

Council TABLED DISCUSSION on January 25, 2021 (Affected Party disagreed due to cost allocations were too excessive and Party was not extending their connection to new constructed public improvements)

RESOLUTION NO. 2021-06

**RESOLUTION ON FORMATION OF A PROPOSED REIMBURSEMENT DISTRICT,
PURSUANT TO CITY CODE SECTIONS 151.110 THROUGH 151.124,
“WAUNA CREDIT UNION PUBLIC IMPROVEMENT REIMBURSEMENT DISTRICT”**

WHEREAS, Wauna Credit Union constructed public improvements and would like an opportunity to recover some of their costs pursuant City code pertaining to Reimbursement Districts, Ordinance No. 2011-02 and City Code Sections 151.110 to 151.124 (FGMC); and

WHEREAS, the City gave notice of an informational public hearing to the applicant and all owners of property within the proposed District in which persons impacted by the creation of the Reimbursement District shall be given the opportunity to comment thereon; and

WHEREAS, the City Engineer, prepared a written report addressing formation of the proposed improvement reimbursement district and presented said report to the City Council at the Council’s January 25th meeting; and

WHEREAS, the report identified the specific parcels that would be included in the reimbursement district and will benefit from the improvement as well as method of establishing a cost for benefiting properties; and

WHEREAS, Formation of a District does not result in an assessment or lien against property. As a result, the hearing is informational only and the District is not subject to termination as a result of remonstrances to the formation thereof.

WHEREAS, The City Council has the sole discretion, after the public hearing, to decide whether the District is to be formed or not. If a District is to be formed, a resolution approving and forming the Reimbursement District shall be adopted.

WHEREAS, at the conclusion of the hearing, the City Council shall approve, reject, or modify the recommendations contained in the City Engineer’s report and manifest its action in a resolution. If a Reimbursement District is established, the resolution shall include a copy of the City Engineer’s report as approved or modified and specify that payment of the appropriate fee as determined by the Council for each parcel is a precondition to receipt of any city permit necessary for development of that parcel. If a Reimbursement District is established, it shall be deemed formed as of the date the Council adopts the resolution referred to; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. It is the intention of the City to approve the reimbursement district;
and

Section 2. The cost of the reimbursement district, the specific parcels that would be included in the reimbursement district and will benefit from the improvement as well as method of establishing a cost for benefiting properties, is described in Attachment 1, Engineers Report; and

Section 3. The City shall notify all property owners within the District and the applicant of the adoption of a reimbursement district resolution. The notice shall include a copy of the resolution, date it was adopted and short explanation of when the property owner is obligated to pay the reimbursement fee and the amount thereof; and

Section 4. The City Recorder shall cause notice of the formation and nature of the Reimbursement District to be filed in the office of the County Recorder in order to provide notice to potential purchasers of property within the District of its existence; and

Section 5. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 25th day of January, 2021.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 25th day of January, 2021.

Peter B. Truax, Mayor

4. A methodology for allocating the cost among the parcels within the proposed district and, where appropriate, defining a "unit" for applying the Reimbursement Fee to property which may be partitioned, subdivided or otherwise modified at some future date;

Improvements have the potential to benefit 17 other tax lots and costs for extension were allocated to the tax lots based on what is shown below. The costs were distributed based on the lands current tax lot information. Property owner names and tax lot details are on file and based on latest Washington County Assessor information. This assessment is tied to or runs with the land. The ownership details may change by the time of actual reimbursement collection.



Poplar Street Storm Pipe Extension Reimbursement District

**Property Total Amount To be Paid:
(an equally weighted split between property area & frontage length along improvement)**

