

ATTACHMENT 1

RECORDED IN POLK COUNTY
Valerie Unger, County Clerk

2008-011500



\$91.00

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09/19/2008 11:13:59 AM

REC-RLS Cnt=1 Stn=1 K. WILLIAMS
\$65.00 \$10.00 \$11.00 \$5.00

*Certified to be a true and
correct copy of the original*

Kathryn Hall
City Recorder
City of Salem, Oregon

RESOLUTION NO. 2008-78

A RESOLUTION FORMING THE BRUSH COLLEGE REIMBURSEMENT DISTRICT AND MAKING PROVISIONS THEREFOR

Whereas, reimbursement districts under SRC 66.500-66.585 may be formed if the public improvement required to be constructed as a condition of development approval can or will provide direct service to property other than the property being developed by a developer; and

Whereas, under SRC 66.505(b), to be eligible for inclusion as a public improvement within a reimbursement district, the public improvement must provide a public benefit by constructing a new public improvement or by enhancing or increasing the capacity of an existing public improvement, must be of a size greater than that ordinarily needed to serve a developer's property, and must be available to serve other lots or parcels within the proposed reimbursement district; and

Whereas, reimbursement districts may be used to provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used to serve such benefitted properties; and

Whereas, under SRC 66.505(c), a reimbursement district shall provide for the deposit of funds with the City from persons developing property within the reimbursement district, to be used for the reimbursement to a developer who funds the construction, reconstruction or upgrade of public improvements within the reimbursement district; and

Whereas, Decal Oregon, Inc. (Developer), was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development; and

Whereas, Developer has requested the formation of a reimbursement district to collect \$771,871.32 of unreimbursed costs for construction of the 21-inch sewer main; and

Whereas, the 21-inch sewer main is located inside City of Salem corporate limits, was constructed as a condition of development, is a new public improvement that provides a public benefit, is a master-planned facility that is on the Systems Development Charge (SDC) eligible list, is of a size greater than that needed to serve Developer's property, and is available to serve property within City of Salem corporate limits and within the boundaries of the proposed reimbursement district; and

Whereas, Developer has financed the entire construction cost of the 21-inch sewer main, and received partial reimbursement in the form of "pass-through credits" from SDCs collected from its development; and

Whereas, the application for a reimbursement district was submitted within 180 days of the City's acceptance of the 21-inch sewer main; and

Whereas, the Director of Public Works has evaluated whether the proposed reimbursement districts should be formed, and prepared a report dated August 4, 2008, which is attached hereto as "Exhibit 1" and incorporated herein by reference, exclusive of Attachment B; and

Whereas, not less than ten days prior to the public hearing, Developer and all persons owning property within the proposed district were notified by first class mail of the public hearing and the purpose thereof, mailed July 11, 2008; and

Whereas, the public hearing was held on July 28, 2008, and continued to August 4, 2008, at which time any person was given the opportunity to comment on the formation of the proposed reimbursement districts; and

Whereas, the City Council hereby approves the recommendations contained in the Director of Public Works report;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 1. Reimbursement District Formed. To provide reimbursement for the construction of the 21-inch sewer main, the Brush College Reimbursement District (Reimbursement District) is hereby formed, the boundaries of which are shown on "Exhibit 2," and is more specifically described on "Exhibit 3," both of which are attached hereto and incorporated herein by reference.

Section 2. Reimbursement Fee Methodology. The total development cost for the 21-inch sewer main is \$1,250,245.04. Developer received SDC "pass-through credits," leaving an unreimbursed portion of the development cost of the 21-inch sewer main in the amount of \$771,871.32. The sum of \$771,871.32 is a reasonable and fair apportionment of the total construction cost for the 21-inch sewer main for all properties that comprise the Reimbursement District.

The methodology to establish the Reimbursement Fee is based on the impact each development will have on the sewer system. The Reimbursement Fee to be paid by single-family residential lots is based on dividing the total reimbursement amount by the 600 total single-family residential lots within the district anticipated to connect to the sewer main within the next twenty years. The reimbursement fee for uses other than single-family residential development ("other uses") is based on the same methodology multiplied by the increased impacts the other uses have on the sewer system based on the size of the water meter(s) needed for each development, as set forth below:

Meter Size	Ratio of Impact
3/4 inch	1
1 inch	1.7
1.5 inch	3.3
2 inch	5.3
3 inch	10.7
4 inch	16.7
6 inch	33.3

Section 3. Interest Rate. Interest on amounts due under the Reimbursement District shall be 3.5% per annum, simple interest.

Section 4. Administration Cost. The reasonable costs to adequately reimburse the City for administration of the Reimbursement District are 1% of the total reimbursement sum rounded to the nearest, which shall be an additional charge.

Section 5. Payment of Reimbursement Fee Precondition of Permits. Payment of the reimbursement fee, as designated for all real property located in the Reimbursement District is a precondition of receiving any City permits applicable to development on such real property.

Section 6. Infrastructure Agreement. The City Manager shall enter into an infrastructure agreement with Developer pertaining to the Reimbursement District as provided in SRC 66.525(d), the performance of which shall be contingent upon the improvements being accepted by the City.

Section 7. Recording of Resolution. The City Recorder shall record this Resolution No. 2008-78 with the Clerk of Polk County.

Section 8. Appeal of Formation of Reimbursement District. No legal action intended to contest the formation of the Reimbursement District or the reimbursement fee, including the amount of the charge designated for each parcel, shall be filed after sixty (60) days following the adoption of this resolution. Any challenge or appeal to the formation of the Reimbursement District shall be solely by writ of review pursuant to ORS 34.010-ORS 34.102, and not otherwise.

Section 9. Reimbursement District Fee Not a Tax or a Lien. Formation of the Reimbursement District shall not result in an assessment upon or lien against real property, and reimbursement fees collected by the City on behalf of Developer are not taxes subject to the property tax limitations of Article XI, section 11(b) of the Oregon Constitution.

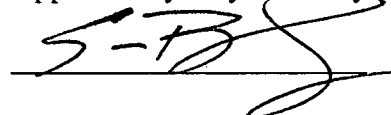
Section 10. Effective Date. This Resolution is effective upon adoption, and the date of formation of the Reimbursement District shall be the effective date of this Resolution.

ADOPTED by the City Council this 4th day of August, 2008.

ATTEST:


City Recorder

Approved by City Attorney:




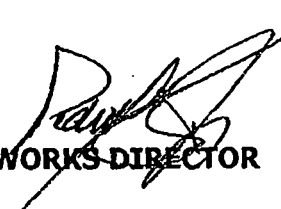
Checked by: T. Martin

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FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:
PUBLIC WORKS FILE NO.:

August 4, 2008

7 (a)

TO: MAYOR AND CITY COUNCIL
THROUGH:  LINDA NORRIS, CITY MANAGER
FROM: PETER FERNANDEZ, P.E., INTERIM PUBLIC WORKS DIRECTOR 
SUBJECT: FORMATION OF A REIMBURSEMENT DISTRICT
FOR SANITARY SEWER CONSTRUCTION
BY BRUSH COLLEGE HEIGHTS SUBDIVISIONS
REVISED AS DIRECTED BY COUNCIL DURING PUBLIC HEARING

ISSUE:

Shall Council adopt Resolution No. 2008-78 approving the formation of a reimbursement district to collect funds for construction of sanitary sewer mains by the developer of Brush College Heights Subdivisions that benefit neighboring properties?

RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2008-78, creating a reimbursement district for the construction of the 21-inch trunk sanitary sewer main that is available to serve properties other than the Brush College Heights subdivisions and establishing an interest rate to be applied to the reimbursement fee as a return on investment.

BACKGROUND:

Decal Oregon, Inc., was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development. The 21-inch pipe was constructed along the boundary of the subdivision in Brush College Road NW and terminates at their western boundary of the site.

When a developer constructs improvements that benefit neighboring properties but are not eligible for full reimbursement from other sources, reimbursement districts are a mechanism to identify the benefitted area and provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used and are necessary to serve those neighboring properties.

Because the 21-inch sewer line is a qualified public improvement per SRC 41.100(h), the developer will receive a partial reimbursement for the construction in the form of pass-through credits from System Development Charges collected within the Brush College Heights subdivisions in the amount of \$478,373.72.

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EXHIBIT 1

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
Page 2

The developer has requested the formation of the Reimbursement District shown in Attachment B to collect the unreimbursed costs of the 21-inch trunk sanitary sewer line from the neighboring properties that will ultimately be benefitted from its construction. The estimated unreimbursed costs total \$771,871.32. Attachment B provides an estimated cost-per-benefitted property for the proposed reimbursement district.

A public hearing was held on July 28, 2008, to consider formation of the reimbursement district. During the hearing, a property owner within the district requested clarification regarding the connection of existing homes prior to development on a property. Council directed staff to revise the fee methodology to address existing homes transferring from septic systems to public sewer within the district.

FACTS AND FINDINGS:

1. The 21-inch trunk sanitary sewer line was constructed along the boundary of the Brush College Heights subdivision as a condition of UGA Development Permit 02-05 and Subdivision 04-13. The trunk sanitary sewer line is available to provide service to future development within the reimbursement district boundary.
2. The 21-inch trunk sanitary sewer main is a new public improvement that provides a public benefit, is identified in the *Salem Wastewater Management Master Plan*, is of a size greater than that needed to serve the developer's property, and is available to serve the property within the district.
3. The application was submitted on April 16, 2008, which is within 180 days after acceptance of the sanitary sewer main by the City, as required in SRC 66.510(c).
4. All persons owning property within the proposed district were notified by first class mail of the public hearing and purpose thereof, mailed July 11, 2008.
5. SRC 66.515(b) specifies the Public Works Director shall prepare a report with the following information:
 - A. Developer Financing: The developer has financed the entire construction cost of the sewer main.
 - B. District Boundary: The proposed district boundary is approximately 139 acres located both north and south of Brush College Road NW as shown in Attachment B.
 - C. Apportionment of Construction Cost: As shown in the application submitted, the total development costs for the sewer mains are \$1,250,245.04. Because the 21-inch trunk sewer main is a facility shown in the *Salem Wastewater Management Master Plan*, the developer is eligible for pass-through credits.

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Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
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However, the credits generated from the Brush College Heights subdivisions do not provide full reimbursement to the developer. The unreimbursed portion of the 21-inch trunk sewer main is \$771,871.32, which the developer has requested to be reimbursed through the district fee.

