



## Legislation Text

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File #: 17-666, Version: 1

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Reimbursement for Qualified Public Improvements in Main Street Constructed by the Cove Phase I Garden Apartments Developer

### **RECOMMENDED ACTION (Motion):**

Approve the authorization of SDC funds to reimburse a portion of construction costs for qualified public transportation and stormwater improvements in Main Street constructed by the Cove Phase 1 Garden Apartments developer.

### **BACKGROUND:**

The Cove Phase I Garden Apartments (Cove Phase I) development was issued a Type III land use decision on December 15, 2015, with conditions. The conditions required construction of specific transportation and stormwater public improvements that are included on the City's adopted capital improvement project lists, and were constructed larger and with greater capacity than is necessary for the development. These improvements are qualified public improvements and the oversizing or capacity increasing portion of the improvement is eligible for funding through System Development Charges (SDCs).

When a developer constructs a qualified public improvement, the developer may be eligible for a System Development Charge (SDC) credit as regulated through the City's municipal code, Chapter 13.20 *System Development Charge for Capital Improvements*, and specifically covered under Section 13.20.040 *SDC Credit*. As per Section 13.20.040, in January 2017 the Cove Phase I developer submitted a SDC credit request for qualified capacity increasing public transportation and stormwater improvements. As per Section 13.20.040, the City's assessment resulted in Transportation and Stormwater SDC credits that were granted with the issuance of the first building permits.

The January 2017 SDC credit assessment was based on the supporting documentation for the qualified public improvement with estimated costs based on the most current and applicable cost information available at that time, being the engineering cost estimates and contractor's construction price sheets.

The construction phase from January 2017 through September 2017 included challenging unforeseen site conditions resulting in some significant cost increases for the overall project costs of the public improvements including the qualified capacity increasing improvements. Most notable conditions were encountering landfill-type debris and other unsuitable materials in utility trenches and Main Street roadway excavations that required the removal and disposal to off-site disposal locations that were permitted to receive the specific materials.

In October 2017, the Cove Phase I developer submitted to the City a request with supporting documentation for making consideration of reimbursing the developer for some of the increased costs directly related to the challenging conditions found with the landfill-type debris and unsuitable

materials in the utility and Main Street roadway excavations.

Staff reviewed the request and supporting cost documentation and recommends some reimbursement for these costs that are eligible for Transportation SDC and Stormwater SDC funding. The recommendation is for the transportation Main Street improvements a reimbursement amount of \$217,484, and for the 48-inch stormwater improvements an amount of \$200,000.

For reference see Figure 1 and Table 1 attachment. Figure 1 depicts the qualified public improvements, specifically the transportation improvements being the roundabout, Main Street sidewalks, bike lanes, and travel lanes, and stormwater improvements the 48-inch Storm Pipe System. Table 1 provides a summary of the January 2017 estimated costs for qualified transportation and stormwater public improvements, SDC credit assessment basis and SDC credits granted in January 2017, developer's October 2017 total project costs for qualified improvements that include costs for landfill-type debris and over excavation and disposal of unsuitable material, cost increases from January 2017 through October 2017, and Staff's recommendation for reimbursement amounts for a portion of the increased costs.

**BUDGET IMPACT:**

Amount: \$417,484

FY(s): 2017-18

Funding Source:

\$217,484 Transportation SDC 280-526-7040;

\$200,000 Stormwater SDC 280-553-7040