

Reimbursement Districts Overview

Background

The City has had several inquiries from property owners in the north Highway 101 area and the east Highway 126 area regarding being incorporated within the City limits, as well as hooking up City water and wastewater systems. The Florence City Code provides options for extending utility infrastructure to new and existing properties with the City limits. One of these options is through a Reimbursement District found in FCC 8-5-11.

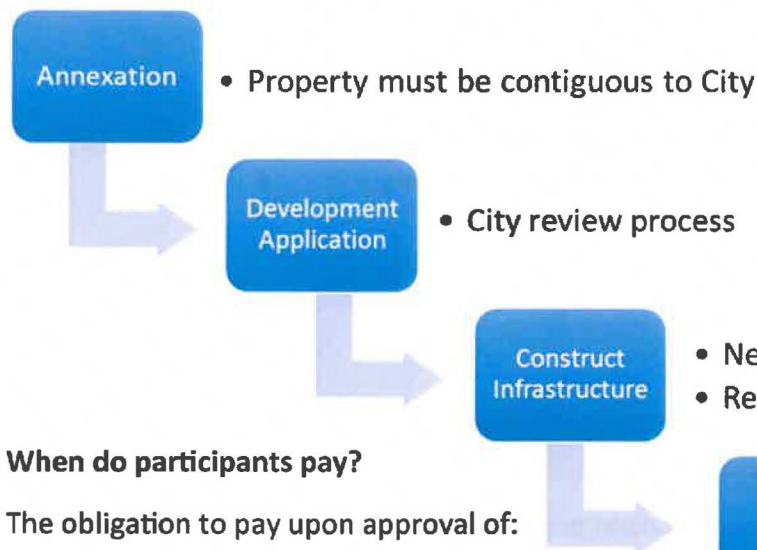
What is a Reimbursement District?

REIMBURSEMENT DISTRICT: The area that is determined by the City Council to derive a benefit from, and will have an opportunity to utilize, the construction of a street, water, sewer, storm water, or other public improvement, financed in whole or in part by the applicant.

What type of infrastructure improvement are we looking at?

Reimbursement Districts allow for improvements to the water, waste water, storm water, and street infrastructure. The items of particular concern at this point in time are to expand the water and waste water systems, but could include storm water and streets once an analysis of the specific areas and needs is complete.

What is the process for a Reimbursement District



City Review Process Includes:

- ◆ Application
- ◆ City Analysis
- ◆ Reimbursement Methodology Establishment
- ◆ City Council Review
- ◆ Public Hearing
- ◆ City Council Approval

When do participants pay?

The obligation to pay upon approval of:

- ◆ A building permit for a new building.
- ◆ Building permits for alterations to existing buildings where alterations exceed 25% of the building's value.
- ◆ A change in use of the property that would result in an increase in activity of 25% or greater or require an increase in the number of parking spaces required.
- ◆ Connection to or use of the improved infrastructure the Reimbursement District is based on.

Reimbursement Term

The Reimbursement term is established in City Code as up to 15 years.

Who is the applicant?

The applicant is defined as the person who submits an application to the City for establishment of the Reimbursement District. The applicant may be a private property owner or the City. The applicant is the up front financier of the infrastructure improvement that ultimately could serve property other than the applicant's property and is requesting reimbursement by the other property owners within the Reimbursement District who benefit from the improvement.

What if the City is the applicant?

The City has the ability to be the applicant for a Reimbursement District. There are risks associated with the City as the applicant. Those risk can ultimately be mitigated by the City during the review and approval process, but they need to be considered.

- ◆ Timing of Connection
- ◆ Development of the Reimbursement District
- ◆ Lack of Investment Security
- ◆ Limited Reimbursement Term
- ◆ Upfront Investment

What costs are eligible for Reimbursement?

The costs eligible for reimbursement depend on who the applicant is. The City is eligible for a large portion of the initial investment to be reimbursed.

Private Applicant—Limited to:

- ◆ Construction
- ◆ Engineering
- ◆ Acquisition of Off-Site Rights-of-Way—limited to reasonable market value.
- ◆ Proportionate share of the property dedicated for park, fire station, and school sites.

