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RESOLUTION NO. 2017-16

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**A RESOLUTION OF THE CITY OF LINCOLN CITY AUTHORIZING AND
ESTABLISHING THE FORMATION OF THE "NE 36th DRIVE SANITARY
SEWER LOCAL IMPROVEMENT DISTRICT" AND ORDERING THE
CONSTRUCTION OF IMPROVEMENTS, CONSISTING OF GRAVITY AND
LOW PRESSURE SANITARY SEWER FACILITIES AND RELATED
APPURTENANCES AND AUTHORIZING THE CITY TO BORROW MONEY
AND ISSUE AND SELL NOTES FOR THE PURPOSE OF PROVIDING
FINANCING FOR THE ACTUAL COST OF THE LOCAL IMPROVEMENT**

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RECITALS

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- A. On April 10, 2017 the City Council Conducted a public hearing on a proposed reimbursement district for sanitary sewer improvements to NE 36th Drive in Lincoln City; during the hearing, staff's comprehensive report to Council presented an option for Council to proceed with a Local Improvement District in a larger area of 36th Drive, including up to 53 connections.
 - B. After deliberation, Council on April 10, 2017 did not proceed with the reimbursement district; instead, by unanimous consent, Council initiated a Local Improvement District, accepted the report of the Engineer on the proposed NE 36th Street LID option and directed staff to expeditiously proceed to hearing on the proposed larger LID option, pursuant to LCMC §13.04.030.
 - C. Resolution 2017-04 acknowledged the Council's acceptance of the Engineer's Report on April 10, 2017 as regards the larger LID option and Council's Intention to proceed with a hearing on the larger option; Resolution 2017-04 also authorizes the advertisement of the LID formation hearing held on May 8, 2017 pursuant to LCMC 13.04.040.
 - D. On May 8, 2017 Council conducted a Public Hearing on the proposed Alternative – Local Improvement District originally described in the April 10, 2017 Reimbursement District Report. Council continued the hearing several times to May 22, 2017, June 12, 2017 and June 26, 2017 and directed staff to hold neighborhood meetings, and provide notice to affected property owners of all the alternatives under consideration in this hearing. The result of the neighborhood meetings was a proposed modification of the LID to include several options, including one providing a system consisting of both pressure sewer and gravity sewer. Notice was provided to property owners of the options and alternatives

1 under consideration at the June 26, 2017 continued hearing. The revised District
2 also included alternative methodology changes as regards the larger undeveloped
3 commercial parcel. The Council closed the hearing and the record on June 26,
4 2017; after deliberation Council directed staff to proceed with the noticed "hybrid"
5 option.
6

7 E. After due consideration and deliberation, the Council found and determined
8 that the proposed sanitary sewer local improvement (hybrid option) is of
9 benefit to the City and all property to be assessed will be benefited to the
10 extent of the probable amount of the respective assessments to be levied.
11

12 F. On July 24, 2017, the Council declared by Resolution 2017-13, (Revised
13 Initiating Resolution) its intention to develop the sanitary sewer improvements
14 (hybrid option) described in the Resolution and June 2017 Final Engineering
15 Report, (the "NE 36th Drive LID Project") and to assess upon each lot or part of
16 lot benefited by the improvement its proportional share of the cost of the
17 improvement; and
18

19 G. The Council made no other substantial modification to the scope of the
20 hybrid option improvement which would substantially increase the
21 assessment, enlarge the district or substantial change the particulars in the
22 revised initiation resolution, or incorporated documents. Council directed
23 the Engineering Report be finalized and that staff return with the formation
24 resolution at a future meeting; and
25

26 H. Accordingly, in accordance with LCMC 13.04.050 and LCMC 13.04.070, the
27 City Council for the City of Lincoln City elects to form the proposed "NE 36th
28 DRIVE SANITARY SEWER LOCAL IMPROVEMENT DISTRICT" and order the
29 construction of the improvements, said construction and assessment to be in
30 substantial conformity with the revised initiating resolution;
31

32 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**
33 **LINCOLN CITY, AS FOLLOWS:**
34

35 **SECTION 1. RECITALS.** The above recitals are true and correct and are
36 incorporated herein by this reference.
37