Apportionment of the reimbursement fee is based upon the impact of each development on the sewer system. Because the zoning within the district is predominately for single family residential use, the methodology to establish total reimbursement amount is based on total single family residential lots within the district anticipated to be connected to the sewer main within the next twenty years. The approximate density will be 4.3 lots per acre (or 600 lots for the 139-acre district) based on topographic considerations, natural features, and preliminary subdivision layouts already submitted to the City. The reimbursement fee for each single family residential lot will then be \$1,287.00 based on the 600-lot total and \$771,871.32 in reimbursement due to the developer.

The reimbursement fee for uses other than single family residential development (other uses) is based on the same methodology multiplied by the impacts the other uses have on the sewer system. The impacts other uses have on the sewer system vary based on the size of water meter(s) needed for each development. Therefore, the reimbursement fee for other uses is the single family residential fee multiplied by the ratio of impact as determined by the size of the water meter(s) needed for each is set forth as follows:

Meter Size	Ratio of Impact
3/4 inch	1
1 inch	1.7
1.5 inch	3.3
2 Inch	5.3
3 inch	10.7
4 inch	16.7
6 inch	33.3

This methodology is similar to Exhibit D of the Methodology Report for Water and Wastewater Systems Development Charges adopted by Council on June 9, 2008.

- D. Administration Cost: Public Works staff recommends that a 1 percent administration fee be collected with each payment of the reimbursement district fee, rounded to the nearest dollar. The total reimbursement district fee will be collected as follows:

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Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
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Use	Meter Size	Reimbursement	Administration	Total
Single Family:	N/A	\$1,287	\$13	\$1,300
Other:	¾-inch	\$1,287	\$13	\$1,300
	1-inch	\$2,188	\$22	\$2,210
	1.5-inch	\$4,247	\$42	\$4,289
	2-inch	\$6,821	\$68	\$6,889
	3-inch	\$13,771	\$138	\$13,909
	4-inch	\$21,493	\$215	\$21,708
	6-inch	\$42,857	\$429	\$43,286

E. SRC 66.515(b)(5) specifies that the Public Works Director make a recommendation on whether the creation of the district is in the public interest based upon specific criteria as follows:

- (1) No public sewer mains were available to serve these properties. Consistent with the *Salem Wastewater Management Master Plan*, the 21-inch trunk sanitary sewer main was constructed within the district and will provide sewer service for future development within the district.
- (2) The reimbursement district provides a mechanism to fairly distribute the costs of the sewer main construction among the 22 properties within the district. No other funding sources are currently available for the construction of this facility. The Urban Service Area (USA) Amendment process described in SRC 66.035 could potentially provide reimbursement for the developer's unreimbursed sewer costs. However, the area surrounding Brush College Heights subdivision does not have required facilities in place or fully committed to the public facilities to be brought within the USA. Required facilities needed in the area include: improvements to Brush College Road west of Doaks Ferry, including a traffic signal; extension of Christina Avenue; and large sewer and water main extensions in unserved areas.
- (3) The trunk sewer main provides a direct benefit to the properties within the district. Properties outside the district may be benefitted in the future, but will require a large number of annexations.

6. Public Works staff recommends the interest rate to be applied to the reimbursement fee as a return on investment be 3.5 percent.
7. Reimbursement district fees are eligible to be reimbursed to property owners within the district from sewer SDCi payments collected within their property per SRC Chapter 66.

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Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
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District fees paid by a developer prior to land division are reimbursed through pass-through credits; district fees paid by property owners in association with individual building connections to the sewer system are reimbursed as a true credit.

8. The reimbursement district fee will be due when a person applies and is approved for:
 - A. A building permit for a new building;
 - B. A building permit for modifications, repairs or alterations of a building which exceed twenty-five percent of the value of the building, except for repairs made necessary by fire or other natural disaster;
 - C. Other development approvals under the code; or
 - D. Connection to the public improvement constructed by the developer.
9. Public Works staff supports the formation of the reimbursement district to include the benefitted properties around Brush College Road NW.

TOM:REIMBURSE DIST BRUSH COLLEGE REVISED 2.DOC

Attachments:

- A - Application for Reimbursement District
- B - Reimbursement District Boundary

Ward 5

8/1/2008 11:20 AM

Prepared by: Tony C. Martin, P.E., Senior Development Services Engineer

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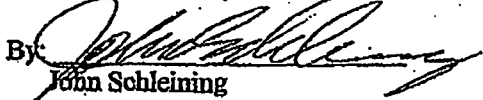
APPLICATION TO ESTABLISH A REIMBURSEMENT DISTRICT

Pursuant to Salem City Code Section 66.510, Decal Oregon, Inc., Decal, Inc., and Tyrell B. Vance, LLC, assignee of Decal Oregon, Inc. (collectively "Decal"), hereby submits the following application to establish a reimbursement district arising from Decal's installation of the trunk sewer line at the Brush College subdivision.

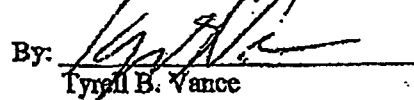
1. A map showing the boundaries of the proposed reimbursement district and each tax lot within the proposed district is attached hereto as Exhibit 1 and incorporated herein by reference.
2. The zoning designations for all property located within the proposed reimbursement district, the mailing address of each owner of property within the proposed district, the tax account number for each parcel of property within the proposed district and the parcel size of each parcel of property within the proposed district are included on Exhibit 1. The width of the frontage, if any, can be calculated using the scale on Exhibit 1. Decal previously owned and developed the Brush College and Brush College Heights subdivisions, although it does not presently hold title to any property related to this public improvement.
3. The location, type and size of the public improvement which is the subject of this application is the 21 inch trunk sanitary sewer line shown on Exhibit 1. The total project cost previously certified by the City in connection with Decal's application for SDC credits is \$1,250,245.04. After subtracting the SDC credits paid or to be paid, the costs in excess of credits total \$771,871.32. A projected cost per benefited district and a proposed reimbursement share is included on Exhibit 1.
4. This application is being submitted on or before April 16, 2008, which is 180 days after the acceptance of the sanitary sewer by the City of Salem.

DATED this 15th day of April, 2008.

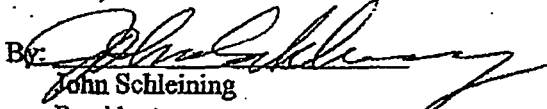
DECAL OREGON, INC.

By: 
John Schleining
President

TYRELL B. VANCE, LLC

By: 
Tyrell B. Vance
Manager

DECAL, INC.

By: 
John Schleining
President

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EXHIBIT 2

10/13

NO. 3190

MULTI/TECH

ENGINEERING SERVICES, INC.
1188 13th ST., S.E. SALEM, OR 97301
TEL: (503) 438-1837 FAX: (503) 394-3108
WWW.MULTITECH-OR.COM

MULTITECH ENGINEERING EXEMPT FROM
LIABILITY IF NOT STAMPED APPROVED



NO CHANGES, MODIFICATIONS OR
REPRODUCTIONS TO BE MADE TO
THESE DRAWINGS WITHOUT WRITTEN
AUTHORIZATION FROM THE DESIGN
ENGINEER.

DIMENSIONS & NOTES TAKE
PRECEDENCE OVER GRAPHICAL
REPRESENTATION

Design: J.R.G.
Drawn: J.R.G.
Checked: J.R.G.
Date: APRIL 2007
Scale: AS SHOWN
As-Built:

BRUSH COLLEGE TRUNK SEWER

REIMBURSEMENT BOUNDARY

Drawing Num
5007
Sheet Num
1 of 1

Brush College Trunkline

Rembursement District

April, 2008

Total Project Construction Costs	\$	1,250,245.04
Cost to Set up District	\$	4,678.00
Credits paid or to be paid	\$	493,051.72
Excess of Credits	\$	771,671.32
Projected Cost per benefited Acre	\$	5,552.23

Parcels within the proposed Boundary

Parcel #	Tax Lot #	Property Owner	Address	Parcel Size	Reimbursement Share
1	738001200	Siena John Olson	2430 Brush College Rd NW, Salem, OR 97304	10.03 ac	\$5,648.81
2	738002001	R.L. and Marlene M. Mullen	2340 Brush College Rd NW, Salem, OR 97304	7.75 ac	\$12,492.51
3	738001802	Larry E. & Cathie L. Reed	2360 Brush College Rd NW, Salem, OR 97304	2.85 ac	\$15,823.01
4	738001600	Rossale Olson	2380 Brush College Rd NW, Salem, OR 97304	5.40 ac	\$30,426.21
5	738001605	Ray W. & Sherry Stormbough	2510 Brush College Rd NW, Salem, OR 97304	1.03 ac	\$5,718.81
6	738001501	Ray W. & Sherry Stormbough	2510 Brush College Rd NW, Salem, OR 97304	0.23 ac	\$1,277.01
7	738001506	Ray W. & Sherry Stormbough	2510 Brush College Rd NW, Salem, OR 97304	2.68 ac	\$14,878.91
8	738001507	Gordon O. & Gail J. Harter	2540 Brush College Rd NW, Salem, OR 97304	7.03 ac	\$11,277.91
9	738001502	Gordon O. & Gail J. Harter	2540 Brush College Rd NW, Salem, OR 97304	0.19 ac	\$1,022.01
10	738001508	John & Angela Dallas	2580 Brush College Rd NW, Salem, OR 97304	2.41 ac	\$13,261.01
11	738001508	John & Angela Dallas	2580 Brush College Rd NW, Salem, OR 97304	0.24 ac	\$1,326.01
12	738001504	John & Angela Dallas	2580 Brush College Rd NW, Salem, OR 97304	0.53 ac	\$2,942.61
13	738001100	William W. Wilkerson Trust	2850 Brush College Rd NW, Salem, OR 97304	17.04 ac	\$94,000.01
14	73800701	Burton O. Anderson Survivors Tr Et Al	3288 Hodson Valley Dr NW, Salem, OR 97304	1.76 ac	\$9,734.16
15	73800702	Phyllis Davidson	2703 Brush College Rd NW, Salem, OR 97304	1 ac	\$5,552.23
16	73800708	Burton O. Anderson Survivors Tr Et Al	2655 Brush College Rd NW, Salem, OR 97304	1 ac	\$5,552.23
17	73800704	Betty Scott	2707 Brush College Rd NW, Salem, OR 97304	1 ac	\$5,552.23
18	73800900	George Blom	3823 Brush College Rd NW, Salem, OR 97304	27.42 ac	\$152,742.21
19	73800500	Adrian F. Kneeling Bypass Farm Tr	Mailing: 9854 Top O' Scott SE, Portland, OR 97265 PO Box 5113, Salem, OR 97304-0113	23.02 ac	\$127,812.39
20	73800501	Heaven M. Kneeling Farm Trust	Sub: 2911 Brush College Rd NW, Salem, OR 97304	1.03 ac	\$5,718.81
21	73800400	B & A D. Rivers Living Trust Et Al	Mailing: PO Box 5113, Salem, OR 97304-0113 Sub: 2900 Midtown City Ln NW, Salem, OR 97304	29.4 ac	\$163,235.63
22	73800401	City of Salem Attn: Grace	Mailing: 5373 Prairie Loop, Pleasanton, CA 95667 350 Commercial St NE, Salem, OR 97301	5.4 ac	\$29,982.09
Totals				139.02 ac	\$771,671.32

