

RESOLUTION NO. 4447

A RESOLUTION FOR THE ADOPTION OF ENGINEERING AND FINANCIAL INVESTIGATION REPORTS, AUTHORIZATION TO SECURE EASEMENTS, TO OBTAIN BIDS, TO INCREASE APPROPRIATIONS, AND TO ISSUE WARRANTS FOR THE CONSTRUCTION OF SS-01-09, 12TH AVENUE SANITARY SEWER EXTENSION LID.


BE IT RESOLVED that the engineer's report of the Public Works Director and the financial investigation report of the Assistant City Manager filed with the City Recorder on the June 13, 2001, concerning SS-01-09, 12th Avenue Sanitary Sewer Extension LID be and the same are hereby adopted.

BE IT FURTHER RESOLVED that the Council authorize the Mayor and City Recorder to sign agreements on behalf of the City of Albany for the purpose of obtaining easements to construct the said improvements, direct the City Manager to obtain bids for the construction of said projects as required by law, and authorize the Mayor and City Recorder to make, issue, and negotiate General Obligation Improvement Warrants for the performance of said improvements, bearing interest, and constituting general obligations of the City of Albany. The terms of conditions of such warrants shall be as provided by ORS 287.502 to 287.510.

BE IT FURTHER RESOLVED that funds budgeted within the Improvement Fund be appropriated as follows and will apply to the 2001-2002 fiscal year:

<u>Improvement Fund</u>	<u>Resources</u>	<u>Requirements</u>
26-985-44132 Unbonded Assessments	\$153,000	
26-985-89005 12 th Avenue Sanitary Sewer LID		\$153,000

DATED THIS 27TH DAY OF JUNE 2001.



Mayor

ATTEST:



City Recorder



TO: Albany City Council

VIA: Steve Bryant, City Manager
Floyd W. Collins, Public Works Director *[Signature]*

FROM: Jeff Woodward, P.E., Civil Engineer II *[Signature]*
Mark W. Shepard, P.E., Assistant City Engineer *[Signature]*
Diane Taniguchi-Dennis, P.E., Assistant Public Works Director/City Engineer *[Signature]*

DATE: June 18, 2001, for June 27, 2001, City Council Meeting

SUBJECT: SS-01-09, 12th Avenue Sanitary Sewer Extension LID
Initial Engineer's Report and Financial Investigation

Action Requested:

Staff requests that the City Council pass the attached resolution, adopting this initial Engineer's Report and the Financial Investigation Report. The resolution forms the Local Improvement District (LID) and authorizes staff to proceed with design, bidding, and construction of this project.

Discussion:

On April 19, 2001, a petition was received to construct a sanitary sewer extension to serve the properties along 12th Avenue NW, between Pulver Lane and North Heights Drive. Twelve properties would be involved in this LID. Eight property owners, representing eleven of the twelve properties signed the petition for improvements. This represents 92 percent support to begin the LID process. A copy of the LID map is included as Attachment A.

This area has a long history of failing septic tank problems. Two previous attempts to extend the sanitary sewer to serve this area were abandoned. In 1996 the area was considered for an LID project, but was subsequently terminated because the property owners were concerned over the estimated project costs. The property owners later considered a Site Improvement (SI) project to construct the sewer. This effort was discontinued when not all owners were willing to participate.

Failing septic systems are still evident in the area and are impacting properties down hill of the neighborhood. The Benton County Environmental Health Division has issued a Health Hazard Declaration for this area. A copy of the health hazard declaration from Benton County to the property owners, dated May 7, 2001, is included as Attachment B.

An initial neighborhood meeting was held on April 9, 2001, to answer property owner questions and to explain the health hazard and LID process. A second neighborhood meeting was held on June 5, 2001, to provide property owners with more detailed information on the LID process, estimated project costs and assessment breakdowns, answer questions about the potential project, and gather information on property owner needs.

On June 13, 2001, Council accepted the initial Engineer's Report and Financial Investigation Report, and scheduled a public hearing for the June 27, 2001, City Council meeting. The purpose of the public hearing is to consider the formation of a Local Improvement District (LID) for sanitary sewer improvements on 12th Avenue NW, between Pulver Lane and Ashley Drive.

