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CONNIE McCREADY
COMMISSIONER



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File
DEPARTMENT OF
PUBLIC WORKS

CITY OF PORTLAND
OREGON

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June 19, 1978

OFFICE OF COMMISSIONER
OF PUBLIC SAFETY

MEMORANDUM

TO: Mayor Neil Goldschmidt
Commissioner Frank Ivancie
✓ Commissioner Charles Jordan
Commissioner Mildred Schwab

FROM: Commissioner Connie McCreedy *CM*
Department of Public Works

SUBJECT: Resolution Establishing Additional LID Policies

Attached is a copy of a resolution being filed for Council consideration to establish a policy that the City will assess 100% of all construction costs against property owners for streets improved at the request of and for the benefit of subdivision developers.

Currently, at the request of developers, there are three different Local Improvement Districts in progress for improving streets within land being subdivided and developed. Using the LID procedure provides two significant benefits to the developer. First, the City provides the capital for the requested street improvements, thereby reducing the amount of financing the developer must secure for his property. Second, the City's policy of paying for intersection construction and one-half of the top three inches of asphalt paving reduces the cost of street improvements to that developer. *Present Policy*

Providing capital for improvement costs through an LID process, in my opinion, is in conformance with the City's desire to encourage development throughout the City. However, having a City subsidy for intersection and one-half of the asphalt paving costs may not only encourage development but also result in additional profit to the developer as the City cannot guarantee that these construction cost savings will be passed on to the ultimate property purchaser. *profit to developer*

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Although the three subdivisions now having their streets improved by an LID process are small and subsidized construction costs by the City only total \$2,000, the potential for a large subdivision having high subsidies exists. Since such subsidies come from the General Fund, I hesitate to approve their use in a way that may benefit private enterprise.

For the above reason the enclosed resolution has been prepared, establishing policies whereby the City will encourage the use of the Local Improvement District procedure for subdivision developments but under the circumstances described assess 100% of the construction cost to the property owner.

Staff from the Bureau of Street and Structural Engineering will be available during the Council meeting to answer questions.

JML:mmc

Attachment

cc: Cowles Mallory
David Vargas
Don Coville

RESOLUTION NO. _____

WHEREAS, the Council of the City of Portland believes it is in the public interest to establish street improvement policies that will encourage Street Local Improvement Districts (LID) for neighborhood development, improvement, and reduced maintenance costs, and

WHEREAS, said street improvement encouragement can be given by providing financial assistance to Local Improvement Districts for streets, and

WHEREAS, the following policies were established by Resolution No. 31174 to accomplish said LID street improvement encouragement:

1. Where no other public funds are available (except Sewage Disposal, Gas Tax, Water funds or revenue sharing), the City shall pay from the appropriate budgeted account:
 - a. Fifty percent of the cost of the top three inches of asphaltic paving on street LID jobs only where the street being improved was previously an oiled gravel centerstrip maintained by the City.
 - b. All costs for the resurfacing with asphaltic concrete of all full width oiled gravel streets that were constructed through LIDs, Council permits, or in accordance with City side-stripping programs. On full oiled gravel streets where curbs do not exist the City will pay 25% of the costs of curb improvements when done as part of a Maintenance Bureau job.
 - c. All normal costs of excavation, sub-base, paving, inlets, inlet leads, curbs and sidewalks, but not including sumps, manholes or sewers for the improvement of intersections on LID or City constructed street jobs.

and,

WHEREAS, land developers are now petitioning the City for street improvements in their subdivision to be accomplished through the LID process, and

WHEREAS, the City cannot ascertain that the financial assistance provided by the policy established in Resolution No. 31174 is resulting in lower costs to purchasers of homes in such developments, be it

RESOLVED, that in order to accomplish said LID street improvement encouragement, the following additional policies are established:

1. The City will favorably consider valid petitions for street LIDs in new development areas.
2. Where it is determined by the Improvements Committee that the

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improvements are to be constructed within the boundaries of a single property, the City Engineer shall recommend that the property be assessed the total cost of improvements and that no portion of paragraph 1 of Resolution No. 31174 be applied.

RESOLVED, that the City Engineer hereby is directed to promulgate and implement the above policy.

RESOLVED, that the additional LID policies established by this resolution shall apply only to LID applications received after passage of this resolution.

Adopted by the Council