

MEMORANDUM
For Meeting of February 24, 2009

TO: Mayor and Councilmembers
THROUGH: Steve Worthington
FROM: Russ Blount
SUBJECT: **Ordinance 1691** – Local Improvement District 2008-03 for Street and Utility Improvements to Freeman Road East between 20th Street East and Valley Avenue East

REPORT IN BRIEF: Form a Local Improvement District (LID) to fund the design and construction of realignment, regrading, widening, curb, gutter, sidewalk, illumination, landscaping, drainage, conversion of overhead utilities to underground, along Freeman Road East between 20th Street East and Valley Avenue East, and for the provision of water mains and fire hydrants along Freeman Road.

BACKGROUND: Fife received petitions or no-protest agreements from property owners representing approximately 82 percent of the anticipated assessments by October, 2008. The Council approved Resolution 1246 on November 12, 2008, declaring the intent to form the LID and scheduling a public hearing. The Council conducted that hearing regarding on December 9, 2008 and January 27, 2009, and kept the record of the hearing open to written comments only through February 10, on which date the public record was closed and a first reading of Ordinance 1691 was passed.

ATTACHMENTS: Ordinance 1691 and its Exhibits “A”, Map; “B”, Preliminary Assessment Roll; “C”, Description; and “D” Diagram.

DISCUSSION: State law requires that LIDs can assess project costs up to the “special benefit” or the increase in value of the real estate from such projects. Of the parcels proposed to be included in the LID, only the Crittendon parcels at the northeast corner of Valley and Freeman are known to have benefit other than that typical for their zone. An appraisal and review appraisal completed for acquisition of a portion of those properties indicated that the highest and best use was for single family residential, so the special benefit is lower than for the highest permitted use in the zone and the preliminary assessment roll was adjusted.

Since the first reading of the ordinance was approved, City staff has contacted the largest land-owning petitioner and his engineer and has discussed options for cost reductions. These options and area-wide special benefits will be evaluated as an early order of work after LID formation, and will be presented to the Council before the design is finalized.

FISCAL IMPACT: The total project cost is currently estimated to be approximately \$12,940,000.

ALTERNATIVE COURSES OF ACTION:

1. Defer adoption of Ordinance 1691.
2. Adopt Ordinance 1691 as written.
3. Amend Ordinance 1691 and then adopt the ordinance as amended.
4. Decline to adopt Ordinance 1691.

RECOMMENDATIONS: Adopt Ordinance 1691 as written.

SUGGESTED MOTION: Motion to adopt Ordinance 1691.



Russ Blount
Public Works Director

Approved for Agenda 

Steve Worthington
City Manager

CITY OF FIFE, WASHINGTON

ORDINANCE NO. 1691

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON, ORDERING CERTAIN ROAD, WATER, AND STORM DRAINAGE IMPROVEMENTS ON FREEMAN ROAD FROM 20TH STREET EAST TO VALLEY AVENUE EAST; ESTABLISHING LOCAL IMPROVEMENT DISTRICT NO. 08-3 AND ORDERING THE CARRYING OUT OF THE PROPOSED IMPROVEMENTS; PROVIDING THAT PAYMENT FOR THE IMPROVEMENTS BE MADE BY SPECIAL ASSESSMENTS ON PROPERTY IN THE DISTRICT, PAYABLE BY THE MODE OF "PAYMENT BY BONDS"; AND PROVIDING FOR THE ISSUANCE AND SALE OF LOCAL IMPROVEMENT DISTRICT WARRANTS REDEEMABLE IN CASH OR OTHER SHORT-TERM FINANCING AND LOCAL IMPROVEMENT DISTRICT BONDS

WHEREAS, the City received a petition that certain road, water, and storm drainage improvements be constructed on Freeman Road from 20th Street East to Valley Avenue East and certain sanitary sewer improvements be constructed on the southeast corner of Freeman Road and Valley Avenue East, and that a local improvement district be formed to pay for all or some of the improvements; and

WHEREAS, the petition was signed by the owners of at least 51% of the area of land within the proposed boundary of the local improvement district, and the City Engineer has determined that the petition is sufficient; and

