



**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date: August 15, 2022</b>		<b>Subject: Resolution No. 2990</b> Authorizing the City Manager to Execute a System Development Charge Refund Agreement with Coffee Creek Logistics Holdings, LLC for the Construction of Oversized Public Sewer and Water Infrastructure Improvements.  <b>Staff Member:</b> Amy Pepper, Development Engineering Manager  <b>Department:</b> Community Development	
<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 checked="" type="checkbox"/> Adopted Master Plan(s): 2014 Wastewater Collection System Master Plan Project CIP -27 2012 Water Distribution System Master Plan Project 362		<input type="checkbox"/> Not Applicable

**ISSUE BEFORE COUNCIL:**

A City of Wilsonville Resolution approving a System Development Charge (SDCs) Refund Agreement for refund of System Development Charges by check in lieu of issuing SDC credits pursuant to Wilsonville Code 11.100(6) (b).

**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 and a 15-inch sewer main on SW Clutter Street to serve future development.

On September 28, 2020, Coffee Creek Logistics received final land use approval (Files # DB20-0019 – DB2024) for a new 110,366 square foot warehouse/manufacturing building at the corner of SW Clutter Street and SW Garden Acres Road. As part of the land use approval, the project was conditioned to construct the required 12-inch water main and 15-inch sewer main necessary to serve the subject property and future development of the Coffee Creek Industrial Area, in addition to other public improvements. Water and sewer mains larger than 8 inches in size and built to support future development areas are eligible for SDC credits in accordance with City Code Section 11.110.

In accordance with City Code, Coffee Creek Logistics paid assessed SDCs for the system impacts associated with their development prior to the issuance of building permits. Subsequently, all of the required public infrastructure improvements conditioned as part of the land use approval have been constructed, inspected, and accepted by the City. In accordance with City Code Section 11.110(6) (b), Coffee Creek Logistics 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 were not known and as a result, SDC credits were not able to be applied at the time of building permit issuance. 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 to use SDC credits in the future, as the development is stand alone and not part of a phased or master planned development.

**EXPECTED RESULTS:**

The Coffee Creek Logistics project is the first project in the Coffee Creek Industrial district to be completed. 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 and sewer system improvements have been constructed, inspected and accepted by the City.

**CURRENT YEAR BUDGET IMPACTS:**

Prior to the issuance of Building Permits for the project, the applicant paid \$71,999 in water system development charges (WSDCs) and \$63,558.28 in sewer system development charges (SSDCs). The Resolution approves a check refund of \$69,975 in WSDCs and \$48,352 in SSDCs. The proposed reimbursements, however, were not included in the FY 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 Coffee Creek Logistics project went through a quasi-judicial land use process under Planning Files DB20-0019 – DB2024, including a public hearing for an annexation and zone map amendment before the Council September 10 and September 21, 2020 and a public hearing before the Design Review Board Panel B September 28, 2020.

**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 Coffee Creek Logistics. 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 Coffee Creek Logistics to transfer credits to a third-party at 75% of the original value. Because the refund amount is less than 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. 2990
  - A. Systems Development Charges Refund Agreement between City of Wilsonville and Coffee Creek Logistics Holdings, LLC