



**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date:</b> January 4, 2024		<b>Subject: Resolution No. 3111</b> Authorizing the City Manager to Enter Into a Non-Statutory Development Agreement with Delta Logistics, Inc.	
		<b>Staff Member:</b> Amanda Guile-Hinman, City Attorney	
		<b>Department:</b> Legal	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends Council adopt the Consent Agenda.			
<b>Recommended Language for Motion:</b> I move to adopt the Consent Agenda.			
<b>Project / Issue Relates To:</b>			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

**ISSUE BEFORE COUNCIL:**

Whether to approve a development agreement for undergrounding overhead utilities across SW Day Road and for potential future right-of-way improvements related to a manufacturing/warehouse development located in the Coffee Creek industrial area.

### **EXECUTIVE SUMMARY:**

On October 15, 2007, City Council adopted the Coffee Creek Master Plan (“Plan”). The Plan contemplates a street network and development within the Coffee Creek industrial area. On May 8, 2023, the Development Review Board approved a 58,125-square-foot warehouse/manufacturing development (DB22-0007), with potential future internal addition of two (2) storage mezzanines for total future potential floor area of 62,107 square feet, and associated improvements (“Approved Development”), within the Coffee Creek industrial area to be developed by Delta Logistics, Inc. (“Developer”). A condition of approval (PFA 7) for the Approved Development requires Developer to place existing overhead utilities crossing SW Day Road underground (“Utility Undergrounding”), which Utility Undergrounding is eligible for transportation system development charge credits. Another condition of approval (PFA 14) requires Developer to enter into a development agreement with the City wherein Developer agrees that if it applies to do a development west of the significant resource overlay zone on the Property, Developer will provide adequate right-of-way/easement/improvements reflective of its proportionate share of its impact

In accordance with City Code, Developer will be required to pay assessed system development charges (SDCs) for the system impacts associated with its development at the issuance of building permit. All of the required public infrastructure improvements conditioned as part of the land use approval will be constructed concurrently with onsite private improvements, inspected, and accepted by the City. In accordance with City Code Section 11.100(6)(b), Developer requested a refund check in lieu of SDC credits. Thus, to address both PFA 14 and the issuance of a SDC refund check in accordance with WC 11.100(6)(b), Developer, and City staff negotiated a non-statutory development agreement, which is attached to the Resolution as **Exhibit A**.

### **EXPECTED RESULTS:**

The Delta Logistics project is one of the latest projects in the Coffee Creek industrial district. Construction of the necessary improvements is a public-private partnership through the use of SDC credits and refunds, resulting in a cost-effective method for encouraging build out of needed public infrastructure in a thoughtful manner.

### **TIMELINE:**

The Utility Undergrounding construction and City inspection and acceptance are anticipated to occur within the next year.

### **CURRENT YEAR BUDGET IMPACTS:**

At issuance of building permits, Developer must pay systems development charges. The transportation system development charge collected from Developer is anticipated to be in excess of the cost of the Utility Undergrounding. Thus, the proposed SDC refund will not adversely impact the transportation system development charge fund.

**COMMUNITY INVOLVEMENT PROCESS:**

The Delta Logistics project went through a quasi-judicial land use process under Planning File DB22-0007, including a public hearing for an annexation and zone map amendment before the Council on January 5 and January 19, 2023, and a public hearing before the Development Review Board Panel A on May 8, 2023.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

SDC credit and/or refunds, as allowed by City Code, provides for a public-private partnership to help build out City infrastructure needs in conjunction with private development projects in a timely and cost-efficient manner.

**ALTERNATIVES:**

Alternatively, the Council can direct staff to issue credits instead of a refund to Delta Logistics, Inc. However, the development project is not part of a site master plan or phased development and is unlikely the developer will utilize the SDC credits on a future development project.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 3111
  - A. Non-Statutory Development Agreement