



STORMWATER MANAGEMENT COMMISSION

## MEMORANDUM

TO: Stormwater Management Commission  
Megan Krueger

FROM: Mike Warner, SMC

DATE: May 16, 2012

RE: IKE Property Buyout Grant for Gurnee Grade School  
Bullet points for PB&Z Committee meeting June 2012

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**Action: Contract Agreement Approval  
Emergency Appropriation Approval**

**Lake County Stormwater Management Commission: Ike Property Buyouts Program (Illinois Department of Commerce and Economic Opportunity).**

- The grant amount is \$3,200,000
- This grant No. 08-358012 is through the Illinois Department of Commerce and Economic Opportunity and provides funding for the purchase and demolition of the Gurnee Grade School.
- SMC will enter into an agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO) to coordinate and manage the acquisition and demolition of the school.
- SMC will be reimbursed by the Illinois Department of Commerce and Economic Opportunity from this grant award for grant management and technical services.

Distribution:  
County Board  
FAS (2)  
Stormwater

STATE OF ILLINOIS )  
COUNTY OF LAKE ) SS

COUNTY BOARD, LAKE COUNTY, ILLINOIS

REGULAR June, A.D., 2012 SESSION

June 5, A.D., 2012

MR. CHAIRMAN AND MEMBERS OF THE COUNTY BOARD:

Your Planning, Building & Zoning and Financial & Administrative Committees present herewith a Joint Resolution authorizing an emergency appropriation in the amount of \$3,200,000 in the Stormwater Management Commission budget (Fund 212) to be reimbursed by the Illinois Department of Commerce and Economic Opportunity for the acquisition and demolition of the Gurnee Grade School, District 56, 900 Kilbourne Road, Gurnee, Illinois, Lake County.

Respectfully submitted,

Aye      Nay

Aye      Nay

\_\_\_\_\_

Chairman

\_\_\_\_\_

Chairman

\_\_\_\_\_

Vice- Chairman

\_\_\_\_\_

Vice-Chairman

\_\_\_\_\_

Planning, Building, & Zoning Committee

\_\_\_\_\_

Financial & Administrative Committee

## RESOLUTION

WHEREAS, Lake County Stormwater Management Commission (SMC) is undertaking a voluntary floodprone property buyout project through the Illinois Department of Commerce and Economic Opportunity IKE Property Buyouts Program Grant to purchase and demolish the Gurnee Grade School, District 56, which is a floodprone property in Lake County; and

WHEREAS, the Stormwater Management Commission has entered into an agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO) to manage the entire grant project, through property appraisal to structure demolition and property restoration as perpetual open space; and

Whereas, the SMC has authorized staff time for grant management and technical services toward the cost of implementing the IKE Property Buyouts Program; and

WHEREAS, the SMC has entered into an agreement with DCEO to receive \$3,200,000 from the IKE Property Buyouts Grant Program and this amount is not included in the current year budget.

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that an emergency appropriation in the amount of \$3,200,000 in the Stormwater Management Commission budget is hereby authorized in expense budget account 212-4208085-81010 for the IKE Property Buyout Program; and

BE IT FURTHER RESOLVED, that a corresponding emergency appropriation in the amount of \$3,200,000 in the Stormwater Management Commission budget is hereby authorized in revenue budget account 212-4208085-45400 for the IKE Property Buyout Program; and

DATED, at Waukegan, Lake County, Illinois on this 5th day of June, A.D., 2012.



# Illinois Department of Commerce & Economic Opportunity

Pat Quinn, Governor • David Vaught, Acting Director

April 20, 2012

Stevenson Mountsier  
Chairman  
Lake County Stormwater Management Commission  
500 W. Winchester Rd., Suite 201  
Libertyville, IL 60048-1371

**RECEIVED**

**APR 30 2012**

**LAKE COUNTY STORMWATER  
MANAGEMENT COMMISSION**

Dear Chairman Mountsier:

On behalf of Governor Pat Quinn, and the Illinois Department of Commerce and Economic Opportunity ("DCEO"), I am pleased to inform you that your application seeking funding to assist with the Gurnee School three-phase project has been approved in the amount of **\$3,200,000** under Illinois' Community Development Block Grant-Disaster Recovery "Ike" Program ("**Ike**" **Recovery Program**).