Summary of Estimated Costs

The potential costs for property owners required to connect to sanitary sewer due to the health hazard declaration consist of three components, which are summarized below. The collector sanitary sewer assessment is the subject of this LID and is a direct result of project construction. The other costs are from various sources and are incurred at the time of connection to the public sewer.

1. LID Collector Sanitary Sewer Assessments: These assessments pay for installation of the public sewer line in the street that directly serves these properties. The work includes installation of lateral connection points at the property line for each property of record. This assessment will be levied on all properties that are provided with a connection point under this LID project, including vacant parcels.
2. North Albany Interceptor In-Lieu-Of Assessments: This in-lieu-of assessment is to recover costs that the City incurred to fund construction of the interceptor sewer system as part of the North Albany Sanitary Sewer District. Local collector sewers directly serving neighborhoods discharge into the interceptor lines constructed within the North Albany Sanitary Sewer District. This assessment is due when sewer connection permits are initiated.
3. Private Service Connection Costs: These costs are to connect each house to the sewer, including SDC fees, permit fees, and the work on private property to abandon the septic tank and install the service lateral from the house to the new connection point. These costs are due when sewer connection permits are initiated.

This work can be incorporated as part of the City's construction contract or property owners may choose to do this work privately. For this report, the private service connection costs are included in the total cost estimate for budgeting purposes, although many owners indicated at the June 5, 2001, neighborhood meeting they would make arrangements to do this work privately.

The total potential costs to the property owners are summarized below. The unit costs and detailed assessment breakdown for the collector sanitary sewer resulting from this LID project are shown on the attached assessment computation sheet, labeled Attachment C. The additional fees and costs for both the interceptor in-lieu-of and private service connections are detailed on the attached cost computation sheet, labeled Attachment D.

LID Collector Sanitary Sewer Assessments	\$153,000.00
North Albany Interceptor In-Lieu-Of Assessments	\$ 15,928.88
Private Service Connection Costs	<u>\$ 72,000.00</u>
Total Estimated LID Assessments and Other Costs	\$240,928.88

Proposed Method of Assessment

Each of the twelve properties will be assessed for the construction of the collector sewer within the Pulver Lane and 12th Avenue rights-of-ways. These costs include the service laterals between the sewer main and the connection points at the property line. The methodology recommended

for this project is to assess the cost on an area basis. To maintain an equitable assessment for the single connection to be provided to the larger Cooley parcel, an equivalent area was assigned that is the same size as the two parcels directly across the street.

The estimated assessments are based on cost estimates derived from preliminary design concepts and costs of similar work on other City of Albany projects. The final assessment amounts will be based on the actual City costs, bid prices, and final work quantities, and are expected to vary from this estimate.

Additional Costs

North Albany Interceptor In-Lieu-Of Assessments: These costs are determined by using the gross property area to calculate the in-lieu-of assessment amounts for each parcel as described in Resolution No. 4275 and shown on Attachment D. The current rate is \$2,024 per acre, but is subject to an annual increase, effective July 1, 2001. Staff recommends that because the petition requesting the LID was submitted prior to the rate increase, the current rate be locked in for properties that connect within six months of the completion of the sewer construction. Because this assessment is not due until a property is connected to the sewer, no amounts have been calculated for vacant property within the health hazard area.

Pursuant to the methodology in Resolution No. 4275, the gross area of the Cooley property was used to calculate this assessment. However, this property is outside the health hazard boundary and is not obligated to connect to the sewer. If this property is not connected to the sewer system, the assessment will not be due at this time.

Private Service Connection Costs: These costs were estimated by assuming that an equal amount of work will be required on each property with an existing house to intercept the existing sewer service line and reroute it to the new connection point. The Cooley property is not included in the health hazard area and they may elect to not connect to the sanitary sewer at this time.

The private service connection costs are based on SDC fees for connecting to the City sewer system, permit fees, and estimates to construct the service lateral from the house to the new connection point and to abandon the existing septic tank. These costs are shown on Attachment D. The current sewer SDC amount of \$1,972 per connection is subject to an annual increase, effective July 1, 2001. Staff recommends that because the petition requesting the LID was submitted prior to the rate increase, the current rate is locked in for sewer connections required due to the health hazard.

