



MEMO

CITY OF BEND

TO: CITY COUNCIL COMMUNITY BUILDING SUBCOMMITTEE

FROM: BRIAN RANKIN, DIRECTOR; DAMIAN SYRNYK, SENIOR PLANNER

DATE: FEBRUARY 21, 2020

RE: INFRASTRUCTURE FUNDING POLICY QUESTION FOR SOUTHEAST AREA PLAN

Purpose and Background

In 2016, the City Council approved the expansion of the Bend urban growth boundary (UGB) to include roughly 2,400 acres of land in the UGB. This expansion includes an area southeast of Bend identified as the Elbow or Southeast Expansion Area. It's bordered by Knott Road on the south, 27th Street on the East, and the existing city limits to the north and west.

Since September 2018, city staff and a project consultant team have been working with the Southeast Area Plan Advisory Committee (SEAPAC), property owners, neighbors, and agency partners to develop a final Area Plan for the Southeast Expansion Area. The purpose of the Area Plan is to refine the arrangement of land uses, refine transportation network (streets, trails), and use this information for infrastructure modeling and subsequent planning. You will find attached the land use and transportation concepts developed through this project.



The project team has used the land use and transportation concepts to develop a list of projects and costs for transportation and sewer collection in the Southeast Expansion Area. The analysis has shown that the city has adequate funding mechanism – utility rates and system development charges – to support development of the sewer collection system in the Southeast. The projects to serve the Southeast – three gravity lines, a force main, and a regional pump station – total between \$13 million and \$18 million. You will find attached a map and table that summarizes these sewer projects and their respective costs.

However, the analysis has also shown that the required transportation improvements – two new collectors, three roundabouts, and off-site improvements – will total between \$58 million and \$60 million. The projected transportation SDC revenue from development in the Southeast is approximately \$28 million.

Question for City Council

Staff is seeking council direction and input on whether and to what extent Council is comfortable using sewer utility rate revenues to fund some or all of the sewer improvements in the Southeast, in exchange for property owners agreeing to joining a local improvement district (LID) and/or paying a supplemental transportation SDC to fund the transportation improvements needed for the Southeast. The project team has considered, as an incentive to either an LID and/or supplemental transportation SDC, if the City is willing to fund development of some of the sewer infrastructure needed in the Southeast. Based on preliminary analysis, it appears that the gravity lines, force mains, and pump station, could be funded without an increase in sewer rates. This analysis is very preliminary, and subject to further refinement.

