

*RESOLUTION NO. 688*

*A RESOLUTION DESIGNATING THE NORTH REDWOOD STREET STORM DRAINAGE IMPROVEMENT PROJECT AS AN ADVANCE FINANCED IMPROVEMENT, PROVIDING FOR ADVANCE FINANCED REIMBURSEMENT FROM BENEFITTING PROPERTIES.*

**WHEREAS**, the City of Canby has proposed an advanced financing program for a public improvement with a net development cost of \$425,325 and;

**WHEREAS**, the total benefitting sites equal 72.16 acres; and

**WHEREAS**, the City's consulting engineer prepared a staff report identifying the benefitting property owners, a copy of which is attached hereto as Exhibit "A" and by this reference incorporated herein; and

**WHEREAS**, the reimbursement procedure, as provided in the Municipal Code Chapter 4.12, specifies annual simple interest on the amount advance financed; now therefore it is hereby

**RESOLVED** that the City Council instruct the City Administrator to implement the advanced financed improvement proposal in the amount of a 1999 cost of \$425,325, with allocations of \$7,476.77 per benefitted acre, and a fixed assessment of \$178,750 for the City of Canby as shown in the attached Exhibit "A", and including annual simple interest as set forth in Chapter 4.12 of the Municipal Code in the amount of 2.5 percent; and

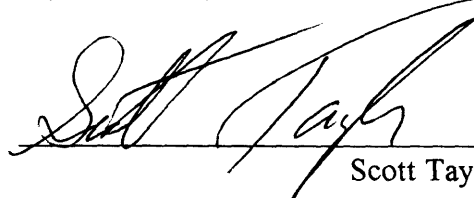
**BE IT FURTHER RESOLVED** that the North Redwood Street Storm Drainage Improvement project, located on North Redwood Street, is designated as an advanced financed improvement and said benefitting property owners, as designated in Exhibit "A", shall be responsible for advanced financing reimbursement in the amounts indicated; and

**BE IT FURTHER RESOLVED** that this advanced financing program shall remain in effect a period of ten (10) years with rights of the City to extend this advanced financing program for two (2) additional five (5) year periods, as set forth in the Ordinance Section 4.12.090, or until the principal, plus any accrued interest, has been paid in full to the City of Canby.

**ADOPTED** by the Canby City Council at a regular meeting thereof on December 1, 1999.

ATTEST:

  
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Chaunee Seifried, City Recorder

  
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Scott Taylor, Mayor

**City of Canby  
Advanced Financing Engineering Report**

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***North Redwood Street Storm Drain Improvements***

**Revised November, 1999**

In 1994, the City of Canby completed a Storm Drainage Master Plan that identified the existing drainage patterns and recommended capital improvements to accommodate buildout of the Urban Growth Boundary. This plan identified work in two phases, Phase I and II, that was required to transport runoff from the area of North Redwood Street, where typical subsurface disposal was ineffective.

In 1997, application was made and approved to annex developable lands along North Redwood Street that are dependent upon implementation of Phase I of the Storm System Master Plan. Additionally, many developments have occurred over the past three decades that also contribute to the surface water runoff in this area, and that would benefit by construction of Phase I of the plan.

To provide these services, the City initiated the North Redwood Street Storm Drain Improvement Advanced Financing District. The District will insure that storm drainage improvements are constructed to correct the deficiencies identified in the Master Plan as well as provide the mechanism to recover costs from the benefitted property owners.

The boundaries of the financing district include all of the areas which benefit from the construction of a storm drainage system along North Redwood Street as shown on the drawing bound as Attachment 1. The boundaries and benefitted areas are fully described in the attached legal description. All of the land within the benefitted area was identified in the Master Plan as not suitable for dry well storm water disposal.

The eastside boundary shown on Attachment 1 was limited at Redwood Street due to the natural ground slope to the east and the location of a natural drainage way which collects all properties east of Redwood. This drainage is collected in the retention ponds south of Territorial Road and ultimately discharged to the Willamette River.

**Construction Phases and Project Scope**

Construction of the recommended storm drain facilities has been divided into two phases, phase one and phase two (not to be confused with Phase I and Phase II of the Master Plan). Phase one provides the mainline facilities that will collect the storm water discharged from the existing developments along Pine Street as well as providing the mainline system for the two new subdivisions along Redwood Street. The City completed the phase one construction project in 1999, identified as the North Redwood Street Storm Drainage Improvements.

