



## CITY OF CAMAS STAFF REPORT

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**To:** Mayor and City Council  
**From:** Steve Wall, Public Works Director  
**Date:** October 26, 2015  
**Proceeding Type:** Public Hearing / Motion  
**Subject:** Green Mountain Planned Residential Development  
Sanitary Sewer Development Agreement

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### Legislative History:

• Workshop Presentation on Preferred Alternative for NUGA Sewer	May 18, 2015
• Workshop Presentation on Development Agreement Framework	August 3, 2015
• Workshop Presentation on DRAFT Development Agreement	August 17, 2015
• Public Hearing	November 2, 2015
• Adopt Ordinance	To be determined

### **Background and History of Property:**

In 2007, the City updated its Comprehensive Plan, Zoning Map and capital facilities plans to include additional land to its Urban Growth Area. In 2008, what is commonly known as the North Urban Growth Area, or NUGA, was annexed. In 2009, an initial Development Agreement (DA) was executed with the then current property owners that provided a conceptual framework for the future development of the Green Mountain property. That DA has since expired. In 2012, Green Mountain Land, LLC purchased the property and prepared updated technical information for the property based on their new conceptual development designs. With the expiration of the 2009 DA and new technical information created for the conceptual development, a new DA was prepared for the property and approved by the City Council on December 22, 2014. The 2014 DA, which is still in effect, contains a conceptual Master Plan for a mixed use planned residential development, including requirements relating to parks and open space, transportation, tree preservation, planning standards, stormwater, streetscape and significant views for specific areas of the project. Sanitary sewer needs were not addressed in the 2014 DA. The Green Mountain Planned Residential Development (PRD) ultimately received land use approval on August 8, 2015, consistent with the 2014 DA.

### **Sanitary Sewer Development Agreement:**

During development of the Sewer Capital Facilities Plan to support inclusion of NUGA into the City's Urban Growth Boundary, the City Council prioritized providing sanitary sewer service to the NUGA through the use of traditional gravity sewer systems. Traditional gravity sewer is preferred in lieu of the septic tank effluent pumping (STEP) systems that serve the majority of developed areas on the south side of Lacamas Lake as traditional gravity provides for more reliability and less maintenance typically resulting in lower maintenance and operations costs. To appropriately plan for future development of the NUGA, staff completed an Alternatives Analysis and selected a preferred alternative to provide sewer service. Staff reviewed the technical details of the Preferred Alternative to provide sanitary sewer service to the Green Mountain area and the rest of the NUGA with the City Council at a May 2015 Council Workshop.

The August 2015 Green Mountain PRD land use approval required that the Developer enter into an agreement with the City to provide for a public-private partnership to fund and construct sewer system improvements to serve the proposed development. In late 2014, City staff began meeting with Green Mountain Land, LLC representatives to develop an agreement specifically pertaining to the provisions for sanitary sewer service to the Green Mountain PRD with the intent of meeting the goals outlined in the NUGA Sewer Capital Facilities Plan and implement the Preferred Alternative discussed above. Additionally, the City Council has approved the issuance and use of Water-Sewer Revenue Bonds to finance design and construction of the Preferred Alternative.

The final draft of the Sanitary Sewer DA with Green Mountain Land, LLC is included with the Council Packet within Legistar. Staff has previously reviewed with Council the framework and prior drafts of the sanitary sewer DA. For reference, the general framework of the DA is as follows:

- **Term:** 15 years
- **General Provisions:**
  - Developer constructs Interim Sewer Improvements ("Phase A") to serve initial phases of PRD.
    - Includes interim connection to City's existing STEP System to the south.
  - City constructs Permanent Sewer Improvements ("Phase B") to serve Green Mountain and remainder of NUGA.
    - Developer's interim STEP system is converted to traditional gravity sewer with completion of Phase B.
    - If Phase B gets delayed, Developer has the right to expand Phase A improvements provided there is capacity and the Developer pays for the improvements.
- **Financial Contributions:**
  - Developer pays for Phase A.
  - City uses Water/Sewer Revenue Bond Proceeds to pay for Phase B.
  - Developer contributes \$1.9 million plus interest towards Phase B through equal annual payments of principal plus interest based on actual Revenue Bond rates.

- Developer receives sewer system Development Charge Credits (SDCs) for portion of Phase A once construction is completed and for a portion of the “Phase B Payment” once payments are made. Amount of credits is based on calculations provided for in the City’s General Sewer Plan and SDC calculation.
- Developer provides security in the form of bond, cash or letter of credit equal to 2 annual payments.
- Developer provides additional security through granting to the City of a first lien position on property valued at 175 percent of the remainder of the annual payments.

Staff will review the final Draft of the DA with Council prior to the public hearing. It is recommended that Council conduct a public hearing, take public testimony, deliberate and take action on the proposed development agreement.

**Recommended Motion:**

Move to approve the Green Mountain PRD Sanitary Sewer Development Agreement and direct the City Attorney to prepare an Ordinance for consideration and adoption at the November 16, 2015 City Council meeting.