PARCEL #	PARCEL ZONING INFORMATION	NOTES
1	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
2	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
3	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
4	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
5	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
6	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
7	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
8	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
9	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
10	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
11	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
12	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
13	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
14	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
15	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
16	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
17	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
18	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
19	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
20	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
21	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
22	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE



Brush College Sewer Trunk
Reimbursement District

Boundary Description
July 25th, 2008

Commencing at the Northwest corner of Parcel 1, Partition Plat No. 2004-28, Polk County, Oregon Book of Partition Plats, thence N89°45'26"E, along the North line of said parcel, a distance of 104.62 feet, to the easterly Right-of-way line of the B.P.A. Transmission Easement, and the True Point of Beginning; thence N89°45'26"E, along the North line of said parcel, a distance of 957.46 feet, to the Northeast corner of said parcel; thence S00°25'34"E, along the east line of said parcel, a distance of 1576.38 feet, to the Southeast corner of Parcel 2, of said partition plat; thence N89°54'29"E, a distance of 470.33 feet, to a boundary point on Lot 71, Brush College Heights No. 1, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence S00°03'34"E, along the west line of said subdivision, a distance of 1435.76 feet, to the Southwest corner of Lot 134, Brush College Heights No. 3, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N89°48'56"E, along the southerly line of said subdivision, a distance of 155.00 feet; thence S00°03'34"E, a distance of 214.95 feet, to the Southwest corner of Lot 141, of said subdivision; thence N89°48'56"E, along the south line of said lot, a distance of 346.90 feet; thence S00°13'12"E, a distance of 543.58 feet, to the Northerly Right-of-way line of Brush College Road NW, (C.R. 6408); thence Southeasterly along a curve to the left, with a Radius of 919.05 feet, (the chord of which bears S78°57'57"E, 196.17 feet); thence along the arc of said curve, a distance of 196.55 feet; thence S85°05'33"E, along said right-of-way, a distance of 290.98 feet; thence Southeasterly along a curve to the Right with a Radius of 990.95 feet, (the chord of which bears S75°51'14"E, 318.18 feet), thence along the arc of said curve, a distance of 319.56 feet, to the Southwest corner of Lot 100, Brush College Estates No. 3, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence Southeasterly along a curve to the Right with a Radius of 990.95 feet, (the chord of which bears S64°45'44"E, 64.09 feet), thence along the arc of said curve, a distance of 64.10 feet; thence S62°54'33"E, a distance of 305.63 feet to the Southeast corner of Lot 97, of said subdivision; thence N01°51'17"E, leaving said right-of-way, and along the most southerly east line of said subdivision, common with the west line of BOR. 173, Page 247, Polk County, Oregon Deed Records, a distance of 295.18 feet, to the Northwest corner of said deed; thence S84°34'59"E, along the North line of said deed, a distance of 273.77 feet, to the Northeast corner of said deed, common with the Northwest corner of the Brush College School Tract of Land; thence S02°29'00"W, along the east line of said deed, a distance of 475.00 feet, more or less to the Southerly Right-of-way of Brush College Road NW, (C.R. 6408); thence N63°11'00"W, along said right-of-way, a distance of 120.00 feet, to the east line of BOR. 268, Page 1314, Polk County, Oregon Deed Records; thence

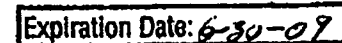
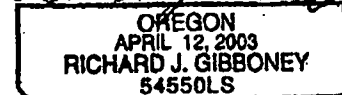
S07°05'00"W, leaving said right-of-way, a distance of 269.85 feet, to the Northeast corner of Deed Volume 170, Page 575, Polk County, Oregon Deed Records; thence S81°55'00"W, along the northerly boundary of said deed, a distance of 162.00 feet more or less, to the Northwest corner of said deed; thence S20°28'00"E, a distance of 122.00 feet; thence S00°00'00"E, a distance of 105.00 feet, to the northerly line of Lot 11, Shadow Creek Estates, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N80°41'19" W, along the northerly line of said subdivision, a distance of 179.24 feet, to an angle point in the northerly line of Lot 21, Shadow Creek Estates No. 2, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N74°04'56"W, along the northerly line of said subdivision a distance of 402.53 feet; thence N74°02'13"W, a distance of 555.34 feet, to the Northwest corner of Lot 32, of said subdivision; thence S00°16'25"E, along the west line of said subdivision, a distance of 569.96 feet, to the Northeast corner of Parcel 2, Partition Plat No. 1997-0017; thence West along the north line of said partition plat, common with the south line of BOR. 389, Page 1803, Polk County, Oregon Deed Records, a distance of 543.18 feet, to the Southwest corner of said deed; thence N00°00'00"E, along the west line of said deed, a distance of 1494.90 feet, to the Southerly Right-of-way of Brush College Road NW, (C.R. 6408); thence N26°37'39"E, a distance of 60.00 feet, to the Southeast corner of Document No. 2005-019005, Polk County, Oregon Deed Records; thence N63°22'21"W, along the northerly right-of-way of said road, a distance of 1202.42 feet; thence Northwesterly along a curve to the Right with a Radius of 800.04 feet, (the chord of which bears N45°11'30"W, 499.25 feet), thence along the arc of said curve a distance of 507.72 feet, to the easterly B.P.A. Power Line Easement; thence N00°04'02"W, along said easement line, a distance of 1067.51 feet, to the southerly line of D.L.C. No. 37; thence N00°24'28"W, a distance of 1573.58 feet to the point of beginning.

Located in the Northwest Quarter of Section 8, and Section 17, Township 7 South, Range 3 West, Willamette Meridian, City of Salem, Polk County, Oregon.

TOGETHER WITH: Beginning at the Northeast corner of Lot 6, Rose Blossom Estates, as recorded in Polk County Book of Town Plats, Volume 10, Page 12, said point being on the South line of Lot 11, Wallace Hills West, as recorded in Polk County Book of Town Plats, Volume 8, Page 33; thence along the extended South line of Lot 11, S75°49'41"E, a distance of 840.84 feet more or less, to a point on the South line of Lot 16, said Wallace Hills West, said point also being the Northwest corner of Lot 59, Brush College Estates No. 2, as recorded in Polk County Book of Town Plats, Volume 11, Page 1; thence along the extended West line of Lot 59, Brush College Estates No. 2, S00°02'29"W a distance of 1,122.00 feet more or less to a point on the West line of Lot 111, Brush College Estates No. 3, as recorded in Polk County Book of Town Plats, Volume 12, Page

35, said point also being the Northeast corner of Lot 192, Brush College Heights No. 3, as recorded in Polk County Book of Town Plats, Volume 14, Page 11; thence along the extended North line of Lot 192, Brush College Heights No. 3, N82°31'05"W, a distance of 419.35 feet to a point at the Northwest corner of Lot 166, said Brush College Heights No. 3, said point also being on the East line of Lot 164, said Brush College Heights No. 3; thence along the extended East line of said Lot 164, N01°33'59"E, a distance of 1080.15 feet more or less to the point of beginning.

Located in the Southeast quarter of Section 8, Township 7 South, Range 3 West, Willamette Meridian, City of Salem, Polk County, Oregon.



RESOLUTION NO. 2008-78

A RESOLUTION FORMING THE BRUSH COLLEGE REIMBURSEMENT DISTRICT AND MAKING PROVISIONS THEREFOR

Whereas, reimbursement districts under SRC 66.500-66.585 may be formed if the public improvement required to be constructed as a condition of development approval can or will provide direct service to property other than the property being developed by a developer; and

Whereas, under SRC 66.505(b), to be eligible for inclusion as a public improvement within a reimbursement district, the public improvement must provide a public benefit by constructing a new public improvement or by enhancing or increasing the capacity of an existing public improvement, must be of a size greater than that ordinarily needed to serve a developer's property, and must be available to serve other lots or parcels within the proposed reimbursement district; and

Whereas, reimbursement districts may be used to provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used to serve such benefitted properties; and

Whereas, under SRC 66.505(c), a reimbursement district shall provide for the deposit of funds with the City from persons developing property within the reimbursement district, to be used for the reimbursement to a developer who funds the construction, reconstruction or upgrade of public improvements within the reimbursement district; and

Whereas, Decal Oregon, Inc. (Developer), was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development; and

Whereas, Developer has requested the formation of a reimbursement district to collect \$771,871.32 of unreimbursed costs for construction of the 21-inch sewer main; and

Whereas, the 21-inch sewer main is located inside City of Salem corporate limits, was constructed as a condition of development, is a new public improvement that provides a public benefit, is a master-planned facility that is on the Systems Development Charge (SDC) eligible list, is of a size greater than that needed to serve Developer's property, and is available to serve property within City of Salem corporate limits and within the boundaries of the proposed reimbursement district; and

Whereas, Developer has financed the entire construction cost of the 21-inch sewer main, and received partial reimbursement in the form of "pass-through credits" from SDCs collected from its development; and

Whereas, the application for a reimbursement district was submitted within 180 days of the City's acceptance of the 21-inch sewer main; and

Whereas, the Director of Public Works has evaluated whether the proposed reimbursement districts should be formed, and prepared a report dated August 4, 2008, which is attached hereto as "Exhibit 1" and incorporated herein by reference, exclusive of Attachment B; and

Whereas, not less than ten days prior to the public hearing, Developer and all persons owning property within the proposed district were notified by first class mail of the public hearing and the purpose thereof, mailed July 11, 2008; and

Whereas, the public hearing was held on July 28, 2008, and continued to August 4, 2008, at which time any person was given the opportunity to comment on the formation of the proposed reimbursement districts; and

Whereas, the City Council hereby approves the recommendations contained in the Director of Public Works report;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 1. Reimbursement District Formed. To provide reimbursement for the construction of the 21-inch sewer main, the Brush College Reimbursement District (Reimbursement District) is hereby formed, the boundaries of which are shown on "Exhibit 2," and is more specifically described on "Exhibit 3," both of which are attached hereto and incorporated herein by reference.

