



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: Hidden Hollow Housing Development Utility Request

STATEMENT/PURPOSE

To consider a request for the Town to participate in the construction and acceptance of off-site and on-site infrastructure as public utilities associated with the Hidden Haven development located at 65 Rosencrans prior to issuance of a certificate of occupancy for any portion of the development (approximately October 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 utilities in the vicinity of the project and options for providing the development with sewer and water. Council directed staff to provide details of the current Town Capital Improvements Plan specifically the timing of the discussed off-site improvements. In addition, Council requested an overview of the proposed type and amount of restricted housing included in the development and how to best compare different projects making similar requests of the Town.

Following staff has provided again an overview of the project, and the proposal by the applicant to connect Town utilities and other necessary infrastructure improvements to the site. For each item staff has described the request being made of Council and staff comment on the item. In addition, staff has provided an overview of the affordable/employee housing requirements for the development. Please see the attached letter from the applicant for the specifics of their request.

Project Overview

Hidden Hollow is a 168-unit housing project including a mix of affordable, workforce and market units located on the 10 acre parcel of land recently purchased from the United States Forest Service (USFS). The project will consist of 13 single-family home sites, 20 multi-family townhouse units, and 135 units will be built within five multi-family apartment/condominium buildings. The Planning applications, Sketch Plan and Planned Unit Development Master Plan, will be presented at the Town Council meeting on October 17, 2016.

Onsite Improvements

The proposed development will include new on-site water and sewer utilities built by the applicant within the property that will connect to existing Town utility systems. The new utility system within the property will consist of approximately 2,900 feet of new 8 inch water main and approximately 2,150 feet of new 8 inch sewer main. All new water and sewer mains will be constructed in compliance with current Town of Jackson Construction Standards. Once the new water and sewer utilities are installed the applicant is requesting the Town assume ownership of said utilities improvements. All roadways, sidewalks, pathways, storm water,

wetlands, and other utilities will remain the responsibility of the developer and ultimately the Home Owners Association (HOA). All utilities will be installed 100% at the applicant's expense, with no contribution from the Town. All infrastructure would be constructed during phase 1 of the project.

Request: The applicant is requesting that the Town take over ownership of the on-site sewer and water infrastructure upon inspection by the Town. The terms of the acceptance would be agreed upon by the applicant and the Town in a Development Agreement stipulating, the timing, warrantee, bonding, etc.

Staff Comment: Staff finds this request is typical of other similar developments in the Town including Daisy Bush, Cottonwood Flats, Karns Hillside, The Grove, 810 West, etc.

Mercell Avenue Extension

The applicant is proposing to construct all infrastructure within this area including water, sewer, storm sewer, curb gutter and roadway surface, pathway, etc to Town standards and upon completion the Town would accept all improvement as public infrastructure. All infrastructure would be constructed during phase 1 of the project.

Request: The applicant is requesting that the Town take over ownership all infrastructure upon inspection by the Town. The terms of the acceptance would be agreed upon by the applicant and the Town in a Development Agreement stipulating, the timing, warrantee, bonding, etc. In addition, the applicant is requesting the Town agree to cost sharing/reimbursement for all infrastructure above and beyond that required by the Hidden Hollow Development and improvements above beyond the 40' of future right of way. Reimbursement could be by the Town upon completion of the work or from future property owners as they request connection and use of the shared Town infrastructure. The Town would also be responsible for obtaining a 10' pathway easement from the Forest Service for the construction of the proposed multi use pathway on Forest Service property. Should this easement not be obtained the required pathway would have to be located within the 40' future public right of way.

Staff Comment: Staff finds the request to take over public ownership of all infrastructure improvements in Merzell Avenue as typical. Staff has envisioned that the proposed Merzell Avenue would connect to a future King Street extension and provide a needed extension of the Town public street and utility system in the area.