38 **SECTION 2. FORMATION.** A local improvement district is hereby created and
39 shall consist of all the tax lots, or portions thereof, constituting benefitted

1 properties on the list described in Attachment A, Exhibit A and shown within the
2 map boundaries described in Attachment A, Figure 1 of the "NE 36th Drive Sanitary
3 Sewer Local Improvement District City Engineer's Report June 2017" (hereinafter
4 "June 2017 Final Engineering Report") said June 2017 Final Engineering Report being
5 attached hereto and incorporated herein by reference as "Attachment A".
6

7 **SECTION 3. ORDER.** The City Council orders and directs the
8 construction of the local improvements described herein and in substantial
9 conformity with the incorporated June 2017 Final Engineering Report, this Resolution,
10 Resolution 2017-13, and Chapter 13.04 Lincoln City Municipal Code. Such
11 improvements will be in accordance with costs estimated to be \$333,560.00 of
12 which 100% will be paid by special assessments on benefited properties. Costs
13 will be allocated based on estimated \$7,941.90 per equivalent dwelling unit or
14 potential equivalent dwelling unit within the assessment area, as more particularly
15 set forth in Attachment A. All lots will be assessed as specified in Attachment A.
16 The reduced allocation for 07-11-02CA00103 is subject to approval of a
17 Development Agreement within one year of the approval of this Resolution, and
18 if not entered into by the deadline the assessment for 07-11-02CA00103 shall be
19 for 33 equivalent units and all assessments shall be recalculated (i.e. reduced)
20 accordingly.
21

22 **SECTION 4. INTERIM FINANCING.** The City of Lincoln City is authorized to
23 borrow money and issue and sell notes for the purpose of providing interim
24 financing for the actual cost of the local improvement. The notes may be
25 payable from the proceeds of any bonds, issuance of additional notes or from
26 any other sources from which the bonds are payable. This borrowing shall be
27 issued according to the terms of ORS 223.235.
28

29 **SECTION 5. REIMBURSEMENT AUTHORIZED.** The City of Lincoln City expects to
30 make expenditures from its available funds to pay for the costs of the
31 improvement project. The City reasonably expects to issue bonds or other
32 obligations (the "Reimbursement Bonds") and to use the proceeds of the
33 Reimbursement Bonds to reimburse the City for the expenditures it makes from
34 its available funds for the improvement project. To permit interest on the
35 Reimbursement Bonds to be excludable from gross income, the Internal Revenue
36 Code of the United States requires that the City declare its intent to reimburse
37 itself from Reimbursement Bond proceeds within 60 days after the expenditures
38 are made. The City expects that the principal amount of the Reimbursement
39 Bonds will not exceed the actual project cost.
40

1 **SECTION 6. ASSESSMENT.** The assessment imposed upon benefitted properties
2 is characterized as an assessment for local improvement pursuant to ORS 305.583.

3
4 **SECTION 7. LIEN.** The city recorder is directed to prepare the estimated
5 assessment of the respective lots within the local improvement district and file it
6 in the lien records of the city.

7
8 **SECTION 8. INSTALLMENTS.** Pursuant to LCMC 13.04.120, if the Council by
9 Ordinance decides that the property benefitted shall bear all or a portion of the cost
10 of the LID Project, the Council will permit the owner of any property assessed for the
11 improvements at any time within twenty (20) days after notice of the assessment is
12 mailed, to file with the City Recorder a written application to pay the whole of the
13 assessment in equal semiannual installments over a period not to exceed twenty
14 (20) years as described in the June 2017 Final Engineering Report. Interest shall be
15 2.0 percent over the Local Government Investment Pool, a processing fee shall be
16 assessed and recording costs.

17
18 **SECTION 9. INSTALLMENT PAYMENT OF SDC CHARGES.** Pursuant to LCMC
19 13.08.085, the Council authorizes the owner of a parcel of land in this LID for which a
20 final assessment is made against the property, to make application for payment of
21 applicable sewer SDC charges in installments, plus interest on the unpaid balance in
22 accordance with ORS 223.208. The installment payment agreement shall be secured
23 by property lien, bond(s), deposits, letter of credit or other security acceptable to the
24 city manager. All requirements of LCMC 13.08.085 shall be strictly adhered to by the
25 applicant for SDC installment payment. The frequency of installment payments shall
26 be monthly and the interest rate shall be the same as the LID improvements as set forth
27 in Section 8 above. The processing fee shall be one-half percent of the final
28 assessment to cover the costs of processing the application and installment
29 agreement. The amount of the county recording fee for the lien or other security
30 instrument shall also be paid by the applicant.

