



MEMORANDUM

TO: Mayor Greg Thornton, Superintendent David Holmes, La Center School District

COPY: Anthony Cooper, Naomi Hansen, Tim Shell, Anne Marie Skinner

FROM: Eric Eisemann

DATE: November 1, 2018

RE: *La Center Middle School: Capital Facilities Improvements*

Background

Representatives from the La Center School District (School District) and the City of La Center (City) met twice in October 2018 to discuss and resolve issues related to the pending conditional use land use application for the new middle school to be built south of Lockwood Creek Road. The meetings focused on two main topics: (1) transportation system improvements and costs and (2) sanitary sewer requirements and cost. At the conclusion of the last meeting the attendees agreed that it would be beneficial to memorialize the mutual understanding. The topics presented below represent such understanding and may become elements of a future development agreement between the City and the School District.

Transportation capital improvements

The central questions discussed were: (A) what level of frontage improvements are required, and (B) to what extent might the dedication and construction costs for improvements to Lockwood Creek Road be Transportation Impact Fee (TIF) credit eligible. The following points were mutually understood and accepted:

- The School District will make transportation improvements commensurate with their level of development and pay Traffic Impact Fees (TIFs).
- As a condition of land use approval, dedication and construction of half-width street improvements, to the City's Minor Arterial standards, including a center turn lane, along the school's Lockwood Creek Rd frontage are required.
- The School District will provide safe walking and biking access to their campus within the Lockwood Creek Rd right-of-way from their campus to the existing Lockwood Creek Rd sidewalk to the west.
- The City's adopted Transportation Capital Facilities Plan (CFP) identifies Project T-26, improvements to Lockwood Creek Rd to minor arterial standards, as a \$2,725,000 project that is a TIF eligible project.

- The City’s authority to issue TIF credits for transportation system improvements is found in the La Center Municipal Code (LCMC) 3.36.160, Impact Fee credits.¹
(<https://www.codepublishing.com/WA/LaCenter/#!/LaCenter03/LaCenter0335.html#3.35.160>)
- The amount of the credit is based upon appraised property value at the time of dedication and actual and reasonable construction costs of any system improvement.
- The best practice in La Center and elsewhere is to award a TIF credit for the value of the dedication and construction costs over and above the amount of dedication and construction costs a development would incur for the street dedication and improvements if such improvements were not on the CFP. In other words, the City may award TIF credits for the difference between the local street cost and the minor arterial street costs. This is standard practice in Clark County.

Sanitary sewer capital improvements

The central questions discussed were: (A) whether the necessary pump station and force main must be public facilities designed and constructed to City standards, (B) what level of improvements are required, and (C) to what extent are there costs savings available for the School District. The following points were mutually understood and accepted:

- The School District will design and construct the pump station (PS #5) and force main (FM #5) per the City’s General Sewer Plan to serve the entire basin.
- The engineer for the School District will provide construction plans, a design report and cost estimate for the pump station and force main. The construction plans and design report are subject to City review and approval. The design report will include calculations that enable determination of the School District’s proportionate share of the pump station capacity. Construction improvements shall be to City standards.
- The District will bear the cost of the improvements proportional to its use of the pump station capacity (middle school ERU/Pump station capacity ERU). Prior to issuance of a development permit, the School District shall pay sewer SDC’s according to the ERU table in LCMC 13.10.350. The SDC cost per ERU shall be reduced proportionately for the cost of PS #5 and FM #5 included in the SDC rate calculation. The reduced SDC is \$7,177.75 per ERU.
- The School District will provide a separate accounting for all costs associated with the pump station and force main, including design engineering, construction, and construction engineering/administration/inspection (CA/E/I). The School District will submit cost proposals to the City for review/approval prior to commencing each phase of work (i.e. engineering design, construction, and CA/E/I).
- The City and School District shall agree to a “Not to Exceed” amount for the cost of the improvements. The City will not be responsible for improvement costs exceeding the “Not to Exceed” amount without the City’s prior approval.
- Following construction of the improvements by the School District and acceptance of the improvements by the City, the City will make a payment to the School District for the proportionate share of the pump station’s capacity that is not attributable to the middle school project.

¹ (1) “[A] credit against the applicable impact fee component for any dedication of land for, improvement to, or new construction of any system improvements provided by the developer (or the developer’s predecessor in interest) to facilities that are/were identified in the La Center CFP...”

Determination of the proportionate share shall be based on the calculations from the engineering design report and actual costs of the total project as stated above, including engineering design, construction, and CA/E/I.

- The City will agree to provide the District with an SDC credit (possibly a cash payment) if and when the City issues a permit for the remodel of the elementary school to reflect the reduced ERUs at the middle school. As an alternative, the City could provide a provisional credit at the time the District pays the SDC for the new middle school with the amount to be confirmed and adjusted if needed at the time the City issues the permit for the remodel to convert the existing middle school to an elementary school.
- Any additional future development on the School District property will be subject to payment of the full amount of sewer SDC's in affect at that time.
- The above requirements may be documented and agreed to through a developer's agreement between the City and the School District.
- Rough estimates of the above costs and proportionalities are as follows:
 - The School District's proportionate share of pump station capacity is estimated at 30%; the credit for the remaining share of the basin is estimated at 70%.
 - The total project cost for the pump station and force main is estimated at \$800,000.
 - Following the City's acceptance of the project, reimbursement to the School District is estimated at \$560,000.
 - For a 450 student middle school, there would be 18.75 ERU's. The payment for sewer SDC's due at the time of a building permit would be \$134,582.81.
- The School District will convert the current middle school to a grade school.
 - Because the ERU calculation for a middle school is greater than for a grade school (1 ERU per 24 students for a middle school versus 1 ERU per 564 students for a grade school), ERU credits will be available to the School District from the conversion.
 - These credits will be calculated after final school capacities are established by the school district and credit applied when the new middle school sewer SDC's are calculated.