



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: September 19, 2022		Subject: Resolution No. 2996 Authorizing the City Manager to Enter into a Development Agreement with BTC III Grahams Ferry IC, LLC for Construction of Oversized Public Water System Improvements. Staff Member: Amy Pepper, PE, Development Engineering Manager Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd 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 Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda.			
Recommended Language for Motion: I move to adopt the Consent Agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): 2012 Water Distribution System Master Plan Project 362.	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

A City of Wilsonville Resolution approving a Development Agreement for construction of oversized water system improvements.

EXECUTIVE SUMMARY:

A detailed public infrastructure study for the Coffee Creek Industrial Area was completed as part of the Coffee Creek Master Plan and adopted by Council on October 15, 2007. The infrastructure study identified transportation and public utility infrastructure necessary to serve the Coffee Creek Industrial Area. The study, along with subsequent infrastructure analysis as part of the Coffee Creek Urban Renewal Plan and Basalt Creek Concept Plan, identified a 12-inch water main on SW Grahams Ferry Road to serve future development.

On May 23, 2022, BTC III Grahams Ferry IC, LLC received final land use approval (Files # DB21-0085 – DB21-0090) for a new 148,279 square foot warehouse/manufacturing building between SW Grahams Ferry Road and SW Garden Acres Road. As part of the land use approval, the project was conditioned to construct the required 12-inch water main necessary to serve the subject property and future development of the Coffee Creek Industrial Area, in addition to other public improvements. Water mains larger than 8 inches in size and built to support future development areas are eligible for System Development Charge (SDC) credits in accordance with City Code Section 11.110.

In accordance with City Code, BTC III Grahams Ferry IC, LLC will be required to pay assessed SDCs for the system impacts associated with their development prior to the issuance of building permits. 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 11.110(6)(b), BTC III Grahams Ferry IC, LLC requested a refund check in lieu of SDC credits. Because the building permits and public infrastructure permits are issued concurrently, the final public infrastructure construction costs are not known and as a result, SDC credits were not able to be applied at the time of building permit. A refund of SDCs up to the amount assessed for the development is a reasonable alternative and is consistent with SDC assessment for other types of development, such as residential, where public infrastructure is provided prior to issuance of building permits. In addition, industrial development of this nature is unlikely use SDC credits in the future, as the development is stand alone and not part of phased or master planned development.

EXPECTED RESULTS:

The BTC III Grahams Ferry IC, LLC project is the second project 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 water system improvements are to be constructed, inspected and accepted by the City over the next year, prior to final occupancy of the BTC III Grahams Ferry IC, LLC project.

CURRENT YEAR BUDGET IMPACTS:

Prior to the issuance of Building Permits for the project, the applicant will pay \$133,908 in water system development charges (WSDCs). BTC III Grahams Ferry IC, LLC submitted an estimate for \$62,000 for the water system improvements. Once the improvements have been constructed, inspected and approved by the City, BTC III Grahams Ferry IC, LLC will submit documentation of the actual cost of construction. The Resolution approves a check refund of up to \$133,908 in WSDCs. The proposed reimbursements, however, were not included in the 2022-2023 City Budget. Budget authority for the reimbursements is anticipated to be presented to the Council via a supplemental budget in October 2022.

COMMUNITY INVOLVEMENT PROCESS:

The BTC III Grahams Ferry IC, LLC project went through a quasi-judicial land use process under Planning Files DB21-0085 – DB21-0090, including a public hearing for an annexation and zone map amendment before the Council May 2 and May 16, 2022 and a public hearing before the Development Review Board Panel B May 23, 2022.

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 BTC III Grahams Ferry IC, LLC. 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. The City Code includes provisions that would allow BTC III Grahams Ferry IC, LLC to transfer credits to a third-party at 75% of the original value. Because the refund amount is limited to the SDC amount assessed to the development and a SDC refund is consistent with SDC assessment with other types of development, Staff does not recommend the SDC credit alternative.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 2996
 - A. Development Agreement between City of Wilsonville and BTC III Grahams Ferry IC, LLC