



**APPROVED BY COUNCIL DECEMBER 12, 2002
STAFF REPORT**

To: City Council

From: City Manager

Date: 12102002

Subject: Infrastructure Dedications, deferrals and methods of deferral

Recommendation: Receive Information, authorize staff to utilize alternative deferral method.

Discussion: The General Plan requires that development provide associated offsite infrastructure to offset the impact of the project and to contribute the developed properties' share of the streets, curbs & gutters and other infrastructure. The infrastructure is constructed to city standards and is dedicated to the city. The City then accepts the infrastructure and maintains it.

In some cases it may be some time before adjacent properties develop and the acceptance and maintenance of the unused infrastructure could be costly to the city. In some of those cases it has been more effective to defer the improvements and have the developer provide a bond or letter of credit. This has been useful for projects in which adjacent development and use may occur within less than 2 to 3 years.

At some locations, outside of the downtown and core of the city, development may not occur for a decade. In those cases accepting and maintaining the dedicated infrastructure may not cost effective for the city. Conversely bonding not be cost effective for the developer because cost of the bond/surety/letter of credit over the term of the agreement may exceed the cost of the infrastructure.

We asked the City Attorney to find a legal alternative to use in those cases. Attached is a method that we believe is an amenable solution to both the city and developer. An irrevocable agreement is recorded against the title to the property and requires the property owner to provide the infrastructure within 90 days of notice by city. If the property owner failed to provide the infrastructure, the city would be able to have the infrastructure installed and the cost would be recorded as a lien against the property.

City Council action on this agenda item directs and authorizes Staff/Planning Commission to use this method for properties outside the downtown/builtup zone

where other linked and associated development is unlikely for periods greater than 3 years.