

RESOLUTION NO. 711

A RESOLUTION DESIGNATING THE NORTH IVY STREET IMPROVEMENT PROJECT, FROM 14TH AVENUE TO TERRITORIAL ROAD, AS AN ADVANCED FINANCED PUBLIC IMPROVEMENT, ESTABLISHING AN ADVANCED FINANCED DISTRICT AND PROVIDING FOR REIMBURSEMENT TO CITY OF CANBY FROM BENEFITTING PROPERTIES LOCATED WITHIN THE DISTRICT.

WHEREAS, the Canby City Council proposes to designate as an advanced financed district, a public improvement project with development costs of \$92,494.00, for N. Ivy Street from 14th Avenue to Territorial Road; and

WHEREAS, the total benefitting area for sanitary sewer improvement is eight potential building lots and the total benefitting area for street improvement is seven potential building lots; 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 City Council considered Resolution No. 711 at its meeting on September 15, 1999, which provided for the establishment of an advanced financed district for utility and street improvements installed by the City along N. Ivy street from 14th Avenue to Territorial Road; and

WHEREAS, the City of Canby proposed this advanced financed district encompass both utility and street improvement costs in one district; and

WHEREAS, the reimbursement procedure, as provided in Canby's Municipal Code Section 4.12.080, specifies annual simple interest to be assessed on the cost of the improvement as the rate established by the City Council, and the Council setting a rate of 5.15% based upon the same rate as the current state investment pool rate.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the public improvement project along North Ivy Street from 14th Avenue to Territorial Road is designated as the N. Ivy Street Advanced Financed District and said benefitting property owners, as designated in Exhibit "A" to this Resolution, shall be responsible for advanced financed reimbursement in the amounts indicated in Exhibit "A"; and

IT IS HEREBY FURTHER RESOLVED that the City Administrator is instructed to implement the advanced financed plan in the amount of \$92,494.00, with allocations

of \$3,714 per benefitted building lot for sanitary utility improvements and an allocation of \$8,969.00 per benefitted building lot for transportation improvements as shown in Exhibit "A" and including annual simple interest on the cost of the improvements at the rate of 5.15%; and

IT IS HEREBY FURTHER RESOLVED that the N. Ivy Advanced Financed District shall remain in effect until the principal, plus accrued interest has been paid by each benefitted property owner in full to the City of Canby, or no longer than twenty (20) years from the effective date of this Resolution, whichever first occurs.

ADOPTED this 15th day of September, 1999, by the Canby City Council.


Walt Daniels - Council President

ATTEST:


Chaunee Seifried,
City Recorder, Pro-Tem

City of Canby
Advanced Financing Engineering Report

North Ivy Street Improvements
North 14th Avenue to Territorial Road

REVISED AUGUST 12, 1999

In September of 1996, private development plans were prepared for construction of a subdivision on the projection of North Ivy Street between North 14th Avenue and Territorial Road. This development, named Leura Meadows, required the extension of North Ivy Street approximately 600 feet to intersect Territorial Road, and the extension of sanitary sewer along Territorial Road from Juniper Street.

The extension of Ivy Street would abut the Methodist Church property, which has curbed frontage improvements, a subsurface disposal system for sanitary sewer and a well for water supplies. Construction of North Ivy Street to Territorial Road would require the dedication of most of the right-of-way from the church property.

Sanitary sewer service to this proposed development would require extension of the 10" trunk main from Juniper Street toward Territorial Road. This line is unusually deep, projected to be nearly 20 feet at Holly Street, and the soil conditions such that a large trench would be required. This could result in very high costs, especially if the County required crushed rock or controlled density fill (low strength concrete) backfill.

The estimated costs and risks associated with these infrastructure needs ultimately resulted in cancellation of the project by the developer.

In 1998, the City of Canby identified North Ivy Street as an arterial street that could provide a direct transportation route from Highway 99E to Territorial Road. This reclassification of Ivy Street as an arterial, and the reduction of adjacent Holly Street classification from an arterial to a local street as proposed in the Transportation System Master Plan, increased the significance of this roadway extension, and provided a portion of the funding through transportation SDCs due to the regional benefits.

Equally important, the City of Canby agreed to pay all costs of improvements associated with the Methodist Church property in exchange for the dedication of the right-of-way for the North Ivy Street arterial.