1S305BA00100	WAUNA FEDERAL CREDIT UNION	3532 PACIFIC AVE	\$51,580
1S305BA00200	FERNHILL APARTMENTS LLC	3510 PACIFIC AVE	\$128,977
1S305BA00401	DIEGO, JAIME & JUAN, CATARINA AN	1948 POPLAR ST	\$4,925
1S305BA01700	PACIFIC DEVELOPMENT HOLDINGS LLC	1943 OAK ST	\$18,449
1S305BA01900	FERNHILL APARTMENTS LLC	1942 POPLAR ST	\$8,831
1S305BA02000	FERNHILL APARTMENTS LLC	1934 POPLAR ST	\$12,231
1S305BA02100	FERNHILL APARTMENTS LLC	1924 POPLAR ST	\$8,360
1S305BA02200	FERNHILL APARTMENTS LLC	1916 POPLAR ST	\$2,563
1S305BA02300	FERNHILL APARTMENTS LLC	1910 POPLAR ST	\$1,514
1S305BA03001	FERNHILL APARTMENTS LLC	1907 POPLAR ST	\$3,950
1S305BA03100	FERNHILL APARTMENTS LLC	1913 POPLAR ST	\$3,180
1S305BA03200	FERNHILL APARTMENTS LLC	3520 19TH PL	\$2,826
1S305BA03300	FERNHILL APARTMENTS LLC	3530 19TH PL	\$2,826
1S305BA03400	FERNHILL APARTMENTS LLC	3539 19TH PL	\$2,826
1S305BA03500	FERNHILL APARTMENTS LLC	3519 19TH PL	\$4,670
1S305BA03600	FERNHILL APARTMENTS LLC	1931 POPLAR ST	\$3,010
1S305BA03700	FERNHILL APARTMENTS LLC	1925 POPLAR ST	\$2,146
TOTAL			\$262,865

Poplar Street Sewer Pipe Extension Reimbursement District

**Property Total Amount To be Paid:
(an equally weighted split between property area & frontage length along improvement)**

1S305BA00100	WAUNA FEDERAL CREDIT UNION	3532 PACIFIC AVE	\$38,248
1S305BA00200	FERNHILL APARTMENTS LLC	3510 PACIFIC AVE	\$70,092
TOTAL			\$108,340

The cost allocation method proposed for the improvements is an equally weighted split between property area and frontage length along the utility improvement. The frontage component is intended to reflect the construction cost advantage that a property directly adjacent to the public improvements has when developing their property and connecting to existing public improvements. Therefore, properties within the service area that front the improvement will pay a larger portion of the costs than a property that is within the service area but does not have direct access to the improvement. The benefit area within a tax lot may be less than the entire tax lot area. This is true for the benefit area of the storm and sanitary sewer because the benefit area limits were derived from existing topography. The frontage cost distribution was calculated based on the length of improvement in front of the tax lot. The frontage cost length in some cases is less than the frontage of the lot because the improvement does not extend along the entire frontage. This is true at the upstream end of the sanitary and storm sewer.

5. The amount to be charged by the City for administering the project,

1	Reimbursement District Application Review Fee (City Engineer: \$143/Hr) (Engineering Technician: \$35/Hr)	\$1,000.00
2	Reimbursement District Agreement Administrative Fee: \$35/property	\$420.00
	Total	<u>\$1,420.00</u>

All fees shall be paid prior to entering into a reimbursement district agreement with the applicant.

6. The period of time that the right to reimbursement exists;

Pursuant to City Code, the right to reimbursement exists for ten years from the district formation date. Upon application for an extension, the City Council at its sole discretion and may authorize up to 10 more years for total reimbursement period not to exceed twenty years.

7. Whether the improvements will meet or have met City standards.

The constructed improvements have been reviewed, inspected, and accepted by the City in accordance with City standards.



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CITY COUNCIL STAFF REPORT

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>6.</u>
MEETING DATE:	<u>1/25/2021</u>
FINAL ACTION:	<u>RESO 2021-06</u>
<div style="border: 1px solid red; padding: 5px;"> Council TABLED DISCUSSION on January 25, 2021 (Affected Party disagreed due to cost allocations were too excessive and Party was not extending their connection to new constructed public improvements) </div>	

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Greg Robertson, Director of Public Works
Derek Robbins, Project Engineer*

MEETING DATE: *January 25, 2021*

SUBJECT TITLE: *Wauna Credit Union Proposed Public Improvement Reimbursement District*

ACTION REQUESTED:

	Ordinance	Order	X	Resolution	Motion	X	Informational
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X all that apply

This agenda item was considered on August 10, 2020 as Resolution 2020-85 and was removed from the agenda to allow staff and the property owner to address issues of mutual concern. It has been held in abeyance since then and is now placed on the agenda as the attached resolution.

BACKGROUND:

On January 11, 2011, City Council Adopted Ordinance No. 2011-02, which allows the City to create a process for development of reimbursement districts as a means to finance public improvements.