These mainline improvements have been sized to handle the existing developments as well as any future developments within the benefitted area. These initial facilities, as well as the phase two improvements, are shown on attachment 1, the Proposed Boundary of the Advance Financing District

As can be inferred from the system layout, most of the tax lots within the benefitted area will be required to construct future storm water collection facilities to connect to the phase one improvements. Phase two of the work, a portion of which has already been built, will be constructed by private development as growth occurs. The construction of catch basins and the small diameter collection piping has not been included either phase one or two and is the responsibility of each private developer.

The mainline pipe sizes selected are based on full development within the benefitted area. The pipe routes as shown on the attached drawings are schematic only and may vary to provide storm drainage improvements near the low area of each tax lot.

Heritage Park and Erika Acres are the first two private developments within the AFD with a component of phase two work. These developments have completed portions of the second phase of work under their private development contracts. The remainder of the identified phase two improvements will be constructed by future developers.

### **Basis for Advance Financing of Public Improvements**

The Canby Municipal Code chapter 4.12 identifies the City's procedures for implementing an Advance Financed public improvement. This generally allows for construction of public improvements with a provision for collecting reimbursement from benefitted properties. This reimbursement becomes due only at the time the property owners apply for connection to the Advance Financed public improvement or apply for building permits for projects that utilize an Advance Financed public improvement.

Allocations of cost accrue interest at a rate determined by the City Council. The allocations against each property remain for the life of the District, which by Code is ten years with the option to renew for two additional five year periods. If the properties are not developed within this time frame, no charges are assessed or due from the property owners.

This report was prepared to comply with the requirements identified in the City of Canby "Advance Financing of Public Improvements" Municipal Code Chapter 4.12, a copy of which is attached as Attachment 6.

### **Project Cost Estimates and Revenue Sources**

The phase one mainline construction was completed in 1999 and was used as the basis for the unit price for each proposed pipe size. In addition to the construction costs, administrative, legal and engineering costs have been included in the pipe unit prices. These costs are shown in Attachment 3. Project Accounting, and Attachment 4, Engineer's Estimate, at a total of \$425,325 through November 1999.

Phase two is estimated to cost \$157,619. The sum of phase one and phase two equals the total project cost of \$582,944.

### **Advanced Financing District Allocations**

Per common law, natural storm water is permitted to discharge onto adjoining properties, however, the quantity of flow cannot be increased by development. As residential properties develop, the surface water runoff does increase due to an increase of impermeable surfaces.

To comply with common law, each property must limit the quantity of runoff to equal the predeveloped rates, most typically through the use of detention ponds. Detention ponds would be required of all properties and for residential zoning, would be sized comparably on a per acre basis. The connecting channels or pipe between ponds would gradually increase in size to handle the accumulation of flow.

The construction of multiple individual detention ponds is not the least cost solution when the entire basin is analyzed. A regional piping system to a surface water outfall is less expensive to each property owner, especially when the value of the recovered land is included. As a result, a regional approach was used to identify the needs of the benefitted area.

The City Council has reviewed the specific demands for existing developments and has committed to increase their level of financial participation based on the cost to resolve their immediate drainage needs. This results in a higher cost than their prorated share of the regional system. Costs allocated to the existing developed properties will by default become the responsibility of the City of Canby, unless the sites are redeveloped.

The existing developments along North Pine Street include a total of 18.11 gross acres. Storm water service to this area would have been provided by extension of a mainline north to Territorial Road. Based on the bid costs received for phase one improvements, the cost of this line is estimated as follows including engineering:

18" Pipe	2,000' @ \$68/ft	\$ 136,000
15" Pipe	750' @ \$57/ft	42,750
<b>TOTAL CITY SHARE</b>		<b>\$178,750</b>

In building a regional solution, it is reasonable and equitable to allocate costs equally to all benefitted properties. Allocation of the project cost, excepting the City share, is therefore based on the total remaining costs divided by the remaining number of benefitted acres. The City's share is \$178,750 which equates to \$9,870.24 per acre. The costs above the City's prorated share will provide the City any excess capacity that may remain in the system after full build out.

The remaining costs are allocated as follows:

<b>TOTAL PROJECT COST</b>	<b>\$ 582,944</b>
City Share for Existing Development	178,750
<b>REMAINING PROJECT COST</b>	<b>\$404,194</b>
<b>TOTAL BENEFITTED PROPERTY</b>	<b>72.17 acres</b>
Area of Existing Development	18.11 acres
<b>REMAINING PROPERTY</b>	<b>54.06 acres</b>
<b>ALLOCATION PER ACRE</b>	<b>\$7,476.77 per acre</b>

The area of each benefitted tax lot or development within the District has been summarized in Attachment 5, AFD Allocations. A breakdown of the allocations to each property has also been provided.