The Ike grant award will provide \$2,760,000 to fund the acquisition of the Gurnee elementary school and site, located in a flood-prone zone, and \$430,000 to support the demolition and clearance of the existing school structure. Once the existing structure is demolished and the site cleared, the area will be permanently converted to green space, to prevent continued disaster impact. Gurnee is currently building a new elementary school, in a flood-resistant area, at a cost of \$25,500,000. The school construction project is scheduled to be completed by November 2012. The school construction project will be funded wholly with Gurnee municipal bonds. The budget and financing for this comprehensive project is as follows:

	<b>Project Description</b>	<b>DCEO Ike Award</b>	<b>Separate Funding</b>	<b>Total</b>
1	Acquisition of the existing Gurnee school site	\$2,760,000	\$0	\$2,760,000
2	Demolition and clearance of the existing Gurnee school site	\$430,000	\$0	\$430,000
3	New Construction of a Gurnee Elementary School	\$0	\$25,500,000 <i>Gurnee Municipal Bonds</i>	\$25,500,000
4	Administration	\$10,000		\$10,000
	<b>Subtotal Ike &amp; Other Funding</b>	<b>\$3,200,000</b>	<b>\$25,500,000</b>	<b>\$28,700,000</b>

Please note that this award is contingent upon the execution of a grant agreement and will only become binding after a grant agreement is executed. The State of Illinois may issue a press release publicizing this grant award. Please do not publicize this approval until such time as the State has had an opportunity to publicly announce the award.

[www.ildceo.net](http://www.ildceo.net)

500 East Monroe  
Springfield, Illinois 62701-1643  
217/782-7500 • TDD: 800/785-6055

James R. Thompson Center  
100 West Randolph Street, Suite 3-400  
Chicago, Illinois 60601-3219  
312/814-7179 • TDD: 800/785-6055

2309 West Main, Suite 118  
Marion, Illinois 62959-1180  
618/997-4394 • TDD: 800/785-6055

Your grant manager will send you a formal grant agreement outlining the terms and conditions governing the grant award. Please note that the agreement will contain environmental requirements as well as other special grant conditions specified and appropriate to your project that must be completed within the specified period of time set forth in Part II of the grant agreement.

With respect to cost eligibility, it is important to note that project costs may only be incurred in accordance with the following:

- CDBG-Ike administrative costs may be incurred as of the date of your agreement;
- CDBG-Ike funded project costs may be incurred only after all environmental requirements and special grant conditions have been satisfied, as set forth in Part II of the grant agreement.

***Certain activities undertaken ahead of environmental clearances required, and DCEO's express authority, including, but not limited to procurement, construction, hiring can result in disqualifying this project for CDBG-Ike funding, per HUD regulations.***

In accordance with program requirements, the Illinois Department of Commerce and Economic Opportunity ("Department") considers cost legally incurred or obligated when your community incurs a liability through execution of a contract when procuring goods and/or services or when your community performs an act that commits project funds to a specific approved expenditure.

We look forward to a successful working relationship with you. I can assure you that staff will be available to assist you in the management of your CDBG Ike Program-funded project through every step. Should you have any questions, please contact Nancy Lesakowski, Ike-PBP program manager, at (217) 241-6650. You may also reach out to Maureen Palmer, my deputy director of Community Development, at (312) 814-5701.

Sincerely,



David Vaught  
Acting Director

cc: John Hutton,  
Superintendent of Schools, Gurnee School District 56

Kristina Kovarik  
Mayor, Village of Gurnee, Illinois



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

## Ike Property Buyouts Program

Grant No. 08-358012

for the

Lake County

**Illinois Department of Commerce and Economic Opportunity**  
500 E. Monroe St.  
Springfield, IL 62701

**STATE OF ILLINOIS  
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY**

**Notice of Grant Award No. 08-358012**

This Grant Agreement (hereinafter referred to as the "Agreement") is entered into between the Illinois Department of Commerce and Economic Opportunity (hereinafter referred to as the "Department" or "DCEO") and Lake County (hereinafter referred to as the "Grantee"). Subject to terms and conditions of this Agreement, the Department agrees to provide a Grant in an amount not to exceed \$3,200,000.00 to the Grantee.