In regards to the request for cost sharing/reimbursement the Town Land Development Regulations Section 7.2.2 state as follows:

5. Oversize and Off-Site Improvements

The Town Council may require installation and construction of utilities, pavement and other land improvements in excess of subdivision design needs, to assure adequate service to future development areas. Such oversize improvement requirements shall be determined by the Town Council. Such requirements shall be subject to the following standards:

a. The subdivider shall be required to pay for only that part of the construction costs for the arterial streets, trunk sewers or water lines that are necessitated by and are serving the proposed subdivision, as determined by the Town Engineer. The Town Engineer and subdivider shall mutually establish a proportionally distributed cost sharing arrangement that considers other persons who will benefit from such oversized improvements constructed to ultimately service the surrounding area.

b. If streets or utilities are not available or adequate for services at the boundary of a proposed subdivision, the subdivider may be required to obtain necessary easements or rights-of-way and construct and pay for any extensions necessary to connect the proposed subdivision to adequate utility lines.

c. Reimbursement for the installation of oversize improvements shall be effected only after such time as the Town accepts the subdivision improvements, a written request for reimbursement is submitted to the Town by the subdivider, and the Town Council, acting on the advice and recommendation of the Town Engineer, authorizes the reimbursement.

Based upon the above regulations staff finds that discussion with the applicant regarding cost sharing/reimbursement would be appropriate. Staff notes that funding could be allocated from the Town water, sewer and general funds.

Off-site Water

The Town is requiring that the new water system be a “looped system”. This can be achieved by connecting to the Town existing water main at two different locations as follows:

- Connect to existing 8 inch water main in the intersection of North Cache Street and Mercill Avenue.
- Install and/or connect to the existing or a new water main within Rosencrans.

The first connection was discussed as part of the Mercell Avenue improvements discussed above. For the second connection the applicant is proposing to either connect to the existing water main in Rosencrans (private line) and/or if deemed necessary by the Town construct a new water main within Rosencrans prior to connection. The applicant has requested that the Town secure an easement from the Forest Service for this water line and that the existing or new water main be accepted by the Town as a public utility.

Request: The applicant is requesting that the Town take over ownership of the existing or a new water main upon inspection by the Town. The terms of the acceptance would be agreed upon by the applicant and the Town in a Development Agreement stipulating, the timing, warrantee, bonding, etc. The applicant is not requesting the Town cost share/reimbursement for this water main. The Town would be responsible for securing an easement or other instrument from the Forest Service for installation, and maintenance of the water main.

Staff Comment: Staff finds the request to take over public ownership of a new water main to be typical, acceptance by the Town of possibly substandard existing water main is not recommended. Staff finds that the looping of the Town water system will have benefits to the overall system and other properties in the area.

Off-site Sewer

Staff previously discussed that the proposed new sewer system will be connected to the existing Town sewer system to the west of the proposed housing development near the intersection of North Cache Street and Mercill Avenue. The Town had identified two areas within the Towns existing sewer system where an increase in sewer flows (i.e. capacity) may be an issue. For the Town to be able to handle extra sewer flows in this area two sewer improvement project may be warranted in order to handle the new flow:

- The improvement of approximately 1,000 lineal feet of sewer main located within Mercill Avenue and Millward Street along the Truck Route.
- The improvement of approximately 550 lineal feet of sewer main located within the alley behind the Rusty Parrot between West Gill Avenue and West Deloney Avenue
- The construction of a new lift station located within the northern portion of the property.

Since the September 19 workshop additional flow data has been received and the preliminary conclusion is that no significant off-site sewer improvements will be necessary to accommodate the full build out of the proposed development.

Request: The applicant is not requesting any off-site sewer improvements at this time but should they be deemed necessary by the Town, the applicant is requesting that the Town pay for all necessary off-site improvements.

Staff Comment: Town staff needs to further review the recently provided information to determine whether any off-site sewer improvements will be required. Staff is determining whether a much smaller scale off site project may still be required, further information on this item will be provided as it becomes available.

Phasing Plan and Start Date

Request: The applicant is requesting that the Town allow the issuance of a Grading and Erosion and Control permit for off-site and onsite infrastructure associated with the development as quickly as possible. The request is being made to allow work to begin this fall when ground water conditions are favorable opposed to beginning next spring when high ground water may be a concern adding additional time and expense.

Staff comment: The Town has not previously issued permits for construction of any type until final approval has been granted by Town Council. Based upon the current planning review schedule Council would consider the planning applications associated with this development on October 17, with the required three readings of the PUD ordinance taking place on November 7, 21 and the third and final reading taking place on December 5. The Council could consider having Special meetings to complete the required three ordinance readings in a timelier manner but at a minimum there shall be 10 days between first and third reading of an ordinance. In addition, staff notes that a Development Agreement between the Town and applicant would be required prior to any work being commenced. Staff requests Council discussion and direction related to this request.