At the neighborhood meeting held June 5, 2001, many property owners indicated they would prefer to have this work done privately. In this case, the owner or the contractor representing them will be responsible to pay all fees and obtain permits, abandon the septic tank, and install the service connection. The sewer SDC fee may still be financed through the City under this option.

Proposed Project Schedule

If the LID is formed, the project schedule will be accelerated so that construction can be completed late this summer, giving the property owners an opportunity to connect to the system

in 2001. This will eliminate the failing septic systems prior to the coming winter and associated wet weather that tends to compound septic problems. The proposed schedule is:

Public Hearing to Form LID	June 27, 2001
Award Construction Contract	August 8, 2001
Complete Construction	September 2001

Water Line Evaluation

This neighborhood is currently served by an older, undersized PVC water line. A check of the water line history shows very few leak repairs and there is no record of flow or pressure complaints from the neighbors. Therefore, staff has determined that although desirable, the replacement of this water line is not warranted in light of other system needs.

Budget Impact:

If this LID is formed, the sanitary sewer costs will be totally funded by assessments to the benefited properties. If it is determined that the existing water line needs to be replaced as a companion project, the water line work would be funded from the Water System Capital Fund (11-941).

JMW:kw
Attachments 6

Project Area



SS-01-09, 12TH AVE SEWER EXTENSION LID VICINITY MAP



Engineering

Jeff Woodward

Jun 7, 2001

3000 0 3000 Feet



The City of Albany's infrastructure records, drawings, and other documents have been gathered over many decades, using differing standards for quality control, documentation and verification. All the information provided represents current information to a readily available format. While the information provided is generally believed to be accurate, occasionally the information may be incorrect, and thus its accuracy is not warranted. Prior to making any property purchase or other investments, seek in full or in part upon the information provided. It is specifically advised that you independently verify the information contained within our records.



ATTACHMENT B

ENVIRONMENTAL HEALTH DIVISION

Health Department
PO Box 579
530 NW 27th Street
Corvallis, OR 97339-0579

(541) 766-6841 FAX (541) 766-6899 TTY (541) 766-6835 www.co.benton.or.us

COPY

Date: May 7, 2001

To: Residents & Owners of lots in Sunset Terrace Subdivision

HEALTH HAZARD DECLARATION FOR SUNSET TERRACE SUBDIVISION

Mark Shepard, City of Albany Engineer and myself met with residents and property owners of lots on 12th Avenue on April 9, 2001. Prior to the meeting, we sent out copies of a three page history of the health hazards created by the failing septic systems in the area. During the meeting, I discussed the problems, showing pictures and sample results. There was unanimous consensus that a health hazard exists in the area. All residents and property owners in the subdivision have since signed a petition asking the City of Albany to form a local improvement district needed to extend sewers to the area. The area of the health hazard declaration includes all of tax lots of the subdivision: Tax lots 200, 300, 400, 500, 600, 700, 800, 1000, 1100, 1200, 1400 of Township 10, Range 4, Section 35DD.

According to DEQ OAR 340-071-060 (5) (f) septic systems can no longer be used to repair failing septic systems because the sewer is now within 300 feet. Due to the marginal soils, poor drainage conditions and small lots, connecting to sewers is the only permanent solution to the health hazard problems in the area. Part of the installation of the sewers will include abandoning the existing septic systems by disconnecting the plumbing to the septic tank, having the contents pumped out of the septic tank by a licensed septic tank pumper, and then filling with either sand or gravel to prevent collapse.

Jeff Woodward, PE, Civil Engineer, will be taking over the project for the City of Albany. Contact Jeff at (541-917-7642) with any questions on the formation of the local improvement district, sewer installation, and costs. Contact Ron at (541-766-6841) with any comments or questions related to this Declaration or health concerns related to the septic system problems.

