

RESOLUTION NO. 3049

RESOLUTION APPROVING THE FORMATION OF A REIMBURSEMENT DISTRICT BETWEEN WOODHILL HOMES AND THE CITY OF BEND, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT FOR SEWER INFRASTRUCTURE IMPROVEMENTS

Findings

A. Representatives of the City of Bend and Woodhill Homes have in good faith agreed to the formation a reimbursement district, effective October 19, 2016, through October 19, 2026.

B. The reimbursement district provides for the reimbursement to Woodhill Homes for the required sewer infrastructure improvements that are necessary in order for future development to occur within the district.

BASED ON THESE FINDINGS, THE CITY OF BEND RESOLVES AS FOLLOWS:

- Section 1: The proposed reimbursement district is approved, as are the recommendations in the City Engineer's report.
- Section 2: The public improvements shall meet all applicable City Standards.
- Section 3: The estimated amount of potential reimbursement to Woodhill Homes is \$223,708.87.
- Section 4: The applicant shall defend, indemnify and hold harmless the City from any and all losses, claims, damage, judgements or other costs or expense arising as a result of or related to the City's establishment of the district. The applicant shall acknowledge that the City is not obligated to collect the reimbursement fee from affected property owners, and that the applicant assumes all risk of every kind that the amount reimbursed may not be as much as anticipated, or that any particular reimbursement fee may not be collected by the City. The applicant has a private cause of action for collection of a reimbursement fee against any person obligated to pay a reimbursement fee, and the applicant shall bear the entire cost of an action to collect the reimbursement fee, without any right to contribution by the City.
- Section 5: The City Manager is authorized to negotiate and execute an agreement for sewer infrastructure improvements.
- Section 6: This resolution is effective immediately upon passage.

Adoption by roll call vote on October 19, 2016.

YES: Jim Clinton, Mayor
Victor Chudowsky
Doug Knight
Sally Russell
Nathan Boddie
Casey Roats
Barb Campbell

NO: NONE



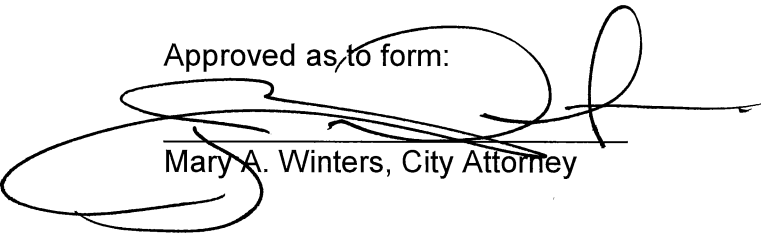
Jim Clinton, Mayor

Attest:



Robyn Christie, City Recorder

Approved as to form:



Mary A. Winters, City Attorney



**COMMUNITY
DEVELOPMENT**

710 WALL STREET
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[541] 388-5528

FROM: RYAN OSTER, CITY ENGINEER
SUBJECT: CITY ENGINEERS REPORT - REIMBURSEMENT DISTRICT
DATE: OCTOBER 13, 2016

The City has received an application from Woodhill Homes to create a reimbursement district. In compliance with Bend Code 2.20 the following is the City Engineers Report for the proposed formation of the Empire Estates Lift Station reimbursement district.

The applicant is building a sewer improvement, according to the City Standards and Specifications, and conveying the improvements to the City and the public. According to section 2.20 of the Bend Code the applicant and the City may establish a reimbursement district covering all properties that will benefit from the improvement. Both the Tuscany Pine Phase 2 Subdivision (PZ 14-795) approval and the Tuscany Pines PUD (as detailed in the PZ 14-701 Declaratory Ruling) required upgrades to the Empire Estates Lift Station. Condition of Approval #2 from PZ 14-701 specifically notes, "The applicant may also consider the formation of a reimbursement district per BC Chapter 2.20, as other properties located within the basin will benefit from capacity provided by these improvements."