City Applicant:

- ◆ Administration Costs
- ◆ Acquisition of Easements & Rights-of-Way
- ◆ Construction
- ◆ Engineering, including surveying and inspection but limited to 15% of eligible construction costs.
- ◆ Proportionate share of the property dedicated for park, fire station, and school sites.

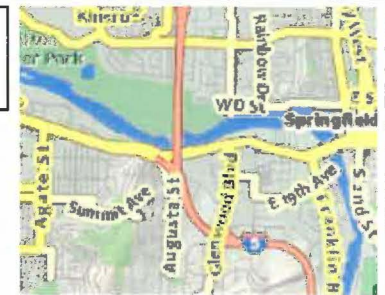
Reimbursement shall not be allowed for construction costs that occur prior to the formation of the District.

Steps to establish a Reimbursement District: Option 1

	Prepare a written application with required elements to Public Works Director
	<ul style="list-style-type: none"> • Ensure that the reimbursement district meets requirements under Chapter 5 §8-5-1-2 (B)
	<ul style="list-style-type: none"> • Include the required elements of an application under Chapter 5 §8-5-1-2 (C)
	Submit application to Public Works Director
	Public Works Director will review the application to determine whether the reimbursement district should be established
	Public Works Director will prepare a written report for City Council, which will include the information outlined under Chapter 5 §8-5-1-3 (A)(1-5)
May 1	City Council will consider the Public Works Director's report and make a decision as outlined under Chapter 5 §8-5-1-3 (B)(1-5)
By May 5	When City Council is ready, the City Recorder will give notice of the proposed district by providing:
	<ul style="list-style-type: none"> • A public hearing by notifying the newspaper at least 10 days in advance of the meeting
	<ul style="list-style-type: none"> • A mailed notice to each property owner in the affected properties
	<ul style="list-style-type: none"> • The information outlined in Chapter 5 §8-5-1-4 (B)(1-5)
May 15	A public hearing will occur, during which City Council will listen to oral and written public testimony, and determine whether to order the creation of the district
June 12 (No later than August 11)	Within 90 days, City Council will adopt a resolution establishing the reimbursement district (assuming Council approved it)
	<ul style="list-style-type: none"> • The resolution will determine the boundaries of the district
	<ul style="list-style-type: none"> • The resolution will determine the methodology for imposing a fee
	A reimbursement cost will be determined
	Properties in the district will be notified of the adoption of the resolution and amount of the fee
	City Recorder will file documentation in the County Assessor's office
Beginning in June	Contract Bidding, Council Approval, Permitting, Construction, Inspection, Etc.
With 90 Days of Construction Completion	Within three months after completion and acceptance of the improvements by the City, Public Works Director will determine the actual cost and prepare a written report for City Council, as per Chapter 8 §8-5-1-11 (A)
	Council must act accordingly, as per Chapter 5 §8-5-1-11 (B)(1-2)
	Reimbursement fees will be paid by property owners, subject to Chapter 5 §8-5-1-12 (A)(1-8)
	<ul style="list-style-type: none"> • Establish reimbursement accounts