With the City of Canby's assistance, the subdivision development became viable and the property owner coordinated with the City to form an Advance Financing District to fund the project. The construction plans previously prepared by the developer's engineer were used for construction and the project was included as a component of the 1998 Street Improvement Project undertaken by the City of Canby.

Upon nearing completion of construction, a formal request was initiated by the City for the City Council to form the advance financing district. In February 1999, the Council authorized the preparation of this engineering report in accordance with the requirements of the Municipal Code Chapter 4.12.

Advance Financed Public Improvements

The Municipal Code Chapter 4.12 identifies the City's procedure for creating an advance financed public improvement district. Establishment of a district generally allows for construction of public improvements with a provision for collecting reimbursement from benefitted property owners. Project costs are paid by the City and remain as an obligation of the benefitted property owners until paid.

A prorated share of the eligible project costs is allocated to each benefitted property. This allocation becomes due only at the time that the benefitted property owner applies for connection to the public improvement or applies for a building permit. These costs are not an assessment and do not result in a recorded lien against the properties.

Allocations of cost accrue interest at the annual rate established by the City Council pursuant to the Code. In that the City funded the advanced financed improvements, the allocations against each property remain without time limits until the properties are developed. If the properties are never developed, no payments are ever 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.

Project Scope

The project specific to the advance financing district includes a portion of the approximately 600 feet Ivy Street extension, from North 14th Avenue to Territorial Road with all utilities, as well as extension of the sanitary sewer from Juniper street to Ivy Street along Territorial Road.

In addition to this work scope, the City of Canby undertook the further extension of the sanitary sewer mainline along Territorial Road to the west side of Holly Street, with sanitary sewer SDC funding. This effort was in anticipation of Clackamas County completing planned improvements to Territorial Road over the next two years.

A detailed listing of construction quantities associated with the AFD is listed in the cost breakdown tabulation included herein. The construction of the AFD work is near completion with the only remaining task being placement of the final lift of asphalt surfacing, which is scheduled to be completed with the current North Ivy Street project.

AFD Project Costs

The construction work is mostly complete and the actual construction cost has been used to determine the cost of each component. In addition to the construction costs, administrative, legal and engineering costs have been included in the cost of the work. Lastly, half of CUB invoices number 3755 and 3756 for street lighting are also included in the allocations. The final AFD costs are the net costs after removing the cost associated with the Church property, and subtracting the street, sewer and water SDC eligible costs.

The total construction cost for the project, including the portions paid by other revenue sources, is \$227,116, and associated engineering expenses are \$21,685. The proportion of costs associated exclusively with each AFD component including engineering, as shown on the attachment, is as follows:

Sanitary Sewer Costs \$29,711

Street Improvement Cost \$62,783

Benefitted Properties & AFD Allocations

The limits of benefitted properties differ for the sanitary sewer and street improvements. The benefitted area for sanitary sewer service includes the Leura Meadows subdivision as well as the residential property to the north (3 1E 29CD 1500). The property north of Territorial Road is outside the Urban Growth Boundary and therefore not included. The Church property receives benefit, however their share of the cost is paid directly by the City and excluded from the AFD project cost, therefore that property is also excluded.

In summary, the benefitted area for the sanitary sewer service includes the six lots in the Leura Meadows subdivision, and two potential lots in the property north of Leura Meadows, for a total of eight building sites.

The benefitted area for the street improvements includes the six lots of the Leura Meadows subdivision as well as a portion of the tax lot north of the subdivision. This tax lot 3 1E 28CD 1500 has the potential for partitioning into two building sites, however one lot primarily faces Territorial Road which was not improved as a component of this project.

In the event the property owner of Tax Lot 1500 requests approval from the City Planning Department to partition an additional building lot, they will be required to construct frontage improvements along Territorial Road. As a result, only one building site is included in the benefitted area for street improvements for this property. In total, the AFD street costs will be allocated over seven building sites.

The Municipal Code identifies a method of allocating cost based on proportionate area, but also permits the Council to identify an alternative method of allocating costs if inequities are created by

the strict implementation of the area formula. In that these improvements essentially benefit succinct building sites with minor variation in size, this report recommends that the Council allocate costs on a per building site methodology. This results in an equal share of the development cost by each property owner.

The Leura Meadows subdivision was established by recording the plat after initiating the ADF improvements. Originally, the AFD costs were allocated to the Leura Meadows property in whole. After recording the plat, the property now exists as six independent tax lots, some with different owners, although only five of the lots are building sites. One lot contains the original house and will not be securing a building permit.

