

AN ORDINANCE TO DETERMINE THE ASSESSMENTS AGAINST THE PROPERTIES SPECIFICALLY BENEFITED BY STREET, STORM DRAIN, WATER AND SANITARY SEWER IMPROVEMENTS FOR ST-08-04, INFRASTRUCTURE IMPROVEMENTS – SOMERSET TO SCHOOL, AND DECLARING AN EMERGENCY.

RECITALS:

1. The assessments as referred to in this ordinance and previous resolutions and ordinances are for the street, storm drain, water and sanitary sewer improvements to serve ST-08-04, Infrastructure Improvements – Somerset to School.
2. Preliminary resolutions and ordinances prescribing the manner and extent of the improvements are set forth in Resolutions Nos. 5583, 5597, 5605 and 5912.
3. The assessments set forth in the following ordinance are based upon the request and recommendation of the City Engineer in compliance with Albany Municipal Code, Section 15.04.110.

THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: The net assessable cost of the street, storm drain, water and sanitary sewer improvements to serve ST-08-04, Infrastructure Improvements - Somerset to School are as follows:

<u>Project</u>	<u>Interest & Misc.</u>	<u>Construction Cost</u>	<u>16.3 % ELA</u>	<u>Total Cost</u>
ST-08-04	\$185,693.00	\$2,906,458.68	\$602,152.54	\$3,694,304.22

Section 2: Property and assessment data are listed on the attached sheets.

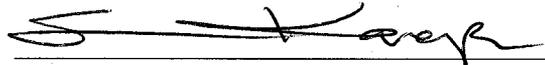
Section 3: The City Recorder is hereby directed to enter a statement of the assessments as above provided in the docket of the City liens and give notice thereof as provided by law.

Section 4: Inasmuch as this ordinance is necessary for the immediate preservation of the peace, safety, and health of the City of Albany, Oregon, an emergency is hereby declared to exist; and this ordinance shall be in full force and effect immediately upon passage by the Council and approval by the Mayor.

Passed by Council: June 23, 2010

Approved by the Mayor: June 23, 2010

Effective Date: June 23, 2010



Mayor

ATTEST:



City Clerk



TO: Albany City Council

VIA: Wes Hare, City Manager
Diane Taniguchi-Dennis, P.E., Public Works Director *haretan*

FROM: Mark W. Shepard, P.E., Assistant Public Works Director / City Engineer *MWS*
Jeff Woodward, P.E., Civil Engineer II *JW*

DATE: June 15, 2010, for the June 23, 2010, City Council Meeting

SUBJECT: ST-08-04, Infrastructure Improvements – Somerset to School
Final Engineer's Report and Ordinance to Assess

RELATES TO STRATEGIC PLAN THEME: • Great Neighborhoods

Action Requested:

Staff requests that Council adopt the Final Engineer's Report and Financial Investigation Report regarding the final assessments for the Local Improvement District (LID) project ST-08-04, Infrastructure Improvements – Somerset to School. It is further requested that Council adopt the attached ordinance for determining the assessments for this LID.

Discussion:

Background

This project involves two large parcels, located at the east end of Somerset Drive and south along the newly constructed portion of Timber Ridge Street. The LID Boundary map for these parcels is shown on Attachment A.

Greater Albany Public Schools (GAPS) received a Notice of Decision (NOD) for the construction of a new school north of Knox Butte Road on August 29, 2007. An anticipated private development project (Brandis Village) was going to be constructed between the school site and Knox Butte Road. However, the developers of Brandis Village withdrew their application, leaving the School District with a significantly increased responsibility to complete off-site public infrastructure improvements in order to serve the new school. The School District approached the City with the idea of forming this LID to facilitate the construction of the public improvements while distributing the project costs equitably among the properties receiving special benefit from the project.

To meet a very aggressive time frame in order to construct the new school and have it open in fall of 2009, it was determined that GAPS would use their existing engineering consultant and construction contractor to complete the LID improvements acting as the City's agent under an Intergovernmental Agreement (IGA). The improvements included installation of sewer, water, street, and storm water infrastructure from the end of Somerset Drive to the southern boundary of the school parcel along Timber Ridge Street.