The City can form a reimbursement district when one party constructs and pays for infrastructure (sewer, water, storm, and street) that has the potential to benefit another party. If during the life of the reimbursement district (typically 10 years), the benefitted property owner makes use of the improvements, then the reimbursement is due. The benefitted property owner makes use of an improvement by developing adjacent to a street improvement or connecting to pipelines included in the reimbursement district.

The process includes preparation of a report by the City Engineer that outlines the improvement costs, the method of distributing the costs, the properties involved and includes details of the reimbursement agreement. The Engineer's Report is presented to the City Council at a public hearing and owners of property in the district are given the opportunity to provide input. Once approved by the City Council, a resolution is recorded against properties in the district. Reimbursements are collected by the City and turned over to the developer when properties in the district develop or make use of the improvements. See City Code Section 151.110 pertaining to reimbursement districts.

The Wauna Credit Union (WCU) was constructed and included necessary new public sewer (255 feet) and storm (900 feet) service extensions to the site through a public improvement agreement with the City. A majority of this public sewer and storm constructed by WCU will benefit other undeveloped properties as shown below. Therefore WCU submitted application for reimbursement district to potentially recoup some of their improvement costs from others taking benefit. A majority of the surround vacant lots shown below have been included in a recent development application accepted by to the City. Furthermore, that development has already been conditioned to participate in the reimbursement district once it has been formed.

ISSUE STATEMENT:

Wauna Credit Union has constructed public improvements and would like an opportunity to recover some of their costs pursuant City Ordinance No. 2011-02 and City Code Sections 151.110 to 151.124. Following are the necessary steps for creating this reimbursement district.

PUBLIC HEARING (January 25TH Meeting)

(A) Within a reasonable time after the City Engineer has completed the report, the City Council shall hold an informational public hearing in which persons impacted by the creation of the Reimbursement District shall be given the opportunity to comment thereon.

(B) Notice of the hearing shall be given not less than ten (before January 15th) nor more than 30 days prior to the public hearing date. Notice shall be given to the applicant and all owners of property within the proposed District with notification by certified mail, return receipt requested, or by personal service.

(C) Formation of a District does not result in an assessment or lien against property. As a result, the hearing is informational only and the District is not subject to termination as a result of remonstrances to the formation thereof. The City Council has the sole discretion, after the public hearing, to decide whether the District is to be formed or not. If a District is to be formed, a resolution approving and forming the Reimbursement District shall be adopted.

CITY COUNCIL ACTION.

At the conclusion of the hearing, the City Council shall approve, reject, or modify the recommendations contained in the City Engineer's report and manifest its action in a resolution. If a Reimbursement District is established, the resolution shall include a copy of the City Engineer's report as approved or modified and specify that payment of the appropriate fee as determined by the Council for each parcel is a precondition to receipt of any city permit necessary for development of that parcel. If a Reimbursement District is established, it shall be deemed formed as of the date the Council adopts the resolution referred to.

NOTICE OF ADOPTION OF RESOLUTION.

The city shall notify all property owners within the District and the applicant of the adoption of a reimbursement district resolution. The notice shall include a copy of the resolution, date it was adopted and short explanation of when the property owner is obligated to pay the reimbursement fee and the amount thereof.

RECORDING THE RESOLUTION.

The City Recorder shall cause notice of the formation and nature of the Reimbursement District to be filed in the office of the County Recorder in order to provide notice to potential purchasers of property within the District of its existence.



The Engineer's Report reflecting the actual construction costs of the project and the reimbursement fee for participating properties is attached.

FISCAL IMPACT:

The City collects a \$1,420 fee to administer the district on behalf of the owner, WCU.

STAFF RECOMMENDATION:

Staff recommends approval of the Engineer's Report and adoption of the reimbursement district resolution.

ATTACHMENT(s):

Attachment 1 – Engineer's Report.

Attachment 2 – Resolution forming the proposed reimbursement district.



