



TOWN OF JACKSON TOWN COUNCIL AGENDA DOCUMENTATION

PREPARATION DATE: September 26, 2016 **SUBMITTING DEPARTMENT:** Planning / Public Works
MEETING DATE: October 3, 2016 **DEPARTMENT DIRECTOR:** Larry Pardee / Tyler Sinclair
PRESENTER: Larry Pardee / Tyler Sinclair

SUBJECT: Westview Townhomes Development (1255 West Highway 22) Utility Request

STATEMENT/PURPOSE

To consider a request for the Town to pay for (from the Town Water and Sewer funds) and install approximately \$371,250.00 of off-site sewer and water infrastructure associated with the Westview Townhomes development located at 1255 West Highway 22 prior to issuance of a certificate of occupancy for any portion of the development (approximately September 1, 2017).

BACKGROUND/ALTERNATIVES

At the September 19, 2016, Town Council workshop this item was presented for Council consideration. Staff provided an overview of the existing Town and private utilities in the vicinity of the project and options for providing the development with sewer and water. Council made a motion to direct staff to bring back an analysis of the proposed type and amount of restricted housing for the site. In addition, Council also discussed how best to compare different projects making similar requests of the Town.

Following, staff has provided again an overview of the project, and existing Town utilities and necessary improvements to bring Town sewer and water to the site. In addition, staff has provided an overview of the affordable/employee housing requirements for the development as well as the applicant's proposal to meet/exceed their affordable/employee housing requirements. Finally staff has provided some direction on how to evaluate this request and possible options for consideration.

Project Overview

Westview Townhomes is a proposed residential Planned Unit Development (PUD) consisting of 20-townhome units on 1.1 acres located on the periphery of the corporate limits to the Town of Jackson. Staff finds that the property owner is entitled to connection to Town of Jackson potable water and sanitary sewer utility systems as part of the development. The Planning application (Development Plan) for final consideration by Council is scheduled for Council review on October 17, 2016.

Water System

The Town of Jackson's potable water system currently runs along the north side of West Broadway Avenue (US Hwy 26, 89, 189, 191) and around the corner along West Highway 22 to a point approximately 335 feet southeast of the property corner. This is the proposed connection point for extension of the water main to the development. The existing water main is 6" ductile iron pipe and is a "dead-end" main line. The development proposal, in its current form, is able to temporarily meet fire flow demand at an acceptable level through provision of new fire hydrants and use of fire sprinklers within the buildings. Future capacity upgrades to the Town of Jackson's water system to address the existing 6" water main from the connection point, back to the tie-in with the 12" water main, approximately 1125' east along the highway, will be the responsibility of the

Town of Jackson and completed at a later date. These improvements will be necessary to meet DEQ and fire flow requirements. A potential opportunity may also exist for a future connection of the existing system terminus through Budge Drive, allowing the water system to “loop”. This would be the desired outcome if the opportunity were to present itself and if utility easements were to be granted by property owners.

The necessary water system improvements to bring Town water to the property line would cost approximately \$245,625.00.

Sewer System

The Town of Jackson’s sanitary sewer system currently runs along the north side of West Broadway (US Hwy 26,89,189,191) and around the corner along West Highway 22, to a manhole located approximately 655 feet southeast of the property corner. The applicant is requesting that the gravity system be extended to the property from the manhole located 655 linear feet southeast, thus eliminating the need for an on-site “storage and dosing” system. Potential benefits of this proposal would be greater ability to maintain and clean the sewer mains, opportunity for future development of nearby properties to connect to the sewer main, and the potential to eliminate a downstream section of the existing force main.

As previously discussed at the September 19 workshop, there is also a “force main”, owned by Spring Creek Ranch, which conveys wastewater from Spring Creek Ranch, Amangani, and Jackson Golf and Tennis (with proposed future connection of the Airport) past the frontage of the property. The property is currently connected to this force main belonging to Spring Creek Ranch. The Town of Jackson and Spring Creek Ranch have agreed through an MOU regarding transfer of ownership of the force main and associated sections of the sanitary sewer system in the vicinity once improvements have been completed. The Town of Jackson will be taking ownership of the force main as per the approved MOU, the proposed development could utilize the existing connection to the force main through use of an on-site “storage and dosing” system. The applicant is no longer requesting connection to this system at this time.

The necessary sewer system improvements to bring the Town gravity sewer system to the property line would cost approximately \$125,625.00.

Staff notes that in order for the Town to complete the necessary surveying, design work, bid documents, bid procedures and actual construction of the improvements prior to September 1, 2017, staff would request Council direction and funding as soon as possible. Alternatively the applicant could construct the required infrastructure to Town standards and request that the Town accept them as Public utilities and taken on maintenance and upkeep or the applicant could construct the required infrastructure as private.