Affordable/Employee Housing

The applicant is required to meet two separate housing requirements. The first is the typical 25% affordable housing mitigation requirement which requires 59 persons to be housed. The applicant has proposed to meet this requirement by providing 27 onsite income restricted condominium units. Staff is supportive of the application but has requested that Council discuss whether a variety of product types, detached single family, attached townhomes and condominium/apartments should be provided to meet the requirement as part of the consideration of the planning applications. The applicant is proposing to put all the mitigation units in one building. Staff finds that should the timing allow, it would be desirable and help the neighborhood to function better if the units were dispersed throughout the five condominium/apartment buildings. This eliminates a stigma or perception on the restricted units integrating them into the project. In addition, staff has placed as a condition of approval that the income restricted units be provided equally in all three income categories one, two and three.

Mitigation Required*			
Bedrooms	# of Units	Person per units	People
studio	0	1.25	0
1	30	1.75	52.5
2	49	2.25	110.25
3	31	3	93
4	13	3.75	39
Total	123		294.75
		x.20	59

*Does not include 05 units with Employee Based Deed Restriction that comprise the additional FAR allowed by the 62' UR-PUD development option.

Current Income Mix	# of Units			
	Total	MF Condo	TH	SF
Market Units	96	63	20	13
Employee Based Units	45	45	0	0
Income Based units	27	27	0	0
Total	168	135	20	13

The second housing requirement is a result of the applicant choosing to take advantage of Section 2.3.4.E that allows the structural height to be increased to 48' with no limitation on number of levels above grade if the following standards have been met:

E. Additional Zone-specific Standards

1. *PUD-ToJ Height. For a PUD-ToJ proposed in the UR zoning district, structure height may be 48 feet provided the following criteria are met.*
 - a. *The following standards apply to the amount of additional floor area achieved through the increase in structure height; however, the actual floor area to which the following standards apply may be distributed throughout the structure.*
 - i. *It shall be deed restricted workforce, affordable, or employee housing with an occupancy restriction;*
 - ii. *It may have an employment and/or price restriction.*
 - iii. *It shall be exempt from the calculation of affordable housing required by Div. 7.4. but shall not be used to meet the affordable housing requirement for the project.*
 - b. *The project shall provide the affordable housing required by Div. 7.4. on site.*
 - c. *The site shall be at least 2 acres to provide opportunity for sufficient setback from, and building height step down to small scale development.*
 - d. *The site shall be served by transit within 1/4 mile.*
 - e. *The site shall be within 1/4 mile walking distance from numerous commercial services routinely needed by residents.*
 - f. *The additional building height shall not increase the floor area allowance or decrease the required open space.*

Staff finds that all of the above criteria have been met. Specifically, Section 2.3.4.E.1.a requires that an additional 45 deed restricted units be provided on site. The applicant is proposing to provide the 45 Employment Based restricted units. These will mitigate for the floor area created by the 48 foot height of the buildings. The applicant has indicated that there will be no price restriction on the units, but they plan to price them between Category 5 and 6. Employment Based restrictions do have a price restriction on them. The type of restriction used should be a “Workforce” housing restriction. This would require the occupants to be employed full-time in Teton County with no income or asset limits (except no ownership of residential real estate) and no price restriction or appreciation restriction.

The applicant has not proposed any additional deed restricted units above and beyond the base requirements at this time but has expressed interest in further discussing the option of additional deed restricted units in the development with the Town as the project moves forward and final decisions on infrastructure costs are determined.

In addition, the applicant has proposed that the additional units not required to meet this projects affordable or employee housing requirements discussed above would be allowed to be used to meet the affordable or employee housing requirement of other change of use or development proposals upon approval by Town Council.