The column in Attachment 5 entitled "Total Project Costs" is the allocation of project cost to each property, based on the per acre costs of \$7,476.77 per acre for private property and \$9,870.24 per acre for the existing developments. The next column, "Credit for Phase Two Work" is the credit due a developer who must construct portions of phase two to serve their benefitted property. Finally, the "Net AFD Allocation" is the difference between the total cost and any credit identified.

### **Public Hearing and Attachments**

Upon Council review and discussion of this report an informational public hearing will be scheduled. In that Advance Financed Public Improvements do not result in assessments, the public hearing is for informational purposes only, and is not for the purpose of remonstrance. The decision to proceed is solely at the discretion of the Council.

If objections are raised by private property owners, the City is not mandated to abandon the District, but rather their recourse is to not utilize the advance financed public improvement. This will exclude them from any allocation or assessment of project cost.

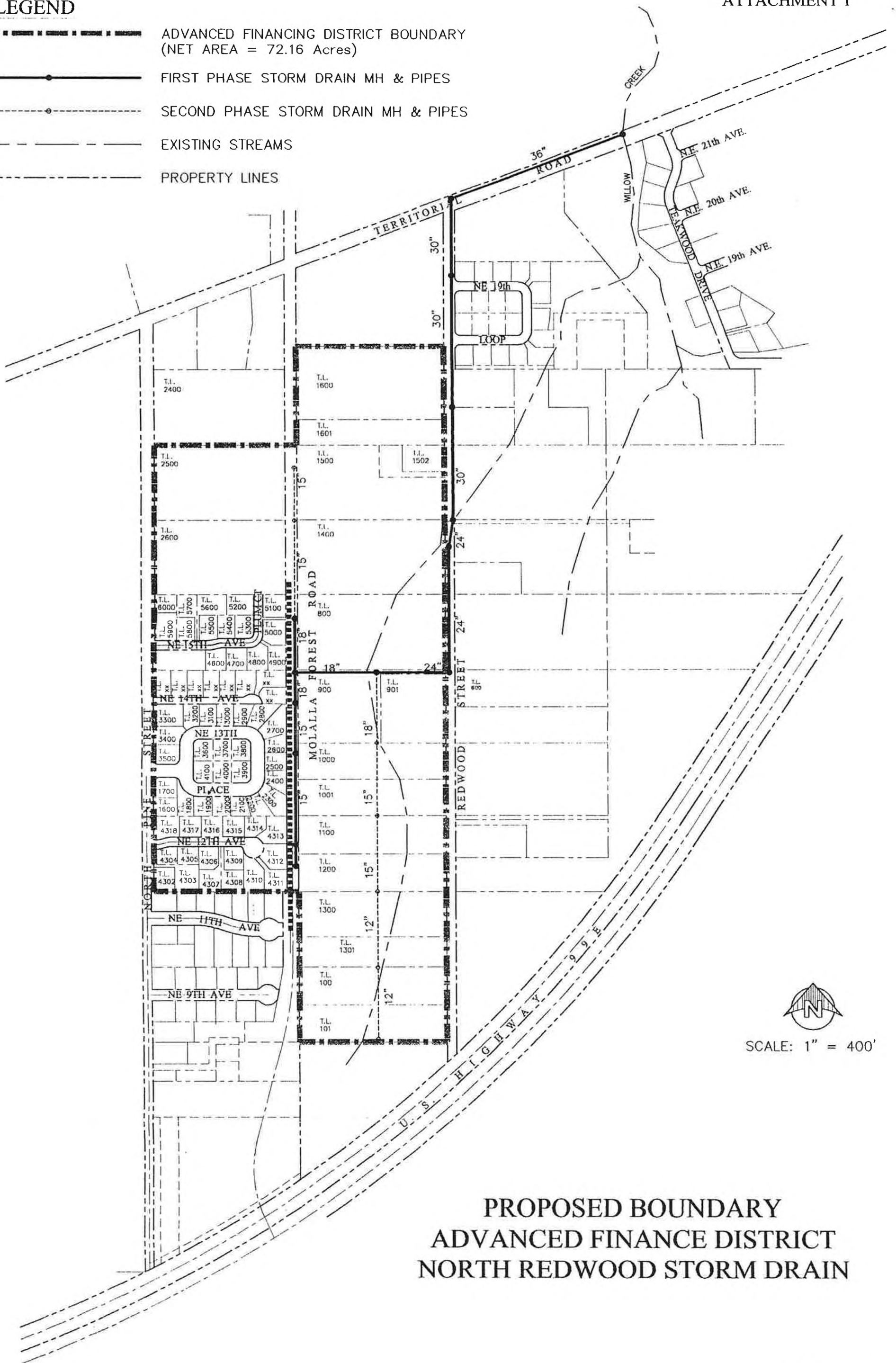
The attachments to this report are as listed below:

1. AFD boundaries and storm drainage improvements map (Attachment 1)
2. Legal description of benefitted area (Attachment 2)
3. N Redwood Storm Drain Project Accounting (Attachment 3)
4. Engineer's Estimate (Attachment 4)
5. AFD Allocations (Attachment 5)
6. Copy of Advance Financed Public Improvements Ordinance (Attachment 6)

# LEGEND

ATTACHMENT 1

- ADVANCED FINANCING DISTRICT BOUNDARY  
(NET AREA = 72.16 Acres)
- FIRST PHASE STORM DRAIN MH & PIPES
- SECOND PHASE STORM DRAIN MH & PIPES
- EXISTING STREAMS
- PROPERTY LINES



## PROPOSED BOUNDARY ADVANCED FINANCE DISTRICT NORTH REDWOOD STORM DRAIN

CURRAN-McLEOD, INC.  
CONSULTING ENGINEERS

6655 SW. HAMPTON ST., SUITE 210  
PORTLAND, OREGON 97223  
PHONE (503) 684-3478

**LEGAL DESCRIPTION OF BENEFITTED AREA**

Advanced Financing District  
North Redwood Storm Drain Improvements  
City of Canby

BEGINNING AT THE NORTHWEST CORNER OF THE TRACT OF LAND RECORDED AS FEE NUMBER 92-57422, CLACKAMAS COUNTY DEED RECORDS; THENCE EASTERLY ALONG THE NORTH PROPERTY LINE OF SAID TRACT OF LAND APPROXIMATELY 640 FEET TO THE POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF NORTH REDWOOD STREET; THENCE SOUTHERLY ALONG THE WEST RIGHT-OF-WAY LINE OF SAID STREET APPROXIMATELY 3,069 FEET TO THE SOUTH LINE OF THE TRACT OF LAND RECORDED AS FEE NUMBER 88-38850, CLACKAMAS COUNTY DEED RECORDS; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID TRACT OF LAND APPROXIMATELY 640 FEET TO THE SOUTHWEST CORNER OF SAID TRACT OF LAND; THENCE NORTHERLY ALONG THE EAST RIGHT-OF-WAY LINE OF THE MOLALLA FOREST ROAD APPROXIMATELY 660 FEET TO THE SOUTHWEST CORNER OF THE TRACT OF LAND RECORDED AS LAND CONTRACT FEE NUMBER 97-097823, CLACKAMAS COUNTY DEED RECORDS; THENCE WESTERLY APPROXIMATELY 640 FEET TO APPROXIMATELY 10 FEET WEST OF THE SOUTHWEST CORNER OF THE TRACT OF LAND RECORDED AS FEE NUMBER 98-005061, CLACKAMAS COUNTY DEED RECORDS; THENCE NORTHERLY ALONG A LINE APPROXIMATELY 20 FEET EAST OF AND PARALLEL TO THE CENTER LINE OF NORTH PINE STREET FOR APPROXIMATELY 1,980 FEET TO THE NORTH PROPERTY LINE OF THE TRACT OF LAND RECORDED IN BOOK 392, PAGE 516, DEED OF RECORD, CLACKAMAS COUNTY DEED RECORDS; THENCE EASTERLY ALONG THE NORTH PROPERTY LINE OF SAID TRACT OF LAND APPROXIMATELY 640 FEET TO THE NORTHWEST CORNER OF THE TRACT OF LAND RECORDED AS FEE NUMBER 91-28472, CLACKAMAS COUNTY DEED RECORDS; THENCE NORTHERLY APPROXIMATELY 429 FEET TO THE POINT OF BEGINNING EXCLUDING ALL RIGHT-OF-WAY FOR THE MOLALLA FOREST ROAD.



