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RESOLUTION NO. 2015-18

A RESOLUTION OF THE CITY OF LINCOLN CITY AUTHORIZING AND ESTABLISHING THE “VOYAGE-LAKE PROJECT” REIMBURSEMENT DISTRICT PURSUANT TO LCMC CHAPTER 13.06 – REIMBURSEMENT TO LID PARTICIPANTS

RECITALS

- A. On January 26, 2015 the Council, at the request of the City Public Works Department, initiated an application for a Reimbursement District pursuant to LCMC Chapter 13.06 regarding the local improvements to be constructed pursuant to the Voyage-Lake Project; and
- B. As the construction of the improvement is yet to be completed, City Public Works staff will verify, document and support the expenditures for the authorized improvement; and
- C. Pursuant to LCMC 13.06.020 the City Engineering Department evaluated the application and supporting materials and prepared an Engineering Report, entitled “ City Engineer’s Report for the NE Voyage, NE Lake Drive & NE 15th Street and Lake Cove Reimbursement District, (hereinafter “Engineering Report”) said Engineering Report being attached as **Attachment 1**, hereto and made a part hereof by this reference; and
- D. The Engineering Report identifies the boundaries of the Reimbursement District as including the benefitted properties identified in Exhibit A to the Final Report; and
- E. Council finds and determines that the Engineering Report and supporting materials in the record support fair share reimbursement formula pursuant to LCMC 13.06.065, to the LID participants (Zone 1 applicant lots) from the benefitted property owners, subject to the terms and conditions of this Resolution and the City Code; and
- F. The amount of the reimbursement pursuant to the Engineering Report depends upon the future (if any) participation of identified benefitted lots. If the newly created lots within Zone 1 or Zone 2 (Exhibit A to the Engineering Report) do not connect within the life of the District or any extension, no reimbursement is warranted.
- G. For Zone 1 sewer reimbursement, additional lots will be added to the LID total of 43 lots and the fair share derived from dividing the number of lots into the total costs (Estimate subject to change based upon the cost of construction currently at \$168,661.03 over 43 lots). The Council finds and determines that this formula is fair and equitable and will result in proportionate

- 1 reimbursement (or credit) to LID participants if new connections are added
2 within the LID.
3
- 4 H. For Zone 2, sewer reimbursement, only a portion of the LID infrastructure
5 benefits such properties. An additional connection in Zone 2 will be required
6 to share in the estimated improvement cost of \$52,148 which is currently only
7 allocated among 43 benefitted lots in the LID. The Council finds and
8 determines that this formula is fair and equitable and will result in
9 proportionate reimbursement (or credit) to LID participants if new
10 connections are added within Zone 2.
11
- 12 I. All lots shall be required to pay per the referenced formula when such payment
13 is triggered by City ordinance [13.06.065], including upon connection to the
14 sewer improvement identified herein; and
15
- 16 J. Pursuant to LCMC 13.06.030 notice of an informational hearing before the
17 City Council was mailed, certified mail return receipt requested, to each of the
18 benefitted property owners; and
19
- 20 K. Concurrent with the LID hearings on February 9, 2015 and March 9, 2015, the
21 City Council conducted a public hearing and heard and considered oral and
22 written testimony on the proposed Reimbursement District. The hearing was
23 closed on March 9, 2015 and the record was closed on April 10, 2015; and
24
- 25 L. After close of the hearing and the record, the Council, on April 13, 2015 after
26 due consideration and deliberation, finds and determines that such LID
27 improvements to be constructed and dedicated to the public are of benefit to
28 the City and all property to be assessed reimbursement costs will be benefitted
29 to the extent of the amount identified in the Engineers Report; and
30
- 31 M. The Council made no substantial modification to the findings or conditions in
32 the Engineering Report or supporting documentation; Council directed staff to
33 prepare a Resolution approving the District; and
34
- 35 N. Accordingly, pursuant to LCMC 13.06.035 the City Council for the City of
36 Lincoln City elects to establish and approve the proposed "Voyage-Lake
37 Project" Reimbursement District as described in the Engineering Report.
38 Council further directs that as a precondition to receipt of any city permit
39 necessary for development of the benefitted properties (exclusive of the base
40 43 LID lots) and as a precondition to any additional connection whatsoever to
41 the improvement identified herein, the benefitted property owners, prior to
42 their connection shall pay the City the identified reimbursement amount as
43 calculated by the formula in the Engineering Report, together with an
44 administrative fee of \$100 and interest at the rate of 2.5% from the effective
45 date of this Resolution.
46

1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE**
2 **CITY OF LINCOLN CITY, AS FOLLOWS:**

3
4 SECTION 1. INCORPORATION. The above Findings and Recitals are true and
5 correct and are incorporated herein by this reference.

