

# Brookman Funding Plan

July 29, 2011

## Background

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The Brookman Area concept plan includes plans for the extension of water, sanitary and storm sewer and road improvements throughout the area. The plan also identifies needed upgrades to accommodate the increase in people and jobs in the area. When the Brookman Concept Plan was adopted it was realized that the cost of these improvements would not be fully covered by the System Development Charges (SDC) anticipated, however it was determined that a detailed plan for addressing the funding gap would be better addressed through coordination with potential developers and the City prior to or concurrent with annexation. Since the plan was adopted, however, the economy took a downturn and developers appear hesitant to step up and even discuss development when funding issues are undefined.

In an effort to provide more certainty for the development community and the residents in the Brookman area and the City of Sherwood, the City has decided to take the lead on developing a funding plan. This funding plan is also a prerequisite for annexation. (Brookman Concept Plan Implementation Policy 8.2.a)

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## Identified need

It is assumed that there is a certain level of improvement that is expected to be covered by any development and generally serves or benefits primarily that development. This includes: local roadways, traffic calming measures directly related to development, 8-inch water pipes, local sanitary sewer lines, and storm water detention facilities. The concept Plan identified the following needs for improvements that are not generally or typically paid for by developers:

	Identified projects	Estimated cost (2008) not paid by developer
<b>Water</b>	Main reservoir upgrade	400,000
	Reservoir no. 2	4,700,000
	SW Sherwood PRV	190,000
	12-inch water main pipes	1,931,000
	<b>Total</b>	<b>7,221,000</b>
<b>Sanitary</b>	Collection System Extension Area 54/55	1,292,430
	Capacity upgrade	113,176
	Capacity Update	133,176
	<b>Total</b>	<b>1,538,782</b>
<b>Storm</b>	Assumes regional water quality facilities:	
	Base Construction items	181,771
	Conveyence infrastructure	467,412
	Detention facilities	0
	Construction contingencies	259,673
	Engineering and permitting	454,428
	Land Acquisition	0
	Staffing and Appraisal	601,875
	<b>Total</b>	<b>1,965,160</b>
<b>Transportation</b>	Old Hwy 99-Upgrade to collector standards	1,235,000
	Brookman, east of Middleton - Urbanize and rebuild existing roadway	10,855,000
	Brookman, west of Middleton – Construct new collector with rail crossing	6,770,000
	Brokman/Old Hwy 99 intersection – construct a round-about	800,000
	Hwy 99W/Sunset intersection – add eastbound right turn overlap phase <sup>1</sup>	10,000
	Hwy 99W/Sunset intersection – Add westbound right turn lane	250,000
	Hwy 99W/Sunset intersection – Add westbound right turn overlap phase	10,000
	Hwy 99W/Brookman intersection – Add traffic signal	250,000
	Sunset-Timbral intersection – Construct a round-about	800,000
	Sunset/Redfern intersection – all-way stop control	10,000
	Brookman/Ladd Hill intersection – All-way stop control	10,000
	Brookman/Ladd Hill intersection – add southbound right turn lane	250,000
	Or Construct round-about	800,000

<sup>1</sup> The Highway 99W/Sunset improvements were determined no longer necessary after adjustments to the jobs housing mix, however that change was made after the cost analysis was completed.

	Identified projects	Estimated cost (2008) not paid by developer
	<b>Total</b>	<b>21,250,000-21,790,000<sup>2</sup></b>

## Identified Revenue

The Concept Plan includes estimated revenue via SDC's to fund the needed improvements. The estimates were made based on the plan draft recommended by the Steering Committee and were not updated after adjustments to the jobs-housing mix at the Planning Commission and Council level.

Comparison of assumptions in Fiscal impact analysis and final adopted plan:

	Fiscal impact analysis assumptions	Final adopted plan
<b>Retail</b>	29 jobs	29 jobs
<b>Office</b>	349 jobs	774 jobs
<b>Industrial</b>	102 jobs	226 jobs
<b>Single family</b>	943 dwelling units	798 dwelling units
<b>Multi-family</b>	296 dwelling units	290 dwelling units

This difference in the number of housing units and jobs results in a significant change in the revenue projections:

	Estimated SDC revenue <sup>3</sup>			
	Traffic SDC and TIF	Sanitary	Storm SDC	water SDC
Retail	663,125	96,318	18,874	87,106
Office	1,569,957	272,901	121,448	275,204
Industrial	795,109	476,505	121,448	439,955
Single family	4,811,812	3,416,529	617,345	5,042,641
Multi-family	106,370	1,241,569	84,157	1,832,569
<b>Total</b>	<b>8,904,372</b>	<b>5,503,849</b>	<b>963,272</b>	<b>7,677,474</b>

## Identified gaps and plan to fill

	Estimated Costs based on final adopted plan	Estimated revenues based on final adopted plan	Additional funding sources	Gap
Water	7,221,000	7,677,474		None
Sanitary	1,538,782	5,503,849		None
Storm	1,965,160	963,272		1,001,888
Traffic	20,880,000- \$21,420,000	5,503,849	RTP project #10682 =\$20,510,000 <sup>4</sup>	None

<sup>2</sup> With removal of the Highway 99W/Sunset improvements, the total cost estimate is reduced by \$370,000 to \$20,880,000-\$21,420,000.

<sup>3</sup> All assumptions used for calculation of SDCs is from the April 2008 Fiscal Impact Analysis in the Brookman Concept Plan appendix with updates needed to reflect the job and housing changes.

# Conclusion

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The updated analysis reveals that the only area in which there is a gap between projected costs and revenues is in storm water. Because the costs are based on an assumed regional water quality facility, it is possible that the gap can be addressed simply by requiring all development to address storm water on their own property for their own development. This is not ideal, and the City should continue to work towards funding regional facilities in the area; however the lack of funding will not undermine the ability of the area to develop consistent with accepted storm water design practices.

All needed transportation improvements to support the projected build out of the area can reasonably likely be funding from existing identified sources within the planning horizon.

All needed sanitary sewer improvements to support the projected build out of the area can reasonably likely be funding through SDC's collected as development occurs in the area.

All needed water improvements to support the projected build out of the area can reasonably likely be funding through SDC's collected as development occurs in the area.

That said, all improvements may not be available at the same time a developer is interested in developing. While it is anticipated that improvements can be funding, the timing may not match when a developer needs them to be in place. In those instances, a developer has the following potential options:

- Construct improvement and receive credits equal to the amount of the eligible improvement
- Request the formation of a reimbursement district to recoup the costs incurred from future developers
- Form a local improvement district

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<sup>4</sup> This project is to reconstruct Brookman Road to collector standards between 99W and Ladd Hill. It is on the financially constrained list in the RTP indicating that it is reasonably likely to be funding within the RTP planning horizon (2035) and is eligible for Federal funds through the MTIP process