The Planning department and property owner should confirm the mechanism to collect the AFD cost allocated to the lot with the existing house. If the AFD costs are to be allocated over all six lots, then the allocation to the existing home site is due now, as the house has connected to the sewer system and has frontage improvements. If at the property owners request, the total AFD costs are to be allocated over only the five new building sites, then the costs will be inflated from the estimates provided earlier. This report will allocate the costs over all six lots within the subdivision, with the result of the allocation to the existing house being due immediately.

Each benefitted tax lot or building site within the District has been summarized in the following cost allocation table:

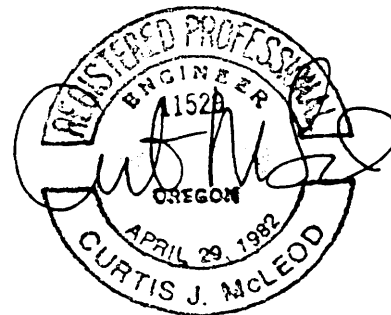
Public Hearing and Attachments

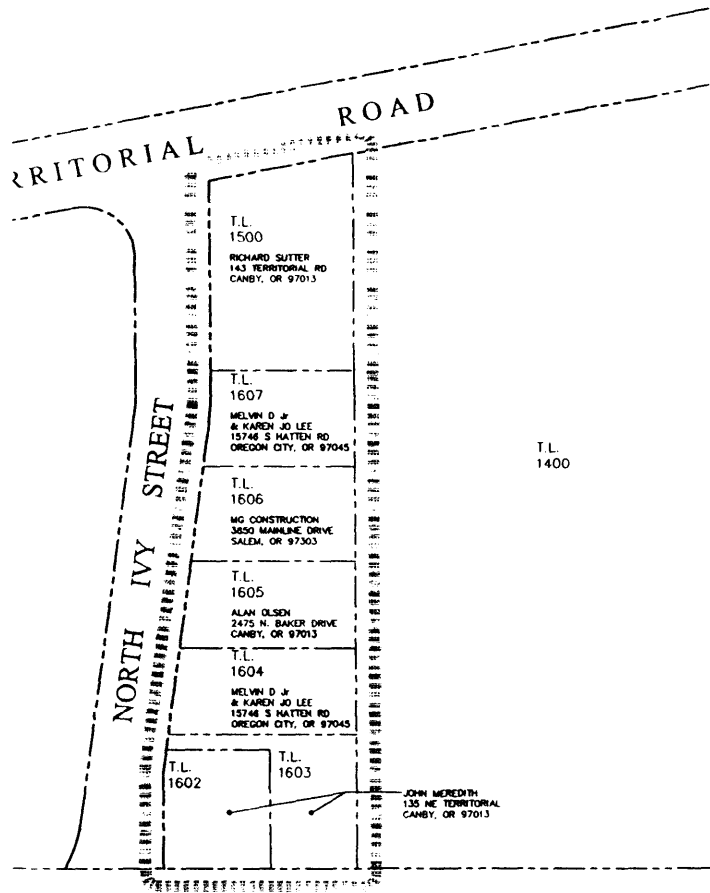
To review and discuss this report, an informational public hearing should be scheduled. Since Advance Financed Public Improvements do not result in assessments, the public hearing is for informational purposes only, and is not for the purpose of remonstrance. The decision to proceed is solely at the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

If objections are raised by private property owners, the Council should consider their concerns and modify the District or allocations as appropriate to be most equitable. Ultimately, if a private property owner objects to the Council's final decision, their recourse is to not utilize the advance financed public improvement and thus avoid all costs.

The attachments to this report are as listed below:

- Benefitted area map and legal description
- Advance Financing District Costs summary
- Advance Financing District Cost Allocations
- Copy of Advance Financed Public Improvement Code





CITY OF CANBY
 NORTH IVY STREET
 IMPROVEMENTS
 N. 14th AVENUE TO TERRITORIAL ROAD

ADVANCE FINANCED
 PUBLIC IMPROVEMENT
 BENEFITTED AREA

JUNE 1999

BENEFITTED AREA

Beginning at the northwest corner of Tax Lot 3 1E 28CD 1500 in the southwest 1/4 of Section 28, Township 3 South, Range 1 East, Willamette meridian; said point being on the easterly right-of-way line of North Ivy Street and the southerly right-of-way line of Territorial Road; thence easterly along the south right-of-way line of Territorial Road approximately 102 feet to the northeasterly corner of said Tax Lot 1500; thence south approximately 585 feet along the property line, to the southeast corner of Tax Lot 3 1E 28CD 1603; thence westerly approximately 145 feet, to the southwest corner of Tax Lot 3 1E 28CD 1602, said point being on the easterly right-of-way line of North Ivy Street; thence northerly along said east right-of-way line approximately 595 feet to the point of beginning.



