



Legislation Details (With Text)

File #: AM No. 18-183
Type: Consent Item **Status:** Passed
File created: 10/30/2018 **In control:** City Council
On agenda: 12/4/2018 **Final action:** 12/4/2018
Title: Approval of Marymoor Village Sewer Improvements and Sewer Connection Charge

a. ORDINANCE NO. 2936: An Ordinance Amending Section 13.11.035 of the Redmond Municipal Code to Establish a Procedure for Setting Additional Connection Charges for System Improvements that are Not Single Family Residential Main Extensions

b. RESOLUTION NO. 1506: A Resolution Establishing New Connection Charge Rates

c. RESOLUTION NO. 1507: A Resolution Establishing the Amount of Sewer Additional Connection Charges for the Marymoor Sewer System Improvement Area

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agenda Memo No. 18-183, 2. Attachment A: Vicinity Map, 3. Attachment B: Frequently Asked Questions, 4. Attachment C: Ordinance, 5. Attachment D: Resolution, 6. Attachment E: Resolution

Date	Ver.	Action By	Action	Result
12/4/2018	1	City Council	approved	

MEMO TO: Members of the City Council

FROM: Mayor John Marchione

SUBJECT:

Approval of Marymoor Village Sewer Improvements and Sewer Connection Charge

- a. ORDINANCE NO. 2936: An Ordinance Amending Section 13.11.035 of the Redmond Municipal Code to Establish a Procedure for Setting Additional Connection Charges for System Improvements that are Not Single Family Residential Main Extensions
- b. RESOLUTION NO. 1506: A Resolution Establishing New Connection Charge Rates
- c. RESOLUTION NO. 1507: A Resolution Establishing the Amount of Sewer Additional Connection Charges for the Marymoor Sewer System Improvement Area

I. RECOMMENDED ACTION

Approve an ordinance updating RMC 13.11.035 to allow improvements other than pipeline extensions to be applicable for Additional Connection Charges; approve a resolution updating the Water and Wastewater General Connection Charges; and approve a resolution setting Additional Connection Charges for the Marymoor Area.

II. DEPARTMENT CONTACTS

Martin Pastucha, Director of Public Works	425-556-2733
Jeanne Justice, P.E., Engineering Supervisor	425-556-2887
Jeff Thompson, P.E., Senior Utility Engineer	425-556-2884

III. DESCRIPTION/BACKGROUND

The proposed ordinance and resolutions allow the City to collect Additional Connection Charge fees to recoup the cost of the sewer system improvements (Attachment A) required due to the potential volume increase with the rezoning of the Marymoor Area.

The City of Redmond adopted the Marymoor Subarea Infrastructure Planning Report and Ordinance No. 2882 (which amended the General Sewer Plan) on June 6, 2017. Upsizing of pump stations and sewer capacity is required in the Marymoor Subarea to serve the expected land use and population growth. This 2017 layout showed one pump station (PS No. 13) and pipe upgrades proposed to serve the area.

As discussions progressed on initiating design of the Pump Station No. 13 replacement and on improvements associated with the Sound Transit light rail station, the feasibility of the plan was questioned due to the need for construction dewatering in a location without a stormwater outfall, potential impacts to groundwater quality due to nearby groundwater contamination, and the need for significant reconstruction of sewer in the southern portion of the subarea.

In early 2018, as part of the General Sewer Plan update, the City instructed BHC Consultants to develop and evaluate five system alternatives using one or more pump stations, which considered the following criteria:

- Amount of construction dewatering required;
- Likelihood of groundwater contamination migration;
- Property acquisition requirements; and
- Cost

Dewatering impacts were evaluated using the recently completed groundwater model. The model indicated that using a single sewer pump station would require significant dewatering for the sewer construction without a place to put the water. It also showed that some dewatering efforts could cause existing known contamination to migrate to other parcels.

The preferred alternative developed by BHC as described in the Marymoor Area Technical Memo, May 2, 2018, continues the existing two pump station system, with Pump Station No. 12 being upgraded at or near its current location and Pump Station No. 13 being replaced per the 2017 plan. The preferred alternative also upsizes and replaces both sewer forcemains and makes minor changes to the gravity pipe layout. Cost estimates were updated by BHC as part of the Capital Investment Strategy process to reflect current bidding practices, updated project cost estimating template, and increased contingencies.

The total cost of the Marymoor Area Sewer System Improvements is estimated at \$21.6M with the City contributing \$6.1M, which was earmarked to rehab Pump Stations Nos. 12 and 13 before the area was rezoned, resulting in a remainder cost of \$15.5M that can be attributed to redevelopment. A proportional share of the remainder cost is assigned by Parcel based on Maximum Floor Area Ratio (FAR), resulting in a range of cost by parcel from \$40K to \$1.24M depending on size and zoning.

The ordinance and resolutions allow the City to collect Additional Connection Charge fees to recoup the cost of these sewer improvements from redevelopment activities and provides for credits against general connection charges, and refunds if costs are less than anticipated.

