

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 8/6/2013 **Approx Start Time:** 3:30 p.m. **Approx Length:** 30 minutes

Presentation Title: Leisure Woods Local Improvement District

Department: Department of Transportation and Development

Presenter: Dan Johnson

Other Invitees: Chris Storey, Kenneth Kent, Deana Mulder

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Seeking Board direction on how they would like to advance the proposed Leisure Woods Local Improvement District (LID).

EXECUTIVE SUMMARY

At the request of the Board, County staff hosted a meeting on June 12, 2013 for residents of the proposed Leisure Woods LID. The purpose of the meeting was to provide an update on the LID process, explanation of increased costs associated with the proposed Leisure Woods LID, and clarify the limited scope of County maintenance citizens could expect if the local roadways were brought up to County standard and accepted for limited maintenance. At the conclusion of this meeting the Board asked that staff follow up with those property owners who originally signed the LID petition under the assumed cost of approximately \$10,000 per lot to poll their current level of support for the proposed LID with an estimated cost of approximately \$17,000 per lot.

Petitioner Polling

During the weeks of June 24 and July 1, staff contacted those property owners who signed the original LID petition. The Leisure Woods LID includes 66 lots and the original LID petition included signatures from 50 property owners. Those who provided phone numbers at one of the previous public meetings were contacted by phone. The remaining petitioners were contacted by visiting each property and discussing their position on the proposed LID. For owners who were not home, a flyer was left at the front door or on closed driveway gates. The flyer included a brief summary of the LID assumptions, including limited County maintenance and the current estimated cost per lot, and asked that owners call staff to indicate if they wanted the LID to proceed.

Polling Results

- 37 responses out of original 50 project supporting petitioners contacted (74% response rate).
- Of the 37 responses, 19 were still in support and 18 are now opposed. For purposes of this polling, the original 16 property owners who did not sign the petition were not contacted and are assumed to still oppose formation of the LID.

- Based on the polling results, support for the LID appears to have dropped from 75% to 48% (32 in favor and 34 opposed).
- Respondent Comment Summary:
 - Those owners who no longer support the LID expressed a need for the project but have concern over costs.
 - Would more likely support the LID if the cost were closer to \$10,000 per lot.
 - An LID without County maintenance is an option most owners would consider.

FINANCIAL IMPLICATIONS (current year and ongoing):

If an LID in its current form is approved, county administration, design and inspection costs are included in and reimbursed from the project budget. Staff time involved with preliminary LID work to date, as well as an LID that proceeds to remonstrance and is abandoned, cannot be reimbursed.

The county will fund construction of LID road improvements through short term financing or bonded debt, with reimbursement from the property owners through lump sum payments and/or financing over 10 years. There is the potential for some level of default for owners choosing to finance their assessment; however, the Finance Director has indicated that past LIDs have had a low default rate. Though the County's LID collection policy mitigates the risk of the property owner's default, the collections process for past due payments includes written past due notices and letter of demand which can escalate to foreclosure of the assessment lien. The County has not foreclosed on LID assessments to date. In the long term, any assessment liens that are in default would be satisfied when the property is sold.

If this LID is approved and the roads are accepted for maintenance by the county, there will be long term budget costs associated with road maintenance. The roadways in Leisure Woods would be accepted as local access roads with limited maintenance.

The financial implications identified above are more clearly illustrated on Attachment B.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

County staff has coordinated with the LID sponsor and held meetings with the community for the current proposal as well as the previous LID requests.

OPTIONS:

Option 1: Modify the current scope of work. Work with the chief petitioner to revise the scope of work, within the parameters of the current LID Petition, to reduce the cost as close as possible to the original estimate of \$10,000 per lot. Development of such alternatives would reduce the overall scope and scale of the project, including removal of those elements necessary for acceptance of the roads for County maintenance.

Option 2: Reject the proposed LID and direct the chief petitioner to work with the petitioners to alter the scope of work to regain a minimum 60% support from the community before the BCC will consider initiation of the LID.

Option 3: Proceed with scheduling the Leisure Woods LID Initiation Hearing in its current form for Board consideration.

RECOMMENDATION:

Staff respectfully recommends that the Board direct staff to work with the chief petitioner to revise the scope of work within the parameters of the current LID Petition to reduce the cost as close as possible to the original estimate of \$10,000 per lot. Development of such alternatives would reduce the overall scope and scale of the project, including removal of those elements necessary for acceptance of the roads for County maintenance.

ATTACHMENTS:

Attachment A: LID Map
Attachment B: Fiscal Impact Form

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *R. B. Caspell* 7-30-13

County Administrator Approval _____

For information on this issue or copies of attachments,
please contact **Deana Mulder @ 503-742-4710 or deanam@co.clackamas.or.us**

Fiscal Impact Form

Attachment B

RESOURCES:

Is this item in your current work plan and budget?

- YES
- NO

START-UP EXPENSES AND STAFFING (if applicable): Primary components of start-up costs related to project administration, design, inspection, and construction. The Department of Transportation and Development has budgeted time to assume the responsibility of LID management.

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable): On-going costs are based on a per mile estimate of Transportation Maintenance expenditures needed to provide limited County maintenance.

ANTICIPATED RESULTS: Improvement of a local public road system to a County standard road system viable for continued County maintenance.

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Preliminary LID Analysis		\$16,993				
	LID Analysis to Remonstrance		\$15,000				
	Administration, Design, Inspection, Legal		\$167,905				
	Contingency		\$125,929				
	Construction		\$839,525				
	Road Maintenance Costs				\$11,853		
	Total Start-up Costs		\$1,165,352				
	Ongoing Annual Costs						
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	LID Levy (10 years)		\$1,133,359				
	Total Start-up Benefit/Savings		\$1,133,359				
	Ongoing Annual Benefit/Savings						
	Total Cost/Benefit – Approved LID		(\$16,993)		(\$11,853)		
	Total Cost/Benefit – Remonstrated LID		(\$31,993)				

LEISURE WOODS LID

