

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Acting as the Governing Body of the Clackamas County Development Agency

Study Session Worksheet

Presentation Date: June 7, 2011 **Time:** 10:15 a.m. **Length:** 15 minutes

Presentation Title: Funding Request for a Sewer Line Extension in
Government Camp

Department: Development Agency

Presenters: David Queener, Development Agency
Dan Johnson, Development Agency Manager

POLICY QUESTION

Should the Board authorize additional funding for a sewer line extension in Government Camp?

ISSUE & BACKGROUND

In 2007 the Development Agency was authorized by the Board of County Commissioners to enter into an Intergovernmental Agreement (IGA) with the Government Camp Sanitary District for the purpose of updating their master plan and constructing two sewer line extensions. These projects are important because they upgrade the capacity and development potential of several key properties within the community of Government Camp.

The agreement stipulated that the Agency would reimburse the district up to a specified amount for costs associated with the projects. The master plan and one line extension was completed in 2008. At the time the Agency reimbursed the district \$131,858 for those costs, less than the \$135,000 estimated in the original IGA.

The second line extension, that included 1,300 feet of pipe and laterals to adjacent properties, began construction late last summer and was recently completed. The IGA authorized \$80,000 for this portion of the project, an estimate made prior to the completion of design. The low bid for this portion of the project was \$130,360, which was consistent with engineering estimate calculated prior to bidding. The final construction cost was \$141,458. Cost overruns of \$11,098 were due to unforeseen heavy excavation costs, a common issue in this mountain community.

At the most recent meeting of the TIF Advisory Committee the District requested the committee approve an additional \$61,458 for the difference between the amount allowed in the IGA and actual construction costs. The committee unanimously recommended approval of the request.

QUESTION(S) PRESENTED FOR CONSIDERATION

Should the Development Agency contribute an additional \$61,458 for construction costs associated with a sewer line extension in Government Camp?

OPTIONS AVAILABLE

1. Approve the request. Various project scope reductions and effective leveraging of funds has created a situation where sufficient revenue exist to cover this cost without significantly impacting other projects. The Agency has historically funded 100% of infrastructure costs in Government Camp when they enhance the ability for properties to develop.
2. Deny the request and require the District to absorb the additional cost. They have funds available, but using those funds may delay other planned upgrades to their facilities.
3. Share equally in the additional cost and approve \$30,729 in funding.

RECOMMENDATIONS

Staff respectfully recommends that the Board approve the full funding request of \$61,458 because:

- Funding is available without significantly impacting remaining projects.
- The line extension helps the Agency meet one of the districts primary goals, which is to stimulate new development in the community.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval



Department Director/Head Approval



County Administrator Approval _____

For information on this issue, please contact David Queener @ 503-742-4322