Sincerely,

Ron Smith, R.S.
Senior Environmental Health Specialist

ATTACHMENT C

				INITIAL ENGINEER'S REPORT		
file: estassmntsarea.s19				Collector	CITY OF ALBANY	
				Sanitary	SS-01-09, 12th Ave San Sewer Ext LID	
				Sewer	Estimated Assessments	
Name	Assessor's Map and Tax Lot	Property Area (Acre)	Assessment	June 13, 2001		
ESTIMATED ASSESSABLE COSTS						
Castleberry, Judy A	10S04W35DD 0300	0.31	\$10,828.77	Collector	Sanitary	Sewer
						\$153,000.00
Cooley, Robert F & Ingrid M	10S04W35DD 0100	0.40	\$13,972.60			
Ermer, Rocky A & Kathryn L	10S04W35DD 1000	0.29	\$10,130.14			
Gayler, Robert W & Mendy Jo	10S04W35DD 0200	0.41	\$14,321.92			
Gould, Jeffrey & Cindy	10S04W35DD 1100	0.29	\$10,130.14			
Henderson, John E, et al	10S04W35DD 0400	0.31	\$10,828.77			
Mahr, Richard C & Patricia J	10S04W35DD 0800	0.61	\$21,308.22			
Smith, William Earl & Donna K	10S04W35DD 0500	0.31	\$10,828.77			
Smith, William Earl & Donna K	10S04W35DD 0600	0.31	\$10,828.77			
COLLECTOR SEWER ASSESSMENT						
Smith, William Earl & Donna K	10S04W35DD 0700	0.28	\$9,780.82	Est. Cost	\$153,000.00	
				Unit	4.38	Each
Wenzel, Donald E & Diane J	10S04W35DD 1200	0.46	\$16,068.49	Unit Cost	\$34,931.51	per Each
Wenzel, Donald E & Diane J	10S04W35DD 1400	0.40	\$13,972.60			
TOTALS		4.38	\$153,000.00			

ATTACHMENT D

file: estconnectfees.s19	Assessor's Map and Tax Lot	Property Area (Acre)	Private Service Connection (Each)	North Albany In-Lieu-Of Assessment	Private Service Connection Costs	Total Estimated Costs To Connect	INITIAL ENGINEER'S REPORT	
							CITY OF ALBANY	
							SS-01-09, 12th Ave San Sewer Ext LID	
							Estimated Costs To Connect	
							June 13, 2001	
Name	Assessor's Map and Tax Lot	Property Area (Acre)	Private Service Connection (Each)	North Albany In-Lieu-Of Assessment	Private Service Connection Costs	Total Estimated Costs To Connect	ESTIMATED COSTS	
Castleberry, Judy A	10S04W35DD 0300	0.31	1.00	\$627.44	\$8,000.00	\$8,627.44	Private Service Connection	\$72,000.00
Cooley, Robert F & Ingrid M*	10S04W35DD 0100	4.88	1.00	\$9,877.12	\$8,000.00	\$17,877.12	N. A. Interceptor I-L-A	\$15,928.88
Ermer, Rocky A & Kathryn L	10S04W35DD 1000	0.29	1.00	\$586.96	\$8,000.00	\$8,586.96	Total Connection Costs	\$87,928.88
Gayler, Robert W & Mendy Jo	10S04W35DD 0200	0.41	1.00	\$829.84	\$8,000.00	\$8,829.84	NORTH ALBANY INTERCEPTOR IN-LIEU-OF ASSESSMENT	
Gould, Jeffrey & Cindy	10S04W35DD 1100	0.29	1.00	\$586.96	\$8,000.00	\$8,586.96	This assessment is determined by the area of the property and the North Albany Interceptor In-Lieu-Of Rate for properties outside the original sewer district, set by Council Resolution. The current rate is \$2,024.00 per acre, Resolution # 4275.	
Henderson, John E, et al	10S04W35DD 0400	0.31	1.00	\$627.44	\$8,000.00	\$8,627.44		
Mahr, Richard C & Patricia J	10S04W35DD 0800	0.61	1.00	\$1,234.64	\$8,000.00	\$9,234.64		
Smith, William Earl & Donna K	10S04W35DD 0500	0.00	0.00	\$0.00	\$0.00	\$0.00		
Smith, William Earl & Donna K	10S04W35DD 0600	0.31	1.00	\$627.44	\$8,000.00	\$8,627.44	PRIVATE CONNECTION COSTS**	
Smith, William Earl & Donna K	10S04W35DD 0700	0.00	0.00	\$0.00	\$0.00	\$0.00	Est. Cost	\$72,000.00
							Unit	9.00 Each
							Unit Cost	\$8,000.00 per Each
Wenzel, Donald E & Diane J	10S04W35DD 1200	0.46	1.00	\$931.04	\$8,000.00	\$8,931.04	** Private Connection Costs Include:	
Wenzel, Donald E & Diane J	10S04W35DD 1400	0.00	0.00	\$0.00	\$0.00	\$0.00	\$1,972.00	SDC Fees
							\$100.00	Permit Costs
							\$5,928.00	Lateral and Septic Tank Costs
							\$8,000.00	Total Connection Costs
TOTALS		7.87	9.00	\$15,928.88	\$72,000.00	\$87,928.88		

