
<b>Area 5:</b>											
Center Street	21	1,120	32	35,840	10%	Surface Recon, Watermain, Sanitary, Storm	\$1,792,000	\$350,000.00	\$630,000.00	\$143,000.00	\$2,915,000.00
Third Street	17	400	32	12,800	10%	Surface Recon (w/walk -both sides), Watermain, Sanitary, Storm	\$640,000	\$125,000.00	\$225,000.00	\$51,000.00	\$1,041,000.00
<b>Area 5 Totals:</b>							<b>\$2,432,000.00</b>	<b>\$475,000.00</b>	<b>\$855,000.00</b>	<b>\$194,000.00</b>	<b>\$3,956,000.00</b>
<b>Area 6:</b>											
Lake Street	35	980	38	37,240	40%	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$1,862,000.00	\$307,000.00	\$552,000.00	\$500,000.00	\$3,221,000.00
3rd Avenue	50	1110	30	33,300	40%	Surface Recon, Water, Sanitary, Storm	\$833,000.00	\$347,000.00	\$625,000.00	\$566,000.00	\$2,371,000.00
<b>Area 6 Totals:</b>							<b>\$2,695,000.00</b>	<b>\$654,000.00</b>	<b>\$1,177,000.00</b>	<b>\$1,066,000.00</b>	<b>\$5,592,000.00</b>
<b>Area 7:</b>											
Elm Place	15	330	22	7,260	50%	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$182,000.00	\$104,000.00	\$186,000.00	\$211,000.00	\$683,000.00
Linden Street	26	230	22	5,060	15%	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$127,000.00	\$72,000.00	\$130,000.00	\$44,000.00	\$373,000.00
Linden Street (west of Elm)	26	430	Varies	14,655	15%	Surface Recon, Replace Curb & Gutter, Water, Sanitary, Storm	\$413,000.00	\$135,000.00	\$242,000.00	\$83,000.00	\$873,000.00
Division St	64	560	26	14,560	10%	Reclamation, Curb & Gutter, Watermain	\$228,000.00	\$175,000.00		\$72,000.00	\$475,000.00
Division St (Shorewood)	N/A	330	22	7,260	10%	Reclamation, Watermain	\$114,000.00	\$104,000.00		\$43,000.00	\$261,000.00
<b>Area 7 Totals:</b>							<b>\$1,064,000.00</b>	<b>\$590,000.00</b>	<b>\$558,000.00</b>	<b>\$453,000.00</b>	<b>\$2,665,000.00</b>
<b>Area 10: MCES Cooperative</b>											
Water, Oak, Grathwol, College,	19 AVG	880	25	22,000		Reconstruct, Watermain, Sanitary, Storm - w/ MCES participation	\$857,000.00	\$583,000.00	\$295,000.00	\$254,000.00	\$1,989,000.00
<b>Area 10 Totals:</b>							<b>\$857,000.00</b>	<b>\$583,000.00</b>	<b>\$295,000.00</b>	<b>\$254,000.00</b>	<b>\$1,989,000.00</b>
Planned Street Assessments for MCES L20 Project =							\$228,402.00				
TIF Restricted Funds Eligible for MCES L20 Project =							\$106,838.00			\$101,871.00	
<b>Area 11 Watermain Pipe Bursting and Services in 2010/2011 Areas:</b>											
West Lake		1700				Watermain	\$0.00	\$1,063,000.00	\$0.00	\$0.00	\$1,063,000.00
Second Street		1150				Watermain	\$0.00	\$719,000.00	\$0.00	\$0.00	\$719,000.00
Lake Street		1150				Watermain	\$0.00	\$719,000.00	\$0.00	\$0.00	\$719,000.00
Lake Street Loop		450				Watermain	\$0.00	\$111,000.00	\$0.00	\$0.00	\$111,000.00
<b>Area 11 Totals:</b>							<b>\$0.00</b>	<b>\$2,612,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,612,000.00</b>