

RESOLUTION NO. 3554

A RESOLUTION FORMING THE SW TOWLE (120-275) WASTEWATER REIMBURSEMENT DISTRICT

The City of Gresham Finds:

- A. Gresham Revised Code (GRC) Article 11.15 establishes a process for the formation of reimbursement districts.
- B. An application has been submitted by the City of Gresham (the Applicant) for the formation of a reimbursement district.
- C. The Applicant desires to recover costs from benefiting properties for the construction of approximately 400 feet of 8-inch wastewater main that will be owned and maintained by the City of Gresham following project completion. To recover costs, the Applicant has requested to form a reimbursement district.
- D. A Manager's Report was drafted recommending approval of the proposed reimbursement district formation. The Manager's Report includes a recommended district boundary, the estimated cost of the district, and the recommended methodology for assigning costs to the properties within the proposed district boundary.
- E. A Notice of Application and Informational Meeting was mailed to property owners in the proposed district on March 14, 2023, and the informational meeting was held on April 6, 2023.
- F. Following the informational meeting the Manager finalized the Manager's Report.
- G. The City sent a mailed notice to the property owners in the proposed district on May 2, 2023, to inform the property owners of the public hearing for district formation. A follow-up notice was sent on May 9, 2023 to inform property owners that the Council Hearing was moved from May 16, 2023 to June 6, 2023.
- H. The City Council has reviewed the application and the Manager's Report and has considered any comments received from the impacted properties.

THE CITY OF GRESHAM RESOLVES:

1. The City Council approves the recommendations contained in the Manager's Report and declares the formation of the SW Towle (120-275) Wastewater Reimbursement District. A copy of the Manager's Report is attached as Exhibit A. The recommendations of the Manager's Report are approved.
2. Upon receipt from the Applicant of the final costs and proposed assignment of costs to each benefiting property, the Manager shall prepare and submit to the City Council a proposed Reimbursement Resolution. Notice of Council action on the Reimbursement Resolution shall be provided to the property owners within the District.

Yes: Stovall, Piazza, DiNucci, Gladfelter, Hinton, Jones-Dixon

No: None

Absent: Morales

Abstain: None

Passed by the Gresham City Council on June 6, 2023.



Nina Vetter
City Manager



Travis Stovall
Mayor

Approved as to Form:



Kevin R. McConnell
City Attorney

Manager's Report

SW Towle (120-275) Wastewater Reimbursement District

BACKGROUND

There are several pockets of unsewered properties within the City of Gresham. Extension of the public wastewater system to these areas is generally reliant upon development or an individual property owner extending the public wastewater main when their onsite disposal system fails. The property owner or developer who extends the public wastewater system has the option to set up a reimbursement district if the extension benefits other properties, but the cost, timing and expertise needed to manage a wastewater main extension project and set up a district is a major burden for most property owners. As a result, as funding allows, the City has been extending wastewater to these areas and setting up reimbursement districts to recover the costs when properties connect to the wastewater main. Cost recovery is necessary to fund future similar wastewater main extensions.

The proposed wastewater main extension would extend an existing main located in SW Towle Avenue, just north of SW Hollybrook Terrace/SW 4th Street, north to the northly property line of 155 SW Towle Avenue. The four tax lots on the west side of the street are currently unsewered and at least one has a septic system which is at or near failure. The properties on the east side of the street have public wastewater service via a dead end main on private property from SW Wallula Avenue to the east. The location of the private laterals beyond the public main is unknown and private easements could not be located. Redevelopment of these properties would not be permitted to utilize their existing connection point and would be required to extend the wastewater main in SW Towle Avenue.

REIMBURSEMENT DISTRICTS

The purpose of a reimbursement district is to provide a method to reimburse the city or a developer who finances master planning or the construction of public facilities that benefit multiple properties and provides a financial mechanism to allow the city or developer to proceed with critical infrastructure with at least partial cost recovery. Reimbursement districts provide a tool to determine a benefiting property's cost share and ensure the impacted property owners are involved in the process. A notice of the reimbursement district is recorded on the titles of properties in the district so prospective property owners are made aware of the district at time of purchase. Reimbursement district processes and requirements are codified in Article 11.15 of the Gresham Revised Code (GRC). An overview of the process is included as Exhibit A1.