Steps to establish a Reimbursement District: Option 2

	Prepare a written application with required elements to Public Works Director
	<ul style="list-style-type: none"> • Ensure that the reimbursement district meets requirements under Chapter 5 §8-5-1-2 (B)
	<ul style="list-style-type: none"> • Include the required elements of an application under Chapter 5 §8-5-1-2 (C)
	Submit application to Public Works Director
	Public Works Director will review the application to determine whether the reimbursement district should be established
	Public Works Director will prepare a written report for City Council, which will include the information outlined under Chapter 5 §8-5-1-3 (A)(1-5)
May 15	City Council will consider the Public Works Director's report and make a decision as outlined under Chapter 5 §8-5-1-3 (B)(1-5)
By June 2	When City Council is ready, the City Recorder will give notice of the proposed district by providing:
	<ul style="list-style-type: none"> • A public hearing by notifying the newspaper at least 10 days in advance of the meeting
	<ul style="list-style-type: none"> • A mailed notice to each property owner in the affected properties
	<ul style="list-style-type: none"> • The information outlined in Chapter 5 §8-5-1-4 (B)(1-5)
June 12	A public hearing will occur, during which City Council will listen to oral and written public testimony, and determine whether to order the creation of the district
July 10 (No later than September 8)	Within 90 days, City Council will adopt a resolution establishing the reimbursement district (assuming Council approved it)
	<ul style="list-style-type: none"> • The resolution will determine the boundaries of the district
	<ul style="list-style-type: none"> • The resolution will determine the methodology for imposing a fee
	A reimbursement cost will be determined
	Properties in the district will be notified of the adoption of the resolution and amount of the fee
	City Recorder will file documentation in the County Assessor's office
Beginning in June	Contract Bidding, Council Approval, Permitting, Construction, Inspection, Etc.
With 90 Days of Construction Completion	Within three months after completion and acceptance of the improvements by the City, Public Works Director will determine the actual cost and prepare a written report for City Council, as per Chapter 8 §8-5-1-11 (A)
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	Reimbursement fees will be paid by property owners, subject to Chapter 5 §8-5-1-12 (A)(1-8)
	<ul style="list-style-type: none"> • Establish reimbursement accounts



