

Mapleton City Council Staff Report

Meeting Date: August 6, 2013

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 new 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 pressurized irrigation if an adjacent parcel develops within 20 years of installation. There is some confusion in the code as to whether road improvements are reimbursable.

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. The Planning Commission recommended approval of a draft ordinance on February 28, 2013.

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.
- Identifies the requirements to establish a reimbursement agreement.
- Allows the Council to periodically set, by resolution, specific dollar amounts per linear 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 2006, 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: Section 13.20.060.E states that the City Council shall periodically adopt by resolution a schedule outlining the reimbursement amounts that would be available for each type of improvement. A separate item on this agenda addresses this resolution. The purpose for separating the reimbursement schedule from the ordinance is allow for the schedule to be updated periodically without having to go through the ordinance amendment process. The proposed reimbursement amounts are as follows:

- **Sewer line.** Thirty dollars (\$30) per linear foot of frontage.
- **Culinary water line.** Thirty dollars (\$30) per linear foot of frontage.
- **Pressurized irrigation line.** Twenty dollars (\$20) per linear foot of frontage.
- **Asphalt & road base.** Two dollars and twenty five cents (\$2.25) per square foot of pavement (includes 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.
- **Curb, gutter and sidewalk.** Eighteen dollars (\$18) per linear foot of frontage for curb and gutter, and twenty one dollars (\$21) per linear foot of frontage for sidewalks.

Process summary: Below is a brief summary of the steps involved in a reimbursement agreement.

1. Prior to plat recording, a developer requests a reimbursement agreement.
2. Benefiting parties are identified.
3. Improvements eligible for reimbursement are identified.
4. The City Engineer estimates the total cost based on the adopted reimbursement schedule and assigns the prorated amount to each benefitted property.
5. City Manager and developer sign the agreement.
6. Benefiting property owners are notified of the agreement.
7. If/when a benefiting property owner connects to the improvements, the City collects the established reimbursement.
8. The City remits the reimbursement, less an administrative fee, to the developer or his/her assignee.

RECOMMENDATION

Adopt the attached ordinance.

ORDINANCE NO. 2013-

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 NEW DEVELOPMENT.

WHEREAS, Mapleton City Code (MCC) Chapters 13.20.060 and 17.28.050 outline the City's requirements for allowing reimbursements for the installation of public improvements; and

WHEREAS, the proposed amendments are intended to create a more efficient process for the establishment of reimbursement agreements; and

NOW THEREFORE, BE IT RESOLVED by the City Council of Mapleton, Utah, to amend Mapleton City Code chapters 13.20.060 and 17.28.050 as described in Exhibit "A".

PASSED AND ORDERED PUBLISHED BY THE CITY COUNCIL OF MAPLETON, UTAH,

This 6th Day of August 2013.

Brian Wall

Mayor

ATTEST:

Camille Brown

City Recorder

Publication Date:

Effective Date:

**Exhibit “A” Reimbursement Ordinance
(Changes shown in ~~strikeout~~ and underline)**

13.20.060: REIMBURSEMENT:

A. Eligible Improvements: Any developer that 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(s). Eligible improvements include:

1. Sewer main line or trunk line.
2. Culinary water main line or trunk line.
3. Pressurized irrigation main line or trunk line.
4. Asphalt and road base when built to full City standards.
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. The City Manager or his/her designee shall be authorized to enter into a reimbursement agreement. The reimbursement agreement shall include the following:

- 1) Identification of all benefiting parties;
- 2) Identification of all improvements that are to be included in the agreement;
- 3) Identification of the total potential reimbursement amount and the prorated percentage assigned to each benefiting party; and
- 4) The notarized signatures of the applicant and the City Manager or his/her designee agreeing to the terms of the reimbursement agreement.

C. Noticing: Upon completion of a reimbursement agreement the City shall mail a notice within 10 business days to all of the identified benefiting parties alerting them to the reimbursement agreement. The City shall also record a notice with the Utah County Recorder on each benefitted property. The applicant shall reimburse the City for all postage and recording costs.

D. 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.

E. Reimbursement Amounts: The City Council shall periodically adopt by resolution a schedule outlining the reimbursement amounts for each type of improvement.

F. 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.

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

H. City as a Developer: If Mapleton City installs eligible improvements at the City's 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)~~