6
7 SECTION 2. ESTABLISHMENT OF DISTRICT. Effective upon satisfaction of the
8 Conditions enumerated below, a Reimbursement District is hereby created and shall
9 consist of all the benefitted properties described in the Exhibit A in the **Attachment**
10 **1**, being attached hereto and incorporated herein by reference. The District created
11 herein shall be referred to as the "VOYAGE-LAKE PROJECT REIMBURSEMENT
12 DISTRICT."

13
14 SECTION 3 CONDITIONS. The establishment of the Reimbursement District is
15 contingent upon satisfaction of all the conditions identified in or incorporated into
16 this Resolution, including but not limited to:

- 17
- 18 • LID participant's execution of an acceptance of the terms and conditions of
19 this Resolution within thirty (30) calendar days of approval by the Council;
20 Refusal of one of the 43 LID participants from signing shall not prejudice the
21 participation of others); and
 - 22
 - 23 • Completion of construction of the improvement in accordance with approved
24 plans as part of the LID project. All costs are subject to adjustment and
25 modification based upon the permissible range of flexibility set forth in
26 Chapter 13.04 for LID projects;
 - 27
 - 28 • Reimbursement is dependent upon receipt of licenses/ easements for facility
29 maintenance.
 - 30
 - 31 • Compliance with all applicable provisions of LCMC Chapter 13.06; and
 - 32
 - 33 • Satisfaction of any and all conditions and terms in the Resolution, Engineering
34 Report and supporting documentation.
 - 35

36 SECTION 4. ORDER ON CONNECTION. The City Council orders and directs that as
37 a precondition to receipt of any city permit necessary for development of the
38 benefitted properties (exclusive of the base 43 LID connections) and as a
39 precondition to any additional connection whatsoever to the pressure sewer
40 improvement identified herein, the benefitted property owners, prior to triggering
41 development [LCMC 13.06.065] or connection, shall pay to the City their identified
42 reimbursement amount pursuant to the appropriate Engineering report formula
43 together with an administrative fee of \$100.00 and interest at the rate of 2.5% from
44 the effective date of this Resolution. Further, in the event the City takes over
45 maintenance of sewer pumps approved for use on this system, the applicant and any

1 benefitted property owners on the system shall cooperate with the City to provide
2 access for maintenance by City staff. All benefitted properties are identified in
3 Exhibit A to the Engineering Report.

4
5 SECTION 5. NO LIEN / ENFORCEMENT. This Resolution does not impose a lien
6 against the benefitted properties; however, unlawful connection to the improvement
7 specified herein may be punished as a daily civil violation pursuant to City Code or as
8 felony or misdemeanor criminal mischief against a public utility under State law.

9
10 SECTION 6. AGREEMENT. The City of Lincoln City and applicant stipulate and
11 agree as follows:

- 12
13 A. This Agreement shall be effective only upon satisfaction of all conditions set
14 forth in this Resolution; and
15
16 B. The public improvement shall meet all applicable city standards, including
17 construction standards and location within a public easement; Public Works
18 shall conduct such inspections or tests within 60 days, and accept or reject the
19 improvements; and
20
21 C. City will ensure contractor warrants and guarantees for a period of one year
22 from the date of acceptance (see paragraph B. above) the quality of the
23 improvements dedicated to the public; City will further require contractor to
24 reimburse the City for the cost of repair or replacement if during the warranty
25 period the installation is defective; and
26
27 D. The LID participant agrees to defend, indemnify and hold harmless the City of
28 Lincoln City, its officers, agents and employees from any and all losses, claims,
29 damage, judgments or other costs or expenses arising as a result of or related
30 to the City's establishment of the District; and
31
32 E. The applicant agrees that except as provided in LCMC 13.06.065 [Obligation to
33 Pay Reimbursement Fee] the City is *not obligated* to collect the
34 reimbursement fee from affected property owners; and
35
36 F. Consistent with LCMC 13.06.065 and LCMC 13.06.075, City shall reimburse
37 the 43 LID participants, and such future participants as are equitable, from
38 payments received from benefitted property owners for additional connections
39 noted herein for the 10 year reimbursement period, beginning on the effective
40 date of this Resolution. The Council may extend the Reimbursement period as
41 provided in Chapter 13.06 by Resolution.
42
43 G. No SDC credit is awarded by this Resolution. All property owners must pay
44 SDC fees when triggered by City ordinance.