Improvements

Improvements that were constructed to support the new school and future development of the Brandis parcel include approximately 1,850 feet of new street with related storm drainage improvements, 400 feet of 24-inch water line, 1,600 feet of 12-inch water line, 400 feet of 15-inch sanitary sewer, and 1,600 feet of 12-inch sanitary sewer.

Assessment Methodology

The two properties affected by this LID are the Brandis parcel and the GAPS parcel. The method of assessment is consistent with the area basis methodology recommended in the Initial Engineer's Report. The Brandis parcel is assessed for an area 150-feet deep, a standard lot depth, along the full length of the property fronting the north and east sections of Somerset Drive and Timber Ridge Street, and for the entire developable property area southwest of these streets. The GAPS property will be assessed for their entire property area. There are areas within the LID boundaries that are dedicated as greenways. These areas are undevelopable and as such have been removed from the assessable area.

Summary of Final Project Costs

The costs for engineering, legal, and administration services along with project financing costs have been added to the construction costs to determine the total final project cost of \$3,786,304.22. The City is participating in the project by contributing water and sewer SDC funds in the maximum amounts identified in the Initial Engineer's Report.

The final street and storm drainage improvement costs are \$1,934,044.19. The final costs for the water improvements are \$319,564.08 with a City contribution of \$76,000. The final costs for the sewer improvements are \$1,532,695.95 with a City contribution of \$16,000.

The total final project costs are summarized below. These figures and the net assessable cost distribution are shown on the assessment computation sheet, Attachment B.

Street and Storm Drainage	\$1,934,044.19
Water	\$319,564.08
Sewer	<u>1,532,695.95</u>
Total Project Cost	\$3,786,304.22
City - Water SDC Contribution	(76,000.00)
City - Sewer SDC Contribution	<u>(16,000.00)</u>
Net Assessable Cost	\$3,694,304.22

