

RESOLUTION 995  
CITY OF PRINEVILLE

A RESOLUTION SETTING FORTH A POLICY TO FACILITATE PUBLIC  
TRANSPORTATION, WATER, AND WASTEWATER MASTERPLAN  
IMPROVEMENTS AND REIMBURSEMENT AGREEMENTS

WHEREAS, the City has adopted Transportation, Water, and Wastewater master plans, and

WHEREAS, the City has passed Resolution 875 implementing Systems Development Charges, and

WHEREAS, the City desires to fund public master plan improvements on a timely basis, commensurate with public need and anticipated growth, with System Development Charges (SDCs) and other resources, and

WHEREAS, the City manages growth commensurate with the installation of public facilities developed to address current and future community needs, thus providing system-wide community benefits, and

WHEREAS, the City realizes all public infrastructure is ultimately the responsibility of the local municipality even though private developers may pay for portions of the master plan improvements, and

WHEREAS, the City needs additional policies to allow necessary and reasonable incentives for private developers to agree to assume risk for developing needed community infrastructure,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PRINEVILLE  
RESOLVES AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS

**City of Prineville Transportation, Water and Wastewater Master Plan  
Improvement Reimbursement Policy**

- 1.1 This Resolution provides a basic framework, schedule, and implementation for a program encouraging private developers to install needed transportation, water, and wastewater master plan improvements.
- 1.2 This Resolution includes requirements and procedures for managing reimbursement to private developers who fund construction of City infrastructure master plan projects as well as projects utilizing Local Improvement District financing.

## SECTION 2. REIMBURSEMENT PROVISIONS

**1. Policy:** This policy is in addition to the City of Prineville's existing system development charge refund and credit policy. It is intended to apply to expansions of or improvements to the City of Prineville's transportation, water and wastewater systems funded by developers or through developer initiated local improvement district financing that are not required as a condition of development approval. Expansions of or improvements to the City's transportation, water and wastewater systems shall only be accomplished as directed by the City.

**2. Expansions:** Expansions to the transportation, water and wastewater systems that involve the construction of master plan improvements shall be accomplished by the City or developers as approved by the City, according to City approved development plans. It is anticipated that improvements subject to this policy will be financed by developers with private funding sources or local improvement district financing.

**3. Procedure:** Developers who agree to expand the City's infrastructure systems not as a condition of a development approval may do so according to the following procedure:

3.1 City approval will be required prior to commencement of any construction.

3.2 An executed reimbursement agreement between the developer and the City shall be required and shall set forth the improvement project requirements including funding requirements and reimbursement if applicable.

3.3 All improvements must be constructed according to applicable City standards, rules and regulations, including the City's applicable Master Plan, as determined by the City Manager or City Manager's designee.

3.3.1 This policy is limited to improvements that are included in the City's adopted five-year Capital Improvement Program or in the City's adopted budget, not subject to reimbursement of SDC payments under any other agreement, and not required as a condition of development approval.

**4. Reimbursement:** Reimbursement agreements shall be approved by the City Council and shall set forth reimbursement provisions including source and limitations on reimbursement. The form of such agreements shall be approved by the City Attorney.

4.1 Reimbursement will be paid pursuant to the agreement between the City and developer.

4.2 Reimbursement agreements shall not exceed twenty (20) years in length.

4.3 The maximum reimbursement shall be limited to the approved cost of the improvements.

4.3.1 Approved costs may include actual interest expense associated with approved local improvement district financing in an amount equal to or less than the interest the City would otherwise incur.

4.3.2 Developers utilizing LID financing shall be responsible for the payment of assessments.

4.3.3 SDCs collected by the City subject to the reimbursement agreement may be utilized to pay scheduled assessment debt services payments.

4.3.4 In the event of inadequate SDC collections, or other reimbursable sources, for any

reason, the developer will be required to pay scheduled assessment debt service using private funds or the City will be entitled to collect or enforce payment of the lien in any manner authorized by law.

- 4.3.5 The City may create a reserve account from actual collections of SDCs in excess of scheduled assessment debt service payments to offset potential deficiencies of SDC collections from developer's property for future scheduled assessment debt service payments. The reserve account may be used to pay scheduled assessment payments when previous SDC collections are inadequate to make assessment debt service payments. No more than 20% of the SDCs collected in excess of the required LID assessment payment from the developer's property benefited by the improvement shall be set aside at any one time to create the reserve account. Upon the amount in the reserve account reaching \$250,000, the percentage of SDC's collected in excess of the required LID assessment and placed in the reserve account shall be reduced to 10% which percentage shall continue for the remaining period of the reimbursement agreement. The City may utilize SDCs collected in excess of the reserve account to fund other master plan improvements or other qualified uses. The remaining balance in the reserve account, if any, that exists after the debt service for the LID is paid in full will be used by the City for other master plan improvements or other qualified costs.

**5. Reimbursement Area:** The reimbursement area shall be identified in the agreement and shall be limited to property that is benefited by the improvements that is owned and controlled by the developer at the time of the agreement.

**6. Application:** This policy shall apply to all eligible improvements after adoption of this resolution.

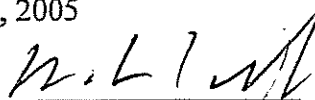
**7. Reporting:** The City Manager or City Manager designee shall prepare an annual report for each year ending June 30 summarizing financial and administrative information including but not limited to date of agreements, maximum reimbursement amounts, reimbursements paid, maturity date of agreements, and any other relevant information to advise the City Council of the status of reimbursement agreements. The report shall be presented to the City Council by September 1 of each year.

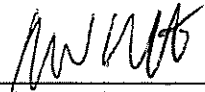
#### SECTION 4. ENACTMENT

This resolution and the provisions contained within shall be in full force and effect on and after July 1, 2005.

Passed by the City Council this 12<sup>th</sup> day of July, 2005

Approved by the Mayor this 12<sup>th</sup> day of July, 2005

  
Mayor Michael Wendell

Attest:   
City Recorder, Robb Corbett

Date: \_\_\_\_\_