Section 2. Reimbursement Fee Methodology. The total development cost for the 21-inch sewer main is \$1,250,245.04. Developer received SDC "pass-through credits," leaving an unreimbursed portion of the development cost of the 21-inch sewer main in the amount of \$771,871.32. The sum of \$771,871.32 is a reasonable and fair apportionment of the total construction cost for the 21-inch sewer main for all properties that comprise the Reimbursement District.

The methodology to establish the Reimbursement Fee is based on the impact each development will have on the sewer system. The Reimbursement Fee to be paid by single-family residential lots is based on dividing the total reimbursement amount by the 600 total single-family residential lots within the district anticipated to connect to the sewer main within the next twenty years. The reimbursement fee for uses other than single-family residential development ("other uses") is based on the same methodology multiplied by the increased impacts the other uses have on the sewer system based on the size of the water meter(s) needed for each development, as set forth below:

Meter Size	Ratio of Impact
3/4 inch	1
1 inch	1.7
1.5 inch	3.3
2 inch	5.3
3 inch	10.7
4 inch	16.7
6 inch	33.3

Section 3. Interest Rate. Interest on amounts due under the Reimbursement District shall be 3.5% per annum, simple interest.

Section 4. Administration Cost. The reasonable costs to adequately reimburse the City for administration of the Reimbursement District are 1% of the total reimbursement sum rounded to the nearest, which shall be an additional charge.

Section 5. Payment of Reimbursement Fee Precondition of Permits. Payment of the reimbursement fee, as designated for all real property located in the Reimbursement District is a precondition of receiving any City permits applicable to development on such real property.

Section 6. Infrastructure Agreement. The City Manager shall enter into an infrastructure agreement with Developer pertaining to the Reimbursement District as provided in SRC 66.525(d), the performance of which shall be contingent upon the improvements being accepted by the City.

Section 7. Recording of Resolution. The City Recorder shall record this Resolution No. 2008-78 with the Clerk of Polk County.

Section 8. Appeal of Formation of Reimbursement District. No legal action intended to contest the formation of the Reimbursement District or the reimbursement fee, including the amount of the charge designated for each parcel, shall be filed after sixty (60) days following the adoption of this resolution. Any challenge or appeal to the formation of the Reimbursement District shall be solely by writ of review pursuant to ORS 34.010-ORS 34.102, and not otherwise.

Section 9. Reimbursement District Fee Not a Tax or a Lien. Formation of the Reimbursement District shall not result in an assessment upon or lien against real property, and reimbursement fees collected by the City on behalf of Developer are not taxes subject to the property tax limitations of Article XI, section 11(b) of the Oregon Constitution.

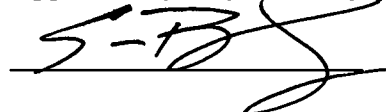
Section 10. Effective Date. This Resolution is effective upon adoption, and the date of formation of the Reimbursement District shall be the effective date of this Resolution.

ADOPTED by the City Council this 4th day of August, 2008.

ATTEST:


City Recorder

Approved by City Attorney:



Checked by: T. Martin

G:\Group\legal\Council\072808 Brush College Reimbursement District reso.doc

FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:
PUBLIC WORKS FILE NO.:

August 4, 2008

7 (a)

TO: MAYOR AND CITY COUNCIL

THROUGH: LINDA NORRIS, CITY MANAGER

FROM: PETER FERNANDEZ, P.E., INTERIM PUBLIC WORKS DIRECTOR

**SUBJECT: FORMATION OF A REIMBURSEMENT DISTRICT
FOR SANITARY SEWER CONSTRUCTION
BY BRUSH COLLEGE HEIGHTS SUBDIVISIONS
REVISED AS DIRECTED BY COUNCIL DURING PUBLIC HEARING**

ISSUE:

Shall Council adopt Resolution No. 2008-78 approving the formation of a reimbursement district to collect funds for construction of sanitary sewer mains by the developer of Brush College Heights Subdivisions that benefit neighboring properties?

RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2008-78, creating a reimbursement district for the construction of the 21-inch trunk sanitary sewer main that is available to serve properties other than the Brush College Heights subdivisions and establishing an interest rate to be applied to the reimbursement fee as a return on investment.

BACKGROUND:

Decal Oregon, Inc., was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development. The 21-inch pipe was constructed along the boundary of the subdivision in Brush College Road NW and terminates at their western boundary of the site.

When a developer constructs improvements that benefit neighboring properties but are not eligible for full reimbursement from other sources, reimbursement districts are a mechanism to identify the benefitted area and provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used and are necessary to serve those neighboring properties.

Because the 21-inch sewer line is a qualified public improvement per SRC 41.100(h), the developer will receive a partial reimbursement for the construction in the form of pass-through credits from System Development Charges collected within the Brush College Heights subdivisions in the amount of \$478,373.72.

EXHIBIT 1

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
Page 2

The developer has requested the formation of the Reimbursement District shown in Attachment B to collect the unreimbursed costs of the 21-inch trunk sanitary sewer line from the neighboring properties that will ultimately be benefitted from its construction. The estimated unreimbursed costs total \$771,871.32. Attachment B provides an estimated cost-per-benefitted property for the proposed reimbursement district.

A public hearing was held on July 28, 2008, to consider formation of the reimbursement district. During the hearing, a property owner within the district requested clarification regarding the connection of existing homes prior to development on a property. Council directed staff to revise the fee methodology to address existing homes transferring from septic systems to public sewer within the district.

FACTS AND FINDINGS:

1. The 21-inch trunk sanitary sewer line was constructed along the boundary of the Brush College Heights subdivision as a condition of UGA Development Permit 02-05 and Subdivision 04-13. The trunk sanitary sewer line is available to provide service to future development within the reimbursement district boundary.
2. The 21-inch trunk sanitary sewer main is a new public improvement that provides a public benefit, is identified in the *Salem Wastewater Management Master Plan*, is of a size greater than that needed to serve the developer's property, and is available to serve the property within the district.
3. The application was submitted on April 16, 2008, which is within 180 days after acceptance of the sanitary sewer main by the City, as required in SRC 66.510(c).
4. All persons owning property within the proposed district were notified by first class mail of the public hearing and purpose thereof, mailed July 11, 2008.
5. SRC 66.515(b) specifies the Public Works Director shall prepare a report with the following information:
 - A. Developer Financing: The developer has financed the entire construction cost of the sewer main.
 - B. District Boundary: The proposed district boundary is approximately 139 acres located both north and south of Brush College Road NW as shown in Attachment B.
 - C. Apportionment of Construction Cost: As shown in the application submitted, the total development costs for the sewer mains are \$1,250,245.04. Because the 21-inch trunk sewer main is a facility shown in the *Salem Wastewater Management Master Plan*, the developer is eligible for pass-through credits.

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
Page 3

However, the credits generated from the Brush College Heights subdivisions do not provide full reimbursement to the developer. The unreimbursed portion of the 21-inch trunk sewer main is \$771,871.32, which the developer has requested to be reimbursed through the district fee.

Apportionment of the reimbursement fee is based upon the impact of each development on the sewer system. Because the zoning within the district is predominately for single family residential use, the methodology to establish total reimbursement amount is based on total single family residential lots within the district anticipated to be connected to the sewer main within the next twenty years. The approximate density will be 4.3 lots per acre (or 600 lots for the 139-acre district) based on topographic considerations, natural features, and preliminary subdivision layouts already submitted to the City. The reimbursement fee for each single family residential lot will then be \$1,287.00 based on the 600-lot total and \$771,871.32 in reimbursement due to the developer.

The reimbursement fee for uses other than single family residential development (other uses) is based on the same methodology multiplied by the impacts the other uses have on the sewer system. The impacts other uses have on the sewer system vary based on the size of water meter(s) needed for each development. Therefore, the reimbursement fee for other uses is the single family residential fee multiplied by the ratio of impact as determined by the size of the water meter(s) needed for each is set forth as follows:

Meter Size	Ratio of Impact
3/4 inch	1
1 inch	1.7
1.5 inch	3.3
2 Inch	5.3
3 inch	10.7
4 inch	16.7
6 inch	33.3

This methodology is similar to Exhibit D of the Methodology Report for Water and Wastewater Systems Development Charges adopted by Council on June 9, 2008.

- D. Administration Cost: Public Works staff recommends that a 1 percent administration fee be collected with each payment of the reimbursement district fee, rounded to the nearest dollar. The total reimbursement district fee will be collected as follows:

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
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Use	Meter Size	Reimbursement	Administration	Total
Single Family:	N/A	\$1,287	\$13	\$1,300
Other:	¾-inch	\$1,287	\$13	\$1,300
	1-inch	\$2,188	\$22	\$2,210
	1.5-inch	\$4,247	\$42	\$4,289
	2-inch	\$6,821	\$68	\$6,889
	3-inch	\$13,771	\$138	\$13,909
	4-inch	\$21,493	\$215	\$21,708
	6-inch	\$42,857	\$429	\$43,286

- E. SRC 66.515(b)(5) specifies that the Public Works Director make a recommendation on whether the creation of the district is in the public interest based upon specific criteria as follows:
- (1) No public sewer mains were available to serve these properties. Consistent with the *Salem Wastewater Management Master Plan*, the 21-inch trunk sanitary sewer main was constructed within the district and will provide sewer service for future development within the district.
 - (2) The reimbursement district provides a mechanism to fairly distribute the costs of the sewer main construction among the 22 properties within the district. No other funding sources are currently available for the construction of this facility. The Urban Service Area (USA) Amendment process described in SRC 66.035 could potentially provide reimbursement for the developer's unreimbursed sewer costs. However, the area surrounding Brush College Heights subdivision does not have required facilities in place or fully committed to the public facilities to be brought within the USA. Required facilities needed in the area include: improvements to Brush College Road west of Doaks Ferry, including a traffic signal; extension of Christina Avenue; and large sewer and water main extensions in unserved areas.
 - (3) The trunk sewer main provides a direct benefit to the properties within the district. Properties outside the district may be benefitted in the future, but will require a large number of annexations.
6. Public Works staff recommends the interest rate to be applied to the reimbursement fee as a return on investment be 3.5 percent.
 7. Reimbursement district fees are eligible to be reimbursed to property owners within the district from sewer SDCi payments collected within their property per SRC Chapter 66.

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
Page 5

District fees paid by a developer prior to land division are reimbursed through pass-through credits; district fees paid by property owners in association with individual building connections to the sewer system are reimbursed as a true credit.