WHEREAS, the City Council finds that the two properties south of Valley Avenue East that the petition proposed to include within the local improvement district will not be sufficiently benefited by the proposed improvements, and should be excluded from the local improvement district, and that the proposed sanitary sewer improvements will not benefit the remaining properties within the proposed local improvement district and should thus not be financed through the district; and

WHEREAS, by Resolution No. 1246, adopted November 12, 2008, the City Council expressed its intent to form the local improvement district, and fixed December 9, 2008 at 7:00pm as the time

for hearing all matters relating to the proposed improvements and local improvement district formation, and all objections thereto and for determining the method of payment for the improvements; and

WHEREAS, due notice of the above hearing was given in the manner provided by law; and

WHEREAS, at December 9, 2008, at the time and place fixed for the hearing, the Council continued the hearing to January 27, 2009 at 7:00pm, and due notice of the hearing was given in the manner provided by law; and

WHEREAS, the City Engineer caused an estimate to be made of the cost and expense of the proposed improvements and certified that estimate to the City Council together with all papers and information in his possession touching the proposed improvements, a description of the boundaries of the proposed local improvement district and a statement of what portion of the cost and expense of the improvements should be borne by the property within the proposed district; and

WHEREAS, the estimate is accompanied by a diagram of the proposed improvements showing thereon property within the proposed boundaries of the local improvement district which will be specially benefited by the proposed improvements and the estimated cost and expense thereof to be borne by each parcel of land; and

WHEREAS, the hearing was held by the City Council on January 27, 2009 at 7:00pm, and all persons appearing at such hearing and wishing to be heard were heard; and

WHEREAS, the City Council has determined it to be in the best interest of the City that the improvements as hereinafter described be carried out and that a local improvement district be created in connection therewith; now therefore,

THE CITY COUNCIL OF THE CITY OF FIFE, WASHINGTON
DO ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Fife, Washington (the "City"), orders the design and construction of the improvements more particularly described in Exhibits "C" and "D" attached hereto and by this reference incorporated herein. All of the forgoing shall be in accordance with the plans and specifications therefore to be prepared by the City Engineer and consulting engineers duly hired by the City, and may be modified by the City Council as long as such modification does not affect the purpose of the improvements. Environmental review shall occur after preparation of preliminary plans and specifications.

Section 2. There is created a local improvement district to be called Local Improvement District No. 08-3 of the City of Fife, Washington (the "District"), the boundaries of which are more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The total estimated cost and expense of the improvements is declared to be \$12,940,000, all of which cost and expense shall be borne by and assessed against the properties specially benefited by such improvement included in the District. A copy of the preliminary assessment is attached hereto as Exhibit "B." Actual assessments may vary from assessment estimates so long as they do not exceed a figure equal to the increased true and fair value the improvement adds to the property.

Section 4. The City shall compute the assessments pro-rata on a buildable acre basis or such other method or combination of methods which may be deemed to fairly reflect the specific benefits to the properties being assessed, as provided in RCW 35.44.047.

Section 5. Local improvement district warrants may be issued in payment of the cost and expense of the improvements herein ordered to be assessed, such warrants to be paid out of the Local Improvement Fund, District No. 08-3, hereinafter created and referred to as the Local Improvement Fund, and, until the bonds referred to in this section are issued and delivered to the purchaser thereof, to bear interest from the date thereof at a rate to be established hereafter by the City Finance Director, as issuing officer, and to be redeemed in cash and/or by local improvement district bonds herein authorized to be issued, such interest-bearing warrants to be hereafter referred to as "revenue warrants." In the alternative, the City hereafter may provide by ordinance for the issuance of other short-term obligations pursuant to Chapter 39.50 RCW.

Section 6. The City is authorized to issue local improvement district bonds for the District which shall bear interest at a rate and be payable on or before a date to be hereafter fixed by ordinance. The bonds shall be issued in exchange for and/or in redemption of any and all LID or revenue warrants issued hereunder or other short-term obligations hereafter authorized and not redeemed in cash within twenty days after the expiration of the thirty-day period for the cash payment without interest of assessments on the assessment roll for the District. The bonds shall be redeemed by the collection of special assessments to be levied and assessed against the property within the District, payable in annual installments, with interest at a rate to be hereafter fixed by ordinance under the mode of "payment of bonds," as defined by law and the ordinances of the City. The exact form, amount, date, interest rate and denominations of such bonds hereafter shall be fixed by ordinance of the City Council. Such bonds shall be sold in such manner as the City Council hereafter shall determine.