Subject to the execution of this Agreement by both parties, the Grantee is hereby authorized to incur costs against this Agreement from the beginning date of 04/01/2012 through the ending date of 03/31/2013, unless otherwise established within Part II Scope of Work. The Grantee hereby agrees to use the Grant Funds provided under the Agreement for the purposes set forth herein and agrees to comply with all terms of this Agreement.

This Agreement includes the following sections, all of which are incorporated into and made part of this Agreement:

**Parts:**

- I. Budget**
- II. Scope of Work**
- III Grant Fund Control Requirements**
- IV. Terms and Conditions**
- V. General Provisions**
- VI. Certifications**

This grant is federally funded.

Under penalties of perjury, the undersigned certifies that the name, taxpayer information number and legal status listed below are correct.

Name: Lake County

Taxpayer Identification Number:  
SSN/FEIN: 366006600

Legal Status:

- Individual (01)
- Sole Proprietor (02)
- Partnership/Legal Corporation (03)
- Corporation (04)
- Not For Profit Corporation (04)
- Medical Corporation (06)
- Governmental (08)

- Estate or Trust (10)
- Pharmacy-Noncoporate (11)
- Nonresident Alien (13)
- Pharmacy/Funeral Home/Cemetery Corp (15)
- Tax Exempt (16)
- Limited Liability Company (select applicable tax classification)
  - C - Corporation
  - P - Partnership

GRANTEE:  
Lake County

Grantee's execution of this Agreement shall serve as its certification under oath that Grantee has read, understands and agrees to all provisions of this Agreement and that the information contained in the Agreement is true and correct to the best of his/her knowledge, information and belief and that the Grantee shall be bound by the same. Grantee acknowledges that the individual executing this Agreement is authorized to act on the Grantee's behalf. Grantee further acknowledges that the award of Grant Funds under this Agreement is conditioned upon the above certification.

By: \_\_\_\_\_ Date \_\_\_\_\_  
(Authorized Signator)

Micheal D Warner, Executive Director  
Name and Title

STATE OF ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

By: \_\_\_\_\_ Date \_\_\_\_\_  
David Vaught, Acting Director

Grantee Address:

500 W Winchester Rd  
Ste. 301  
Libertyville, IL 60048-1371

Please indicate any address changes below

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In processing this grant and related documentation, the Department will only accept materials signed by the Authorized Signatory or Designee of this Agreement, as designated or prescribed herein. If the Authorized Signatory chooses to assign a designee to sign or submit materials required by this Agreement to the Department, the Authorized Signatory must either send written notice to the Department indicating the name of the designee or provide notice as set forth immediately following this paragraph. Without such notice, the Department will reject any materials signed or submitted on the Grantee's behalf by anyone other than the Authorized Signatory. The



Authorized Signatory must approve each Authorized Designee separately by signing as indicated below. If an Authorized Designee(s) appears below, please verify the information and indicate any changes as necessary.

The following are designated as Authorized Designee(s) for the Grantee:

Authorized Designee: \_\_\_\_\_  
Authorized Designee Title: \_\_\_\_\_  
Authorized Designee Phone: \_\_\_\_\_  
Authorized Designee Email: \_\_\_\_\_

Authorized Signatory Approval: \_\_\_\_\_

**PART I**

**BUDGET**

Cost Category Description	Cost Cat	DCEO Budget Amount	Variance %	Variance Limit
CLEARANCE & DEMO URG	0202	430,000.00	0.00	0.00
ACQSTN NON-RES PROP URG	0302	2,760,000.00	0.00	0.00
GENERAL ADMINISTRATION (21A)	1000	10,000.00	0.00	0.00
<b>Total</b>		<b>\$3,200,000.00</b>		

**BUDGET LINE ITEM DEFINITIONS**

The definitions listed below will help to identify allowable costs for each of the budgeted lines in this Agreement. Any costs not specifically named below should be verified to be allowable by the DCEO grant manager prior to incurring the cost.