Legend

City Limits

1:8,083



Notes

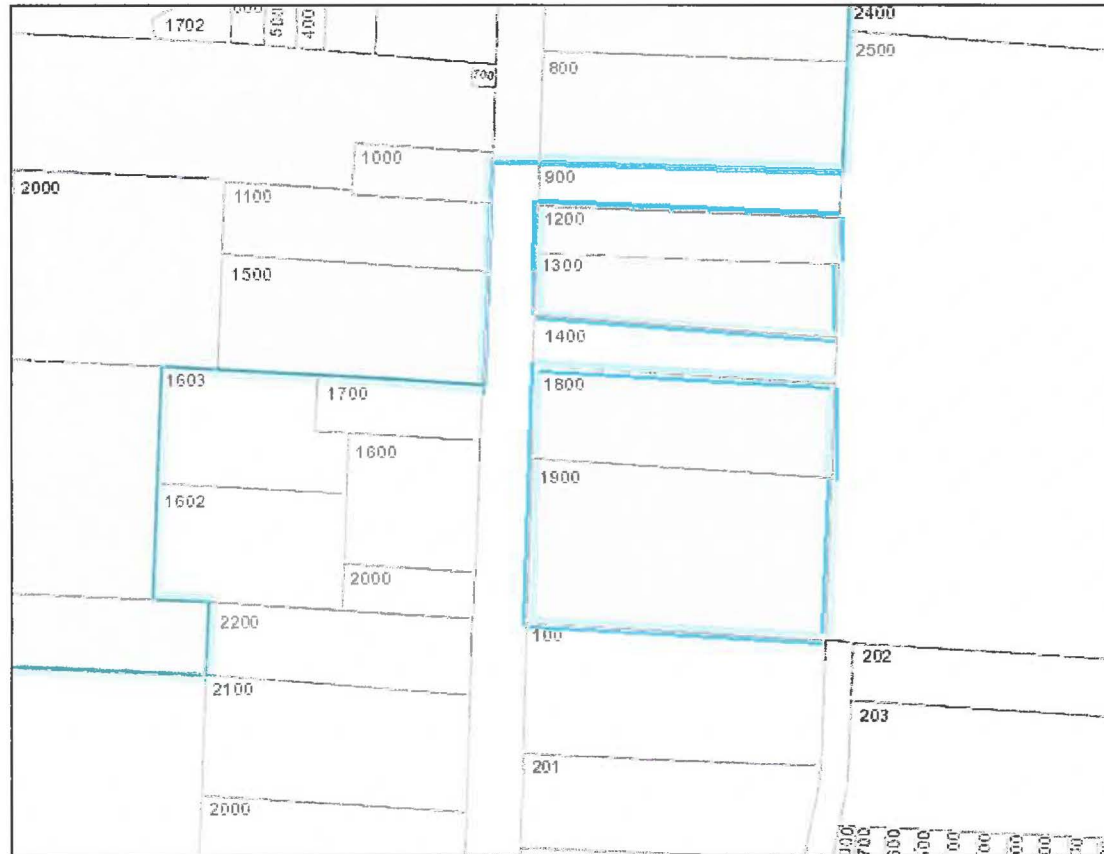
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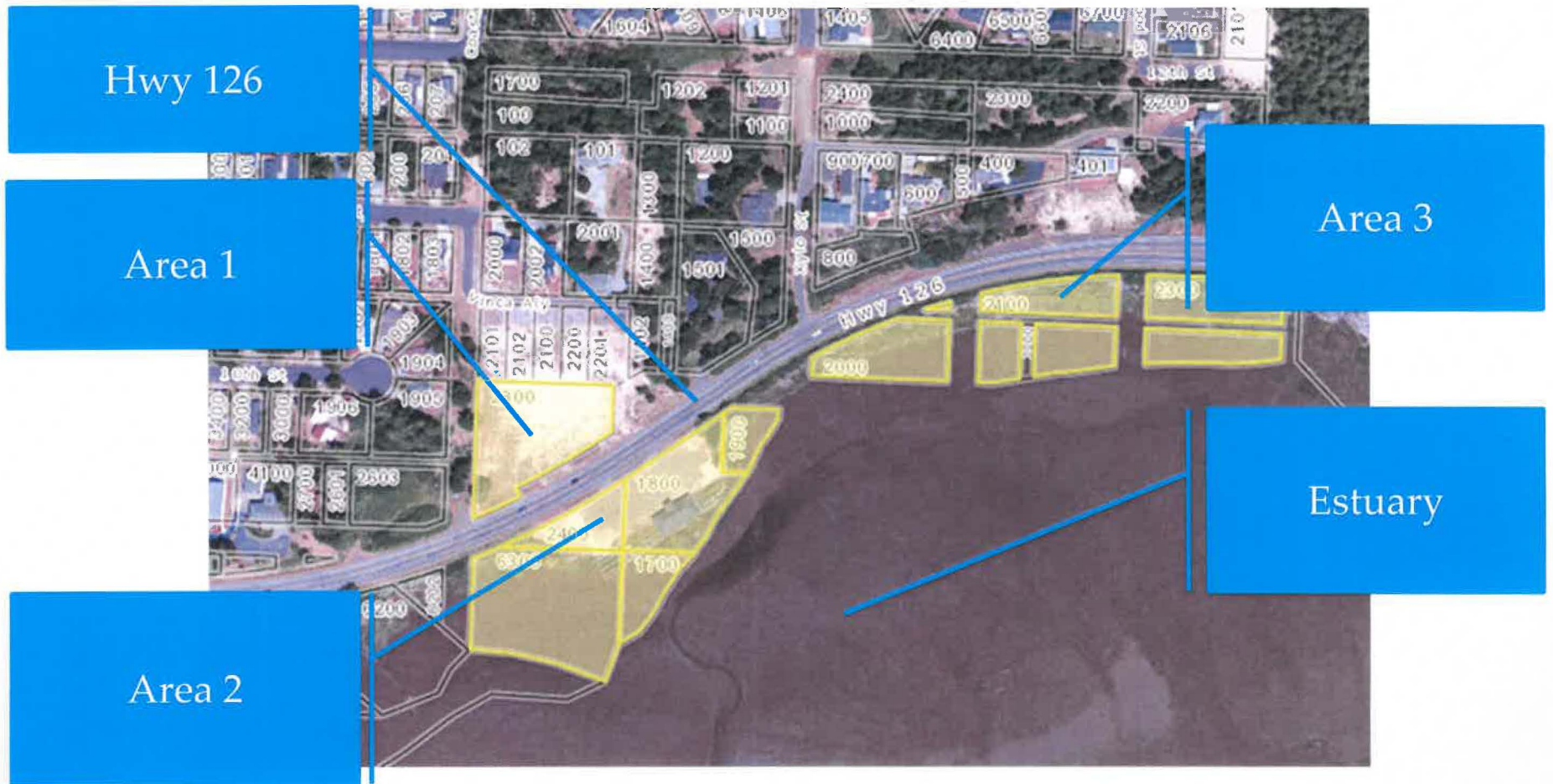
THIS MAP IS NOT TO BE USED FOR NAVIGATION