31
32 **SECTION 10. ABANDONMENT.** LCMC 13.04.200 reserves to the City Council the full
33 power and authority to abandon or rescind proceedings for local improvements
34 made pursuant to Chapter 13.04 at any time prior to final completion of such
35 improvements. If liens have been assessed upon any real property under such
36 procedures they shall be canceled and any payments made on such assessments shall
37 be refunded to the person paying the assessment or his assigns or successors.

38
39 **SECTION 11. CONNECTION TO SEWER SERVICE** LCMC 13.12.160 permits Council
40 to excuse properties in a LID from the six month gravity and four year pressure sewer

1 connection timeframes in the code. Council relieves properties in this LID of the
2 above-referenced connection timeframes; however the properties remain subject to
3 all other connection triggers in LCMC 13.12.160.
4

5 **SECTION 12. FINDINGS ADOPTED.** The City Council finds and determines that the
6 initial public hearing, and the continued public hearings with additional noticed
7 options and alternatives were properly noticed and conducted. The Council further
8 finds that the establishment of the LID boundary includes all directly benefitted
9 properties, is logically configured based on topography and engineering constraints,
10 is in the best interest of the City and the public. The City further finds that the
11 allocation of assessment units and the cost of the improvement is a logical and
12 reasonable allocation of costs based upon the benefits received by the affected
13 properties. The Council adopts the findings and competent evidence contained in
14 Attachment A (*June 2017 Final Engineering Report*) as supporting its conclusion that
15 the improvements are in the public interest of the City of Lincoln City.
16

17 **SECTION 13. EFFECTIVE DATE** This resolution is effective as of the date of its
18 adoption and signature by the Mayor.
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20 PASSED AND ADOPTED by the City Council of the City of Lincoln City this 14th day of
21 August 2017.
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27 DON WILLIAMS, MAYOR
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31 ATTEST:
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36 CATHY STEERE, CITY RECORDER
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39 EXHIBIT A [ATTACHED] – JUNE 2017 FINAL ENGINEERING REPORT

NE 36th DRIVE SANITARY SEWER LOCAL IMPROVEMENT DISTRICT

City Engineer's Report June 2017

INTRODUCTION

City staff received a request for sanitary sewer on NE 36th Drive & West Devils Lake Road and first proposed a Reimbursement District to serve seven properties. At the Public Hearing for the proposed district on April 10, 2017, City Council directed staff to instead initiate a Local Improvement District (LID) and expand the service boundary. One reason for the change is the ability to finance the construction cost over 20 years using an LID, another reason for the change is to provide sewer service to additional properties on NE 36th Drive.

At the May 8, 2017 Public Hearing, Council directed staff to hold a neighborhood meeting to answer questions and ensure there was a good understanding of how the LID process works and the impacts to the property owners. The neighborhood meeting was held May 16, 2017 at 5:30 p.m. at City Hall. Over 15 property owners attended, as an outcome of the meeting and in an effort to reduce project costs; staff developed a hybrid gravity sewer and low-pressure sewer to serve the area. This hybrid plan was presented to City Council at the May 22nd Public Hearing. Staff was then directed by Council to hold another neighborhood meeting to more fully explain the LID process and answer further questions. The Council expressed a desire to determine if the low-pressure services could be included in the overall cost of the project.

PROPOSED BOUNDARY

The proposed LID property list is described in Exhibit "A" and the boundary is shown in Exhibit "B". The boundary includes 20 properties along NE 36th Drive; 18 existing single family residences with septic systems, one commercial property and building on a septic system and one undeveloped residential zoned lot.

