

COUNCIL ACTION FORM

SUBJECT: **RESOLUTION AUTHORIZING FUNDING FOR SANITARY
SEWER ROUTING STUDY FOR NORTHWEST GROWTH AREA**

BACKGROUND:

It has been well over a year since the Fieldstone developers approached the City with an annexation request for land north of 215th Street and west of North Dakota Avenue. Realizing that there were a number of significant infrastructure issues involved with this development, the City Council directed staff to initiate negotiations to determine cost-sharing arrangements related to these issues. These negotiations were put on hold as the City Council directed the staff to update the comparable costs for extending infrastructure to the southwest and northwest as well as moving north. Once this study was completed, the Council reopened the issue of target growth strategy in the Land Use Policy Plan. On July 15, 2008, the City Council reaffirmed its commitment to supporting growth to the southwest and northwest. As a result of this action, the Fieldstone representatives are eager to complete a developer agreement so that annexation to the northwest and accompanying growth can occur as soon as possible.

The challenge related to this project is the fact that the proposed development is not contiguous to the existing City infrastructure (water, sewer, and roads) and requires a separated grade railroad crossing to assure a timely response for emergency vehicles should the tracks be blocked. As evident from Attachment I, there is a substantial gap between the proposed development and the existing City infrastructure.

During negotiations, the City staff has maintained that because the Fieldstone property is removed from the City infrastructure the relatively lower purchase price was such that the developers could, and should, take the lead up-fronting the cost to extend infrastructure through this gap until other development occurs. This can be accomplished for the water and sewer extensions through the establishment of a utility connection district where the developer would pay all the up-front costs and be reimbursed from hookup fees when other developments occur that benefit from these infrastructure improvements.

The Fieldstone officials, on the other hand, maintain because this development is situated in the City's growth priority area, the City should be willing to up-front the costs for extending utilities through this gap. They have stressed their willingness to pay their fair share of the utility extensions up-front.

The major issue at impasse centers on who should bear the risk for carrying the costs of providing infrastructure to the subdivision until the surrounding areas are developed.

The staff has already indicated its willingness to recommend that the City pay the cost of the grade separated railroad crossing since the existing Transportation Plan has designated it as a system-wide improvement.

While no detailed cost estimates have been developed for this subdivision, preliminary cost estimates generated by either the developer's or City's engineers indicate the following major project costs:

Sanitary Sewer Lines	\$2,100,000
Water Lines	\$2,000,000
Grade Separated Crossing	\$5,000,000 to \$7,000,000
Street Improvements	\$2,260,000

ALTERNATIVES:

1. In support of the recent decision to reaffirm its commitment to the existing growth priority areas, the City Council can take the proactive approach to direct staff to perform a Sanitary Sewer Routing Study to service the Northwest Growth Area. This is a crucial next step since the cost of the sanitary sewer trunk line will be impacted by the route that is ultimately selected.

This proactive approach by the City is the same strategy adopted by the Council for the Southwest Growth Area when a route through Worle Creek was being considered. The cost of this study could be as much as \$70,000 to \$80,000. The City should agree to perform this Sanitary Sewer Routing Study only if the developers agree to proceed with a traffic study for the project area.

2. The City Council can agree to perform a Sanitary Sewer Routing Study to service the Northwest Growth area only if the developers agree to reimburse the City for the cost of this study.

Since discussions began well over a year ago, the City staff has previously informed the developers of the importance of them performing study. It was stressed that this study is imperative in order to determine the ultimate cost of the infrastructure as well as to allay concerns of the neighboring property owners as to how the route will impact them. The route selection was a sensitive issue in dealing with Worle Creek and we expect similar public interest in the Onion Creek area.