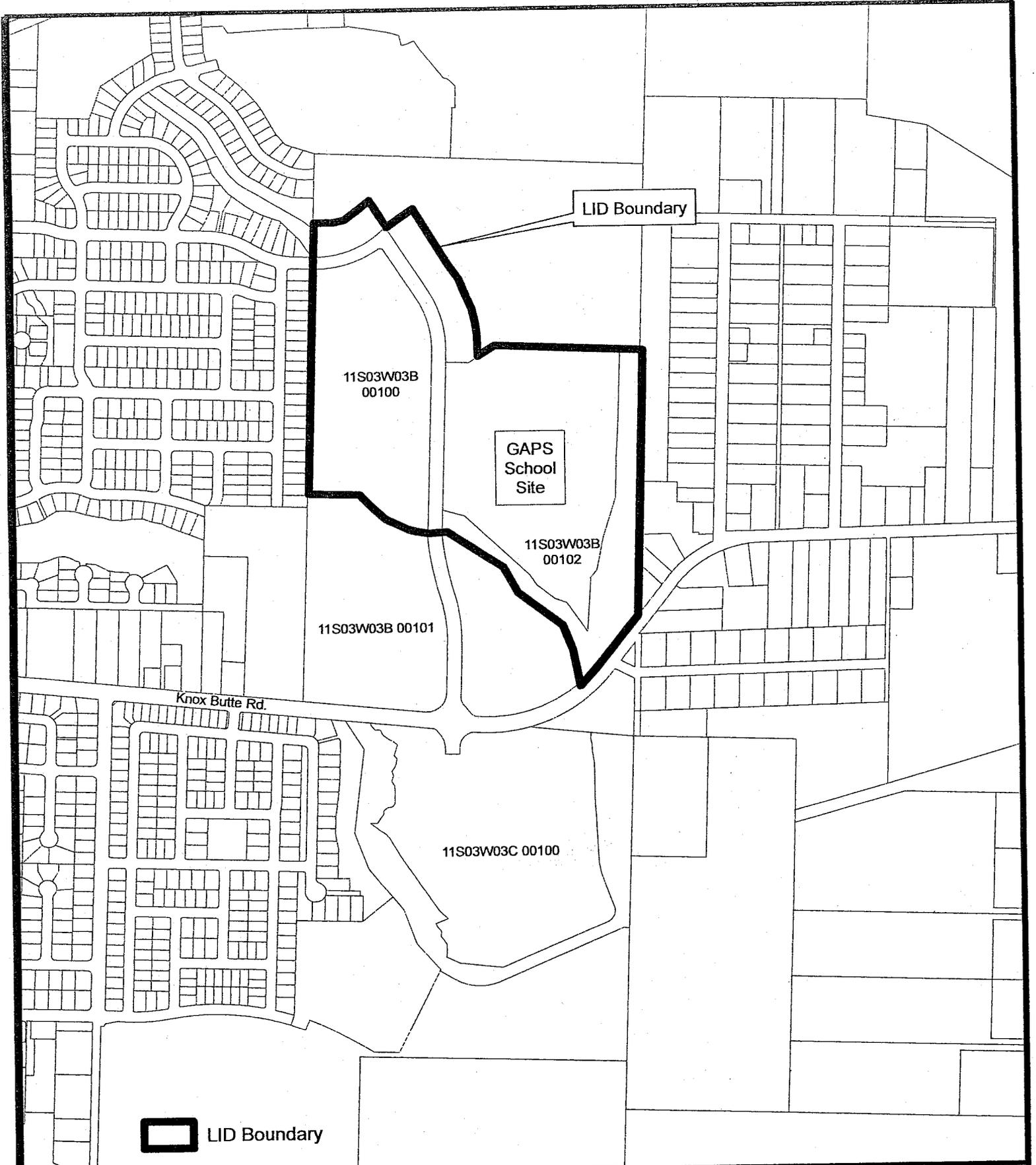
The school district utilized Ed Fitz-Patrick, Senior Project Manager for Heery International, Inc., to keep the project on schedule. The project was successfully completed in time to meet GAPS requirement that Timber Ridge School was open to receive students in September 2009. The total project cost is approximately \$479,000 higher than estimated in the Initial Engineer's Report. Mr. Fitz-Patrick is available to answer any questions about the project.

Budget Impact:

City participation with water and sewer SDC funding is to pay over-sizing costs of the water and sewer main lines. The net cost of the improvements will be assessed to the benefiting properties.

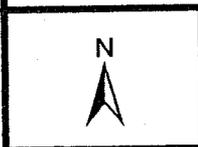
JMW:kw

Attachments (4)



LID Boundary: ST-08-04, Infrastructure Improvements, Somerset to School

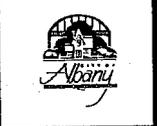
Attachment A



Engineering

Jeff Woodward

1 inch = 602.601454 feet



U:\Shared\GIS\Engineering\Chris Goins\Final LID North.mxd

The City of Albany's infrastructure records, drawings, and other documents have been gathered over many decades, using differing standards for quality control, nomenclature, and notation. All the information provided represents current information to a readily available format. While the information provided is generally believed to be accurate, occasionally this information proves to be incorrect, and that its accuracy is not warranted. Prior to making any property purchases or other investments based in full or in part upon the information provided, it is specifically advised that you independently verify the information contained within our records.