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**NOTICE OF INFORMATIONAL HEARING
FOREST GROVE CITY COUNCIL
FORMATION OF PROPOSED REIMBURSEMENT DISTRICT
PURSUANT TO CITY CODE OF SECTIONS 151.110 TO 151.124,
“WAUNA CREDIT UNION PUBLIC IMPROVEMENT REIMBURSEMENT DISTRICT”**

NOTICE IS HEREBY GIVEN that the Forest Grove City Council will hold a Public Hearing on **Monday, January 25, 2021**, at **7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, at which time persons impacted by the creation of a Reimbursement District shall be given the opportunity to comment thereon. The City Council will consider the approval of a Resolution regarding the formation of a Reimbursement District. The Council has the sole discretion after the hearing to decide whether or not to form the proposed District. The proposed resolution, if enacted by the City Council, would take effect immediately.

Issue: Wauna Credit Union (WCU) has constructed public improvements of which a majority will benefit other undeveloped properties. Therefore, WCU would like a chance to recuperate some of their costs pursuant City Ordinance No. 2011-02 and City Code Sections 151.110 to 151.124. City staff has drafted an Engineer’s Report and proposes that the City Council set an informational public hearing as a first step in forming a reimbursement district.

Nature of Improvement: WCU has constructed 900 feet of Storm and 255 feet of sewer extensions.

Description of the property within the District: The properties to be assessed are described in the petition and further detailed in the Engineer’s Report.

Costs: The total cost of this project as shown below, \$262,865 (storm) & \$108,340 (sewer), will be reimbursed to WCU through the City from the reimbursement district when the properties develop and/or connect to the improvement. The following table identifies distribution of improvement costs:

Poplar Street Storm Pipe Extension Reimbursement District			
Property Total Amount To be Paid: (an equally weighted split between property area & frontage length along improvement)			
1S305BA00100	WAUNA FEDERAL CREDIT UNION	3532 PACIFIC AVE	\$51,580
1S305BA00200	FERNHILL APARTMENTS LLC	3510 PACIFIC AVE	\$128,977
1S305BA00401	DIEGO, JAIME & JUAN, CATARINA AN	1948 POPLAR ST	\$4,925

1S305BA01700	PACIFIC DEVELOPMENT HOLDINGS LLC	1943 OAK ST	\$18,449
1S305BA01900	FERNHILL APARTMENTS LLC	1942 POPLAR ST	\$8,831
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1S305BA03700	FERNHILL APARTMENTS LLC	1925 POPLAR ST	\$2,146
TOTAL			\$262,865

Poplar Street Sewer Pipe Extension Reimbursement District			
Property Total Amount To be Paid: (an equally weighted split between property area & frontage length along improvement)			
1S305BA00100	WAUNA FEDERAL CREDIT UNION	3532 PACIFIC AVE	\$38,248
1S305BA00200	FERNHILL APARTMENTS LLC	3510 PACIFIC AVE	\$70,092
TOTAL			\$108,340

Assessment Methodology: The cost allocation method for improvement is an equally weighted split between property area and frontage length along the utility improvement. More details are given in the Engineers Report. The costs were distributed based on the lands current tax lot information. Property owner names and tax lot details are on file and based on latest Washington County

Assessor information. This assessment is tied to or runs with the land. The ownership details may change by the time of actual reimbursement collection.

Notice of Hearing Regarding Improvement District Resolution:

1. The City Engineer has completed the report required in City Code Sections 151.110 to 151.124. The City Council shall hold a hearing (not less than ten nor more than thirty days prior to the public hearing date), in which persons impacted by the creation of the District shall be given the opportunity to comment. Notice shall be given to the applicant and all owners of property within the proposed District. Notice shall be given by certified mail, return receipt requested, or by personal service. Notice shall be deemed complete as of the date notice is mailed or served. Failure to receive actual notice of the hearing shall not invalidate or otherwise affect any action of the city relative to the creation of the Reimbursement District and/or the costs associated therewith.

2. Written testimony or remonstrances may be presented to the City Recorder until 5 p.m., January 22, 2021.

COVID-19 NOTICE: The City Council will be meeting remotely by video conferencing. The public may attend and observe in the Community Auditorium as space allows (social distancing, face coverings required). However, the Council encourages written comments or testimony to be submitted prior to the hearing by email to: aruggles@forestgrove-or.gov, or sent to City Recorder's Office, PO Box 326, 1924 Council Street, Forest Grove, Oregon 97116. Additionally, a copy of the City Engineer's Report is available for inspection at the Engineering Department, 1928 Council Street, Forest Grove, 9:00 a.m. to 5:00 p.m., 503.992.3228, or by visiting the City's website: www.forestgrove-or.gov. For further information about this hearing, please call the City Recorder's Office at 503.992.3235.

