

Staff Response to Public Testimony on 362nd and Bell AFRD Resolution Adoption at Council Meeting March 18, 2024

Frank Walker:

The Public Notice did not offer enough time for residents to process information and ask questions of staff.

The Public Notice was mailed on March 6th. This time of notice is prescribed in 12.14.050 and must be between ten and thirty days of the public hearing. The requirements of this section of the code were met. A notice of public hearing could not have been made sooner, as City Council had just reached a decision and directed staff on the terms of the intended reimbursement district. As section 12.14.030 expresses, the purpose of this public hearing is an informational meeting for interested parties.

Bob Skipper:

Does the AFRD constitute all city development charges?

Payment of an AFRD will be in addition to the standard fees associated with developing land in the City and connecting to City utilities. Additional costs of development will be assessed as laid out in the city's most recent fee schedule at the time of development.

General Question on interest

The reimbursement district is subject to a 5% simple interest rate as directed by the Council. What this means is that the value of the reimbursement amount increases by 5% of each property's reimbursement total each year. The interest will then be due with the reimbursement value if and when a property develops. With no development on a taxlot, no interest or reimbursement payment is required.

Doug Castle

What will trigger reimbursement? Will payment be required for the barns damaged in the storm?

This reimbursement district is intended to have a portion of this transportation system improvement be paid for by development of properties directly benefitting from the new road being built. Payment of this reimbursement amount for each property will only occur if a property is developed from its current use. The resolution language has been changed to ensure that only after a property has land use approval to develop will the reimbursement amount be required. This language is intended to ensure that improvements and repairs made to existing properties that do not change its current land use will not require payment of this reimbursement.

How was the area of each property determined?

The reimbursement areas for each property were determined by using the developable area of each taxlot. This was performed by using the total area of each taxlot and subtracting areas that are not developable. The areas determined to be undevelopable were: areas that have now become Right-Of-Way for the new road, areas with an environmental overlay(FSH,) and areas encumbered by the slope easement for the roadway or storm drainage. Furthermore the reimbursement amount required by each property will only be collected for the portion of the property that is developed. For example, if a single acre of a parcel is carved off and developed, only a proportional amount will be due to the City.

Eric Lundeen

How was this project funded? Which portion of this funding will this district reimburse?

The project was funded by three different sources: the entirety of the City's SDC holdings, a bond against the City's vehicle registration revenue and, to fill the remaining need of the project, money from the City's transportation operating budget. The City's operating budget is intended to serve the entire city, paying for roadway repairs and maintenance and covering the city's response to keep our road operational during storm events. The 20% reimbursement was selected by council with the intent of replenishing this fund, as it will take a long time to rebuild and is required to keep Sandy's streets in good condition. Other funding sources were sought to avoid this portion of investment, but in the competitive grant market, this project was unsuccessful at receiving funding.

How does this project incentivize development?

For any of the properties in this district to develop, the same roadway would be required to be built. The cost of this project for a developer would be similar to what it was for the City, and would likely cost considerably more, the further into the future that construction occurred. The developer would be required to manage a complicated infrastructure project, and carry the cost of the entire project. It should be noted that the developer would not receive a payment from the City's SDC pool, they would only realize that savings by receiving SDC credits for their development. After project completion, the initial developer would likely create a reimbursement district to recuperate their costs. This would then lead to a higher reimbursement value for all of the neighboring properties.

With the City's investment in the project, a developer can purchase property on an existing roadway for a fraction of what the roadway would cost them otherwise. Additionally, the developer would only need to manage the development of their own site without having to negotiate easements with other properties in order to perform their offsite improvements.

Julie Walker

When does interest begin to accrue?

Interest will begin once the reimbursement district is formed by council resolution. Interest is 5% of the initial project cost, added to the total reimbursement value annually.

The turning radius is too tight to get large construction equipment and materials onto the remaining portion of Royal Ln.

While this may be the case under current conditions, a developer would simply need to create a construction entrance that meets their construction needs. With existing elevations and obstructions, this may seem daunting, but is a standard practice on major development sites. Additionally, if traffic control is required to get oversized loads onto a site, the City will have reviewed and approved this for feasibility and safety before such work can occur.

