



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Resolution No. 1 for 2021 -Willow Street Neighborhood Local Improvement District (L.I.D.)

Preferred Agenda: January 12, 2021

Submitted By: Robert Snyder, City Attorney

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution x Motion Roll Call Other

Relevant Code/Policy: SHMC Chapter 3.16
SHMC Charter Chapter VIII Section 28

Towards Council Goal: Goal 1 Infrastructure.
Vision Statement III WE ASPIRE to provide viable and sustainable infrastructure

Attachments: Plat of the Project, Deed References, List of Owners (includes other persons that have interest in the property), Map of District and Estimate of Cost of Project
Resolution for Viewers, Publication and Notification

Purpose of this RCA:

To present to City Council a Resolution that appoints viewers to review the Plat, Deed References, List of Owners (includes other persons that have interest in the property), Map and Estimate of Cost concerning a proposed Local Improvement District (L.I.D.) in the Willow Street Neighborhood area of the city and then make recommendations to the City Council about the L.I.D.. In short, an L.I.D. is a method to build improvements (e.g. water, streets, sidewalks, curbs, gutters and storm drain infrastructure) in a given district (area of the city) and then provide for the payment of the improvements from the properties benefitted. The Resolution also provides for publication in the paper and notification of owners per SHMC Chapter 3.16 before a City Council decision is made to proceed further with the L.I.D..

Background/Context:

SHMC Chapter 3.16 sets forth the process for an L.I.D. pursuant to SHMC Charter Chapter VIII Section 28. The process starts with the City Council on its own or petitioned by a majority of property owners in a given area of the city (district) to form an L.I.D. to build the improvements requested, then the City Council directs the City Manager to prepare a plat and report (with deed references, owners list, map and cost estimate) and then the City Council passes a Resolution to appoint viewers (and then later in the process ordinances that assess the properties benefitted and provide for liens on them and a payment plan for repayment to the city for the funds expended by the city to build the improvements usually funded by passing a Bancroft Bond as provided in SHMC 3.16.110).

The next initial step is to pass a Resolution that appoints three viewers (three freeholders, who are qualified electors of the city) to investigate the above referred to documents to, "...make recommendations to the City Council about the project together with a just estimated assessment of the benefits to the property that they determine to be specially benefitted by the project. The City Recorder (City Manager) shall act as Clerk for the viewers."

The last L.I.D. for the city was in 1995. A couple have been started since then but not finished. SHMC Charter VIII Section 28 states:

"Streets, sewer, sidewalk, and such other improvements as may be deemed necessary by the council may be made on the motion of the council or on petition of a majority of the property owners interested. Remonstrance of two-thirds of the front footage of property owners concerned shall operate to defeat such motion or petition and the same may not again be considered by the council for a period of six months."

In the proposed L.I.D. improvements for water, street, sidewalk, curb, gutter, and storm drain are being considered in the Willow Street Neighborhood area. The above referred to attached documents describe the area, properties and cost involved in the project. The city has been petitioned by a majority of the property owners to start an L.I.D.. When the viewers come back with their recommendations, the City Council will consider a motion to proceed or not with the L.I.D. after considering the viewers' report and after publication and notification per SHMC 3.16. The next step after the viewers' report is filed with the Recorder (City Manager) in the process would be to publish a notice (2 successive publications) in the paper and send notices to each owner to give them notice of a scheduled City Council meeting to present their objections to the viewers' report and L.I.D., if they have any. "After the public hearing and hearing any objections, if the Council finds the viewers' report to be reasonable and just, it may, by ordinance, establish the improvement district and may direct and order the work to be done."

If an L.I.D. is created by the City Council it will need to decide at later City Council meetings (with additional information) how the L.I.D. will be financed, whether the city will contribute to the cost of the L.I.D., when the liens attach, the rate of interest for the liens (could be same as debt interest as in last L.I.D.) and the allowable payment installment plan (Bancroft Bonds require at least a 10-year plan not to exceed 30-year plan). The 1995 L.I.D. made the assessments on the final construction costs which were based on the average cost between the front footage and square footage method with the depth limited to 150 feet and payment on a 10-year repayment plan.

The L.I.D. in this case is being requested primarily for the water improvement since the area runs out of water sometimes in the summer and arsenic and other chemicals may be in some of the wells in the area. Also, the other improvements for the streets and sidewalks etc. are to improve the area to city standards.

The City Council can abandon and rescind proceedings for projects at any time prior to the final consummation of the proceedings. As stated above by the Charter provision a remonstrance by two thirds of the front footage property owners can also terminate the L.I.D..

To start the L.I.D. process, the viewers need to be appointed by the proposed Resolution. I have contacted Dave Holley, Charlene Adams, Tim McQueary and Nancy Patton and they have all said they would serve as viewers.

The Challenge/Problem:

Should the City Council pass the proposed Resolution to appoint the viewers (and provide for publication and notification) to review the attached documents and make a recommendation to the City Council about the proposed L.I.D.?

Stakeholders:

- City Council – to improve the infrastructure of the city.
- Citizens of Sweet Home – for effective and efficient local government.

- Citizens of the L.I.D. – for improved water, streets, sidewalks, curbs, gutters and storm drains at their properties.

Issues and Financial Impacts:

The financial terms of the proposed L.I.D. will be worked out by the Finance Director for the City of Sweet Home once the initial steps in the L.I.D. are completed. The project will most likely involve the City going out for a Bancroft Bond.

Elements of a Stable Solution:

This L.I.D. would help develop the infrastructure for the Willow Street Neighborhood area in the City.

Options:

1. Option – Motion to approve the proposed Resolution.
2. Option – Motion to amend the proposed Resolution.
3. Option – Motion to reject the proposed Resolution.

Recommendation:

Option 1 is the recommended option: To move by motion that the proposed Resolution be passed to appoint the viewers (state names of three with one alternate) with provisions for publication in the paper and notification of owners per SHMC Chapter 3.16.