8. The reimbursement district fee will be due when a person applies and is approved for:
 - A. A building permit for a new building;
 - B. A building permit for modifications, repairs or alterations of a building which exceed twenty-five percent of the value of the building, except for repairs made necessary by fire or other natural disaster;
 - C. Other development approvals under the code; or
 - D. Connection to the public improvement constructed by the developer.
9. Public Works staff supports the formation of the reimbursement district to include the benefitted properties around Brush College Road NW.

TCM:REIMBURSE DIST BRUSH COLLEGE REVISED 2.DOC

Attachments:

- A - Application for Reimbursement District
- B - Reimbursement District Boundary

Ward 5

8/1/2008 11:20 AM

Prepared by: Tony C. Martin, P.E., Senior Development Services Engineer

APPLICATION TO ESTABLISH A REIMBURSEMENT DISTRICT

Pursuant to Salem City Code Section 66.510, Decal Oregon, Inc., Decal, Inc., and Tyrell B. Vance, LLC, assignee of Decal Oregon, Inc. (collectively "Decal"), hereby submits the following application to establish a reimbursement district arising from Decal's installation of the trunk sewer line at the Brush College subdivision.

1. A map showing the boundaries of the proposed reimbursement district and each tax lot within the proposed district is attached hereto as Exhibit 1 and incorporated herein by reference.

2. The zoning designations for all property located within the proposed reimbursement district, the mailing address of each owner of property within the proposed district, the tax account number for each parcel of property within the proposed district and the parcel size of each parcel of property within the proposed district are included on Exhibit 1. The width of the frontage, if any, can be calculated using the scale on Exhibit 1. Decal previously owned and developed the Brush College and Brush College Heights subdivisions, although it does not presently hold title to any property related to this public improvement.

3. The location, type and size of the public improvement which is the subject of this application is the 21 inch trunk sanitary sewer line shown on Exhibit 1. The total project cost previously certified by the City in connection with Decal's application for SDC credits is \$1,250,245.04. After subtracting the SDC credits paid or to be paid, the costs in excess of credits total \$771,871.32. A projected cost per benefited district and a proposed reimbursement share is included on Exhibit 1.

4. This application is being submitted on or before April 16, 2008, which is 180 days after the acceptance of the sanitary sewer by the City of Salem.

DATED this 15th day of April, 2008.

DECAL OREGON, INC.

By: 

John Schleining
President

TYRELL B. VANCE, LLC

By: 

Tyrell B. Vance
Manager

DECAL, INC.

By: 

John Schleining
President

Brush College Trunkline

Rembursement District

April, 2006

Total Project Construction Costs	\$	1,250,245.04
Cost to Set up District	\$	4,678.00
Credits paid or to be paid	\$	493,051.72
Excess of Credits	\$	771,871.32
Projected Cost per Assessed Acre	\$	5,552.23

Parcels within the proposed Boundary

Parcel #	Tax Lot #	Property Owner	Address	Parcel Size	Reimbursement Share
1	736001200	Gene Joan Olson	2436 Brush College Rd NW, Salem, OR 97304	10.03 ac	\$ 55,668.81
2	736002001	R.L. and Madeline M. Nelson	2345 Brush College Rd NW, Salem, OR 97304	7.25 ac	\$ 12,492.51
3	736001802	Larry E. & Cathie L. Raef	2360 Brush College Rd NW, Salem, OR 97304	2.85 ac	\$ 15,822.88
4	736001800	Rosalee Olson	2380 Brush College Rd NW, Salem, OR 97304	5.48 ac	\$ 30,426.21
5	736001505	Ray W. & Sherie Stambaugh	2510 Brush College Rd NW, Salem, OR 97304	1.03 ac	\$ 5,718.61
6	736001501	Ray W. & Sherie Stambaugh	2510 Brush College Rd NW, Salem, OR 97304	0.23 ac	\$ 1,377.07
7	736001508	Ray W. & Sherie Stambaugh	2510 Brush College Rd NW, Salem, OR 97304	2.68 ac	\$ 14,879.91
8	736001507	Gordon D. & Gail J. Harder	2540 Brush College Rd NW, Salem, OR 97304	2.03 ac	\$ 11,271.02
9	736001502	Gordon D. & Gail J. Harder	2540 Brush College Rd NW, Salem, OR 97304	0.19 ac	\$ 1,044.74
10	736001500	John & Angela Dalka	2580 Brush College Rd NW, Salem, OR 97304	2.41 ac	\$ 13,471.44
11	736001508	John & Angela Dalka	2580 Brush College Rd NW, Salem, OR 97304	0.24 ac	\$ 1,344.74
12	736001504	John & Angela Dalka	2590 Brush College Rd NW, Salem, OR 97304	0.53 ac	\$ 2,944.74
13	736001100	William W. Withers Trust	3840 2650 Brush College Rd NW, Salem, OR 97304	17.04 ac	\$ 94,871.44
14	736000701	Burton O. Atkinson Survivors Tr Et Al	2655 Brush College Rd NW, Salem, OR 97304	7.76 ac	\$ 42,822.23
15	736000702	Philip Davidson	2703 Brush College Rd NW, Salem, OR 97304	1 ac	\$ 5,552.23
16	736000708	Burton O. Atkinson Survivors Tr Et Al	2655 Brush College Rd NW, Salem, OR 97304	1 ac	\$ 5,552.23
17	73600704	Betty Scott	2707 Brush College Rd NW, Salem, OR 97304	1 ac	\$ 5,552.23
18	73600600	George Bishop	3840 2650 Brush College Rd NW, Salem, OR 97304	27.42 ac	\$ 152,242.21
19	73600500	Alfred F. Kneeling Bypass Farm Tr	PO Box 5113, Salem, OR 97304-0113	23.02 ac	\$ 127,812.39
20	73600501	Hezen M. Kneeling Farm Tr	Box 7621 Brush College Rd NW, Salem, OR 97304	1.03 ac	\$ 5,718.61
21	73600400	B & D. Rivett Living Trust Et Al	Mailing: PO Box 5113, Salem, OR 97304-0113 Situs: 2960 Morrison City Ln NW, Salem, OR 97304	29.4 ac	\$ 163,235.63
22	73600401	City of Salem Adm. Grace	Mailing: 5373 Prairie Loop, Placerville, CA 95667 Situs: 350 Commercial St NE, Salem, OR 97301	5.4 ac	\$ 29,962.09
Totals				139.02 ac	\$ 771,871.32

PARCEL ZONING INFORMATION

PARCEL No.	CURRENT ZONING	NOTES
1	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
2	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
3	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
4	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
5	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
6	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
7	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
8	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
9	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
10	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
11	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
12	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
13	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
14	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
15	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
16	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
17	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
18	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
19	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
20	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
21	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE
22	CS-SR	CITY OF SALEM RESIDENTIAL AGRICULTURE

SCALE
1" = 300'

ROAD NO. 3190

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COLORADO-WAY NW (PVT)

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Design: M.D.G.
Drawn: M.D.G.
Checked: M.D.G.
Date: APRIL 2007
Scale: AS SHOWN
As-Built: _____

BRUSH COLLEGE
TRUNK SEWERREIMBURSEMENT
BOUNDARY

Drawing Num
5007
Sheet Num
1 of 1

Brush College Sewer Trunk
Reimbursement District

Boundary Description
July 25th, 2008

Commencing at the Northwest corner of Parcel 1, Partition Plat No. 2004-28, Polk County, Oregon Book of Partition Plats, thence N89°45'26"E, along the North line of said parcel, a distance of 104.62 feet, to the easterly Right-of-way line of the B.P.A. Transmission Easement, and the True Point of Beginning; thence N89°45'26"E, along the North line of said parcel, a distance of 957.46 feet, to the Northeast corner of said parcel; thence S00°25'34"E, along the east line of said parcel, a distance of 1576.38 feet, to the Southeast corner of Parcel 2, of said partition plat; thence N89°54'29"E, a distance of 470.33 feet, to a boundary point on Lot 71, Brush College Heights No. 1, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence S00°03'34"E, along the west line of said subdivision, a distance of 1435.76 feet, to the Southwest corner of Lot 134, Brush College Heights No. 3, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N89°48'56"E, along the southerly line of said subdivision, a distance of 155.00 feet; thence S00°03'34"E, a distance of 214.95 feet, to the Southwest corner of Lot 141, of said subdivision; thence N89°48'56"E, along the south line of said lot, a distance of 346.90 feet; thence S00°13'12"E, a distance of 543.58 feet, to the Northerly Right-of-way line of Brush College Road NW, (C.R. 6408); thence Southeasterly along a curve to the left, with a Radius of 919.05 feet, (the chord of which bears S78°57'57"E, 196.17 feet); thence along the arc of said curve, a distance of 196.55 feet; thence S85°05'33"E, along said right-of-way, a distance of 290.98 feet; thence Southeasterly along a curve to the Right with a Radius of 990.95 feet, (the chord of which bears S75°51'14"E, 318.18 feet), thence along the arc of said curve, a distance of 319.56 feet, to the Southwest corner of Lot 100, Brush College Estates No. 3, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence Southeasterly along a curve to the Right with a Radius of 990.95 feet, (the chord of which bears S64°45'44"E, 64.09 feet), thence along the arc of said curve, a distance of 64.10 feet; thence S62°54'33"E, a distance of 305.63 feet to the Southeast corner of Lot 97, of said subdivision; thence N01°51'17"E, leaving said right-of-way, and along the most southerly east line of said subdivision, common with the west line of BOR. 173, Page 247, Polk County, Oregon Deed Records, a distance of 295.18 feet, to the Northwest corner of said deed; thence S84°34'59"E, along the North line of said deed, a distance of 273.77 feet, to the Northeast corner of said deed, common with the Northwest corner of the Brush College School Tract of Land; thence S02°29'00"W, along the east line of said deed, a distance of 475.00 feet, more or less to the Southerly Right-of-way of Brush College Road NW, (C.R. 6408); thence N63°11'00"W, along said right-of-way, a distance of 120.00 feet, to the east line of BOR. 268, Page 1314, Polk County, Oregon Deed Records; thence

