

Mapleton City Planning Commission Staff Report

Meeting Date: February 28, 2013

Item: 4

Applicant: Mapleton City

Prepared by: Sean Conroy, Community Development Director

Public Hearing Item: Yes

Zone: All

Description: Consideration of an ordinance amending Mapleton City Code Chapters 13.20.060 and 17.28.050 related to reimbursement opportunities for the installation of public infrastructure improvements associated with subdivision development.

BACKGROUND

Many communities, including Mapleton, allow developers to receive reimbursements for the installation of improvements from properties directly benefiting from the installation of the improvements if/when the adjacent properties develop. For example, if a developer installs a sewer line across an undeveloped parcel, when the owner of the undeveloped parcel develops and ties into the sewer line he/she would pay a reimbursement to the original developer.

The City's current ordinance allows a developer to receive reimbursements for the installation of water, sewer and for some road improvements if an adjacent parcel develops within 20 years of installation.

The City Council held a work session on December 4, 2012 to discuss potential amendments to the City's reimbursement ordinance, and directed staff to prepare a draft ordinance.

PROJECT DESCRIPTION

The proposed ordinance includes the following:

- Identifies sewer lines, water lines, pressurized irrigation lines, asphalt and road base, and curb, gutter and sidewalk as improvements that would be eligible for reimbursement.
- Establishes specific dollar amounts per lineal foot of improvement that could be collected by a developer if an adjacent benefiting party ties into the improvements.
- Establishes a time frame within which reimbursements could be collected (5 years for asphalt and road base, and 10 years for all other improvements).
- Establishes a process for collecting and remitting reimbursement payments; and
- Allows the City to collect reimbursements for improvements installed by the City.

EVALUATION

The primary issues associated with this ordinance include determining the reimbursement period and the calculation of reimbursement fees. These issues are discussed briefly below.

Reimbursement Period: Until approximately four years ago, the City's timeframe for reimbursements was seven years. The City's current ordinance allows for reimbursements to be collected for up to 20 years. Staff is concerned that this timeframe is too long, particularly for road improvements. Most newly installed roads begin to deteriorate within five years. Staff is concerned that it would not be equitable to charge reimbursement fees based on the cost of the original road improvements, for example, in year 15 when the road has deteriorated substantially. Staff is recommending a time frame of five years for road improvements.

Other utilities such as water and sewer also deteriorate over time. For example, the City's sewer lines are showing higher maintenance at approximately 15 years including settled pipe, leaky manholes, rusted valves, etc. In a review of several Utah County cities, 10 years was often used as a limitation on utility reimbursements. Staff does note, however, that some communities have reimbursement periods as long as 30 years. Staff is recommending limiting the time frame to 10 years for utility improvements.

Calculation of Reimbursement Fees: Option #1: The City's current ordinance indicates that the city engineer shall make a determination of the per foot cost of those portions of the extensions that are eligible for reimbursement. This requires the engineer to evaluate each project on a case-by-case basis. One potential negative consequence of this method is that property owners in different parts of the City could be assessed widely varying reimbursement fees depending on the costs of the developments around them. It also adds to the work load of the engineer.

Option #2: Require the project engineer to submit a written statement of the actual cost of improvements and an estimate of the pro rata reimbursement costs that would apply to each benefited property. Staff's concern with this method is that it could result in reimbursements being skewed in favor of the original developer.

Option #3: Establish a per foot cost for the various types of improvements that apply city-wide. This is the option being proposed in the amended ordinance. For example, a \$25 per foot reimbursement for sewer line improvements would apply to projects city wide. The benefits of this method include 1) use of a uniform amount, 2) the developer knows upfront how much they could expect by way of reimbursements if the neighboring properties develop, and 3) reduced workload on the city engineer.

RECOMMENDATION

Recommend that the City Council adopt the attached ordinance.

Attachment “1”
(Changes shown in strikeout and underline)

13.20.060: REIMBURSEMENT:

A. Eligible Improvements: Any party who incurs the expense of installing the following improvements which are adjacent to the property of another may receive reimbursement for part of that expense if an adjacent benefiting party makes use of the improvement as described in this chapter:

1. Sewer main line or trunk line
2. Culinary water main
3. Pressurized irrigation line
4. Asphalt and road base
5. Curb, gutter and sidewalk

B. Reimbursement Agreement: The party installing the improvements shall enter into a written reimbursement agreement with the City prior to recording of a final plat, or in the case where a plat is not required, prior to installation of the improvements.

C. Eligible for Reimbursement: The amount of the eligible reimbursement shall be limited to those improvements installed by a party which:

1. Provide a direct benefit to property fronting on said improvements; and
2. Are greater than the roughly proportional share of improvements needed to service the development.

D. Reimbursement Amounts: When a reimbursement agreement exists, reimbursement payments shall be as follows as determined by the City Engineer:

1. Sewer line. Twenty five dollars (\$25) per linear foot of frontage or twelve dollars and fifty cents (\$12.50) for each side of adjacent property to the street or easement in which the sewer line is located.
2. Culinary water line. Twenty five dollars (\$25) per linear foot of frontage or (\$12.50) for each side of adjacent property to the street or easement in which the water line is located.
3. Pressurized irrigation line. Twenty dollars (\$20) per linear foot of frontage or ten dollars (\$10) for each side of adjacent property to the street or easement in which the irrigation line is located.
4. Asphalt & road base. Two dollars (\$2) per square foot of pavement (including asphalt pavement and road base) per linear foot of adjacent property frontage. If concrete pavement has been used for the street surface, an additional fee of six dollars (\$6) per square foot of pavement shall be required.
5. Curb, gutter and sidewalk. Eighteen dollars (\$18) per linear foot of frontage for curb and gutter, and twenty one dollars (\$21) per lineal foot of frontage for sidewalks.
6. An administrative cost of .5% of the total reimbursement due.

