

# **Residential Development Participation Policy City of Marion**

## **Objective of the Policy**

The City Council wishes to encourage housing development with a goal of at least one percent growth per year the housing stock within the City limits. This goal extends into the foreseeable future.

This policy is designed to encourage residential land developers to build both single family housing and multi-unit condominium or townhouse developments and require construction of some of the housing units as a condition for reimbursement of the City's share of the infrastructure development costs.

The City is willing to make a reasonable investment in developing proper and sustained growth. The City Council recognizes that there are many advantages to residential development in addition to the financial benefits. Due to these immeasurable benefits of development and growth, the City Council is willing to participate in new residential development costs utilizing available revenues so that the entire community will benefit in the future.

## **Policy Conditions**

The City of Marion will participate in 40 percent of the actual cost of eligible development infrastructure items, described below, not to exceed 40 percent of the total of \$250 per running foot of street. Participation will be approved under the following stipulations:

- The developer will pay all required development costs (including water, sewer, street, curb & gutter, storm drainage, and associated engineering costs) at the outset of the development process;
- The eligible development infrastructure shall be designed and constructed in accordance to the City's specifications and the bid process conducted in accordance to City's standards;
- The property involved with the proposed development or the particular phase of the development shall be located within the City limits or receive approval of petition to annex said property; and, the City Council reserves the right to exclude this policy for satellite annexation;
- The City will pay equal payments for each house or cluster of housing units under the same roof structure (multi-unit condominium or townhouse development) upon completion and receipt of certificate of occupancy, certification and full acceptance of the utility system(s) and certification and full or deferred acceptance of the roadway. The payments per housing unit will be an amount equal to 40 percent of the actual cost of required infrastructure development divided by the number of housing units in the phase approved for City participation;

- The reimbursement payments for each approved participation will be limited to a period of 10 years from the date of approval; and,
- The developer understands that the City funding for the above-mentioned payments is not guaranteed until formal approval is granted by the City and all conditions of this policy are met. In considering approval of applications under this policy, the City Council will consider the amount which is available in the annual budget at any time during each fiscal year.

### **Eligible Development Infrastructure Items**

The City of Marion will participate by reimbursing a developer 40 percent of the sum of actual eligible construction, engineering and other related costs, as outlined below:

Water – water lines within the development street right-of-way and/or public water main easements;

Sewer – sewer mains and lines within the development street right-of-way and/or public sanitary sewer easements;

Street Construction – any street construction within the development in accordance with City’s Subdivision Ordinance standards;

Grading, Soil Testing, Curb & Gutter, and Storm Drainage – within the development street right-of-way and/or public drainage easements as required by the City’s Subdivision Ordinance standards;

Engineering and Other Fees – including the costs associated with the development of topographic maps; preliminary plans; local, State and Federal permits for water, sewer, roadway, grading, drainage, wetlands, etc.; sedimentation and erosion control installation and maintenance; engineering; construction plans; design and as built (field measured) plans; lot layout/design, stake out, and final plat;

Inspection - The City will provide inspection with the cost of inspection shared by the City and the developer at the same participation rate. The City will determine said cost and inform the developer at the time of City approval of plans, specifications, and contracts.

Non-eligible costs – includes but not limited to the following: property surveys; additional cost of non-standard streetlights; fees; fines; and corrective actions to correct design or construction errors; or other costs the City deems not eligible.

Note: If the development is a phased process, the City will only approve participation for that phase being considered for construction at that time.

### **Procedures**

A developer may apply for City participation in accordance with the following procedures:

- 1) The application for City participation in residential development costs shall include a sketch residential development plan and a professional engineer's estimate of costs related to site work/grading, street improvements, water, sewer, soil testing, erosion control, grading, curb and gutter and drainage in accordance with the City's regulations and specifications and shall include an estimate of associated engineering fees. The City will not fund any development located within the 100 year flood plain, without specific approval from the City Council and full compliance with all City Flood Ordinance regulations.
- 2) Once the sketch plan has been reviewed and approved by the City of Marion Planning Board, the application for participation in the development cost will then be forwarded to the City Council for consideration.

The City Council will consider the application and may request the City Public Works Director/Engineer to verify the estimates prior to their consideration. The Public Works Director/Engineer will report to the City Council if the developer's estimate is reasonable in his professional opinion and the City Council will adopt a resolution stating the lineal feet of street limit and percentage of participation, if funds allocated for residential development participation are available. (Refer to paragraph following regarding funding.)

- 3) The City Council in adopting a resolution to participate in no way circumvents or overrides any Planning Board deliberations and decisions in the process of approving preliminary plats for residential development. The City Council recognizes that a developer may wish to secure a commitment from the participation prior to the preliminary plats of residential development being completed.
- 4) Upon completion of the construction of the proposed development, the City shall be provided a final construction cost and engineering fees certified by the engineer of record as actual expenses. A final cost shall be presented to the Public Works Director for review. Upon recommendation by the Public Works Director, the City Manager shall be authorized to approve the City's 40 percent participation payment, provided that final construction costs and engineering fees do not exceed the initial estimates approved by Council by more than five (5) percent. The City shall base its reimbursements on these final certified figures.

### **Funding**

In preparation for each fiscal year, the City Council may review and evaluate its current objectives with regards to residential development growth objectives and its investment for this purpose. The Council may choose to allocate General Fund and/or Water and Sewer Fund revenues to fund this line item in the City's budget.

Prospective residential developers, who are applicants for participation, will be informed that the funding of the reimbursement payments will be on a first-come-first-served case by case basis until Council's desired amount of funding for that fiscal year is depleted. This approach allows more than one residential developer to participate and allows for varying pace of construction of housing units.

The City Council recognizes that the objective of this policy may not be met by the specifics included in the policy at the time of its initial adoption; therefore, the Council reserves the right and

encourages future Councils to amend this policy as it deems necessary in order to encourage residential growth for the betterment of the City of Marion. Thus, the Council recommends that each Council review the amount of funding and the procedure details for this policy each year during its budget preparation and approval process.

**Adopted** this the 4<sup>th</sup> day of April, 2006 by the City Council of the City of Marion.