S07°05'00"W, leaving said right-of-way, a distance of 269.85 feet, to the Northeast corner of Deed Volume 170, Page 575, Polk County, Oregon Deed Records; thence S81°55'00"W, along the northerly boundary of said deed, a distance of 162.00 feet more or less, to the Northwest corner of said deed; thence S20°28'00"E, a distance of 122.00 feet; thence S00°00'00"E, a distance of 105.00 feet, to the northerly line of Lot 11, Shadow Creek Estates, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N80°41'19" W, along the northerly line of said subdivision, a distance of 179.24 feet, to an angle point in the northerly line of Lot 21, Shadow Creek Estates No. 2, a duly recorded subdivision in the City of Salem, Polk County, Oregon; thence N74°04'56"W, along the northerly line of said subdivision a distance of 402.53 feet; thence N74°02'13"W, a distance of 555.34 feet, to the Northwest corner of Lot 32, of said subdivision; thence S00°16'25"E, along the west line of said subdivision, a distance of 569.96 feet, to the Northeast corner of Parcel 2, Partition Plat No. 1997-0017; thence West along the north line of said partition plat, common with the south line of BOR. 389, Page 1803, Polk County, Oregon Deed Records, a distance of 543.18 feet, to the Southwest corner of said deed; thence N00°00'00"E, along the west line of said deed, a distance of 1494.90 feet, to the Southerly Right-of-way of Brush College Road NW, (C.R. 6408); thence N26°37'39"E, a distance of 60.00 feet, to the Southeast corner of Document No. 2005-019005, Polk County, Oregon Deed Records; thence N63°22'21"W, along the northerly right-of-way of said road, a distance of 1202.42 feet; thence Northwesterly along a curve to the Right with a Radius of 800.04 feet, (the chord of which bears N45°11'30"W, 499.25 feet), thence along the arc of said curve a distance of 507.72 feet, to the easterly B.P.A. Power Line Easement; thence N00°04'02"W, along said easement line, a distance of 1067.51 feet, to the southerly line of D.L.C. No. 37; thence N00°24'28"W, a distance of 1573.58 feet to the point of beginning.

Located in the Northwest Quarter of Section 8, and Section 17, Township 7 South, Range 3 West, Willamette Meridian, City of Salem, Polk County, Oregon.

TOGETHER WITH: Beginning at the Northeast corner of Lot 6, Rose Blossom Estates, as recorded in Polk County Book of Town Plats, Volume 10, Page 12, said point being on the South line of Lot 11, Wallace Hills West, as recorded in Polk County Book of Town Plats, Volume 8, Page 33; thence along the extended South line of Lot 11, S75°49'41"E, a distance of 840.84 feet more or less, to a point on the South line of Lot 16, said Wallace Hills West, said point also being the Northwest corner of Lot 59, Brush College Estates No. 2, as recorded in Polk County Book of Town Plats, Volume 11, Page 1; thence along the extended West line of Lot 59, Brush College Estates No. 2, S00°02'29"W a distance of 1,122.00 feet more or less to a point on the West line of Lot 111, Brush College Estates No. 3, as recorded in Polk County Book of Town Plats, Volume 12, Page

35, said point also being the Northeast corner of Lot 192, Brush College Heights No. 3, as recorded in Polk County Book of Town Plats, Volume 14, Page 11; thence along the extended North line of Lot 192, Brush College Heights No. 3, N82°31'05"W, a distance of 419.35 feet to a point at the Northwest corner of Lot 166, said Brush College Heights No. 3, said point also being on the East line of Lot 164, said Brush College Heights No. 3; thence along the extended East line of said Lot 164, N01°33'59"E, a distance of 1080.15 feet more or less to the point of beginning.

Located in the Southeast quarter of Section 8, Township 7 South, Range 3 West, Willamette Meridian, City of Salem, Polk County, Oregon.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Richard J. Gibboney

OREGON
APRIL 12, 2003
RICHARD J. GIBBONEY
54550LS

Expiration Date: 6-30-07

RESOLUTION NO. 2008-78

Forming the Brush College Heights Subdivisions Reimbursement District and Making Provision Therefor

Filed: July 30, 2008

Effective: August 4, 2008

Passed: August 4, 2008

Comments:
Copy to Tony Martin - PW

[illegible]

Council Vote	Yes	No
Mayor Taylor	X	
Bennett (Ward 1)	X	
Tesler (Ward 2)	X	
Nanke (Ward 3)	X	
Sullivan (Ward 4)	X	
Tarter (Ward 5)	X	
Rogers (Ward 6)	X	
Cannon (Ward 7)	X	
Clem (Ward 8)	X	

* Ab = Absent

Recorded: Reel _____ Page _____

FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:
PUBLIC WORKS FILE NO.:

August 4, 2008

7 (a)

TO: MAYOR AND CITY COUNCIL

THROUGH: LINDA NORRIS, CITY MANAGER

FROM: PETER FERNANDEZ, P.E., INTERIM PUBLIC WORKS DIRECTOR

**SUBJECT: FORMATION OF A REIMBURSEMENT DISTRICT
FOR SANITARY SEWER CONSTRUCTION
BY BRUSH COLLEGE HEIGHTS SUBDIVISIONS
REVISED AS DIRECTED BY COUNCIL DURING PUBLIC HEARING**

ISSUE:

Shall Council adopt Resolution No. 2008-78 approving the formation of a reimbursement district to collect funds for construction of sanitary sewer mains by the developer of Brush College Heights Subdivisions that benefit neighboring properties?

RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2008-78, creating a reimbursement district for the construction of the 21-inch trunk sanitary sewer main that is available to serve properties other than the Brush College Heights subdivisions and establishing an interest rate to be applied to the reimbursement fee as a return on investment.

BACKGROUND:

Decal Oregon, Inc., was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development. The 21-inch pipe was constructed along the boundary of the subdivision in Brush College Road NW and terminates at their western boundary of the site.

When a developer constructs improvements that benefit neighboring properties but are not eligible for full reimbursement from other sources, reimbursement districts are a mechanism to identify the benefitted area and provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used and are necessary to serve those neighboring properties.

Because the 21-inch sewer line is a qualified public improvement per SRC 41.100(h), the developer will receive a partial reimbursement for the construction in the form of pass-through credits from System Development Charges collected within the Brush College Heights subdivisions in the amount of \$478,373.72.

AUG 04 2008

Approved

PW

The developer has requested the formation of the Reimbursement District shown in Attachment B to collect the unreimbursed costs of the 21-inch trunk sanitary sewer line from the neighboring properties that will ultimately be benefitted from its construction. The estimated unreimbursed costs total \$771,871.32. Attachment B provides an estimated cost-per-benefitted property for the proposed reimbursement district.

A public hearing was held on July 28, 2008, to consider formation of the reimbursement district. During the hearing, a property owner within the district requested clarification regarding the connection of existing homes prior to development on a property. Council directed staff to revise the fee methodology to address existing homes transferring from septic systems to public sewer within the district.

FACTS AND FINDINGS:

1. The 21-inch trunk sanitary sewer line was constructed along the boundary of the Brush College Heights subdivision as a condition of UGA Development Permit 02-05 and Subdivision 04-13. The trunk sanitary sewer line is available to provide service to future development within the reimbursement district boundary.
2. The 21-inch trunk sanitary sewer main is a new public improvement that provides a public benefit, is identified in the *Salem Wastewater Management Master Plan*, is of a size greater than that needed to serve the developer's property, and is available to serve the property within the district.
3. The application was submitted on April 16, 2008, which is within 180 days after acceptance of the sanitary sewer main by the City, as required in SRC 66.510(c).
4. All persons owning property within the proposed district were notified by first class mail of the public hearing and purpose thereof, mailed July 11, 2008.
5. SRC 66.515(b) specifies the Public Works Director shall prepare a report with the following information:
 - A. Developer Financing: The developer has financed the entire construction cost of the sewer main.
 - B. District Boundary: The proposed district boundary is approximately 139 acres located both north and south of Brush College Road NW as shown in Attachment B.
 - C. Apportionment of Construction Cost: As shown in the application submitted, the total development costs for the sewer mains are \$1,250,245.04. Because the 21-inch trunk sewer main is a facility shown in the *Salem Wastewater Management Master Plan*, the developer is eligible for pass-through credits.

However, the credits generated from the Brush College Heights subdivisions do not provide full reimbursement to the developer. The unreimbursed portion of the 21-inch trunk sewer main is \$771,871.32, which the developer has requested to be reimbursed through the district fee.

Apportionment of the reimbursement fee is based upon the impact of each development on the sewer system. Because the zoning within the district is predominately for single family residential use, the methodology to establish total reimbursement amount is based on total single family residential lots within the district anticipated to be connected to the sewer main within the next twenty years. The approximate density will be 4.3 lots per acre (or 600 lots for the 139-acre district) based on topographic considerations, natural features, and preliminary subdivision layouts already submitted to the City. The reimbursement fee for each single family residential lot will then be \$1,287.00 based on the 600-lot total and \$771,871.32 in reimbursement due to the developer.

The reimbursement fee for uses other than single family residential development (other uses) is based on the same methodology multiplied by the impacts the other uses have on the sewer system. The impacts other uses have on the sewer system vary based on the size of water meter(s) needed for each development. Therefore, the reimbursement fee for other uses is the single family residential fee multiplied by the ratio of impact as determined by the size of the water meter(s) needed for each is set forth as follows:

Meter Size	Ratio of Impact
3/4 inch	1
1 inch	1.7
1.5 inch	3.3
2 inch	5.3
3 inch	10.7
4 inch	16.7
6 inch	33.3

This methodology is similar to Exhibit D of the Methodology Report for Water and Wastewater Systems Development Charges adopted by Council on June 9, 2008.

- D. Administration Cost: Public Works staff recommends that a 1 percent administration fee be collected with each payment of the reimbursement district fee, rounded to the nearest dollar. The total reimbursement district fee will be collected as follows:

Use	Meter Size	Reimbursement	Administration	Total
Single Family:	N/A	\$1,287	\$13	\$1,300
Other:	¾-inch	\$1,287	\$13	\$1,300
	1-inch	\$2,188	\$22	\$2,210
	1.5-inch	\$4,247	\$42	\$4,289
	2-inch	\$6,821	\$68	\$6,889
	3-inch	\$13,771	\$138	\$13,909
	4-inch	\$21,493	\$215	\$21,708
	6-inch	\$42,857	\$429	\$43,286

- E. SRC 66.515(b)(5) specifies that the Public Works Director make a recommendation on whether the creation of the district is in the public interest based upon specific criteria as follows:
- (1) No public sewer mains were available to serve these properties. Consistent with the *Salem Wastewater Management Master Plan*, the 21-inch trunk sanitary sewer main was constructed within the district and will provide sewer service for future development within the district.
 - (2) The reimbursement district provides a mechanism to fairly distribute the costs of the sewer main construction among the 22 properties within the district. No other funding sources are currently available for the construction of this facility. The Urban Service Area (USA) Amendment process described in SRC 66.035 could potentially provide reimbursement for the developer's unreimbursed sewer costs. However, the area surrounding Brush College Heights subdivision does not have required facilities in place or fully committed to the public facilities to be brought within the USA. Required facilities needed in the area include: improvements to Brush College Road west of Doaks Ferry, including a traffic signal; extension of Christina Avenue; and large sewer and water main extensions in unserved areas.
 - (3) The trunk sewer main provides a direct benefit to the properties within the district. Properties outside the district may be benefitted in the future, but will require a large number of annexations.
6. Public Works staff recommends the interest rate to be applied to the reimbursement fee as a return on investment be 3.5 percent.
 7. Reimbursement district fees are eligible to be reimbursed to property owners within the district from sewer SDCi payments collected within their property per SRC Chapter 66.