45
46 SECTION 7. ADJUSTMENT AUTHORIZED. The City of Lincoln City shall annually
47 adjust the reimbursement amount on the anniversary date of the Council's resolution.

1 The adjustment shall be fixed and computed against the reimbursement fee as simple
2 interest and shall remain the same for each year the district exists. The interest rate
3 shall be 2.5% percent. Cost of construction shall be subject to such increase, given the
4 formula set forth in the Engineering Report.

5
6 SECTION 8. NOTICE RECORDING. The City Recorder shall notify all owners within
7 the district as provided by LCMC 13.06.050. The Recorder shall also cause notice of
8 the formation and nature of the Reimbursement District to be filed in Lincoln County
9 official records in order to provide notice to potential purchasers of property within
10 the district boundaries. Failure to make such recording shall affect neither the
11 legality of the Resolution nor the obligation to pay the fee. [LCMC 13.06.050 and
12 LCMC 13.06.055]

13
14 SECTION 9. FINDINGS ADOPTED. The City Council finds and determines that the
15 public hearing (conducted on February 9, 2015 and March 9, 2015) was properly
16 noticed and conducted. The Council further finds that the establishment of the
17 Reimbursement District boundary includes all directly benefitted properties, is
18 logically configured based on topography and engineering constraints, and is in the
19 best interest of the city and the public. The City further finds that the allocation of the
20 cost of the improvement is a logical and reasonable allocation of costs (formula)
21 based upon the benefits received by the affected properties. The Council adopts the
22 findings and competent evidence contained in the entire record as supporting its
23 conclusion that the improvements are in the public interest of the City of Lincoln City.

24
25 SECTION 10. EFFECTIVE DATE This resolution is effective as of the date of its
26 adoption and signature by the Mayor, provided however, that the failure of
27 satisfaction of the Conditions identified herein shall render the Resolution null and
28 void.

29
30 PASSED AND ADOPTED by the City Council of the City of Lincoln City this 22nd day
31 of June 2015.

32
33 
34 _____
35 DON WILLIAMS, MAYOR

36
37 ATTEST:

38
39 
40 _____
41 CATHY STEERE, CITY RECORDER

42
43 EXHIBITS A & B



**CITY ENGINEER'S REPORT for the
NE Voyage, NE Lake Drive & NE 15th Street and Lake Cove
REIMBURSEMENT DISTRICT
June 2015**

Scheduled for the June 22, 2015 City Council Meeting is formation of the NE Voyage, Lake Drive & 15th Street Local Improvement District (LID) for sewer and road paving. If the formation is approved, Council has requested that a Reimbursement District be formed over all properties that can receive benefit from the construction of the sanitary sewer lines in the LID. The Reimbursement District will include two areas, Zone 1 & Zone 2, see attached **Exhibit A**. Zone 1 includes properties that are located within the LID. Zone 2 includes properties that are upstream from the sanitary sewer lines that are constructed by the LID and could receive benefit by its construction.

Pursuant to Chapter 13.06 of the Lincoln City Municipal Code, the City Engineer is submitting the following report pertaining to the formation of a reimbursement district.

Description of the Improvements

The LID will construct a low pressure sanitary sewer system that will provide a sanitary sewer with a service lateral to each lot of record at the time of construction. There are 43 lots that will be benefited by the construction of the sewer system within the LID.

Location of the Improvements

See **Exhibit A** for a map showing the Reimbursement District Boundary.

Zoning for the Properties benefited by the Improvements

The properties being benefited are zoned R-1-7.5, R-1-5 and Multifamily, see **Exhibit B**.

LID Cost

The estimated cost of sanitary sewer improvements within the LID is \$168,661.03, with 43 lots paying for the improvements which come to \$3,922.35 per lot.

Reimbursement Formula

For Zone 1, if an existing lot at the time of final assessment of the LID is divided to create additional lot(s), each additional connection to the sanitary sewer system will pay a reimbursement fee. The reimbursement fee will be determined by taking the final total cost for constructing the sanitary sewer (estimated to be \$168,661.03) divided by the total lots within the LID plus the additional connection. For example (using the 43 lots in the initial LID):

\$168,661.03 divided by (43+ 1) = \$3,833.21 for the first additional connection

For the second connection: \$168,661.03 divided by 45 = \$3,748.02.

For Zone 2, any additional connection to the public sewer system that connects to the lines constructed by the LID will also pay a reimbursement fee. If a property within Zone 2 constructs a public sewer system and does not tie to the LID system, there will be no reimbursement fee. The reimbursement fee will be determined by taking the cost of constructing the sewer line from the Regatta Pump Station to NE Voyage Ave, than north along NE Voyage Ave. to the LID Boundary (estimated to be \$52,148.00). For example (using the 43 lots in the initial LID):

\$52,148 divided by (43+1) = \$1,185.18 for the first connection.