EXPIRES: 12/31/2000

CURRAN-McLEOD,
 CONSULTING ENGINEERS

6655 SW. HAMPTON ST., S.
 PORTLAND, OREGON
 PHONE (503) 68

NORTH IVY STREET IMPROVEMENTS
ADVANCED FINANCING DISTRICT COST SUMMARY
August 1999

Sanitary Sewer

Mobilization		1,000
8" PVC	975 LF @ \$14.70	14,334
Manholes	2 @ \$1,937.50	3,875
Manhole with Drop	1 @ \$2,000	2,000
Service Laterals, 7 total		<u>5,900</u>
TOTAL		\$27,109.00

Street Improvements (18' Street Width)

Mobilization		3,125
Excavation	465 CY @ \$11.50	5,354
Curb	625 LF @ \$8	5,000
Base Rock	725 tons @ \$14.25	8,906
AC Surfacing	1250 SY @ 7.35	9,187
Saw Cut AC	40 LF @ \$1.50	60
Storm Drainage	1 D/W, 2 CB, 10" pvc	8,060
8' Waterline		13,430
Private Utility Construction		3,820
Temporary Access		<u>420</u>
TOTAL		\$57,362.00

Engineering Expense

Total Engineering Expense		\$21,685
Sanitary Sewer	27,109/227,116 = 12%	\$2,602
Street Improvements	57,362/227,116 = 25%	\$5,421

Sanitary Sewer AFD Cost

Construction	\$27,109
Engineering	<u>\$2,602</u>
TOTAL	<u><u>\$29,711.00</u></u>

Street Improvements AFD Cost

Construction	\$57,362
Engineering	<u>\$5,421</u>
TOTAL	<u><u>\$62,783</u></u>

NORTH IVY STREET IMPROVEMENTS
ADVANCED FINANCING DISTRICT COST ALLOCATIONS
 Revised August 12, 1999

SANITARY SEWER COST ALLOCATIONS: \$3,714/LOT

Tax Lot	Name	Building Sites	Cost Allocation	Sanitary Sewer Allocation
31E 28CD 1500	Richard N. Sutter 143 Territorial Road Canby, OR 97013	2	25%	\$7,428
31E 28CD 1602 31E 28CD 1603	John T Meredith 135 NE Territorial Road Canby, OR 97013	2	25%	\$7,428
31E 28CD 1604 31E 28CD 1607	Lee Melvin D Jr & Karen Jo 15746 S Hatten Rd Oregon City, OR 97045	2	25%	\$7,428
31E 28CD 1605	Alan Olsen 2475 N Baker Drive Canby, OR 97013	1	12.5%	\$3,714
31E 28CD 1606	MG Construction 3850 Mainline Drive Salem, OR 97303	1	12.5%	\$3,714
TOTAL		8	100%	\$29,712

STREET IMPROVEMENT COST ALLOCATIONS: \$ 8,969/LOT

Tax Lot	Name	Building Sites	Cost Allocation	Sanitary Sewer Allocation
31E 28CD 1500	Richard N. Sutter 143 Territorial Road Canby, OR 97013	1	14.30%	\$8,969
31E 28CD 1602 31E 28CD 1603	John T Meredith 135 NE Territorial Road Canby, OR 97013	2	28.60%	\$17,938
31E 28CD 1604 31E 28CD 1607	Lee Melvin D Jr & Karen Jo 15746 S Hatten Rd Oregon City, OR 97045	2	28.60%	\$17,938
31E 28CD 1605	Alan Olsen 2475 N Baker Drive Canby, OR 97013	1	14.30%	\$8,969
31E 28CD 1606	MG Construction 3850 Mainline Drive Salem, OR 97303	1	14.30%	\$8,969
TOTAL		7	100%	\$62,783