- |                              |  |
|------------------------------|--|
| CLEARANCE & DEMO URG         | Demolition and clearance of structures and mitigation of any identified environmental hazards on real property acquired that met the Urgent Need National Objective  |
| ACQSTN NON-RES PROP URG      | Funds allocated for the purchase of non-residential real property that meets the requirements of the program and qualify under the National Objective of meeting community development needs having a particular urgency                         |
| GENERAL ADMINISTRATION (21A) | Funds allocated to cover the direct and reasonable costs incurred by the Grantee to administer the Grant Award. All costs must comply with either OMB Circular A-87 (if Grantee is Governmental Entity) or A-122 (if Grantee is Not for Profit). |

**Pass-Through Entity or Subgrantor Responsibilities.** If Grantee provides any portion of this funding to another entity through a grant agreement or contract, Grantee is considered to be a pass-through entity or subgrantor. Per Section 5.10(M) of the Agreement, Grantee must obtain written approval before it provides any portion of this funding to another entity through a grant agreement or contract. If the Department provides written approval, the Grantee must adhere to the following for any awards or contracts entered into using the Grant Funds listed above:

- (1) Inform any subrecipient(s) of the proper Federal award identifying information (shown below) as required by Federal regulations contained in OMB Circular A-133.

This Federally funded award is identified by the following:

<b>CFDA #</b>	14.228
<b>CFDA Title</b>	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
<b>Award #</b>	B-08-DI-17-0001
<b>Federal Awarding Agency</b>	Department Of Housing And Urban Development

- (2) Advise any subrecipient(s) of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements which provided this funding. Advise subrecipient(s) of any supplemental requirements imposed by the pass-through entity or subgrantor (your organization).

## PART II

### SCOPE OF WORK

In consideration for the Grant Funds to be provided by the Department, the Grantee agrees to perform the Project described in Part II (Scope of Work) hereof, in accordance with the provisions of Part I (Budget) hereof.

The Department, as administrator of the CDBG Illinois "IKE" Disaster Recovery Program (hereinafter referred to as "IDRP"), shall make available to the Grantee IDRP funds up to the gross amount of \$3,200,000.00 for the purpose of implementing measures to alleviate disaster risk for the flood-prone Gurnee Grade School – District 56 (hereinafter referred to as the "Property"), as specified in the Grantee's "Ike" Property Buyout Program (PBP) application, which is incorporated by reference herein. IDRP funds will be used to acquire the Property in an effort to protect residents and property from harm or damage due to flooding. Any remaining structures on the acquired Property will be demolished and cleared in order to convert the Property to permanent "green space" and eliminate future flood damage claims on the Property. A perpetual restrictive covenant agreement in a form prescribed by the Department (hereinafter referred to as the "Covenant") will be attached to each respective property deed to ensure that the Property will permanently be used only for purposes compatible with open space, recreational purposes, or wetlands management practices.