* Fees listed for the Cooley parcel are limited to the single connection provided through this project. Any additional connections will involve North Albany Collector In-Lieu-Of Assessments.

06-Jun-01
4:40 PM

FINANCIAL INVESTIGATION REPORT - SECTIONS 1 AND 2
SS-01-09, 12TH AVENUE SANITARY SEWER EXTENSION LID
Between Pulver Lane and North Heights Drive
(Revised June 6, 2001)

12TH AVE LID 0501.REVISED 60601 XLS

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	ESTIMATED TOTAL ASSESSMENT	BOND MAXIMUM	Assessed Valuation as of Sept. 2000 *****TRUE CASH VALUE 2000/2001*****			OTHER ASMNTS	ASMNT % TO TCV	10 YEAR SEMIANNUAL PAYMENT AT 9%	10 YEAR MONTHLY PAYMT AT 9%
					LAND	IMPRVMTS	TOTAL				
Castleberry, Judy A 430 Kaiolu St #903 Honolulu, HI 96815	10S-04W-35DD-00300 Site: 2833 12th Avenue NW	7.08%	\$10,828.77	\$241,692	\$67,000	\$53,846	\$120,846	\$0	8.96%	\$832.47	\$137.17
Cooley, Robert F Cooley, Ingrid M 1230 Pulver Lane NW Albany, OR 97321	10S-04W-35DD-00100 Site: 1230 Pulver Lane NW	9.13%	13,972.60	525,452	126,002	136,724	262,726	0	5.32%	1,074.16	177.00
Ermer, Rocky A Ermer, Kathryn L 2776 12th Avenue NW Albany, OR 97321	10S-04W-35DD-01000 Site: 2776 12th Avenue NW	6.62%	10,130.14	252,328	67,000	59,164	126,164	0	8.03%	778.77	128.32
Gayler, Robert W Gayler, Mendy Jo 1219 Pulver Lane NW Albany, OR 97321	10S-04W-35DD-00200 Site: 1219 Pulver Lane NW	9.36%	14,321.92	184,538	67,000	25,269	92,269	0	15.52%	1,101.01	181.42
Gould, Jeffrey Gould, Candy 2790 12th Avenue NW Albany, OR 97321	10S-04W-35DD-01100 Site: 2790 12th Avenue NW	6.62%	10,130.14	303,128	67,000	84,564	151,564	0	6.68%	778.77	128.32
Henderson, John E, etal 2807 12th Avenue NW Albany, OR 97321	10S-04W-35DD-00400 Site: 2807 12th Avenue NW	7.08%	10,828.77	254,582	67,000	60,291	127,291	0	8.51%	832.47	137.17

FINANCIAL INVESTIGATION REPORT - SECTIONS 1 AND 2
SS-01-09, 12TH AVENUE SANITARY SEWER EXTENSION LID
Between Pulver Lane and North Heights Drive
(Revised June 6, 2001)