For the second connection: \$52,148.00 divided by 45 = \$1,158.84.

These cost are estimated costs, the reimbursement amount shall be decided upon during a second public hearing held after the LID construction is final and the final project costs have been calculated.

Reimbursement Period

The reimbursement district shall exist for 10 years but can be extended by the City Council following a public hearing.

City Engineer's Signature: Stephanie Reed

Date: 6-17-2015

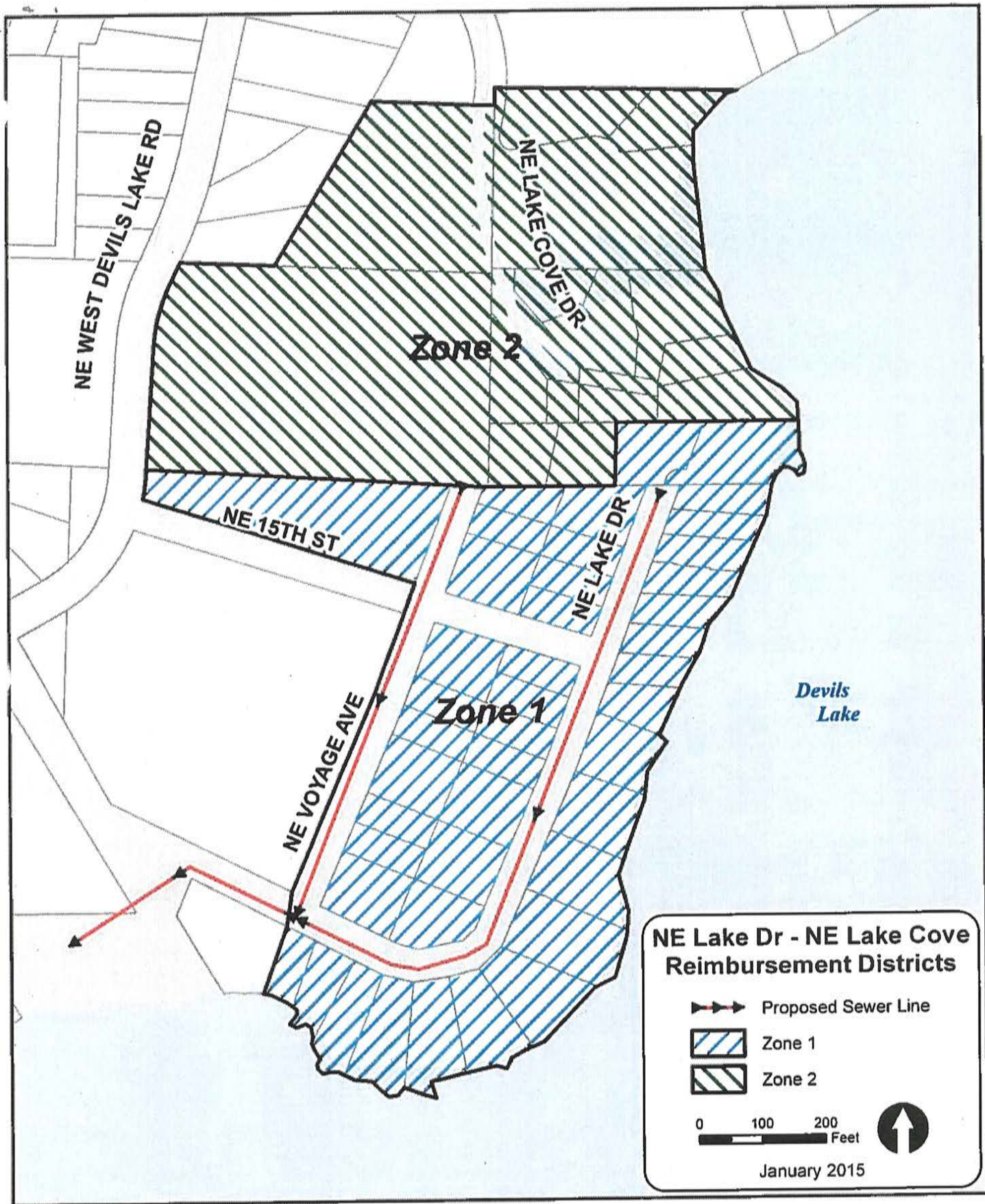


Exhibit A
Reimbursement Districts