#### **I. SPECIAL GRANT CONDITIONS**

- a. Prior to performing any activities that would have an adverse environmental impact or limit the choice of reasonable alternatives concerning the Property, the Grantee must obtain written environmental clearance for the Property from the Department. These "choice-limiting" activities include, but are not limited to: property acquisition, demolition, clearance, and risk-reduction activities. Program administration and other environmentally exempt activities such as title verification, property inspections, and appraisals may be performed as of the Agreement beginning date specified on Page 2 herein.
- b. Within 60 days of the execution of this agreement, the Grantee must deliver to the Department for approval a detailed budget for grant-related Program Administration Costs. For all cost items involving personnel hours, the budget should specify each task to be performed, the position or title of the personnel performing the task(s), the estimated staff hours per task, and number of iterations of the task(s).
- c. Any Program Income (if applicable) received by the Grantee as a result of financial assistance provided under the terms of this Agreement shall be returned to the Department within 30 days of receipt by the Grantee.
- d. The Department waives the conditions of Part IV Section 4.5 of this agreement which require Grant Funds paid in advance of realized costs to be kept in an interest bearing account. The Grantee must establish and maintain a separate non-interest bearing checking account for the short-term deposit of IDRP grant drawdown resources. IDRP funds shall not be commingled with local or other Federal/State funds.
- e. The following policies and procedures must be adopted by the Grantee governing body prior to the distribution of funds. The terms of these policies and procedures must be approved by the Department.
  1. Affirmative Fair Housing Policy
  2. Procurement Policy including Code of Conduct
  3. Equal Employment Opportunity Policy
  4. Sexual Harassment Policy
  5. Residential Anti-displacement and Relocation Assistance Policy
  6. Procedures for meeting the requirements set forth in Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)
  7. Procedures for meeting the requirements set forth in Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C 794).

## **II. PROJECT DETAILS**

- a. **PROJECT DESCRIPTION** – The Grantee will utilize IDRP funds to acquire the Property and will attach the Covenant to the Property deed at closing. Pursuant to acquiring the Property, the Grantee will take appropriate action to demolish and clear any remaining structures on the Property, which will be subject to the terms of the Covenant in perpetuity.
- b. **PROJECT TASKS** – The Grantee, in collaboration with the Department, will perform the following tasks under the terms of this Agreement:
  1. Acquire the targeted Property
  2. Implement measures to address any environmental risks identified in the site specific environmental review for each Property
  3. Demolish and clear any remaining structures on acquired Property
- c. **NATIONAL OBJECTIVE** – Each activity performed under the terms of this Agreement must meet a CDBG National Objective in accordance with 24 CFR 570.483. As such, the following National Objective applies to this project:

**Urgent Need – [24 CFR 570.483(d)]**: Activities designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community.

## **III. DEPARTMENT PROJECT-RELATED RESPONSIBILITIES**

- a. **ENVIRONMENTAL ASSESSMENT** – The Department and/or its agents will be responsible for performing a NEPA-compliant environmental assessment for the Property and will coordinate with the Grantee to obtain appropriate signatures required for the release of funds.
- b. **PROPERTY APPRAISAL** – The Department and/or its agents will be responsible for obtaining a property appraisal from a certified appraiser for the Property in order to determine the 2008 pre-disaster fair market value (FMV) of the Property.
- c. **PROPERTY OWNER COORDINATION** – The Department and/or its agents will be responsible for coordinating with the property owner(s) to obtain all pertinent information needed to determine eligibility for funding.
- d. **DUPLICATION OF BENEFITS VERIFICATION** – The Department and/or its agents will be responsible for verifying all information related to the calculation of the purchase price for the Property.
- e. **TITLE VERIFICATION** – The Department and/or its agents will be responsible for obtaining a title report for each the Property and for ensuring that all applicable title-related requirements are met in order to complete the property acquisition.
- f. **CLOSING SERVICES** – The Department and/or its agents will be responsible for scheduling and facilitating the required acquisition closing activities and for filing all applicable closing documents at the appropriate courthouse.
- g. **DISPLACEMENT AND RELOCATION BENEFITS** – The Department and/or its agents will be responsible for identifying all displaced tenants eligible for relocation benefits and for determining the eligible benefit amount.
- h. **QUARTERLY REPORTING** – The Department and/or its agents will be responsible for assisting the Grantee in completing the quarterly reporting requirements defined in Section 3.2 herein.
- i. **TECHNICAL ASSISTANCE** – The Department and/or its agents will be responsible for providing appropriate technical assistance to the Grantee as needed to perform this Scope of Work in compliance with applicable State and Federal statutes and regulations.