Formation of a Reimbursement District for Sanitary Sewer
Construction by Brush College Heights Subdivisions
Council Meeting of August 4, 2008
Page 5

District fees paid by a developer prior to land division are reimbursed through pass-through credits; district fees paid by property owners in association with individual building connections to the sewer system are reimbursed as a true credit.

8. The reimbursement district fee will be due when a person applies and is approved for:
 - A. A building permit for a new building;
 - B. A building permit for modifications, repairs or alterations of a building which exceed twenty-five percent of the value of the building, except for repairs made necessary by fire or other natural disaster;
 - C. Other development approvals under the code; or
 - D. Connection to the public improvement constructed by the developer.
9. Public Works staff supports the formation of the reimbursement district to include the benefitted properties around Brush College Road NW.

TCM:REIMBURSE DIST BRUSH COLLEGE REVISED 2.DOC

Attachments:

- A - Application for Reimbursement District
- B - Reimbursement District Boundary

Ward 5

8/1/2008 11:20 AM

Prepared by: Tony C. Martin, P.E., Senior Development Services Engineer

APPLICATION TO ESTABLISH A REIMBURSEMENT DISTRICT

Pursuant to Salem City Code Section 66.510, Decal Oregon, Inc., Decal, Inc., and Tyrell B. Vance, LLC, assignee of Decal Oregon, Inc. (collectively "Decal"), hereby submits the following application to establish a reimbursement district arising from Decal's installation of the trunk sewer line at the Brush College subdivision.

1. A map showing the boundaries of the proposed reimbursement district and each tax lot within the proposed district is attached hereto as Exhibit 1 and incorporated herein by reference.

2. The zoning designations for all property located within the proposed reimbursement district, the mailing address of each owner of property within the proposed district, the tax account number for each parcel of property within the proposed district and the parcel size of each parcel of property within the proposed district are included on Exhibit 1. The width of the frontage, if any, can be calculated using the scale on Exhibit 1. Decal previously owned and developed the Brush College and Brush College Heights subdivisions, although it does not presently hold title to any property related to this public improvement.

3. The location, type and size of the public improvement which is the subject of this application is the 21 inch trunk sanitary sewer line shown on Exhibit 1. The total project cost previously certified by the City in connection with Decal's application for SDC credits is \$1,250,245.04. After subtracting the SDC credits paid or to be paid, the costs in excess of credits total \$771,871.32. A projected cost per benefited district and a proposed reimbursement share is included on Exhibit 1.

4. This application is being submitted on or before April 16, 2008, which is 180 days after the acceptance of the sanitary sewer by the City of Salem.

DATED this 15th day of April, 2008.

DECAL OREGON, INC.

By: 

John Schleining
President

TYRELL B. VANCE, LLC

By: 

Tyrell B. Vance
Manager

DECAL, INC.

By: 

John Schleining
President



Brush College Trunkline

Reimbursement District

April, 2008

Total Project Construction Costs	\$	1,260,245.04
Cost to Set up District	\$	4,478.00
Credits paid or to be paid	\$	483,051.72
Balance of Credits	\$	771,671.32
Projected Cost per Sanitized Acre	\$	6,552.23

Parcels within the proposed Boundary

Parcel #	Tax Lot #	Property Owner	Address	Parcel Size	Reimbursement Share
1	738001300	Steve Joan Olson	3428 Brush College Rd NW, Salem, OR 97304	10.03	ac 1
2	738002001	RL and Louise M. Malen	2745 Brush College Rd NW, Salem, OR 97304	2.15	ac 1
3	738001602	Larry E. & Cathie L. Reid	3260 Brush College Rd NW, Salem, OR 97304	2.83	ac 1
4	738001603	Elaine O. Olson	3260 Brush College Rd NW, Salem, OR 97304	8.49	ac 1
5	738001505	Ray W. & Sherie Stonebaugh	2510 Brush College Rd NW, Salem, OR 97304	1.23	ac 1
6	738001501	Ray W. & Sherie Stonebaugh	2510 Brush College Rd NW, Salem, OR 97304	0.33	ac 1
7	738001508	Ray W. & Sherie Stonebaugh	2510 Brush College Rd NW, Salem, OR 97304	2.89	ac 1
8	738001507	Gordon D. & Gail J. Hender	2540 Brush College Rd NW, Salem, OR 97304	3.03	ac 1
9	738001503	Gordon D. & Gail J. Hender	2540 Brush College Rd NW, Salem, OR 97304	0.19	ac 1
10	738001503	John & Angela Dulka	3300 Brush College Rd NW, Salem, OR 97304	2.41	ac 1
11	738001504	John & Angela Dulka	3300 Brush College Rd NW, Salem, OR 97304	0.24	ac 1
12	738001504	John & Angela Dulka	3300 Brush College Rd NW, Salem, OR 97304	0.63	ac 1
13	738001100	Williams W. Williams Trust	3300 Brush College Rd NW, Salem, OR 97304	17.04	ac 1
14	73800701	Barton O. Abraham Surver's Tr El Al	2535 Brush College Rd NW, Salem, OR 97304	2.76	ac 1
15	73800702	Phyllis Davidson	2703 Brush College Rd NW, Salem, OR 97304	1	ac 1
16	73800708	Barton O. Abraham Surver's Tr El Al	2535 Brush College Rd NW, Salem, OR 97304	1	ac 1
17	73800704	Gail Scott	2707 Brush College Rd NW, Salem, OR 97304	1	ac 1
18	73800800	George Blarney	8125 2535 Brush College Rd NW, Salem, OR 97304	27.43	ac 1
19	73800500	Alfred F. Kalland Bypass Farm Tr	Mailbox 1634 Box 17 Scott St, Portland, OR 97208	13.03	ac 1
20	73800501	Heidi M. Kalland Farm Trust	PO Box 8113, Salem, OR 97304-0113	1.03	ac 1
21	73800400	B. & O. Kalland Living Trust El Al	Mailbox PO Box 8113, Salem, OR 97304-0113	28.4	ac 1
22	73800401	City of Salem Abn: Grace	Box 2940 Mailbox City Ln NW, Salem, OR 97304	5.4	ac 1
Totals			550 Commercial St NE, Salem, OR 97301	139.02	ac 1
					771,671.32

PARCEL No.	CURRENT ZONING	NOTES:
1	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
2	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
3	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
4	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
5	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
6	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
7	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
8	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
9	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
10	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
11	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
12	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
13	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
14	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
15	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
16	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
17	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
18	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
19	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
20	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
21	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
22	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE

ATTACHMENT B

MULTI/TECH

ENGINEERING SERVICES, INC.
1100 19th St, SE, Salem, OR 97302
PH: (503) 585-0127 FAX: (503) 585-0128
WWW.ESINC-OR.COM

MULTITECH ENGINEERING SERVICE HAS
LIMITED LIABILITY FOR ANY UNLAWFUL APPROVED
NOT FOR
CONSTRUCTION
UNLESS STAMPED
APPROVED HERE



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REPRODUCTIONS TO BE MADE TO
THESE DRAWINGS WITHOUT WRITTEN
AUTHORIZATION FROM THE DESIGN
ENGINEER.
DIMENSIONS & NOTES TAKE
PRECEDENCE OVER GRAPHICAL
REPRESENTATION.

Design: H.G.S.
Drawn: P.J.S.
Checked: H.G.S.
Date: June 2007
Scale: AS SHOWN
As-Built:

BRUSH COLLEGE TRUNK SEWER

REIMBURSEMENT BOUNDARY

Drawing Number
5007
Sheet Number
1 of 1

**FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:
PUBLIC WORKS FILE NO.:**

July 28, 2008

7 (a)

August 4, 2008

7 (a)

TO: MAYOR AND CITY COUNCIL

THROUGH: LINDA NORRIS, CITY MANAGER

FROM: PETER FERNANDEZ, P.E., INTERIM PUBLIC WORKS DIRECTOR

**SUBJECT: FORMATION OF A REIMBURSEMENT DISTRICT
FOR SANITARY SEWER CONSTRUCTION
BY BRUSH COLLEGE HEIGHTS SUBDIVISIONS**

ISSUE:

Shall Council adopt Resolution No. 2008-78 approving the formation of a reimbursement district to collect funds for construction of sanitary sewer mains by the developer of Brush College Heights Subdivisions that benefit neighboring properties?

RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2008-78, creating a reimbursement district for the construction of the 21-inch trunk sanitary sewer main that is available to serve properties other than the Brush College Heights subdivisions and establishing an interest rate to be applied to the reimbursement fee as a return on investment.

BACKGROUND:

Decal Oregon, Inc., was required to construct a 21-inch trunk sanitary sewer main identified in the *Salem Wastewater Management Master Plan* as a condition of development. The 21-inch pipe was constructed along the boundary of the subdivision in Brush College Road NW and terminates at their western boundary of the site.

When a developer constructs improvements that benefit neighboring properties but are not eligible for full reimbursement from other sources, reimbursement districts are a mechanism to identify the benefitted area and provide a fair and proportional reimbursement to the developer for the cost of improvements that will be used and are necessary to serve those neighboring properties.

Because the 21-inch sewer line is a qualified public improvement per SRC 41.100(h), the developer will receive a partial reimbursement for the construction in the form of pass-through credits from System Development Charges collected within the Brush College Heights subdivisions in the amount of \$478,373.72.

The developer has requested the formation of the Reimbursement District shown in Attachment B to collect the unreimbursed costs of the 21-inch trunk sanitary sewer line from the neighboring properties that will ultimately be benefitted from its construction. The estimated unreimbursed costs total \$771,871.32. Attachment B provides an estimated cost-per-benefitted property for the proposed reimbursement district.