ZONING

All properties within the proposed LID are zoned R-1-7.5 (Residential) except for the property 7-11-02CA 00103 which is zoned G-C (General-Commercial) see Figure 2. The R-1-7.5 zone allows single family homes with a minimum lot size of 7,500 square feet or a duplex with a minimum 8,000 square feet. The G-C zone accommodates a wide range of retail commercial uses. With a conditional use, it allows Multi-family dwellings developed under the standards and provisions of high density section of the R-M zone.

WASTEWATER MASTER PLAN BASINS

The proposed LID is located within the West Devils Lake Road & Highway 101 sewer basin; see Figure 3. The sewer flow from this LID would be conveyed to the West Devils Lake Pump Station.

IMPROVEMENTS

The project will consist of constructing 800 feet of 8-inch sanitary sewer and 700 feet of low-pressure sewer line with services to each property for future connection.

PROJECT COST SUMMARY

The estimated total cost of the project is \$333,560.00, see Exhibit "C". This includes \$12,500.00 for surveying and \$3,860 in administrative costs. This total also includes 10 E-ONE pumps. The final assessed cost per connection will be based on the actual construction cost.

METHOD OF ASSESSMENT

Each residential zoned benefitted lot will receive one service lateral and will be assessed 1 unit of assessment. One undeveloped lot 7-11-02CA 00103, zoned G-C (General-Commercial), is proposed to receive received 22 units of assessments based on its 4.72 acres that is undeveloped and zoned commercial; the 22 units is based on the property owner's plan to develop 30 multi-family units (equivalent to 22 single family units).

FINANCING LID COST

The City will finance the LID cost. The financing is proposed to be over a 20 year period with monthly payments. Interest shall be charged at a fixed rate of 2.0% over Local Government Investment Pool rate, which currently would be 3.31%.

When a property applies for financing of the LID cost, the owner shall pay at the time of application, a processing fee in the amount of \$50 to cover the costs of processing the application and a \$10 fee for the electronic recording fee for the assessment lien.

If the property owners have signed applications to pay in installments, the owners at any time may pay to the City the unpaid balance of the amount of the assessment, together with the full amount of interest to the next installment date, charges, and late payment penalties and charges accrued to the date of payment, in full payment.

The City will place a lien on the property until the LID cost is paid in full. The City assessment lien shall be superior and prior to all other liens or encumbrances on property insofar as the laws of the state permit. The property owner will have 60 days after the final assessment public hearing to either pay the LID assessment off in full or apply for the City financing.

SEWER CONNECTION MANDATES

Connection to the sewer system is required withing six months if on graivty sewer and four years if on a pressure sewer, per Lincoln City Municipal Code 13.12.160. For this LID these connection requirements are waived.