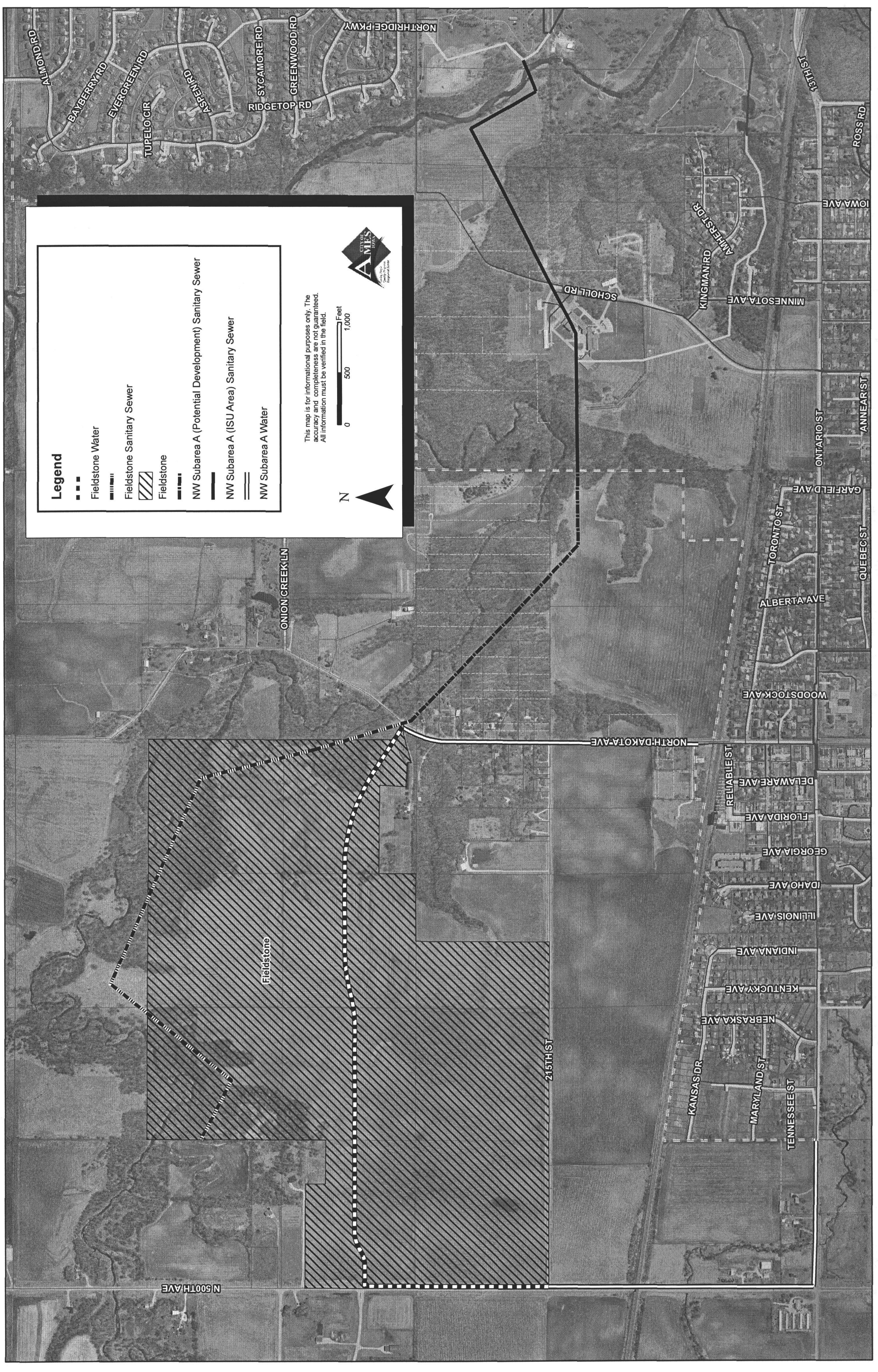
3. Given the high cost of the infrastructure and apparent impasse regarding cost-sharing arrangements with developers, the City Council can take action at a future meeting to deny the request for annexation of the Fieldstone property.

MANAGER'S RECOMMENDED ACTION:

Ever since the City first received an annexation request for the Fieldstone subdivision, the staff has emphasized the importance of first completing a Sanitary Sewer Routing Study in order 1) to identify the costs associated with this significant element of the needed infrastructure and 2) to address the anticipated concerns of neighboring property owners. Therefore, even though a future task will be for the City Council to resolve the impasse in the negotiations between the developer and the staff regarding the cost-sharing arrangements for the required public infrastructure, the logical next step will be to complete a Sanitary Sewer Routing Study to determine how to serve the Northwest Growth Area.

Given the fact that the City Council has reaffirmed its commitment to the Northwest Growth Area, it would seem advisable for the City to take the lead in determining how best to provide sewer service to the area. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 and direct staff to perform a Sanitary Sewer Routing Study to service the Northwest Growth Area. This action will commit the City to pay for the study, as was the case involving sewer routing along Worle Creek in the Southwest Growth Area.

Funding for this unbudgeted study can be secured from savings realized in the SCADA CIP project at the WPC plant. This recommendation is subject to the developers agreeing to proceed with the necessary study to help determine the street/traffic improvements needed for the project area.



Legend

- Fieldstone Water
- ==== Fieldstone Sanitary Sewer
- //// Fieldstone
- Fieldstone
- NW Subarea A (Potential Development) Sanitary Sewer
- ==== NW Subarea A (ISU Area) Sanitary Sewer
- ==== NW Subarea A Water

This map is for informational purposes only. The accuracy and completeness are not guaranteed. All information must be verified in the field.