Section 7. In all cases where the work necessary to be done in connection with the making of such improvements is carried out pursuant to contract upon competitive bids (and the City shall

have and reserves the right to reject any and all bids), the call for bids shall include a statement that payment for such work will be made in cash warrants drawn upon the Local Improvement Fund.

Section 8. The Local Improvement Fund, District No. 08-3 is created and established in the office of the City Finance Director. The proceeds from the sale of LID or revenue warrants or other short-term obligations drawn against the fund which may be issued and sold by the City and the collections of special assessments, interest and penalties thereon shall be deposited in the Local Improvement Fund. Cash warrants to the contractor or contractors in payment for the work to be done by them in connection with the improvements and cash warrants in payment for all other items of expense in connection with the improvements shall be issued against the Local Improvement Fund.

Section 9. Within fifteen days after passage of this ordinance, there shall be filed with the City Finance Director the title of the improvements and District number, a copy of the diagram or print showing the boundaries of the District and the preliminary assessment roll showing thereon the lots, tracts and parcels of land that will be specially benefited thereby and the estimated cost and expense of such improvements to be borne by each lot, tract or parcel of land. The City Finance Director immediately shall post the proposed assessment roll upon his index of local improvement assessments against the properties affected by the local improvements.

Section 10. This Ordinance shall be in full force and effect five (5) days after publication as required by law. A summary of this Ordinance may be published in lieu of the entire Ordinance, as authorized by State law.

Introduced the ____ day of _____ 2009.

Passed by the City Council on the ____ day of _____ 2009.

Steve Worthington, City Manager

ATTEST:

Steve Marcotte, City Clerk/Treasurer

APPROVED AS TO FORM:

Loren D. Combs, City Attorney

Published: _____
Effective Date: _____, 2009

EXHIBIT B
TO CITY OF FIFE
ORDINANCE 1691
INCLUDING ONLY PROPERTIES NORTH OF VALLEY AVENUE EAST

LID No. 08-2 - Preliminary Assessment Roll

Lot #	Taxpayer Name	Parcel Number	Total Acres	Benefit Acreage *	Benefit % of Parcel	Benefit % of LID	Benefit % of Water Assess Area	Preliminary Water Assess	Preliminary Road, Storm & Sewer Assess	Preliminary Total Assess
1	BENAROYA CAPITAL COMPANY LLC	0420082059	4.21	4.21	100.0%	2.29%	2.30%	\$12,548	\$284,232	\$296,780
2	BENAROYA CAPITAL COMPANY LLC	0420082010	5.00	5.00	100.0%	2.72%	2.73%	\$14,903	\$337,568	\$352,471
3	BENAROYA CAPITAL COMPANY LLC	0420082013	5.00	5.00	100.0%	2.72%	2.73%	\$14,903	\$337,568	\$352,471
4	BENAROYA CAPITAL COMPANY LLC	0420082064	10.17	10.17	100.0%	5.54%	5.55%	\$30,312	\$686,613	\$716,925
5	BENAROYA CAPITAL COMPANY LLC	0420082021	0.28	0.28	100.0%	0.15%	0.15%	\$835	\$18,904	\$19,738
6	BENAROYA CAPITAL COMPANY LLC	0420082031	3.70	3.70	100.0%	2.02%	2.02%	\$11,028	\$249,800	\$260,828
7	BENAROYA CAPITAL COMPANY LLC	0420082055	0.63	0.63	100.0%	0.34%	0.34%	\$1,878	\$42,534	\$44,411
8	BENAROYA CAPITAL COMPANY LLC	0420082065	4.95	4.95	100.0%	2.70%	2.70%	\$14,754	\$334,192	\$348,946
9	BENAROYA CAPITAL COMPANY LLC	0420082017	4.87	4.87	100.0%	2.65%	2.66%	\$14,515	\$328,791	\$343,306
10	BENAROYA CAPITAL COMPANY LLC	0420082018	4.88	4.88	100.0%	2.66%	2.66%	\$14,545	\$329,466	\$344,011
11	BENAROYA CAPITAL COMPANY LLC	0420081046	4.38	4.38	100.0%	2.39%	2.39%	\$13,055	\$295,710	\$308,764
12	BENAROYA CAPITAL COMPANY LLC	0420081044	0.28	0.28	100.0%	0.15%	0.15%	\$835	\$18,904	\$19,738
13	BENAROYA CAPITAL COMPANY LLC	0420083002	5.00	5.00	100.0%	2.72%	2.73%	\$14,903	\$337,568	\$352,471
14	BENAROYA CAPITAL COMPANY LLC	0420083001	10.00	10.00	100.0%	5.45%	5.46%	\$29,805	\$675,136	\$704,941
15	BENAROYA CAPITAL COMPANY LLC	0420083000	10.00	10.00	100.0%	5.45%	5.46%	\$29,805	\$675,136	\$704,941
16	BENAROYA CAPITAL COMPANY LLC	0420083015	10.00	10.00	100.0%	5.45%	5.46%	\$29,805	\$675,136	\$704,941
17	BENAROYA CAPITAL COMPANY LLC	0420084009	6.02	6.02	100.0%	3.28%	3.28%	\$17,943	\$406,432	\$424,375
18	BENAROYA CAPITAL COMPANY LLC	0420083003	5.00	5.00	100.0%	2.72%	2.73%	\$14,903	\$337,568	\$352,471
19	BENAROYA CAPITAL COMPANY LLC	0420084014	7.49	7.49	100.0%	4.08%	4.09%	\$22,324	\$505,677	\$528,001
20	BENAROYA CAPITAL COMPANY LLC	0420084004	20.55	20.55	100.0%	11.19%	11.21%	\$61,250	\$1,387,405	\$1,448,655
21	KELLEY FAMILY ENTERPRISES LLC	0420084065	1.04	1.04	100.0%	0.57%	0.57%	\$3,100	\$70,214	\$73,314
22	KELLEY FAMILY ENTERPRISES LLC	0420084066	4.80	4.80	100.0%	2.61%	2.62%	\$14,307	\$324,065	\$338,372
23	FIFE SAND AND GRAVEL LLC	0420084016	1.43	1.43	100.0%	0.78%	0.78%	\$4,262	\$96,544	\$100,807
24	BENAROYA CAPITAL COMPANY LLC	0420171003	10.00	10.00	100.0%	5.45%	5.46%	\$29,805	\$675,136	\$704,941
27	BENAROYA CAPITAL COMPANY LLC	0420171024	0.48	0.48	100.0%	0.26%	0.26%	\$1,431	\$32,407	\$33,837
28	BENAROYA CAPITAL COMPANY LLC	0420171038	0.52	0.52	100.0%	0.28%	0.28%	\$1,550	\$35,107	\$36,657
29	COLDWATER CREEK LAND DEV. LLC	0420171006	10.00	10.00	100.0%	5.45%	5.46%	\$29,805	\$675,136	\$704,941
30	COLDWATER CREEK LAND DEV. LLC	0420171700	10.24	10.24	100.0%	5.58%	5.59%	\$30,521	\$691,339	\$721,860
31	COLDWATER CREEK LAND DEV. LLC	0420171036	0.19	0.19	100.0%	0.10%	0.10%	\$566	\$12,828	\$13,394
32	STOWE INVESTMENTS LLC	0420171063	4.84	4.84	100.0%	2.64%	2.64%	\$14,426	\$326,766	\$341,192
33	HOLT, RANDY & BARBARA	0420171064	8.32	8.32	100.0%	4.53%	4.54%	\$24,798	\$561,713	\$586,511
34	CRITTENSON, IVORY & BILLIE R.	0420171046	2.37	0.30	12.7%	0.16%	0.00%	\$0	\$20,254	\$20,254
35	CRITTENSON, IVORY & BILLIE R.	0420174005	0.11	0.00	0.0%	0.00%	0.00%	\$0	\$0	\$0
		TOTAL	185.75	183.57	98.8%	100.00%	100.00%	\$546,242	\$12,393,473	\$12,939,715

* Benefit acreage is adjustment based on special benefit.