12TH AVE LID.0501 REVISED 60601.XLS

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	ESTIMATED TOTAL ASSESSMENT	BOND MAXIMUM	Assessed Valuation as of Sept. 2000 *****TRUE CASH VALUE 2000/2001*****			OTHER ASMNTS	ASMNT % TO TCV	10 YEAR SEMIANNUAL PAYMENT AT 9%	10 YEAR MONTHLY PAYMT AT 9%
					LAND	IMPRVMTS	TOTAL				
Mahr, Richard C Mahr, Patricia J 2710 12th Avenue NW Albany, OR 97321	10S-04W-35DD-00800 Site: 2710 12th Avenue NW	13.93%	\$21,308.22	\$347,410	\$69,000	\$104,705	\$173,705	\$0	12.27%	\$1,638.09	\$269.92
Smith, William Earl Smith, Donna K 2725 12th Avenue NW Albany, OR 97321	10S-04W-35DD-00500 Site: Land only	7.08%	10,828.77	110,000	55,000	0	55,000	0	19.69%	832.47	137.17
Smith, William Earl Smith, Donna K 2725 12th Avenue NW Albany, OR 97321	10S-04W-35DD-00600 Site: 2725 12th Avenue NW	7.08%	10,828.77	256,582	67,000	61,291	128,291	0	8.44%	832.47	137.17
Smith, William Earl Smith, Donna K 2725 12th Avenue NW Albany, OR 97321	10S-04W-35DD-00700 Site: Land only	6.39%	9,780.82	110,000	55,000	0	55,000	0	17.78%	751.91	123.90
Wenzel, Donald E Wenzel, Diane J 2820 12th Avenue NW Albany, OR 97321	10S-04W-35DD-01200 Site: 2820 12th Avenue NW	10.50%	16,068.49	288,696	67,000	77,348	144,348	0	11.13%	1,235.28	203.55
Wenzel, Donald E Wenzel, Diane J 2820 12th Avenue NW Albany, OR 97321	10S-04W-35DD-01400 Site: Land only	9.13%	13,972.60	110,000	55,000	0	55,000	0	25.40%	1,074.16	177.00
TOTALS		100.00%	\$153,000.00	\$2,984,408	\$829,002	\$663,202	\$1,492,204	\$0	10.25%	\$11,762.03	\$1,938.11

\$153,000.01

\$235,240.60 \$232,573.20

Project assesses for interceptor and Collector sewer and private service connections. A water line replacement may also be considered as part of the project.

FINANCIAL INVESTIGATION REPORT (Cont.)
SS-01-09; 12TH AVENUE SANITARY SEWER EXTENSION L.I.D.
Pulver Lane to North Heights Drive
(Revised June 6, 2001)

Section 3. Number of similar lots and property held by the City through foreclosure.

The City is not holding any properties obtained through foreclosure. Less than 15 properties are delinquent more than one year.

Section 4. Delinquency rate of assessments and taxes in the area.

Ninety-seven percent of City assessments are current. Property tax collections are about 94 percent of current taxes levied.

Section 5. Real estate value trends in the area.

Real estate values within the City remain high. Building activity is expected to decrease during FY 2001-2002.

Section 6. Tax levy trends and potential financial impact on the proposed LID.

Taxes will remain stable. A small increase should be expected from an estimated four percent increase in property values.

Section 7. Does the project conform to the City Comprehensive Plan.

This project conforms to the City's Comprehensive Plan.

Section 8. Status of City's debt.

Interim financing and a bond sale will be necessary to finance this project. Costs attributable to this project will be incorporated into the final assessment roll.

Section 9. Estimated cost of financing.

The City's practice is to charge the property owners two percent more than the rate on the bonds to pay for the costs associated with billing the property owners and administering the LID. If the assessment bonds sell at seven percent, the property owners will pay nine percent interest.

Section 10. General credit worthiness of property owners within the LID.

There are no other Local Improvement District assessments against the 12 lots in this proposed LID. However, this is an older residential neighborhood, and the monthly payments on the proposed assessments are projected to range from \$128 to \$270 for ten years. These monthly payments would be on residential property and undeveloped lots.

The projected assessments will range from \$9,781 to \$21,308, which represents from 5 percent to 25 percent of the Benton County assessed value on each property.