JUL 28 2008

Continued

PW

FACTS AND FINDINGS:

1. Payment of the reimbursement district fee will be made by the properties within the district in lieu of connection fees specified in SRC 21.230. The reimbursement fee will be due and payable by the property within the district at the time of subdivision plat approval or connection to the sewer main, whichever comes first.
2. The 21-inch trunk sanitary sewer line was constructed along the boundary of the Brush College Heights subdivision as a condition of UGA Development Permit 02-05 and Subdivision 04-13. The trunk sanitary sewer line is available to provide service to future development within the reimbursement district boundary.
3. The 21-inch trunk sanitary sewer main is a new public improvement that provides a public benefit, is identified in the *Salem Wastewater Management Master Plan*, is of a size greater than that needed to serve the developer's property, and is available to serve the property within the district.
4. The application was submitted on April 16, 2008, which is within 180 days after acceptance of the sanitary sewer main by the City, as required in SRC 66.510(c).
5. All persons owning property within the proposed district were notified by first class mail of the public hearing and purpose thereof, mailed July 11, 2008.
6. SRC 66.515(b) specifies the Public Works Director shall prepare a report with the following information:
 - A. Developer Financing: The developer has financed the entire construction cost of the sewer main.
 - B. District Boundary: The proposed district boundary is approximately 139 acres located both north and south of Brush College Road NW as shown in Attachment B.
 - C. Apportionment of Construction Cost: As shown in the application submitted, the total development costs for the sewer mains are \$1,250,245.04. Because the 21-inch trunk sewer main is a facility shown in the *Salem Wastewater Management Master Plan*, the developer is eligible for pass-through credits. However, the credits generated from the Brush College Heights subdivisions do not provide full reimbursement to the developer. The unreimbursed portion of the 21-inch trunk sewer main is \$771,871.32, which the developer has requested to be reimbursed through the district fee.

Apportionment of the cost will be based upon the acreage of benefitted properties that receive service from the trunk sewer main. The applicant proposes that the construction costs be reimbursed through the district at a cost of \$5,552.23 per benefitted acre.

- D. Administration Cost: Public Works staff recommends that a 1 percent administration fee be collected with each payment of the reimbursement district fee, or \$55.52 per benefitted acre. Therefore, the total reimbursement district fee paid by each property within the district is recommended to be \$5,607.75 per benefitted acre, rounded to \$0.1287 per square foot. One percent of each payment will be retained by Public Works staff for administrative costs, and the remaining balance will be reimbursed to the developer.
- E. SRC 66.515(b)(5) specifies that the Public Works Director make a recommendation on whether the creation of the district is in the public interest based upon specific criteria as follows:
- (1) No public sewer mains were available to serve these properties. Consistent with the *Salem Wastewater Management Master Plan*, the 21-inch trunk sanitary sewer main was constructed within the district and will provide sewer service for future development within the district.
 - (2) The reimbursement district provides a mechanism to fairly distribute the costs of the sewer main construction among the 22 properties within the district. No other funding sources are available for the construction of this facility.
 - (3) The trunk sewer main provides a direct benefit to the properties within the district. Properties outside the district may be benefitted in the future, but will require a large number of annexations.
7. Public Works staff recommends the interest rate to be applied to the reimbursement fee as a return on investment be 3.5 percent.
8. Public Works staff supports the formation of the reimbursement district to include the benefitted properties around Brush College Road NW.

TCM:REIMBURSE DIST BRUSH COLLEGE.WPD

Attachments:

- A - Application for Reimbursement District
- B - Reimbursement District Boundary

Ward 5

7/24/2008 11:52 AM

Prepared by: Tony C. Martin, P.E., Senior Development Services Engineer

APPLICATION TO ESTABLISH A REIMBURSEMENT DISTRICT

Pursuant to Salem City Code Section 66.510, Decal Oregon, Inc., Decal, Inc., and Tyrell B. Vance, LLC, assignee of Decal Oregon, Inc. (collectively "Decal"), hereby submits the following application to establish a reimbursement district arising from Decal's installation of the trunk sewer line at the Brush College subdivision.

1. A map showing the boundaries of the proposed reimbursement district and each tax lot within the proposed district is attached hereto as Exhibit 1 and incorporated herein by reference.

2. The zoning designations for all property located within the proposed reimbursement district, the mailing address of each owner of property within the proposed district, the tax account number for each parcel of property within the proposed district and the parcel size of each parcel of property within the proposed district are included on Exhibit 1. The width of the frontage, if any, can be calculated using the scale on Exhibit 1. Decal previously owned and developed the Brush College and Brush College Heights subdivisions, although it does not presently hold title to any property related to this public improvement.

3. The location, type and size of the public improvement which is the subject of this application is the 21 inch trunk sanitary sewer line shown on Exhibit 1. The total project cost previously certified by the City in connection with Decal's application for SDC credits is \$1,250,245.04. After subtracting the SDC credits paid or to be paid, the costs in excess of credits total \$771,871.32. A projected cost per benefited district and a proposed reimbursement share is included on Exhibit 1.

4. This application is being submitted on or before April 16, 2008, which is 180 days after the acceptance of the sanitary sewer by the City of Salem.

DATED this 15th day of April, 2008.

DECAL OREGON, INC.

By: 

John Schleining
President

TYRELL B. VANCE, LLC

By: 

Tyrell B. Vance
Manager

DECAL, INC.

By: 

John Schleining
President

Brush College Trunkline

Reimbursement District

April, 2008

ATTACHMENT B

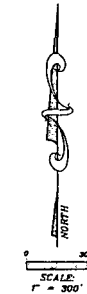
Total Project Construction Costs	\$	1,263,245.04
Cost to Set up District	\$	4,678.00
Credits paid or to be paid	\$	493,051.72
Excess of Credits	\$	771,871.32
Projected Cost per Benefitted Acre	\$	5,552.23

Parcels within the proposed Boundary

Parcel #	Tax Lot #	Property Owner	Address	Parcel Size	Reimbursement Share
1	738001300	Stina Joan Olson	2435 Brush College Rd NW, Salem, OR 97304	10.03	ac \$ 55,588.89
2	738002001	R.L. and Marlene M. Melton	2345 Brush College Rd NW, Salem, OR 97304	2.25	ac \$ 12,492.22
3	738001002	Larry E. & Cathie L. Raaf	2300 Brush College Rd NW, Salem, OR 97304	2.80	ac \$ 15,623.96
4	738001600	Rosalie Olson	2330 Brush College Rd NW, Salem, OR 97304	5.48	ac \$ 30,426.23
5	738001505	Ray W. & Sherie Slomberg	2510 Brush College Rd NW, Salem, OR 97304	1.63	ac \$ 9,118.80
6	738001501	Ray W. & Sherie Slomberg	2510 Brush College Rd NW, Salem, OR 97304	0.23	ac \$ 1,277.01
7	738001506	Ray W. & Sherie Slomberg	2510 Brush College Rd NW, Salem, OR 97304	2.88	ac \$ 14,879.96
8	738001507	Gordon D. & Gail J. Harder	2540 Brush College Rd NW, Salem, OR 97304	2.03	ac \$ 11,271.03
9	738001502	Gordon D. & Gail J. Harder	2540 Brush College Rd NW, Salem, OR 97304	0.18	ac \$ 1,054.82
10	738001500	John & Angela Dalke	2590 Brush College Rd NW, Salem, OR 97304	2.41	ac \$ 13,380.88
11	738001508	John & Angela Dalke	2590 Brush College Rd NW, Salem, OR 97304	0.24	ac \$ 1,332.54
12	738001504	John & Angela Dalke	2590 Brush College Rd NW, Salem, OR 97304	0.53	ac \$ 2,942.68
13	738001100	William W. Wilkins Trust	2650 Brush College Rd NW, Salem, OR 97304	17.04	ac \$ 94,810.04
14	73800701	Burton O. Ahlstrom Survivor's Tr. Et Al	3285 Hidden Valley Dr NW, Salem, OR 97304	2.76	ac \$ 15,242.21
15	73800702	Philip Davidson	2703 Brush College Rd NW, Salem, OR 97304	1	ac \$ 5,552.23
16	73800709	Burton O. Ahlstrom Survivor's Tr. Et Al	2655 Brush College Rd NW, Salem, OR 97304	1	ac \$ 5,552.23
17	73800704	Betty Scott	2707 Brush College Rd NW, Salem, OR 97304	1	ac \$ 5,552.23
18	73800500	George Sibous	2654 Top O' Scott SE, Portland, OR 97206	27.42	ac \$ 152,422.21
19	73800500	Alfred F. Krieling Bypass Farm Tr.	PO Box 5113, Salem, OR 97304-0113	23.02	ac \$ 127,812.39
20	73800501	Helen M. Krieling Farm Trust	Suite 2631 Brush College Rd NW, Salem, OR 97304	1.03	ac \$ 5,718.80
21	73800400	B. & D. Rivett Living Trust Et Al	2980 Michigan City Ln NW, Salem, OR 97304	29.4	ac \$ 163,235.63
22	73800401	City of Salem Attn: Grace	350 Commercial St NE, Salem, OR 97301	5.4	ac \$ 29,982.05
Totals				139.02	ac \$ 771,871.32

PARCEL ZONING INFORMATION

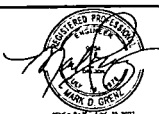
PARCEL No.	CURRENT ZONING	NOTES:
1	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
2	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
3	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
4	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
5	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
6	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
7	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
8	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
9	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
10	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
11	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
12	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
13	PC-SR	POLK COUNTY SUBURBAN RESIDENTIAL
14	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
15	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
16	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
17	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
18	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
19	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
20	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
21	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE
22	CS-RA	CITY OF SALEM RESIDENTIAL AGRICULTURE



ATTACHMENT B

MULTI / TECH
ENGINEERING SERVICES, INC.
1188 JOHN ST. N.E. SUITE 100, SEASIDE, OR 97138
PH: (503) 423-9227 FAX: (503) 423-4280
WWW.MULTITECH-TECH.COM

ALL TECH ENGINEERING EXEMPT FROM
LIMELIGHT IF NOT STAMPED APPROVED



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ENGINEER.
DIMENSIONS & NOTES TAKE
PRECEDENCE OVER GRAPHICAL
REPRESENTATION.

Design: M.D.G.
Drawn: E.J.S.
Checked: M.D.G.
Date: APRIL 2007
Scale: AS SHOWN
As-Built:

BRUSH COLLEGE TRUNK SEWER

REIMBURSEMENT BOUNDARY

Drawing Number
5007
Sheet Number
1 of 1