Affordable/Employee Housing

The proposed development of 20 condominium units requires the applicant to provide affordable deed-restricted housing for 9.6 persons. The 9.6 persons would normally be required to be housed in Category 1, 2, and 3 ownership units evenly distributed over the categories. The applicant has proposed an independent calculation as allowed under the Land Development Regulations requesting a modification to the number of occupants, housing mix and percent of set aside. Specifically the applicant is proposing to restrict 16, 2-bedroom units for employee housing rentals. These 16 units will house 36 people, which is 26.4 more than the requirement. Please see below a comparison of the standard 25% affordable housing requirement and the applicant’s independent calculation.

| | Affordable 25% Requirement | Applicant’s Independent Calculation |
|----------------------------|--------------------------------------|--|
| Person Housed | 9.6 | 36 |
| Type of Restriction | Affordable | Employee Rental |
| Affordability | Category 1, 2 & 3 50% to 120% AMI | No rental price maximum, see requirements below No AMI restrictions |

The applicant is proposing a new housing model with the intention of getting employers involved in housing the workforce. The proposed restriction will not be the same as a standard Employee Housing rental unit. Rather, it will include the following:

- The restriction shall apply to 16, 2-bedroom units only.
- The restricted units will be master leased to businesses to be used as housing for their employees or other employees working in Teton County.
- No more than 3 unrelated people will be allowed in a 2 bedroom unit per TOJ regulations.
- Master Leases to businesses shall be at market rate.
- Rents shall be determined & negotiated by the Owner and the Employer based on local market rate rents.
- The business holding the master lease shall be responsible for meeting the Employee Workforce regulations of the units.
- At least 1 person occupying the unit must be employed full time in Teton County.
- Rents charged to Employees (occupants) may not exceed the rents being charged to the business holding the master lease.
- Owners of the business who master lease the units shall not occupy the rental units.
- Businesses who master lease the units will keep records of employees occupying the units for 2 years.
- This Restriction can be modified with the approval of the Housing Department & Planning Department without Town Council Approval.

The terms of the new Employee Deed Restriction will not include the following;

- Rent rates shall not be regulated by the Housing Department or HUD.
- This restriction does not apply to the 4, 3-bedroom units.

The Jackson/Teton County Housing Department (TCJHD) has worked with the applicant and is supportive of the proposed housing mitigation plan – independent calculation to restrict more employee units (less affordable) rather than restrict the typical 25%, Category 1, 2, & 3 units which would be more affordable. The result is the Town gets more units at a lesser affordability rather than less units at a higher affordability. Although the applicant is reserving the right to future subdivision (ownership), whether that be by subdividing each building or by subdividing individual units within each building, the 16 units will always be subject to the deed restriction placed on them which requires them to be rentals and restricts owners from occupying them. The end user is not affected either way.

At this time staff is not able to provide Council will a standardized comparison matrix to analyze workforce housing projects requesting Town funding. Staff will be working over the next few months to develop such a tool that will likely include categories such as cost per square foot per person housed, affordability, number of units, livability, location, date to completion, etc. At this time staff recommends that Council analyze each project requesting Town funding on a case by case basis to determine whether this is a good use of Town funds. In this instance staff notes that the decision to fund off-site infrastructure costs could be made separately from a workforce housing subsidy consideration on the basis that it is the Town's responsibility to provide sewer and water to the property.

Request

The applicant is requesting that the Town pay for (from the Town Water and Sewer funds) and install approximately \$371,250.00 of off-site sewer and water infrastructure associated with the Westview Townhomes development located at 1255 West highway 22 prior to issuance of a certificate of occupancy for any portion of the development (approximately September 1, 2017)..

Options

#1. Council could choose to pay all off-site infrastructure costs approximately \$371,250.00, determining that it is the responsibility of the Town to provide Town sewer and water to all properties located in the Town corporate limits, based upon the level of development allowed through Town zoning.

#2. Council could choose to pay for all off-site infrastructure costs approximately \$371,250.00, determining that the proposed housing mitigation plan – independent calculation is above and beyond the standard 25% affordable housing requirement.

#3. Council could choose to not pay for any off-site infrastructure costs determining that it is the responsibility of the property owner to pay for said improvements not the Town.

#4. Council could choose to share in the cost of the off-site infrastructure with the property owner.

#5. Other

In addition, to considering the above options Council will need to consider who will install the infrastructure and whether the infrastructure once completed will be public or private.

STAKEHOLDER ANALYSIS

The stakeholders identified include the developer, the community and the Town of Jackson. This project has the potential to help achieve one of our community's highest priorities which is deed restricted housing units.