\$/Acre \$2,976 \$67,514 \$70,489
\$/Sq. Ft. \$0.07 \$1.55 \$1.62

EXHIBIT C
TO ORDINANCE 1691

CITY OF FIFE
PROPOSED LID NO. 08-3

Improvements along Public Right of Way and in Easements
Along and Adjacent to Freeman Road East from 20th Street East to Valley Avenue East

STREET AND DRAINAGE IMPROVEMENTS

This project includes reconstruction of approximately 7,000 feet of street, including widening generally to include two travel lanes, a two-way left turn lane, two bicycle lanes, two integral curb and gutters, two planter strips, two sidewalks, street drainage, conveyance of natural drainage areas from the east to the west side of the road, three stream channel culverts, illumination, landscaping, signalization, channelization, cuts, embankment, and retaining walls, construction period traffic and erosion control, and appurtenances from 20th Street East to Valley Avenue East; and beyond and along 20th Street East and Valley Avenue East as necessary to provide turning lanes and other features for completion of the intersections in accordance with City standards and as necessary for intersection operations.

WATER IMPROVEMENTS

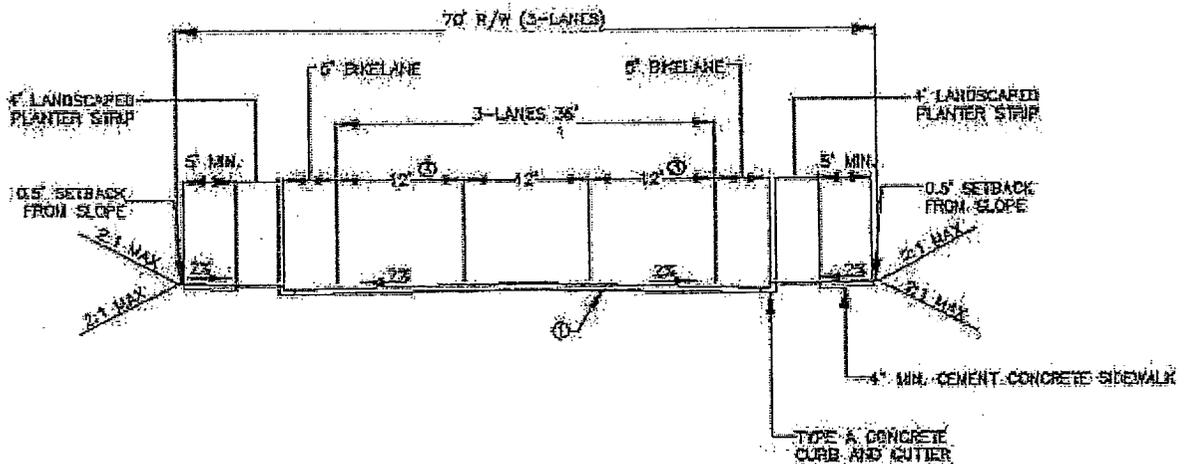
This project includes installation of approximately 8,000 feet of 12-inch diameter ductile iron water main; approximately 12 gate valves, 26 hydrant assemblies, and 4 blow-off assemblies; temporary erosion and sedimentation control; trench safety; and select backfill.

ORDINANCE 1691
EXHIBIT "D"

FREEMAN ROAD STREET SECTION

12.20.070 Minor arterial – Pedestrian-oriented minor arterial.

A. The standards for a minor arterial are as set forth in Exhibit "D" which follows.
Exhibit D: Minor Arterial



Notes:

1. The minimum allowable depth is four inches asphalt pavement class "B" overlying two inches crushed surfacing top course and 16 inches gravel base class "B." All thicknesses are compacted depths.
2. Minimum vertical slope: 0.25 percent.
3. * Curb lane 14 feet wide where bike lane not required.
4. Standards are minimum standards. The director of public works may require more than the minimum due to other adopted plans and regulations by the city or as field conditions warrant.