



# REQUEST FOR COUNCIL ACTION

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**Title:** Request for Council Action – Willow-Yucca Local Improvement District (LID) Change Order

**Preferred Agenda:** April 22, 2025

**Submitted By:** Cecily Hope Pretty, Deputy City Manager

**Reviewed By:** Jason Ogden, City Manager

**Type of Action:** Resolution ☐ Motion ☒ Roll Call ☐ Other ☐

**Relevant Code/Policy:** N/A

**Towards Council Goal:** Efficient Government, Economic Strength, Essential Services, Infrastructure, Desirable Community

**Attachments:** Willow-Yucca LID Engineering Change Order

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## **Purpose of this RCA:**

To approve a change order in the amount of \$83,664 to address additional engineering design scope for the Willow-Yucca LID.

## **Background/Context:**

- December 2019: Area residents petitioned the City to form a Local Improvement District (LID) for water service and improved street infrastructure
- January & February 2021: Viewers convene and issue report to City Council; public hearing conducted and staff directed to investigate a lower-cost option
- April & June 2021: Public meetings held with proposed revisions
- June & July 2021: City Council approves LID as proposed and establishes it by Ord. No. 1297
- August 25, 2023: City Council authorizes a loan from the Special Public Works Fund through the Oregon Infrastructure Finance Authority in the amount of \$2,059,815 (\$2,359,815 total project cost) at 3.68% over 19 years
- January 2024: RFP issued for project design; Civil West selected as engineering firm
- September 2024: Civil West and staff meet to review 65% design plans

## **The Challenge/Problem:**

With the inclusion of new engineering staff in the 65% design review meeting, it was determined that the initial scope of the design contract did not address known issues with an adjacent storm and sewer system involving significant utility conflicts. The existing storm drain line on 18<sup>th</sup> Avenue interferes with the existing sanitary sewer system; connecting additional residences to the system risks overwhelming the system and causing overflows, which will also negatively impact the adjacent South Santiam River.

Civil West is proposing a change order in the amount of \$83,664 to address the additional scope to correct the infrastructure conflict and construct a new outlet structure. The redesign will also increase the overall project costs at an as-yet unknown amount. The City may request a higher loan amount at the same interest rate, but these costs are mandated to be passed on to the residents of the LID. The delay has also set the engineering timeline back by approximately six months.

Initial discussions with the engineering firm indicate that depending on the additional costs for construction based on the change order, any potential impact to the City's loan may be offset by use of System Development Charge (SDC) Funds.

**Issues and Financial Impacts:**

A portion of the change order can be paid for with SDC Funds. The remainder will be charged to professional services in the Storm Water and Sewer Funds.

**Elements of a Stable Solution:**

A fiscally responsible approach to addressing necessary infrastructure analysis to ensure high quality services to the residents within the LID.

**Options:**

1. Do nothing: The City will not address the utility conflict with additional engineering design and will move forward with the existing design.
2. Approve the change order as proposed: Move to approve the change order as proposed.

**Recommendation:**

Staff recommends option 2: Move to approve the change order as proposed.