



REQUEST FOR COUNCIL ACTION

Title: Willow-Yucca Street Neighborhood Local Improvement District (LID)

Preferred Agenda: June 22, 2021 (1st Reading)
July 13, 2021 (2nd Reading)
July 27, 2021 (3rd Reading)

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: Sweet Home City Charter, Chapter VII, Section 28
SHMC Chapter 3.16

Towards Council Goal: Aspiration I: Desirable Community, Aspiration III: Viable and Sustainable Infrastructure, Goal 1 Infrastructure

Attachments: Ordinance Bill No. 3 for 2021
Exhibit A
Exhibit B
Exhibit C

Purpose of this RCA:

To present to the City Council a revised cost estimate and assessment methodology for the proposed Willow-Yucca Street Neighborhood Local Improvement District (LID) and seek direction from the City Council regarding the formation of this LID, as set forth in SHMC Chapter 3.16.

Background/Context:

In December 2019, residents of the Willow/Yucca Street neighborhood petitioned the City for the formation of a Local Improvement District (LID) to extend City water infrastructure and service to the neighborhood, and construct sidewalk and street improvements, all of which are currently lacking. City Staff developed a potential boundary, list of requested improvements, cost estimates, and an initial cost assessment methodology.

As dictated by SHMC Chapter 3.16, the four selected viewers met on January 18, 2021, and January 21, 2021 to investigate the proposed LID maps, cost estimates, and assessment methodology. They submitted their report and recommendations to the Council, which was reviewed at the February 23, 2021, Council Meeting.

The February 23, 2021, Council Meeting also included a public hearing on the matter. Residents of the neighborhood were given notice via certified mail of the public hearing, and several expressed their views on the issue. At that meeting, the City Council directed staff to

research ways to bring down the cost of the project and develop a more reasonable assessment of the costs.

City Staff revised the project by reducing some of the street infrastructure in the proposal, and developed some revisions to the assessment of costs in order to reflect the development potential of larger properties and delay the related payment to the time of development or 20 years, whichever comes first. In addition, one of the property owners, who owns a majority of the properties in the proposed LID, offered to forego any grant or City funding on his properties, and allow any such funding to be spread among all the other properties. This has resulted in significant cost reductions for many of the properties, dependent, of course, upon any grant or City contribution.

City Staff organized two community meetings regarding the revisions and notified residents of the meetings. These meetings were held on April 20th and April 29th, 2021. While lightly attended, those meetings enabled staff to explain the methodology and options in detail, and answer questions from residents regarding the impact of the LID specific to them. In addition, a reporter from the New Era was present and able to gather information for his audience.

Although not required by City Code, Staff determined that another public hearing should be held before the City Council on June 8th before proceeding further. This public hearing was advertised in the New Era, and multiple notices were sent to the owners of property within the proposed LID.

At the June 8, 2021 meeting, the Council voted to approve the LID as presented, and directed staff to draft the necessary ordinance.

During the June 22, 2021, meeting Council indicated they wanted it noted the City's contribution should be attributed to pay for the asphalt for the roads.

The Challenge/Problem:

How can the City Council meet their goal of providing Citizens with viable and sustainable infrastructure in the Willow-Yucca Street neighborhood? How should the City respond to residents who have petitioned for the formation of a Local Improvement District?

Stakeholders:

- Sweet Home Residents – Sweet Home citizens deserve viable and sustainable infrastructure, effective and efficient government, and to have their taxes and fees spent wisely.
- Sweet Home City Council – The City Council has set a goal to provide viable and sustainable infrastructure to residents, and is responsible for adopting ordinances, such as the ordinances required for proposed Local Improvement Districts.
- Willow and Yucca Street Neighborhood Residents – Residents within the LID deserve the same services and infrastructure that other City residents enjoy and deserve costs to be assessed in a fair and just way.

Issues and Financial Impacts:

Local Improvement Districts offer significant flexibility for the City. They can be assessed entirely on the property owners of the District and cost the City nothing. The City can also choose to contribute funds to the LID and bring the cost down for residents within the District. The current estimate and assessment methodology assume a City contribution of approximately \$300,000 over a 30-year period. This level of funding can be increased or decreased by the Council, to the benefit or detriment of LID property owners. The financial impact on LID property owners is detailed in the attached spreadsheet, however, those costs will likely be balanced by significant improvements to the neighborhood and a corresponding rise in property values.

Elements of a Stable Solution:

A stable solution would provide water and street infrastructure to the Willow and Yucca Street Neighborhood in a fair and just way to both property owners within the District, and all Sweet Home citizens.

Update for 7/13/2021:

At the June 22nd Council Meeting, the Council voted to approve the ordinance with an expediency clause and conducted the first reading. Two more readings, by title only, are necessary for the ordinance to take effect.

Options:

1. Do Nothing – Without an enabling ordinance, the formation of the LID would be effectively canceled.
2. Conduct a Second Reading of Ordinance Bill No.3 for 2021 and Move the Ordinance to a Third Reading at the July 27, 2021 Council Meeting – Approval of the Ordinance will create the LID and begin the process of financing and constructing the improvements. The ordinance will take effect following a third reading on 7/27/2021.
3. Direct Staff to proceed with the formation of the LID with changes – Direct staff to prepare the ordinance necessary to form the Willow-Yucca Street Neighborhood Local Improvement District with specified changes to the existing proposal.
4. Direct Staff to research other options – Direct staff to research other ways to serve the Willow and Yucca Street with water and construct street and sidewalk improvements.

Recommendation:

Staff recommends option 2: Conduct a Second Reading of Ordinance Bill No.3 for 2021 and Move the Ordinance to a Third Reading at the July 27, 2021 Council Meeting