The creation of a reimbursement district is a two-step process. In the first step, Council votes on whether to form the reimbursement district. There are three basic components to consider when forming this reimbursement district:

1. Reimbursement District Boundary. The district boundary is the area that is most likely to benefit from the plan or infrastructure proposed.
2. Reimbursement Amount. The estimated costs to construct the new infrastructure or to complete the master planning which are passed on to the benefiting properties.
3. Reimbursement Methodology. The recommended reimbursement methodology is the methodology used to determine how much each benefiting property should be charged based on their expected portion of the benefit. There is no single mandated methodology so each proposed reimbursement district may come up with a process that makes the most sense for the individual project.

If Council approves the formation of the district, in the second step, Council reviews the developer's actual project costs of the project and applies the methodology to the actual costs to determine the reimbursement district charge for each benefiting property. The second step would be considered at a subsequent council meeting after the project is constructed.

Per GRC 11.15.115, the reimbursement district would remain valid for 10 years and may be renewed for additional 10-year terms if a written renewal request is received prior to the date of expiration.

PROJECT TIMELINES

On February 27, 2023, the City project engineer finalized their project cost estimate and formally submitted an application for a reimbursement district.

A Notice of Application and Informational Meeting was sent to the property owners of record on March 14, 2023, and the informational meeting was held on April 6, 2023. The purpose of the meeting was to inform the property owners of the proposed reimbursement district and obtain comments from the affected property owners. Four people representing three of the properties proposed to be in the district attended. Staff gave a short presentation and then answered the questions of the attendees.

Advertising for bids for the construction of the wastewater main is scheduled for May 19, 2023 with bid opening on June 7, if the reimbursement district formation is approved by Council. Construction timing will depend on the hired contractor's availability but should be complete before the end of 2023.

MANAGER'S FINDINGS AND RECOMMENDATIONS

The Manager recommends the formation of the SW Towle (120-275) Wastewater Reimbursement District as follows:

1. REIMBURSEMENT DISTRICT BOUNDARY

Exhibit A2 shows the proposed reimbursement district boundary. The four properties on the west side of the street are currently unsewered and at least one has a septic system which is at or near failure. The properties on the east side of the street do have public wastewater service via a dead-end main on private property from SW Wallula Avenue to the east. The location of the private laterals beyond the public main is unknown and private easements could not be located¹. Redevelopment of these properties would require wastewater connection from Towle Avenue.

2. TOTAL REIMBURSEMENT

The estimated cost to plan, design, and construct the approximately 400 feet of 8-inch wastewater main, including laterals to each of the seven developed tax lots, is \$335,000, as shown in Exhibit A3. The estimate includes pavement restoration which may not be required and would add approximately \$100,000 to the project cost, if pavement restoration work is necessary.

If the formation of the district is approved, the actual project costs will be tallied once the project is built by the lowest qualified bidder. The City Council would review those costs in a second city council meeting to adopt those final costs and each tax lot's resulting proportional share.

In addition to the reimbursement district share, the property owners will be responsible for payment of any applicable fees, such as the wastewater system development charge and plumbing permit. They will also be responsible for the costs of extending the wastewater lateral on their private property and decommissioning of any onsite sanitation systems. Decommissioning of existing onsite sanitation systems requires a permit from Multnomah County Sanitation.

3. REIMBURSEMENT METHODOLOGY

The recommended reimbursement methodology is based on each lot's portion of the total area of all the lots in the proposed district boundary as shown on Exhibit A4. The lot's proportional share would not be due until it connected to the wastewater main. The unsewered lots on the west side of SW Towle Avenue would connect when their onsite disposal system failed, or they further developed and the properties on the east side

¹ It is possible easements do exist but were not located via Chicago Title's free easement search service.

would pay when development or redevelopment necessitated connection to the wastewater main in SW Towle Avenue.

Payment prior to connection to the wastewater main in SW Towle is allowed but connections to the wastewater main would not be permitted before the final cost resolution is adopted by Council unless an agreement between the property owner and the City is executed and a deposit that is at least 25% greater than the estimated reimbursement is paid. Any unused portion of the deposit will be returned to the payee.

RECOMMENDATION

Move to approve the Manager's Report and Resolution No. 3554 forming the SW Towle (120-275) Wastewater Reimbursement District.