- The proposed ordinance (Attachment C) updates RMC 13.11.035 to allow improvements other than pipeline extensions to be applicable towards Additional Connection Charges. Currently, RMC 13.11.035 calls out only “water or sewer main extensions”. This ordinance will change the language to “system improvements” so pump stations and other improvements can be included in Additional Connection Charges.
- The proposed resolution (Attachment D) updates the water and sewer General Connection Charges as specified in RMC 13.11.030. It allows the Additional Connection Charge to count as a General Connection Charge credit, and increases the maximum allowed credit towards the General Connection Charge in the Marymoor Area.
- The proposed resolution (Attachment E) sets the sewer Additional Connection Charges for the Marymoor Area as allowed under RMC 13.11.035. This requires new development to pay for growth related improvements. Staff calculated each parcel’s charge by using its maximum allowable floor area ratio (FAR) to estimate buildout sewer flows. The City may provide a refund to developers if the final costs of the system are less than the estimated costs, but will not ask for more money if the costs are higher than anticipated. Sound Transit has agreed to waive all future development rights on its station parcel to minimize their Additional Connection Charge. This will be memorialized in a concurrence letter prior to taking the code changes to Council.

Time of Payment: The Additional Sewer Connection Charges will be paid by the applicant at the same time the City collects the General Sewer Connection Charges for the parcel(s). A development consisting of multiple parcels and/or buildings will pay the Additional Sewer Connection Charge for the entire Development with the first building’s General Sewer Connection Charge. General Sewer Connection Charge credits not used towards the first connection will remain available towards any remaining connections planned as part of the Development.

Outreach: An outreach meeting held on September 13, 2018, at the Marymoor Community Center was attended by five stakeholders. The main concern expressed by attendees were identifying the trigger for the connection charges. Following the meeting, presentation materials as well as a FAQ document (Attachment B) were posted on the City’s website:

http://www.redmond.gov/PlansProjects/marymoor_village, and follow up letters showing a parcel map and a table showing the additional connection charges by parcel were mailed to all property owners and businesses. In addition, staff met with the Business Fee and Tax Advisory Committee on September 27, 2018, and committed to follow-up with BFTAC regarding the connection charge triggers following the Planning and Public Works Committee meeting.

Additional Connection Charge Triggers: The Additional Sewer Connection Charges are triggered by the following actions:

- Any development of a vacant site;
- Any new construction requiring a new connection to the water and/or sewer system;
- Redevelopment of a parcel(s) based on value of improvements as defined by the Redmond Zoning Code (RZC) 21.17.010.F.1.d; and
- The connection of a new water meter or side sewer.

Partial Exemption: An existing building(s) with an existing water meter and side sewer that requests a larger water meter to expand its current business will be required to pay only twenty percent (20%) of the Additional Sewer Connection Charge for that parcel(s). This partial exemption only applies if there is no change-in-use of the business and the value of the improvements do not trigger a redevelopment per RZC 21.17.010.F.1.d. The remainder of the Additional Sewer Connection Charge must be paid if any future change to the building(s) or development of the parcel(s) occurs.

Additional Sewer Connection Charges are NOT triggered by the following actions unless the value of the improvements triggers a redevelopment:

- Change-in-use of an existing building with no increase in the size of the water meter or side sewer;
- Tenant improvements that do NOT require an increase in water meter or side sewer size;
- Building additions that do NOT require an increase in water meter or side sewer size; or
- The addition of an irrigation meter.

IV. PREVIOUS DISCUSSIONS HELD

Council Actions / Communication

09/05/2018	Technical Committee
09/13/2018	Marymoor Area stakeholders meeting
09/18/2018	Council meeting, approval of agreement for design of PS#13
09/27/2018	BFTAC presentation
10/09/2018	Planning and Public Works Committee of the Whole
Today	Approve Ordinance and Resolutions

V. IMPACT

A. Service/Delivery:

The entire sewer system in Marymoor Village must be rebuilt to provide adequate sewer capacity for the increased zoning. Developers will build most of the gravity pipes, but the City will be rebuilding Pump Station Nos. 12 and 13 and force mains, along with a gravity pipe in 176th. While the City is fronting the money to pay for these improvements, developers will pay the City back via the fees approved in the ordinance and resolutions.

B. Fiscal Note:

Adoption of this package will allow the City to recoup growth-related costs to build the Marymoor Area sewer system improvements

VI. ALTERNATIVES TO STAFF RECOMMENDATION

The City could decide to make developers build all sewer system infrastructure, but that wouldn't be cost effective for the developers and likely no development would occur.

VII. TIME CONSTRAINTS

Timing is critical to get the sewer system approved, designed, and constructed while keeping to schedule mindful of Sound Transit construction in the area. The sewer planning in the Marymoor Area is a major factor for the redevelopment of the area. The ordinance and resolutions must be approved by the Council before the first developments in this area become vested. If this does not happen, other developments, or the City, would be required to pay a larger share of the growth-related costs.

VIII. LIST OF ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Frequently Asked Questions
Attachment C: Ordinance
Attachment D: Resolution
Attachment E: Resolution