STAKEHOLDER ANALYSIS

The stakeholders identified include the applicant, 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

Hidden Hollow Utility Request Letter, dated September 28, 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 or another required infrastructure to the property line of the development. At this time the applicant is **no longer requesting** the following improvement previously discussed:

- Improve approximately 1,000 lineal feet of sewer main from Mercill Avenue to North Millward Street along the Truck Route. Approximately \$200,000.
- Improve approximately 550 lineal feet of sewer main located within the alley behind the Rusty Parrot between West Gill Avenue and West Deloney Avenue. Approximately \$110,000.
- Install the new North King Street Connection, Approximately \$550,000.

As discussed above the applicant is requesting reimbursement for any oversized off-site infrastructure provided above and beyond that needed to serve the development. This may include but not be limited to sewer and water, roadways, storm sewer, etc. Based upon Council direction staff would work with the applicant to prepare a Development Agreement stipulating all reimbursement provisions for consideration by Council at a late date. Staff notes that this may include off-site sewer improvements based upon a final determination by Town staff if any improvements are required.

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. Additional staff time will be required by the Town Attorney Planning and Engineering for creation of a Development Agreement. Significant staff time will

be required for the review and inspection of all private, and public infrastructure associated with the development.

LEGAL REVIEW

None at this time.

RECOMMENDATION

Staff makes no recommendations at this time.

SUGGESTED MOTION

I move to direct staff to prepare a Development Agreement for the provision of public, private and on and off site infrastructure improvements based upon the direction provided by Town Council at this meeting for consideration by Council at a later date.

Synopsis for PowerPoint (120 words max):

Purpose:

Background:

Fiscal Impact:

September 28, 2016

Town of Jackson
PO Box 1687
150 East Pearl Avenue
Jackson, Wyoming 83001

Attn: Tyler Sinclair

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

RE: Town Council Utility Meeting – Oct. 3, 2016

Tyler,

For discussion at the Oct. 3, 2017 Town Council meeting, we would like to submit this revised letter to supplement and clarify the utility issues associated with the Hidden Hollow project.

Mercill Avenue Right of Way

Mercill Avenue is necessary as the street connection point to Hidden Hollow. As part of our sale and purchase from the Forest Service, we only have 40 feet of width to work with for this street design. We have proposed to build Mercill as part of our phase 1 improvements. Mercill will be built to Town standards, and will be dedicated as a Town owned street. Once completed, Mercill will be a benefit to not only other neighboring properties, but the Town as well.

The new improvements will begin at the Cache intersection, and will continue through the potential King Street tie-in as shown on the Hidden Hollow civil drawings. From that point it becomes a private road system on the interior of the Hidden Hollow development. We will continue working with staff and public works to define exactly how to design the road across the 40 foot width. Based on the traffic study, it is expected to be a three lane profile at Cache.

We anticipate new improvements in Mercill to be water main, sewer main, curb and gutter, asphalt paving, and misc. dry utility trenching. Depending on the final design of Mercill, storm water improvements may also be included for the Mercill dedicated section only. No Hidden Hollow private storm water improvements will be designed into the Mercill dedicated area. We do not anticipate moving or relocating any major utilities, junction boxes, connections, overhead power lines, etc. All design and engineering for the Mercill section are included with the Hidden Hollow development package.

Hidden Hollow will fund these street improvements for Mercill without any “up front” financial contribution from the Town. Hidden Hollow anticipates hard section improvements that equal the 40 foot width. This could be a 30 foot street section and 10 foot multi use path, or 30 foot street section and two 5 foot pedestrian sidewalks, or the complete 40 foot street section with on street parking. If the total width of the hard section improvements increases so it is wider than 40 feet, then we feel the cost of the extra width will become shared costs with the Town, and/or neighboring property owners. We ask that terms for reimbursement of the “shared” improvement costs be written into the

development agreement. These shared costs can be reimbursed from the Town at time of completion and acceptance of the Mercill improvements, or be collected and reimbursed when future properties are developed that tie in and hook on to these new Mercill improvements, or a hybrid agreement of both.

Onsite Utilities

The street improvements in Hidden Hollow will be a private road and parking lot system. The master HOA will ultimately be responsible for the maintenance of these facilities, including snow plowing and removal. The HOA will also own and maintain the storm water system and retention areas, common areas included wetlands and wetland setbacks, and the Geothermal source if developed as currently proposed.

Onsite water and sewer utilities inside of Hidden Hollow will be built to Town standards, inspected by the Town engineering department, and once completed, will be turned over to the Town for ownership and maintenance. Necessary utility easements will be recorded for these utilities.