E. Reimbursement Period: The period for which a party is eligible to receive reimbursements shall not exceed five (5) years from the date of the reimbursement agreement for roads, curb, gutter and sidewalk, and ten (10) years for all other eligible improvements.

F. Collection and Remittance of Reimbursements: If within the reimbursement period described in subsection "E" an adjacent party develops, the City shall collect from said party the reimbursement fee due based on subsection "D" prior to the issuance of the first building permit for the project. The reimbursement fee less the .5% administrative fee shall then be remitted by the City to the original party in accordance with the reimbursement agreement.

G. City as a Developer: If Mapleton City installs eligible improvements at City expense, the City may require and receive reimbursement from developing parties pursuant to this Section as though the City were a private party. No reimbursement agreement as described in subsection "B" shall be required.

13.20.060: REIMBURSEMENT:

~~A. Permitted; Limitations For Road Improvements; How Determined: The applicant shall be eligible for reimbursement for that proportion of the cost incurred in making the extension which benefits properties fronting on the extension, other than those owned by the applicant. Provided, however, that in the instance of road extensions no reimbursement shall be allowed for the cost of the land, road base or hard surfacing of the travelway, or of any curb, gutter or sidewalk adjacent to the properties owned by the applicant.~~

~~B. Determination Of Reimbursement Amount; Reimbursement Period: The amount subject to reimbursement and the method of payment shall be as follows:~~

~~Upon completion of an extension the city engineer shall make a determination of the per foot cost of those portions of the extension which are eligible for reimbursement. Thereafter the city will enter a deferred credit in its records in an amount equal to cost of the extension less the prorated amount applicable to the benefited area owned by the applicant and any existing public street. Thereafter the applicant or his successor or assigns will be reimbursed by the city upon collection of fees assessed against the subsequently benefited properties, as hereinafter provided.~~

~~The period of reimbursement shall extend for a period not to exceed twenty (20) years from the date of completion of the extension, or until the initial prorated cost of the extension along the frontage not owned by the applicant shall have been refunded.~~

~~C. City To Levy Extension Fees; Amount Of Fee: Each applicant proposing to subsequently connect to a water main, and/or sewer main, or front upon a street which has been constructed under the provisions of this section shall be assessed a water main, and/or sewer main, and/or road reimbursement fee which shall be paid before such service connection is made or building permit issued.~~

The amount of the extension reimbursement fee to be assessed against a benefited property shall be the proportionate share of the total cost of the improvement as determined by the city. In the case of a water line extension, and/or sewer line extension, this shall be determined by multiplying the total cost of the improvement by the ratio of the area of the benefited parcel divided by the total benefited area.

All extension fees levied for purposes of reimbursement of water and/or sewer utilities shall be determined using the costs for installing culinary water, secondary irrigation or sewer mains of twelve inches (12") in diameter or as determined by the city engineer. Any reimbursement for road improvement shall be determined using the original cost of the improvement. (Ord. 2006-02, 1-4-2006, eff. 1-4-2006)

17.28.050: REIMBURSEMENT FOR ON SITE OR OFF SITE IMPROVEMENTS PERMITTED; CONDITIONS AND LIMITATIONS:

- A. Reimbursements may be available for eligible improvements based on the requirements outlined in Mapleton City Code Chapter [13.20.060](#) – Reimbursement.
- A. Reimbursement shall be allowed for on site or off site improvements which subsequently benefit adjacent property owners who develop building lots, which are required as a condition of approval of a subdivision. Whenever a developer wishes to be reimbursed for any required on site or off site improvement that benefits property in an area benefited by the improvement as determined by the city engineer, other than property owned by the subdivider, the developer must notify the city in writing prior to recording of the final plat and following posting a performance guarantee and bond. The city will enter a deferred credit on its records in the amount of the actual cost of the extension across the benefited property and shall reimburse the subdivider upon collection by the city of charges assessed against such benefited property for a period of twenty (20) years from the date of recording of the subdivision plat. An administrative fee in an amount to be set by the city council by resolution shall be collected, one half ($\frac{1}{2}$) of which will be withheld from the amount reimbursed to the subdivider and one half ($\frac{1}{2}$) of which will be assessed against the benefited property. Any reimbursement owed shall be collected from the benefited property owner prior to recording the final plat for any subdivision approved on said benefited property.
- B. The amount of reimbursement charge to be paid by a benefited property shall be equal to the Utah County property tax valuation, at the time of improvement, for the underlying ground for a peripheral street dedication which exceeds one half ($\frac{1}{2}$) of the street width requirement as shown on the transportation and circulation element of the general plan. The amount shall include one half ($\frac{1}{2}$) the installation cost of sewer, water, and pressurized irrigation lines in peripheral streets, as well as the installation cost of peripheral street improvements which are installed on ground which is in excess of one half ($\frac{1}{2}$) of the street width requirement as shown on the transportation and circulation element of the general plan. (Ord. 2006-01, 1-4-2006)