Exhibit A - NE 36TH DRIVE ASSESSMENT LIST

Tax Map & LOT	Owner	Address	Assess Value	Lot Area (SF)	Number of Connections	Assessment Amount based on 42 connections and Gravity/Low-Pressure including E-One Pumps
7-11-02CA 00102	James & Diane Rodriguez	2955 NE 36th Drive Lincoln City, OR 97367	\$183,500.00	10,629.00	1	\$7,941.90
7-11-02CA 00103	Kim Biddle	PO Box 214 Glenden Beach, OR 97388	\$342,210.00	205,794.00	22	\$174,721.90
7-11-02CA 00105	Thomas & Carolyn Adkins	2875 NE 36th Drive Lincoln City, OR 97367	\$149,396.00	14,228.00	1	\$7,941.90
7-11-02CA 00106	Ronald Krieger & Caprice Davis	PO Box 2557 Shelton, WA 98584	\$84,780.00	8,364.00	1	\$7,941.90
7-11-02CA 00107	Ronald Krieger & Caprice Davis	PO Box 2557 Shelton, WA 98584	\$28,950.00	7,970.00	1	\$7,941.90
7-11-02CA 00109	Barbara Kist, Trustee	2909 NE 36th Drive Lincoln City, OR 97367	\$185,560.00	10,188.00	1	\$7,941.90
07-11-02CA 00111	Sherry Jean Carlson & Cathy Cox & Julie McClenny	214 NE Crest Street OR 97385	\$92,060.00	9,795.87	1	\$7,941.90
7-11-02CA 00112	Richard Welton ET AL	PO Box 44 Depoe Bay, OR 97341	\$55,120.00	14,846.00	1	\$7,941.90
7-11-02CA 00200	Richard & Melanie Emerson	2888 NE 36th Drive Lincoln City, OR 97367	\$323,240.00	8,102.59	1	\$7,941.90
07-11-02CA 00400	John Miller	2844 NE 36th Drive Lincoln City, OR 97367	\$201,820.00	5,230.83	1	\$7,941.90
7-11-02CA 00800	Jeffrey & Lisa Herndon	116 N. Alder Ct. Otis, OR 97368	\$229,640.00	36,178.00	1	\$7,941.90
7-11-02CA 00900	Madrone Lynda Mullen & Madrone Carol Mullen	2740 NE 36th Dr. Lincoln City, OR 97367	\$147,150.00	15,410.00	1	\$7,941.90
7-11-02CA 01000	Michael & Danise Trute	PO Box 582 Lincoln City, OR 97367	\$172,400.00	10,810.00	1	\$7,941.90
7-11-02CA 01100	Carol Culbertson	2714 NE 36th Dr Lincoln City, OR 97367	\$235,880.00	10,593.00	1	\$7,941.90
7-11-02CA 01200	Rebecca Stone & Michael Stone & Genevieve Stone	2700 NE 36th Dr Lincoln City, OR 97367	\$227,170.00	10,546.00	1	\$7,941.90
7-11-02CA 01300	Arturo Villa, Jr.	PO Box 1214 Depoe Bay, OR 97341	\$83,030.00	10,473.00	1	\$7,941.90
7-11-02CA 01400	Wells Fargo Bank, Attention Customer Service	1 Home Campus Des Moines, IA 50328	\$120,450.00	10,401.00	1	\$7,941.90
7-11-02CA 01500	Donald & Karla Rutherford	PO Box 977 Lincoln City, OR 97367	\$294,500.00	10,330.00	1	\$7,941.90
7-11-02CA 01600	Rosmarie Leday & Norman Leday	PO Box 1803 Woodland, WA 98674	\$281,210.00	10,396.00	1	\$7,941.90
7-11-02CA 01700	Kirk & Anita Ehrenfelt	2576 NE 36th Dr Lincoln City, OR 97367	\$188,400.00	20,630.00	1	\$7,941.90
7-11-02CA 01800	Michael & Mary Blasquez	2536 NE 36th Dr. Lincoln City, OR 97367	\$134,390.00	10,926.00	1	\$7,941.90
Total					42	\$333,560.00



1 inch = 150 feet

↑

Exhibit B

Exhibit C

ESTIMATED LID COST SUMMARY

FOR COMBINATION GRAVITY/LOW-PRESSURE SEWER PER UNIT

Engineering	in-house
Survey	\$12,500.00
DEQ	\$650.00
Advertising/Plan Center	\$150.00
Bureau of Labor and Industries Fee	\$260.00
Construction	\$260,000.00
Ten (10) E-ONE Pumps and Control Panels	\$60,000.00
Construction Management and Inspection	in-house
Total Estimated LID Costs	\$333,560.00

Total Number of Sewer Connections = 42

FINANCING

LID Total Estimated Cost per Connection	\$7,941.90
Sewer System Development Charge in 2017	\$3,653.00
Total Financing (LID and SDCs)	\$11,594.90
Monthly Estimated Cost per Connection- for 20 years @ 3.31% interest	\$66.12

ESTIMATED ON-SITE COST FOR GRAVITY CONNECTIONS

On-Site Improvements are those required to connect from the property plumbing to the new sewer. These costs are estimates only, site conditions and costs will vary site to site.

Connection to gravity sewer	\$1,000.00
Decommission Tank	\$1,000.00
Sewer Connection Inspection Fee	\$100.00
Total Estimated On-Site Costs	\$2,100.00

ESTIMATED ON-SITE COST FOR E-ONE PUMP CONNECTIONS

On-Site Improvements are those required to connect from the property plumbing to the new sewer. These costs are estimates only, site conditions and costs will vary site to site.

E-One pump, controls, installation	\$4,000.00
Decommission Tank	\$1,000.00
Sewer Connection Inspection Fee	\$100.00
Total Estimated On-Site Costs	\$5,100.00