LIST OF EXHIBITS

A1 – Reimbursement District Process Steps

A2 – Proposed Reimbursement District Boundary

A3 – Engineer's Estimate

A4 – Proposed Reimbursement Methodology

REIMBURSEMENT DISTRICT PROCESS STEPS

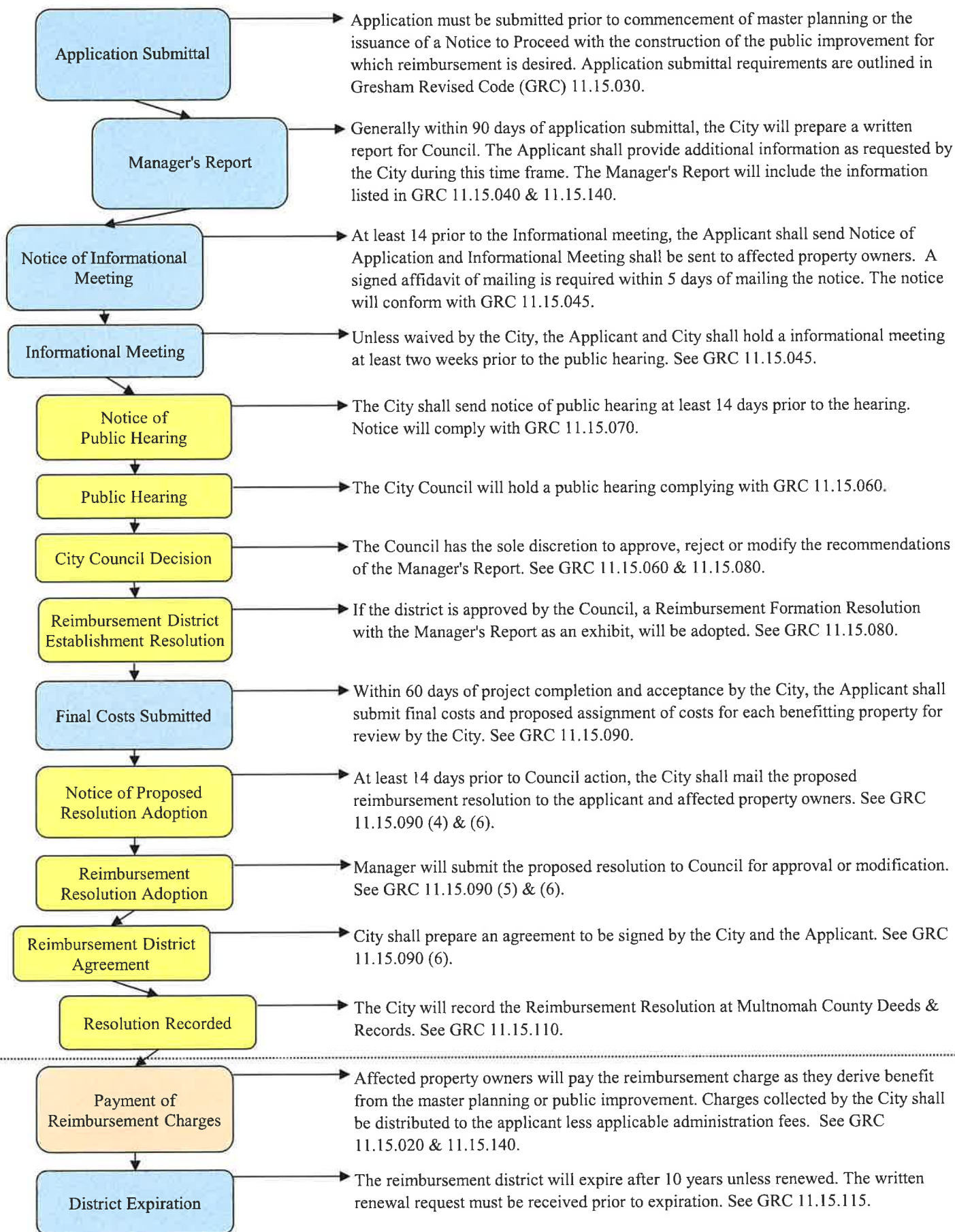
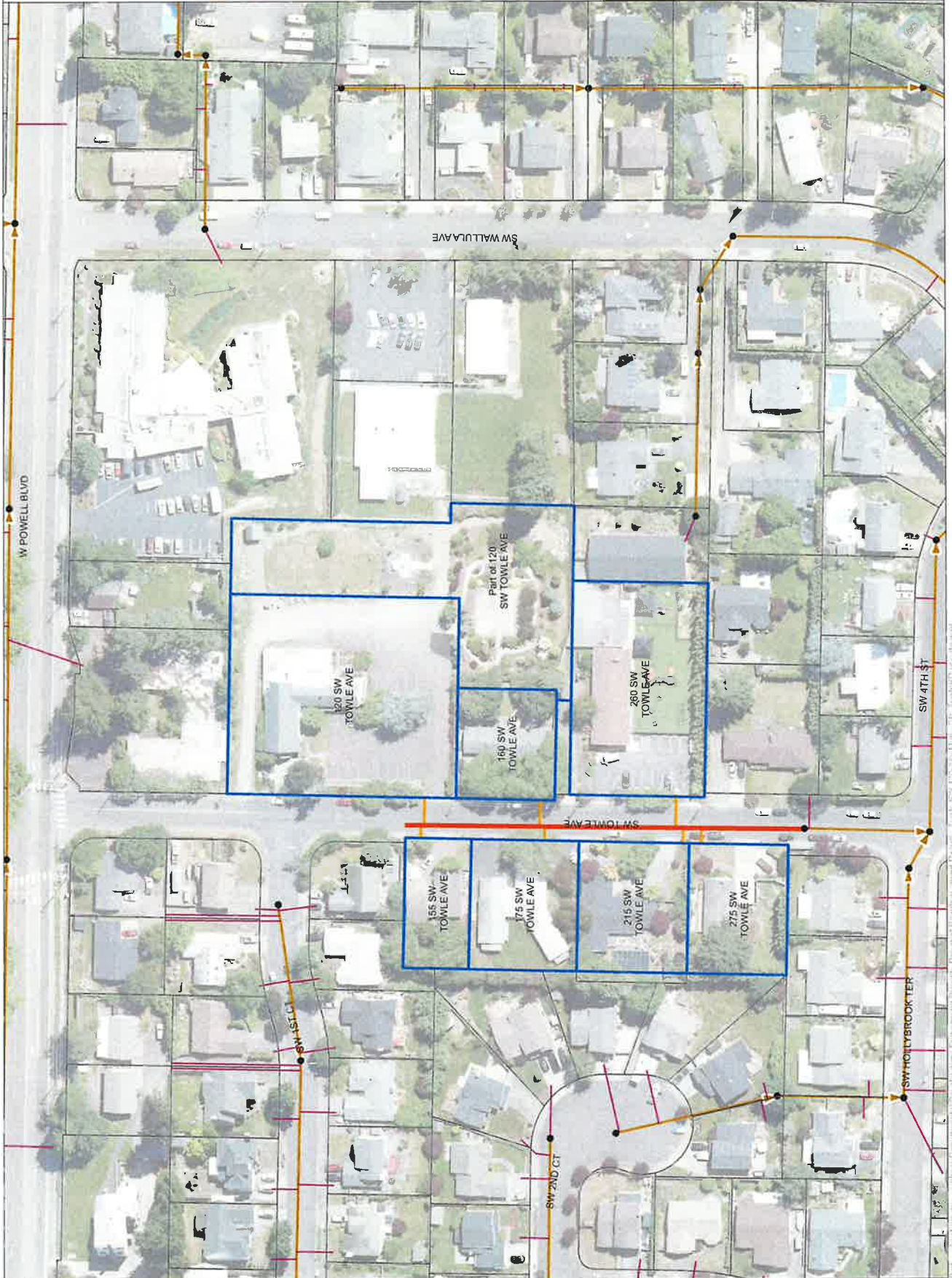
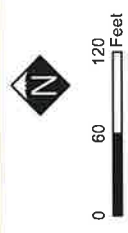