1. The applicant is proposing to finance all of the cost of the required sewer improvements, thereby making service available to the property, and other properties not owned by the applicant.
2. The area to be included in the reimbursement district includes the following tax lots: 171220AB00100 (RM), 171217D000604 (IL), 171220A000400 (RM), 171220AC00201 (IL), 171220AC00100 (IL) and are shown at the end of the report. All of the lots are currently undeveloped but have the possibility to contribute flows that feed into the Empire Estates Lift Station. The improvements being proposed by the applicant will account for the future development potential of the contributing properties.
3. The estimated cost of the sewer improvements within the proposed reimbursement district is \$272,417.03. This includes the contractor's estimate of \$240,015.00 times an allowable multiplier of 13.5% to account for engineering and design costs. The reimbursement district will cover 100% of the costs associated with the required improvements.

4. The methodology by which the reimbursement district shall recover the fees is based upon currently approved land use decisions on the properties in which they exist or based upon the City of Bend Collection System Master Plan for currently undeveloped properties. The distribution of the associated fees is calculated by determining the percentage of contribution the properties will have in comparison to the overall build-out of the properties within the district:

Source of Flow (Tax Lot)	Zone	Acres	Units per Acre	# of Units	Units per Acre	Flow Rate per Unit (gpd)	Avg. Daily Flow (gpd)	Peak Factor	Peak Day Flow	
									(gpd)	(gpm)
171220AB00100	RM	5.01	7.0	35	7.0	185	6475	3.0	19452	13.50
171220A000400	RM	5.46	18.0	98	18.0	185	18182	3.0	54546	37.88
171217D000604	IL	6.15	-	-	-	1300	7995	3.0	23985	16.66
171220AC00100	IL	1.72	-	-	-	1300	2236	3.0	6708	4.66
171220AC00201	IL	1.04	-	-	-	1300	1352	3.0	4056	2.82
TOTAL PEAK FLOW									75.52	

The percentage of contribution was used to create a breakdown of the total improvement costs. The cost sharing calculation per tax lot is shown below:

Source of Flow (Tax Lot)	Peak Day Flow		Cost Contribution	Cost Contribution (\$272,417.03)
	(gpd)	(gpm)		
171220AB00100	19452	13.50	17.88 %	\$48,708.16
171220A000400	54546	37.88	50.16 %	\$136,644.38
171217D000604	23985	16.66	22.06 %	\$60,095.20
171220AC00100	6708	4.66	6.17 %	\$16,808.13
171220AC00201	4056	2.82	3.73 %	\$10,161.16
TOTAL PEAK FLOW		75.52		