**ENGINEER'S ESTIMATE**  
**Advanced Financing District Project Costs**  
**North Redwood Storm Drainage Improvements**  
**Canby, Oregon**

ATTACHMENT 3

November, 1998

<i>Description</i>	<i>Units</i>	<i>Unit Price</i>	<i>First Phase</i>		<i>Second Phase</i>	
			<i>Quantity</i>	<i>Costs</i>	<i>Quantity</i>	<i>Costs</i>
Construction Costs						
12" Storm Drain	ft	\$45.00	0	\$0.00	468	\$21,060.00
15" Storm Drain	ft	\$57.00	714	\$40,698.00	1,767	\$100,719.00
18" Storm Drain	ft	\$68.00	736	\$50,048.00	510	\$34,680.00
24" Storm Drain	ft	\$84.00	967	\$81,228.00		
30" Storm Drain	ft	\$105.00	1,422	\$149,310.00		
36" Storm Drain	ft	\$110.00	770	\$84,700.00		
Miscellaneous Items (headwall, easement work, etc.)	lump sum		1	\$13,016.00		\$1,160.00
<b>Total Costs</b>				<b>\$419,000.00</b>		<b>\$157,619.00</b>
<b>Total Project Cost (Both Phases)</b>						<b>\$576,619.00</b>
Total Benefitted Area in Acres						72.16
<b>Total Cost per Benefitted Acre</b>						<b>\$7,990.84</b>

Note: All unit prices contain engineering, legal, and administrative costs amounting to approximately 15% of the construction cost.

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## ADVANCED FINANCING DISTRICT COST ALLOCATIONS

North Redwood Storm Drain Improvements  
City of Canby

November, 1998

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Tax Lot	Name	Area	Total Project Costs	Credits for Second Phase Work	Net AFD Allocations
31E 34BC 100	Wilson J & Betty J Hubbel 1045 N. Redwood St. Canby, OR 97013	2.42 acres	\$19,337.83	\$7,425.00	\$11,912.83
31E 34BC 101	Dwight D. Nofziger 939 N. Redwood St. Canby, OR 97013	2.43 acres	\$19,337.83	\$7,425.00	\$11,912.83
31E 34B 800 31E 27C 1400 31E 27C 1500	Fred J. Postlewait Sr. Trste. c/o Fred Postlewait Sr. 1629 N. Redwood St. Canby, OR 97013	14.10 acres	\$112,670.84	\$0.00	\$112,670.84
31E 34B 900	Heritage Park c/o Riverside Homes 15455 NW Greenbrier Pkwy, Suite 140 Beaverton, OR 97006	9.70 acres	\$77,511.15	\$52,598.00	\$24,913.15
31E 34B 1100 31E 34B 1300 31E 34B 130	Erika Acres c/o Willow Creek Estates, Inc. 1988 NE 19 <sup>th</sup> Avenue Canby, OR 97013 and	8.79 acres	\$77,591.05	\$44,001.00	\$33,590.05
31E 34B 1200	c/o Karen Foote 1177 N. Redwood St. Canby, OR 97013	0.92 acres			
31E 27C 1502	Richard D. & Carole A. Risley 1751 N. Redwood St. Canby, OR 97013	0.45 acres	\$3,595.88	\$0.00	\$3,595.88
31E 27C 1600	Dorothy E. Harder Trustee c/o Dorothy Harder 1855 N. Redwood St. Canby, OR 97013	4.65 acres	\$37,157.41	\$0.00	\$37,157.41
31E 27C 1601	John C. and Bette J. Vaudt 1773 N. Redwood St. Canby, OR 97013	1.66 acres	\$13,264.79	\$0.00	\$13,264.79
31E 27C 2500	Neland Beck 1732 N. Pine St. Canby, OR 97013	4.47 acres	\$35,719.05	\$18,810.00	\$16,909.05
31E 27C 2600	Lucille Franz 1546 N. Pine St. Canby, OR 97013	4.47 acres	\$35,719.05	\$27,360.00	\$8,359.05

## ADVANCED FINANCING DISTRICT COST ALLOCATIONS

North Redwood Storm Drain Improvements  
City of Canby

November, 1998

Page 2 of 2

Tax Lot	Name	Area	Total Project Costs	Credits for Second Phase Work	Net AFD Allocations
31E 34BB 1600 thru 4100	O-ME-CO Inc. #3 c/o City of Canby 182 N. Holly Canby, OR 97013	6.90 acres	\$55,136.79	\$0.00	\$55,136.79
31E 34BB 4401 thru 4408	North Woods Addition c/o City of Canby 182 N. Holly Canby, OR 97013	2.03 acres	\$16,221.40	\$0.00	\$16,221.40
31E 34BB 4500 thru 6000	North Pine Addition c/o City of Canby 182 N. Holly Canby, OR 97013	4.33 acres	\$34,600.34	\$0.00	\$34,600.34
31E 34BB 4302 thru 4318	Twelfth Pine Addition c/o City of Canby 182 N. Holly Canby, OR 97013	4.85 acres	\$38,755.57	\$0.00	\$38,755.57
<b>TOTALS</b>		72.16 acres	\$576,619.00	\$157,619.00	\$419,000.00