#### **IV. GRANTEE PROJECT-RELATED RESPONSIBILITIES**

- a. **ENVIRONMENTAL CLEARANCE** – In accordance with 24 CFR 58.2(a)(7), the Grantee must accept the role of “Responsible Entity” with regard to activities performed under the terms of this Agreement. As such, the Grantee is responsible for executing applicable environmental documents required to achieve release of funds.
- b. **DISBURSEMENT OF FUNDS** – The Grantee is responsible for processing applicable payments required to satisfy the terms of this Agreement. Required payments may include, but are not limited to: property acquisition payments, buyout incentive payments, relocation benefits, vendor invoices for demolition and clearance services, demolition permit fees, costs of addressing environmental risks, etc.
- c. **CLOSING PARTICIPATION** – The Grantee is responsible for ensuring that appropriate Grantee representatives attend scheduled closing events and that all applicable closing documents required to acquire the Property are executed at closing.
- d. **ENVIRONMENTAL RISKS** – If applicable, the Grantee is responsible for ensuring that appropriate measures are taken to address any environmental hazards identified in the site specific environmental review for the Property.
- e. **DEMOLITION AND CLEARANCE** – Pursuant to the acquisition of the Property, the Grantee is responsible for ensuring that any remaining structures on the Property are demolished and cleared in order to convert the Property to open space. The Grantee must make all reasonable efforts to complete demolition and clearance activities for the Property within 180 days of the final Property closing.
- f. **COVENANT ENFORCEMENT** – The Grantee is responsible for perpetual enforcement of the terms and conditions of the Covenant applied to each acquired Property.

#### **V. PROGRAM ADMINISTRATION**

The Grantee will receive up to **\$10,000** for payment of reasonable Program Administrative Costs related to the general management, oversight, and evaluation of the property buyout project described herein. Eligible Program Administrative Costs include, but are not necessarily limited to, necessary and reasonable expenditures for the following:

- a. Salaries, wages, and related costs of the Grantee staff or other staff engaged in project administration. In charging costs to this category the Grantee may only include the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. Program administration includes the following types of assignments:
  1. Providing local officials and citizens with information about the program;
  2. Preparing program budgets and schedules, and amendments thereto;
  3. Developing systems for assuring compliance with program requirements;
  4. Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
  5. Monitoring program activities for progress and compliance with program requirements;
  6. Preparing reports and other documents related to the program for submission to the Department;
  7. Coordinating the resolution of audit and monitoring findings; and,
  8. Evaluating program results against stated objectives.
- b. Travel costs incurred for official business in carrying out the program;
- c. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services;
- d. Other costs for goods and services required for administration of the program; and
- e. The provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with IDRP funds.

## **VI. COST PRINCIPLES**

Payments to the Grantee are governed by the Federal grants management rule for cost allowability found at 24 CFR 85.22. The Grantee can only incur **direct costs** that may be attributed specifically to the IDRP projects referenced above. The Grantee must provide adequate documentation for validating costs incurred. Payments to Grantee's contractors and vendors are conditioned upon compliance with the procurement requirements provided for in 24 CFR 85.36.

Allowable costs incurred by the Grantee shall be in compliance with **OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments**. Reimbursement of allowable Program Administrative Costs incurred shall be subject to the approved budget described in the **Special Grant Conditions** and shall be limited to the following Selected Items of Cost:

<b>Selected Item of Cost</b>	<b>OMB Circular A-87 Citation</b>
Wages and Salaries (to include Fringe Benefits)	Attachment B item 8 – Compensation for Personal Services
Travel	Attachment B item 43 – Travel Costs
Supplies and Materials	Attachment B item 26 – Materials and supplies costs
Professional Services	Attachment B item 32 – Professional service costs
Media, outreach or public relations	Attachment B item 1 – Advertising and public relations costs
Communication (Postage, long-distance, fax, etc.)	Attachment B item 7 – Communication Costs
Audit Costs (A-133 Audit)	Attachment B item 4 – Audit costs and related services

## **VII. PROJECT MANAGEMENT**

The Grantee's point of contact will be:

Name: Christine Gaynes

Title: Watershed Engineer, LCSMC

Phone: (847) 377-7706

Email: [cgaynes@lakecountyl.gov](mailto:cgaynes@lakecountyl.gov)