FINAL ENGINEER'S REPORT		ST-08-04, "Infrastructure Improvements - Somerset to School"							ATTACHMENT B	
		Street	Total	San Sew	Total	Water	Total	Total	CITY OF ALBANY	
	Assessor's Map	Unit	Street & St Dr	Unit	San Sew	Unit	Water	Estimated	ST-08-04	
Name	Tax Lot	(Ac)	Assm't	(Ac)	Assm't	(Ac)	Assm't	Assm't	Final Assessments	
									June 2010	
NET ASSESSABLE COSTS										
Greater Albany Public School Dist	11S03W03B 00102	20.28	\$1,123,207.79	20.28	\$880,830.29	20.28	\$141,451.30	\$2,145,489.39	Street and Strom Drain	\$1,934,044.19
									Sanitary Sewer	\$1,532,695.95
									Water	\$319,564.08
									Total Project Cost	\$3,786,304.22
									City Participation: San Sew SDC	(\$16,000.00)
Evelyn F Brandis Trust 1	11S03W03B 00100	14.64	\$810,836.40	14.64	\$635,865.66	14.64	\$102,112.78	\$1,548,814.83	City Participation: Water SDC	(\$76,000.00)
									Net Assessable Cost	\$3,694,304.22
NET UNIT ASSESSMENTS										
Street and Strom Drain										
									Est. Cost	\$1,934,044.19
									Unit	34.92 Ac
									Unit Cost	\$55,385.00 per Ac
Sanitary Sewer										
									Est. Cost	\$1,532,695.95
									City Particip.	(\$16,000.00)
									Net Cost	\$1,516,695.95
									Unit	34.92 Ac
									Net Unit Cost	\$43,433.45 per Ac
Water										
									Est. Cost	\$319,564.08
									City Particip.	(\$76,000.00)
									Net Cost	\$243,564.08
									Unit	34.92 Ac
									Net Unit Cost	\$6,974.92 per Ac
TOTALS		34.92	\$1,934,044.19	34.92	\$1,516,695.95	34.92	\$243,564.08	\$3,694,304.22		

FINANCIAL INVESTIGATION REPORT
ST-08-04, Infrastructure Improvements - Somerset to School LID
(As of June 1, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008			OTHER ASMNTS	ASMNT % TO TCV	10 YEAR MONTHLY PAYMENTS AT 6.55%
					LAND	IMPROVMENTS	TOTAL			
Brandis, Trust 1, Evelyn F c/o John S Brandis, et al PO Box 1087 Corvallis, OR 97339	11S03W03B 00100 Site: Acreage, Lot	41.92%	1,548,814.83	3,431,520	1,715,760	-	1,715,760	-	90.27%	17625.6
Greater Albany Public School District , c/o Russell Allen 718 7th Avenue SW Albany, OR 97321	11S03W03B 00102 Site: Acreage, Lot	58.08%	2,145,489.39	12,919,260	5,610,000	849,630	6,459,630	-	33.21%	24415.79
Totals			3,694,304.22	16,350,780	7,325,760	849,630	8,175,390		123.48%	42,041.39

FINANCIAL INVESTIGATION REPORT (Cont.)
ST-08-04, Infrastructure Improvements – Somerset to School
(As of June 1, 2010)

Section 3. Number of similar lots and property held by the City through foreclosure.

The City does not have property obtained through foreclosure. Eleven properties are delinquent more than one year.

Section 4. Delinquency rate of assessments and taxes in the area.

Ninety-six percent of City assessments are current. Property tax collections are projected to be 95 percent of current taxes levied.

Section 5. Real estate value trends in the area.

Real estate values within the City remain stable. Residential construction has been in a decline for the past two years. Building activity is expected to continue at a slow pace during FY 2010-2011.

Section 6. Tax levy trends and potential financial impact on the proposed LID.

Taxes will remain stable. A small increase should be expected from an estimated three percent increase in property values.

Section 7. Does the project conform to the City Comprehensive Plan?

This project conforms to the City's Comprehensive Plan.

Section 8. Status of City's debt.

Costs attributable to this project will be incorporated into the final assessment roll.

Section 9. Estimated cost of financing.

The City's practice is to charge the property owners 1.50 percent more than the rate on the bonds to pay for the costs associated with billing the property owners and administrating the LID. In 2002, assessment bonds sold at 5.05 percent; therefore, property owners paid 6.55 percent interest.

Section 10. General credit worthiness of property owners within the LID.

The estimated total assessments range from \$1,548,814.83 to \$2,145,489.39. The monthly payment for the proposed assessments project to range from \$17,625.60 to \$24,415.79 for a ten year term.

Note: Financing under ORS223.215 provides financing for a longer term.