ATTACHMENTS

Westview Townhomes Utility Request Letter, dated September 26, 2016
Town of Jackson Vicinity Utilities Plan

FISCAL IMPACT

The current Town of Jackson Capital Improvement budget for FY-2017 does not include funding to complete proposed improvements to extend existing potable water or sanitary sewer systems to the property line of the development.

Water System

The point of connection to the Town's existing water system from the corner of 1255 West Highway 22 is approximately 335 linear feet. At a cost of approximately \$300 per linear foot to construct and extend a new waterline given the location, anticipated challenges, and a 25% contingency for design and inspection, the expected construction cost would be approximately \$125,625.00.

Sewer System

The point of connection to the Town's existing gravity sewer system from the corner of 1255 West Highway 22 is approximately 655 linear feet. At a cost of approximately \$300 per linear foot to construct and extend a new gravity sewer main given the location, anticipated challenges, and a 25% contingency for design and inspection, the expected construction cost would be approximately \$245,625.00.

The total cost of improvements to the Town could be approximately \$371,250.00.

STAFF IMPACT

Public Works staff impact for any of the options having Town responsibility for installation of off-site improvements in the timeframe proposed would be significant.

LEGAL REVIEW

None at this time.

RECOMMENDATION

Staff makes no recommendations at this time.

SUGGESTED MOTION

I move to direct staff to draft a Development Agreement for the provision of public, and/or private off site infrastructure improvements based upon option _____ for Town Council consideration at a later date.

Synopsis for PowerPoint (120 words max):

Purpose:

Background:

Fiscal Impact:



JORGENSEN

It's About People, Trust and Know How

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September 26, 2016

Mr. Tyler Sinclair, Planning Director
Town of Jackson
P.O. Box 1687/ 150 East Pearl Avenue
Jackson, Wyoming 83001

Via email: tsinclair@ci.jackson.wy.us

RE: Westview Town Homes, 1255 West Highway 22
Town of Jackson Water and Sewer Service Request
JA Project No. 09040.03

Dear Mr. Sinclair,

On behalf of the applicant for the Westview Town Home Project, this letter serves as an update to the September 19, 2016 Statement of Request for the Town of Jackson to serve the property located at 1255 West Highway 22 with Town of Jackson water and sewer service.

The Statement of Request was heard by the Town Council at their workshop on September 19, 2016. Subsequent to that meeting, Jorgensen has coordinated further with Town staff and is pleased to provide this updated letter.

Jorgensen and Town Public Works staff have coordinated to confirm the distance and estimated costs of water and sewer improvements. It is important to make the distinction that this is not a request to upgrade existing water and sewer mains that serve the Westview parcel. Rather, it is a request to extend the existing mains to the subject parcel where none currently exist (the parcel is currently provided water by a domestic well and wastewater is served by the Spring Creek Ranch private pressurized sewer), a typical responsibility of the municipality. The mainline extensions and estimated costs are summarized below:

| | |
|--|--------------------|
| Water: 655-feet of 12-inch main @ \$300/lf | = \$245,625 |
| Sewer: 335-feet of 8-inch main @ \$300/lf | = \$125,625 |
| Contingency (25%) | = \$ 74,250 |
| <u>Total</u> | <u>= \$371,250</u> |

According to the Jackson Teton County Housing Department (JTCHD), the proposed development of 20 units will require deed-restricted housing for 9.6 persons. The Westview Project proposes 16 deed-restricted units that will house 36 people, a total of 26.4 more than the requirement. Utilizing the estimate above, 26.4 more people will be housed for a public expenditure of approximately \$14,062 per person. We believe this is a very fair exchange for the Town to provide service for water and sewer,

especially considering future development potential in the vicinity in an area that is not currently served with Town utilities. In addition, all of these units will be paying tap fees and monthly usage fees.

Public Works has indicated that this may be accomplished by a reprioritization of the Capital Improvement Program, and therefore will require no additional financial outlay than is currently budgeted. In considering opportunities for getting additional deed restricted housing on the ground, Westview definitely represents a least cost per unit/person opportunity for the Town of Jackson.

On behalf of the applicant, we appreciate the Town's consideration of this request. Please contact me if you have any further questions.

Sincerely,
JORGENSEN ASSOCIATES, P.C.

A handwritten signature in cursive script, appearing to read "Reed Armijo".

Reed Armijo, P.E.
Principal Engineer

cc: Larry Pardee, Town of Jackson Public Works Director
Tyler Valentine, Town of Jackson Associate Planner



Westview Townhome
Development Site

Water System Connection Point approx. 335'

Sewer System Connection Point approx. 655'

private water

private water