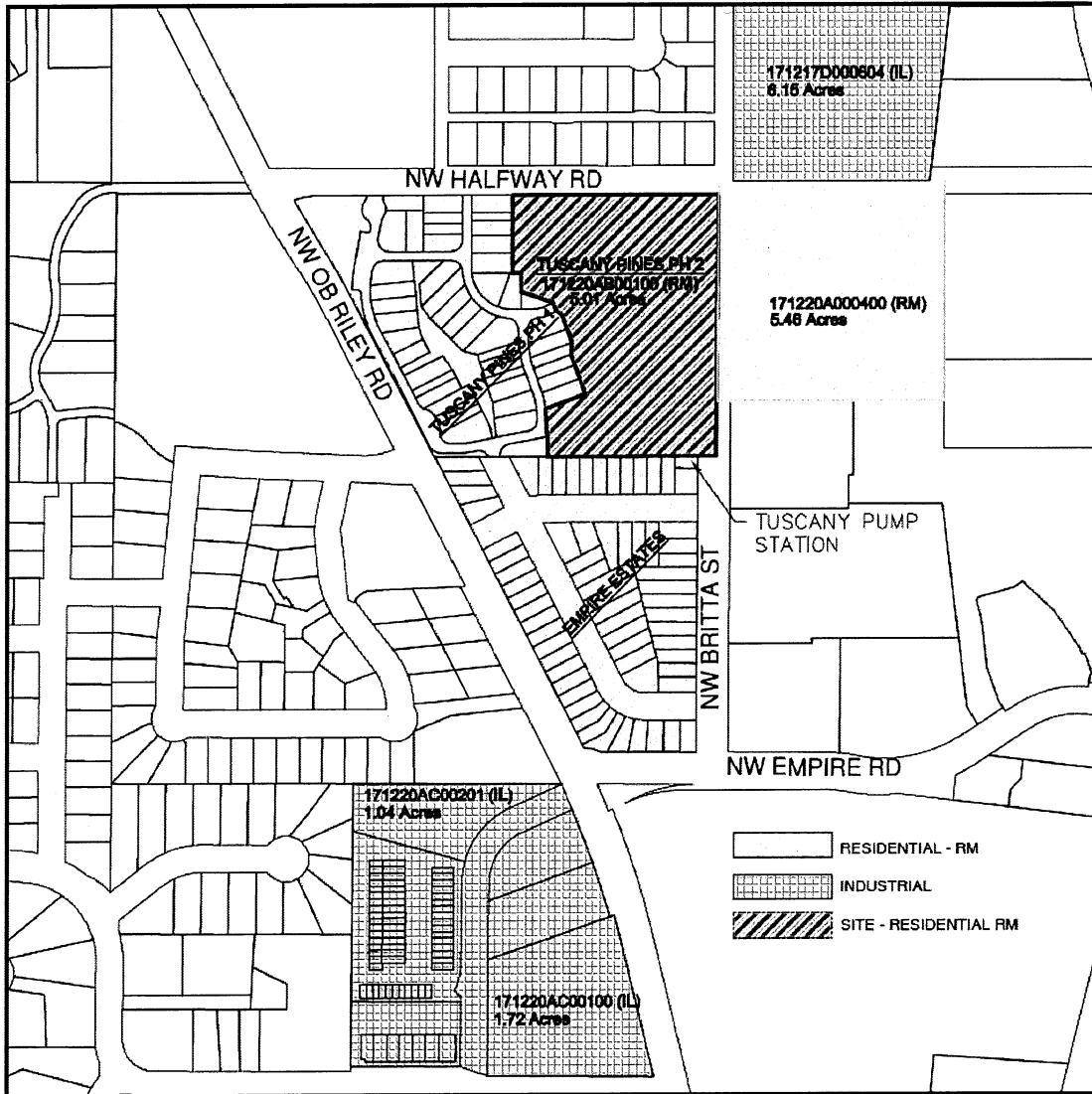
Per Bend Code 2.20.020, Paragraph D: The applicant for the formation of the reimbursement district shall not be reimbursed for the portion of the reimbursement fee computed for the property of the applicant. As a result, the total amount the applicant of reimbursement district can be reimbursed is \$272,417.03 - \$48,708.16. This equates to **\$223,708.87**.

The applicant requested an annual fee adjustment of the reimbursement district amount equivalent to inflation in order to account for the time value of the money the applicant is investing today. The recommendation to City Council by the is that an annual fee adjustment would not be applied as it could result in the applicant recouping more that initial cost of investment and would increase the administrative fees the City would need to charge in order to track and maintain this fee increase over the life of the reimbursement district.

5. The amount to be charged by the City for administration of the district by the City is \$485.00 per reimbursement fee district transaction. This is similar to what is charged by the City for similar special use areas and programs. It will cover the costs of collecting the fee with each associated property, the on-going monitoring of the reimbursement district (for up to 10 years), and the administration of the district by all of the impacted City Departments. Rather than having this fee be paid up front by the applicant, the proposal is to collect the fee as the future development within the district occurs. This is an alteration to what is outlined within the current Bend Code which states that the administrative fee is due and payable to the City at the time the agreement is signed. It does allow the City to still meet the intent of the code

which is that the fee shall be fixed by the City Council and will be included in the resolution approving and forming the reimbursement district.

6. The period of time that the right to reimbursement exists shall be 10 years.



SEWER BASIN

SCALE: 1" = 250'

X Ryan Oster

Ryan Oster

City Engineer

Signed by: Ryan Oster

Ryan Oster, PE/PMP | City Engineer

