



Borough Manager's Report Skylark Park Development

The proposed Skylark Park Development includes the Borough transferring ownership of seven (7) lots¹ for the purpose of improved housing in the community. This property, along with a lot already owned by the proposed developer, will be developed into approximately forty (40) housing lots. This project meets the requirement of providing long-term public benefit by developing raw land into additional housing which will be available for purchase and as outlined in PMC 16.12.030(B)². Community Development staff felt the Conceptual Plan submitted by the proposed developer lacked in some detail, however the Planning Commission approved the application with no reservations. Community Development staff felt many of their concerns will be met when the developer goes through the platting and permit process, and others during the process of creating the resolution outlining the requirements contained in Ordinance 16.12.030(F).

The value of this proposed development to the Borough will come from increased property taxes, and utility revenues as the subdivided property is developed with single family homes. The specific economic benefit of the fully completed subdivision will be an estimated increase in the property tax valuation of \$9,000,000 (40 lots @ an estimated \$225,000 each). The developers in this case are proposing an estimated expenditure in infrastructure of over \$1.7M for electric, water, sewer and roads.

Utilities will need to be built to Borough standards.

The roads will need to be 28-foot wide with a 40 foot Right of Way, dug to hardpan, and then backfilled with shot rock. Seal Coat is optional.

Manholes and fire hydrants will be installed to Borough Code as well.

¹ Lots 1, 2, 3, 5, 5A, 6 of Plat 90-14 and GL 21

² 16.12.030(B). The borough assembly may authorize the disposal of borough property for less than the assessed or appraised value, or for other forms of consideration in addition to or in lieu of, in whole or in part, direct monetary payment to the Borough, when the proposed disposal is for a project meeting both of the following requirements: (1) the project consists of economic development consisting of installation, construction, or operation of new or expanded industrial, manufacturing, or commercial facilities; construction of affordable housing; or construction of large residential housing developments creating five (5) or more residential lots that would address the shortage of reasonably priced housing within the borough; and (2) the assembly determines the project will result in a significant short- or long-term public benefit to the Petersburg Borough. "Public benefit", as used hereunder, means a project that provides one or more positive economic or noneconomic impacts on the community that in the assembly's determination outweigh maximizing the direct monetary payment to the borough.

The Borough asks that all utility and road development be completed within two years of this agreement being approved by the Assembly.

The Borough sets a minimum of twenty (20) lots developed.

Due to the large investment by Skylark Park LLC for utilities and road development, I recommend the seven lots be transferred to the developer at 50% of Appraised Value (\$55,500) and using a direct sale process. Upon completion and certification of the roads and utilities, the Borough would take ownership of the infrastructure and would be responsible for all future maintenance. The Borough requires the developer to follow all procedures for obtaining the proper permits, platting and approval of installed utilities by the appropriate Borough staff. The Borough will also require a plat of the specific lot locations and roads prior to construction and within 180 days of approval by the Assembly. It is important to note, according to PMC 18.16.030³, assuming this project moves forward, that the developer cannot sell any of the lots conveyed until the approved utilities and roads are in place and that there would be additional restrictions noted in PMC 16.12.030(F).

It is recommended the Developer review the Planning Commission staff report to confirm how they wish to address concerns raised in the report. Some of the items contained in the staff report would have an impact on the development and how the Developer approaches the project.

A copy of the Appraisal on these lots and an outline of the development is attached.

A copy of the Planning Commission report from the November 12 meeting is attached.

To Summarize;

I recommend the Assembly approve the application for this project. I feel the project meets the requirement of a public benefit in providing property needed for local housing in the community. The Borough's support of the project will come in the form of giving the property to the developer at 50% of Appraised Value to reduce the price of the lots to the public. The contribution of the developer includes fully funding and installing the utility and road infrastructure at a price exceeding \$1.7M.

Stephen Giesbrecht
Borough Manager
Petersburg Borough

³ **18.16.030 - Public improvements required.** No lot, tract or parcel within any major subdivision or part of any other plat requiring public improvements may be conveyed until served by road, electricity and where accessible municipal water and sewer, and such improvements have been inspected, approved and accepted for maintenance by the city. This restriction shall appear on any such plat to be approved for recording.