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Anna D. Ruggles, CMC, City Recorder
City of Forest Grove

Date: January 7, 2021 (NewsTimes)

Public Hearing for Resolution:

- Ask for STAFF REPORT;
- Ask if any members of Council have questions of staff; if none
 - Ask for MOTION TO ADOPT;

Councilor 1 states, “I move that “followed by a statement of the proposal”....be adopted.” *All discussion must wait until after the chair has stated the motion to the council and has called for discussion.*

Councilor 2 states, “I second the motion.”

Seconding the motion merely indicates that the member seconding it wishes the matter to come before the council for consideration. If no one seconds the motion, the chair may say, “Is there a second to the motion?” If there is none, the chair may declare, “Since there is no second, the matter is not before the council.”

- Open the public hearing; announce nature and purpose of the hearing;
 - Ask for Proponent’s testimony;
 - Ask for Opponent’s testimony;
 - Allow others to testify;
- Questions of Clarification: Ask if any member of the Council has any questions regarding clarification of the testimony;
- Close hearing;
- Council discussion: Ask if Council has any further questions or further discussion:

CITY COUNCIL ACTION.

At the conclusion of the hearing, the City Council shall **approve, reject, or modify** the recommendations contained in the City Engineer’s report and manifest its action in a resolution. If a Reimbursement District is established, the resolution shall include a copy of the City Engineer’s report as approved or modified and specify that payment of the appropriate fee as determined by the Council for each parcel is a precondition to receipt of any city permit necessary for development of that parcel. If a Reimbursement District is established, it shall be deemed formed as of the date the Council adopts the resolution referred to.

Note 1: If there are any modifications/amendments to the proposed Resolution/Exhibit A, the Mayor asks for a motion to amend; if yes, read amendment in full, ask for a second to amend and City Council votes on the amendment.

- Ask City Recorder for roll call vote; and
- Formally announce the vote of the motion and adoption of the resolution.



January 21, 2021

Forest Grove City Council
PO Box 326
Forest Grove OR 97116

RE: Proposed Reimbursement District

Dear Forest Grove City Council Members,

The Board and Leadership of Wauna Credit Union (WCU) appreciate the partnership and collaboration experienced with the City of Forest Grove during the construction process of our Forest Grove Branch.

It was WCU's objective to support the City of Forest Grove by constructing a facility that visually compliments the community in addition to developing requested public improvements that not only benefit WCU but also the adjoining undeveloped properties.

WCU values the City of Forest Grove findings with regards to the proposed Reimbursement District – we fully support these actions. As stated in the proposal, the actions reflects the effective collaboration during the construction process which positively contributed to further development of the Storm and Sewer utilities on Poplar St and Pacific Ave.

We appreciate the opportunity to be a part of the City of Forest Grove community and look forward to providing financial services promoting the financial well-being of the local residents.

The Council's consideration and approval of this proposal is appreciated.

Best,

A handwritten signature in black ink that reads 'Debi Smiley'. The signature is written in a cursive, flowing style.

Debi Smiley, CMO
Wauna Credit Union

Date: January 25, 2021

Agenda Item: 6.

Subject: INFORMATIONAL PUBLIC HEARING AND RESOLUTION NO. 2021-06 FORMATION OF PROPOSED REIMBURSEMENT DISTRICT PURSUANT TO CITY CODE OF SECTIONS 151.110 TO 151.124, "WAUNA CREDIT UNION PUBLIC IMPROVEMENT REIMBURSEMENT DISTRICT"

CITY COUNCIL MEETING

Request to Testify at Public Hearing

Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

Please sign-in below to testify:

PROPONENTS: *(Please print legibly)*

First & Last Name:

Debi Smiley, Wauna Credit Union

Jared Rickenbach

Address:

City, State & Zip Code:

OPPONENTS: *(Please print legibly)*

First & Last Name:

Jesse Nemec, JT Smith Companies

Michael Robinson, representing above

Address:

City, State & Zip Code:

OTHERS: *(Please print legibly)*

First & Last Name:

Address:

City, State & Zip Code:

