

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Council Subcommittee on Street Assessment Policy

Meeting Date: September 22, 2010
Department: Public Works
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Agenda Item Number: A
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ISSUE STATEMENT

This work session will provide an overview of the work of the Council Subcommittee on Street Assessment Policy including recommendations of changes to the Eugene Code to address issues identified by the council at its March 9, 2009, work session.

BACKGROUND

At its March 2009 work session, the City Council identified the following issues with the City's current assessment policy:

1. Financing
 - a. Extend the payment period for assessments beyond 10 years
 - b. Defer assessments until the sale of property
2. Local Improvement District (LID) Boundaries
 - a. Identify travelshed of benefitting properties
 - b. Include cul-de-sac properties in LIDs
 - c. Include dead-end street properties in LIDs
3. Individual Properties
 - a. Consider depth of property in determining assessments
 - b. Consider a per property assessment regardless of frontage

The council also expressed interest in forming a City Council subcommittee to review the issues outlined above and to provide proposed revisions to the Eugene Code to the council.

A Council Subcommittee on Street Assessment Policy was formed in late 2009 and included councilors Taylor, Solomon and Poling. The subcommittee established the following charge to guide its work:

Review the existing Eugene Code on assessments and the inequities in the Code identified by the City Council and develop recommended changes in the Code for the consideration of the City Council.

The subcommittee developed and used a number of tools to assist in its evaluation of solutions to the identified issues. The Policy Framework (Attachment A) provided the context of the existing framework for initiating and implementing assessment projects. The Values and Evaluation Criteria (Attachment B) provided a method of evaluating each potential solution against a common set of criteria. The Record of Decisions (Attachment C) provided a process to document where consensus was

reached on a particular issue and helped focus attention on those areas where consensus had not been reached.

The consensus recommendations of the subcommittee with respect to each of the issues include:

- Do not recommend changing the existing Eugene Code to extend the assessment payment period because the existing Eugene Code allows the extension of the payment period by the ordinance levying the assessments for individual projects.
- Recommend allowing the deferral of street assessments until the sale or transfer of property. The deferral would be limited to owner occupied single family and duplex homes and contingent on the availability of funds. The deferral program would be funded internally from funds from other assessment financial assistance programs. Eligible properties owners may defer their assessment or receive a low-income subsidy, but cannot receive both forms of assistance.
- Recommend including cul-de-sac and dead-end street properties within the local improvement district of the unimproved street to which they connect. The properties would be assessed at the same rate as abutting properties. Dead-end streets would be determined at the time of LID formation. Unimproved cul-de-sacs and dead-end streets should be improved at the time the unimproved street to which they connect is improved with all of the improvement costs shared within the LID.
- Do not recommend a travelshed approach to establishing the boundaries of an LID due to the complexity of identifying the benefitting properties.
- Recommend developing a uniform assessment methodology for residential properties based upon a single family residential assessment unit (RAU) with single family and duplex homes being assigned one RAU.

While the subcommittee reached consensus on the concept of a uniform assessment methodology for residential properties they did not reach consensus on some elements of the methodology. The following are areas where consensus was not reached and the staff recommendation on each issue:

- Values of 0.25 RAU and 0.35 RAU per dwelling unit were discussed for multi-family residential properties.

The staff recommendation is 0.25 RAU per dwelling unit because it moderates the shift in costs to multi-family lots related to generally smaller proportionate differences in frontage than in the number of residential assessment units and is more likely to result in whole assessment units, thereby improving public understanding and acceptance.

- The use of a per-lot residential assessment requires an initial apportionment of assessable costs between residential and non-residential lots within an LID and there was not agreement on which of two methods of apportionment should be used – proportion of total lot area or proportion of total lot frontage.

The staff recommendation is to use the proportion of lot frontage because it is most consistent with past policy/practice and maintains a consistent basis for non-residential lot assessment. Also, lot frontage is less likely to change during project development and moderates the impacts of large assessable and non-assessable lots.

RELATED CITY POLICIES

Chapter 223 of the Oregon Revised Statutes prescribes the rights and responsibilities of cities to levy assessments for local improvements. The Municipal Charter, Chapter IX – Public Improvements provides the regulatory framework for public improvement procedures and assessments. The Eugene Code, Chapter 7 – Public Improvements prescribes the process for initiation of an assessment project, formation of a local improvement district, and computation and allocation of assessments to benefiting properties.

COUNCIL OPTIONS

1. Approve the consensus recommendations of the Council Subcommittee on Street Assessment Policy.
2. Approve the staff recommendations on the areas where the subcommittee did not reach consensus.
3. Take no action.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that the City Council approve the consensus recommendations of the subcommittee and approve the staff recommendations on the areas where the subcommittee did not reach consensus. If the council supports this recommendation, then staff will develop an ordinance to implement the proposed changes to the Eugene Code and schedule a public hearing on the ordinance.

SUGGESTED MOTION

Move to approve the consensus recommendations of the subcommittee; and approve the staff recommendations on the areas where the subcommittee did not reach consensus.

ATTACHMENTS

- A. Policy Framework
- B. Values and Evaluation Criteria
- C. Record of Decisions

FOR MORE INFORMATION

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Policy Framework for Improving Unimproved Streets

1. The City provides minimal maintenance for unimproved streets (14% of the 538 miles of streets in the City)
2. All unimproved streets will be improved to urban standards
 - a. 12 miles of arterials and collectors
 - b. 63 miles of local streets
3. Urban standards are defined by the Arterial and Collector and Local Street plans and provide for all modes of travel – auto, transit, bicycle and pedestrian
4. Financing of street improvements includes assessments to abutting property owners
5. Street Assessment Code
 - a. Generally, each property only pays for one street and the street is that from which the property is addressed.
 - b. Assessments vary by street classification –
 - i. Properties on arterials and collectors pay an assessment equivalent to that of a local street
 - ii. Properties on arterials and collectors pay for less pavement width as a livability/equity factor
 - c. New development on arterials and collectors should pay an equivalent assessment for a future street improvement
 - d. Assessments should be deferred on large partially developed or undeveloped properties
 - e. Provide a 1/3 to 5/6 subsidy for low income owner occupied single family properties
6. Initiation of local improvement districts
 - a. The City Council initiates improvements on arterial and collector streets through the adoption of the annual capital budget.
 - b. Citizen initiated petition polls are used to initiate improvements on local streets
7. Funding of the City's share of costs on assessment projects
 - a. Transportation systems development charges are used to fund the City's share of costs on arterial and collector streets
 - b. At this time there is not a source of funds identified to fund the City's share of costs on local streets.

Values	Criteria
Legislative Compliance	<ul style="list-style-type: none"> • Demonstrable compliance with legislative provisions
Public Acceptance	<ul style="list-style-type: none"> • Consensus of subcommittee • Reflect Council policies • Responsive to stakeholders
Administrative Simplicity	<ul style="list-style-type: none"> • Impacts on administration • Public understanding • Financial accounting
Revenue Adequacy	<ul style="list-style-type: none"> • Financing mechanisms available • Financial plan feasible
Equity	<ul style="list-style-type: none"> • Equity within LID • Equity city-wide
Technically Supportable	<ul style="list-style-type: none"> • Clear & consistent criteria • Objective & verifiable • Predictable & repeatable

Council Subcommittee on Street Assessment Policy

Record of Decisions

1. Extension of payment period

- No change to existing Eugene Code as the payment period may be extended by the ordinance levying the assessments

2. Deferral of street assessments

- Recommend to full Council
- Fund internally with funds from other assessment financial assistance programs
- Contingent on the availability of funds
- Limit deferral program to owner-occupied single family and duplex properties
- Payment due
 - Sale of property
 - Transfer of property
- Eligible property owners may defer the assessment or receive a low income subsidy, but cannot receive both forms of assistance.

3. Local Improvement District boundaries

- Cul-de-sacs and dead-end Streets
 - Recommend to full Council
 - Assess at same rate as abutting properties
 - Assess corner lots with primary access on the cul-de-sac or dead-end street the same as other lots on cul-de-sac or dead-end streets
 - Dead-end street determination made at the time of LID formation

Unimproved dead-end streets and cul-de-sacs should normally be included in the LID of the unimproved street to which they connect with their improvement costs shared within the LID

Travelshed – Do not recommend a travelshed methodology to the full Council

4. Individual Property Assessment Methodology

Develop uniform assessment methodology for residential properties based upon a single family residential assessment unit (RAU)

Single family homes and duplexes will be assigned one RAU

Multi-family residences will be 0.25 or 0.35 RAU for each dwelling unit.

Develop assessment methodology for non-residential properties based upon lot area or lot frontage.

Determine split between residential and non-residential assessable costs based upon proportion of total area or total frontage of residential and non-residential property within the boundary of a local improvement district