ORDINANCE NO. 6, SERIES 2016
CC 16 01 ANN 01 – North Highway 101 East Annexation
EXHIBIT A

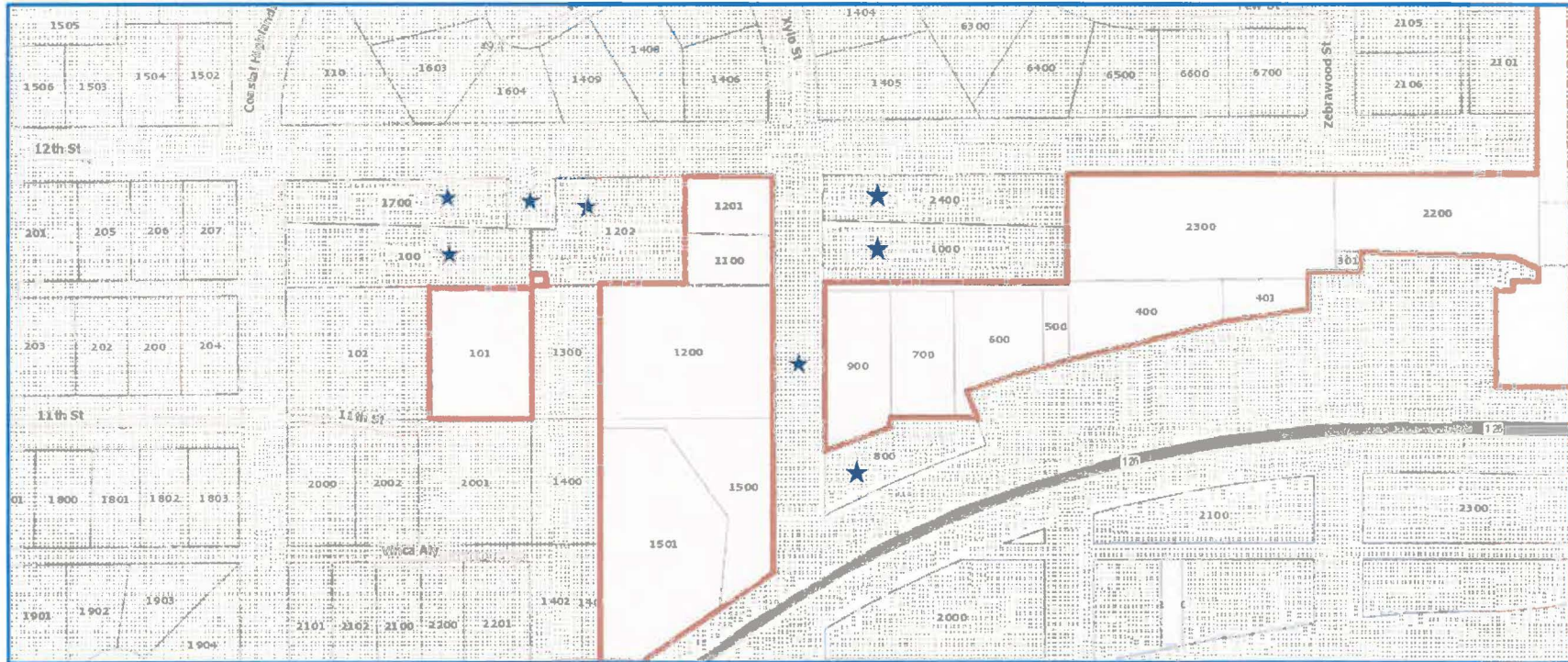





Assessor's Map 18-12-14-20, Taxlot 00100; Assessor's Map 18-12-11-33, Taxlots 01400 and 00900, as described as part of EXHIBIT B

Aerial of Site



ORDINANCE 15, 2016 - EXHIBIT A
North Highway 126 East Annexation



-  = Properties and Rights-of-Way to be annexed
-  = Properties and Rights-of-Way not being annexed
-  = Properties within the city limits

**PC 16 16 ANN 02 – Saxon Highway 126 Annexation
EXHIBIT A**