EXHIBIT A2

SW Towle (120-275) Wastewater Reimbursement District

- Proposed Reimbursement District Lot
- Proposed Wastewater Main
- Proposed Lateral*
- Existing Wastewater Main
- Existing Wastewater Lateral
- Existing Wastewater Manhole

* Prior to construction, the proposed lateral location is negotiable.



**120-275 SW TOWLE AVE
CIP No. WW00B13
Engineer's Estimate**

Item No.	Item	Unit	Total Units	Unit Price	Item Total
1	Mobilization	LS	1	\$ 22,745.00	\$ 22,745.00
2	Erosion Control	LS	1	\$ 3,000.00	\$ 3,000.00
3	Traffic Control	LS	1	\$ 10,000.00	\$ 10,000.00
4	Furnish & Install 8" PVC Sewer Pipe including Fittings, Unclassified Trench Excavation, Dewatering, Class "B" Pipe Zone, Imported Granular Backfill, Sawcutting, Temporary Asphalt, Complete-in-Place	LF	400	\$ 150.00	\$ 60,000.00
5	Furnish & Install 4" PVC Sewer Lateral Pipe including Fittings, Unclassified Trench Excavation, Dewatering, Class "B" Pipe Zone, Imported Granular Backfill, Sawcutting, Temporary Asphalt, Complete-in-Place	LF	130	\$ 200.00	\$ 26,000.00
6	Furnish & Install 4" 2-way Cleanout at Property Line	EA	7	\$ 750.00	\$ 5,250.00
7	Standard 48-inch diameter precast manhole, 0-8 feet deep, complete including pipe connections	EA	2	\$ 8,000.00	\$ 16,000.00
8	Additional depth of 48-inch diameter manhole beyond 8 feet deep.	LF	2	\$ 800.00	\$ 1,600.00
9	A.C. Pavement Trench Replacement - 5" depth, Level 2, 1/2" dense graded and striping, Complete-in-Place.	TON	80	\$ 240.00	\$ 19,200.00
10	A.C. Pavement Trench Replacement - 16" of 1"-0" crushed aggregate base preparation, Complete-in-Place.	CY	130	\$ 80.00	\$ 10,400.00
11	2" AC Inlay	SY	700	\$ 100.00	\$ 70,000.00
12	Portland Cement Concrete Sidewalk/Driveway Replacement, including Base Course Crushed Rock, Complete-in-Place.	SF	40	\$ 25.00	\$ 1,000.00
13	Final Restoration and Landscaping, Complete	LS	1	\$ 5,000.00	\$ 5,000.00

Construction Total:		\$ 250,195.00
Construction Contingency 10%:		\$ 25,019.50
Engineering 10%:		\$ 25,019.50
Admin 14%:		\$ 35,027.30

Grand Total \$ 335,261.30

Round to \$335,000.00

EXHIBIT A4

**PROPOSED REIMBURSEMENT METHODOLOGY
SW TOWLE (120-275) WASTEWATER REIMBURSEMENT DISTRICT
ESTIMATED ASSIGNMENT OF COSTS**

Last Revised: 2/23/23 MIJK

Estimated Reimbursement District Cost: \$ 335,000.00

Map & Tax Lot Number	Current Property Owner	Current Property Address	Currently Connected to Sewer	Lot Area (acres)	% of District based on Lot Area	Proportional Share by Area
1S3E09CA 03401	BISCEGLIA, KIEL	155 SW TOWLE AVE	No	0.20	4.88%	\$ 16,339.20
1S3E09CA 02200	BJELLAND HOLDINGS LLC	260 SW TOWLE AVE	Yes	0.66	16.52%	\$ 55,353.31
1S3E09CA 03800	NEVIN, BETHANY & JEFFREY M	275 SW TOWLE AVE	No	0.30	7.45%	\$ 24,943.57
1S3E09CA 02400	OROZCO, RAFAEL G & LOPEZ, NATALLIA M	160 SW TOWLE AVE	Yes	0.25	6.30%	\$ 21,098.64
1S3E09CA 02600	PARISH OF ST LUKE THE PHYSICIAN	120 SW TOWLE AVE	Yes	1.06	26.32%	\$ 88,182.97
1S3E09CA 00200	PARISH OF ST LUKE THE PHYSICIAN	120 W/ SW TOWLE AVE	No	0.89	22.26%	\$ 74,584.84
1S3E09CA 03500	SLUMAN, WILLIAM A	175 SW TOWLE AVE	No	0.32	8.08%	\$ 27,077.74
1S3E09CA 03600	US BANK TRUST NA TR	215 SW TOWLE AVE	No	0.33	8.18%	\$ 27,419.73
Total				4.01	100%	335,000.00

Note: Unless otherwise agreed upon by the district owner and property owners involved, lot line adjustments involving properties in the district will result in proportional increases and decreases of proportional shares, as appropriate.