



**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date:</b> January 18, 2024		<b>Subject: Resolution No. 3107</b> Authorizing the City Manager to Enter into a Development Agreement with Venture Properties, Inc. Regarding the Funding and Construction of the Boeckman Creek Regional Trail and associated Boeckman Creek Trailhead Park in the Frog Pond Terrace Subdivision.  <b>Staff Member:</b> Amanda Guile-Hinman, City Attorney Amy Pepper, PE, Development Engineering Manager  <b>Department:</b> Legal/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 checked="" type="checkbox"/> Council Goals/Priorities: Increase mobility for all in Wilsonville.	<input checked="" type="checkbox"/> Adopted Master Plan(s): Frog Pond West Master Plan	<input type="checkbox"/> Not Applicable	

**ISSUE BEFORE COUNCIL:**

A City of Wilsonville Resolution approving a Development Agreement for refund of Parks System Development Charges (SDCs) by check in addition to issuing SDC credits on a per lot basis pursuant to Wilsonville Code 11.100(6)(b) for the construction of the Boeckman Creek Regional Trail and associated Boeckman Creek Trailhead Park in the Frog Pond Terrace subdivision.

## **EXECUTIVE SUMMARY:**

Frog Pond Terrace is a 19-lot subdivision in the Frog Pond West neighborhood, which has received Development Review Board approval of the subdivision on August 22, 2022 and Council approval for annexation in September 2022. The City's approval of the subdivision was conditioned on, among other conditions of approval, the developer's design and construction of the future Boeckman Creek Trailhead Park and Boeckman Creek Regional Trail, which will provide access to the trail as part of the Frog Pond Terrace project. Since City approval, the subdivision was sold from West Hills Land Development to Venture Properties, Inc. Venture Properties and City staff have worked on modifying the standard development agreement template for Frog Pond West developments to address the design, construction and funding of the Boeckman Creek Regional Trail and an associated Trailhead Park. Consistent with the Frog Pond West Master Plan, the Trail and Trailhead Park will be constructed just outside of the vegetated edge of the Boeckman Creek corridor connecting to the existing trail to the south in Morgan Farm. Between the Frog Pond Terrace and Overlook projects (both now owned by Venture Properties), .37 miles of new multi-modal trail will be constructed with these projects.

Due to the small size of the residential development, the City was not in a position to be able to require the improvements as a condition of development without financial contribution by the City. Requiring the regional Trail and Trailhead Park improvements as a condition without City financial contribution would be disproportionate to the impact generated by the development application. In simple terms, the dedication of land and cost of the public regional Trail and Trailhead Park improvements is too great and beyond the ability of the City to require of the developer for such a small residential project, and thus requires the City to instead fund the improvements in partnership with our private development partner.

Staff obtained cost estimates for the public regional Trail and Trailhead Park improvements from the original developer that entitled Frog Pond Terrace, West Hills Land Development, and its civil design team at OTAK, Inc. The cost of acquisition of the .34-acre land for the Trailhead Park is \$170,000 ("Acquisition Costs"), and is discussed in further detail below. The estimated cost for the improvements to the Trailhead Park and Trail public park improvements estimated to be \$592,166 ("Improvement Costs"). Thus, the total estimated cost for the Trailhead Park and Trail is \$762,166 ("Park Costs").

The .34 acre Trailhead Park is part of the net developable portion of the Frog Pond Terrace site, and the requirement to include a Trailhead Park removed three lots from the developer's preferred site plan. The regional Trail and Trailhead Park are clearly shown in the Frog Pond West Master Plan as community amenities. In this case, the City would pay the developer cost for the .34 acre trailhead park site at \$170,000 (.34 X \$500,000<sup>1</sup>). It is because of the loss of buildable lots to accommodate the Trailhead Park, and the small size of the development (19 lots with an estimated public improvement package of \$762,166) that has resulted in the City having to pay for the park site. The projects are included in the Master Plan and due to the fact that they are regional facilities, are the City's to fund with Parks System Development Charge (SDC) fees. The

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<sup>1</sup> This amount was obtained from the original developer that owned the subdivision when the City considered it for development approval.

Significant Resource Overlay Zone (SROZ) area at 5.2 acres would be dedicated to the public at no cost consistent with long-standing policy.

The Trailhead Park and Trail project is eligible for Parks SDC credits on a per lot basis. 19 lots multiplied by the Parks SDC on January 1, 2024 (\$14,000 per home) is \$266,000. This would be the credit amount if all of the home permits are issued between January 1, 2024 and July 1, 2024. The SDCs will likely increase again on July 1, 2024 in an amount that is unknown at this time, but if permits are issued after July 1, 2024 it will increase the per lot credit amount reducing the refund. The total Park Costs will be reduced by the per lot SDC credited amount, for a total estimated additional City contribution of \$496,166 ( $\$762,166 - \$266,000 = \$496,166$ ).

There are benefits to the City entering into a Development Agreement to provide amongst other things, the regional Trailhead Park and Trail amenities in the Frog Pond Terrace development. Those include:

- Park amenities are provided at the time the subdivision is constructed, not after homes are constructed
- Park amenities are designed, bid, funded and constructed by Venture Properties, which provides economies of scale
- City credits/refunds the cost of improvements
- No BOLI wages are paid for construction work resulting in significant savings
- Venture Properties manages design, construction, payment and oversight of improvements
- Continuation of a strong public-private partnership with Venture Properties

To ensure costs are appropriate, the proposed Development Agreement includes City consultation and review of park design and construction costs. As part of the Parks SDC credit and refund, the City will review invoices to reimburse Venture Properties for qualified public improvements consistent with this Development Agreement.

The City Council provided budget authority for this project as part of the Fiscal Year (FY) 2023-2024 budget process, allocating \$444,700 to the project. Through the required consultation with City staff as the project design and construction planning progresses, if additional resources are needed, the City may address such needs once known.

**EXPECTED RESULTS:**

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:**

Subdivision construction, including the trail and trailhead park is anticipated to begin in Spring/Summer 2024.

**CURRENT YEAR BUDGET IMPACTS:**

The proposed reimbursement was included in the FY 2023-2024 City budget.

**COMMUNITY INVOLVEMENT PROCESS:**

The Frog Pond Terrace Subdivision went through a quasi-judicial land use process under Planning Files DB22-0003 – including a public hearing for an annexation and zone map amendment before the Council September 8 and September 19, 2022 and a public hearing before the Design Review Board (DRB) Panel B August 22, 2022. The DRB approved the project on a unanimous vote.

**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 all credits instead of a refund to Venture Properties, Inc.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 3107
  - A. Development Agreement between City of Wilsonville and Venture Properties, Inc.