Hidden Hollow will install all onsite utilities as part of the new development. No financial contribution from the Town is requested.

Offsite Sewer

Sewer capacity downstream from Hidden Hollow is a question that has come up during our design and approval process. Public Works and Staff have described a “pinch point” in the existing sewer main where a 12 inch sewer pipe bottlenecks down to an 8” pipe for a section, and then back to a 12” pipe size. Based on recent flow data and sewer modeling, it is our understanding that the demand caused by Hidden Hollow when completely built out will not negatively tip the balance of the current sewer capacity, the current sewer system the entire Hidden Hollow project.

Hidden Hollow will continue to work with staff to review the current sewer data and model, and identify any negative impacts that could arise. Any requirement on Hidden Hollow to contribute to offsite sewer upgrades and road repairs, will restrict the timing on how quickly affordable housing is completed. No phasing restrictions should be placed on Hidden Hollow based on the updated sewer capacity and flow data. No financial contributions should be placed on Hidden Hollow for offsite sewer improvements.

Offsite Water

The water system for Hidden Hollow is proposed to be looped through the development from two access points on the current Town water system. Connection points are proposed to be the at Cache/Mercill and included in the new Mercill improvements, and a connection point through the current Forest Service roadway commonly referred to as Rosencrans. The water main currently in Rosencrans is a private line on the Forest Service property. It is our understanding the Town is working with the Forest Service to secure the proper utility easements or agreements through Rosencrans. The design and survey of this water connection will be included in the Hidden Hollow development package.

We have proposed to connect to this existing water line at our shared property boundary with the Forest Service. There is concern of the age and integrity of this current line, and it seems to be in the best interest of the water system to replace this existing line back to Cache. This is an additional utility expense that we have not anticipated, but is a concession that we are willing to make as part of this development review and approval. If deemed necessary, Hidden Hollow will replace the existing private line from the east side of Cache across the Forest Service property. Hidden Hollow will closely work with

Staff and Public Works to finalize the design, locations, easements, and inspections necessary for this new water line. Careful planning and coordination will be required with the Forest Service to install this new line.

Phase 1 – Anticipated Start – Limited Grading Permit

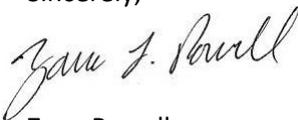
Phase 1 of Hidden Hollow will include 13 single family sites, 20 townhomes, and two of the five multi-family buildings. This presents the unique opportunity for 54 multi-family units to hit the housing market in 2017. As currently designed, Hidden Hollow has a housing mitigation requirement of 27 income restricted units when completely built out, plus 45 employment restricted units because of the 48 foot PUD height tool. We propose that 18 of the 27 income restricted units be included in Phase 1, plus 18 of the employment based units. The remaining 9 income restricted units will be included in Phase 2, plus 18 employment based units. Phase 2 is proposed as two additional multi-family buildings, 54 units total. Phase 3 is proposed as the final multi-family building, 27 units. All income restricted housing mitigation will be provided prior to the construction and completion of Phase 3. Phase 3 will include the final 9 employment based units.

The owners and developers of Hidden Hollow are financially prepared to move as quickly as possible pending Town approvals. By allowing a limited grading/utility permit as part of this application, we will begin dirt work in November and perform the grubbing and grading activities, install the water, sewer, and other in-ground utilities this fall while the ground water is not present. This will allow us to build the engineered pads under the buildings, rough grade the public and private roads, establish construction parking and staging areas, etc. If we are able to begin and complete these activities this fall before winter sets in, the project will now be ready to pull building permits and begin vertical construction in the early spring. Affordable housing units would then be market ready in the fall of 2017. Final grading, site concrete, asphalt paving, and landscaping are easily worked into the construction schedule.

There will always be an increase in construction traffic on the Town’s streets and services, but the benefit of doing the grading and utility work this fall is the heavy construction traffic, deliveries, import and export of soils and fill materials, and mobilization of heavy equipment will occur during a shoulder season...summer tourists are gone, and the winter ski crowd has not yet arrived in full.

We hope this letter provides some clarity to these questions and pending issues, and we look forward to continuing this discussion with the Town.

Sincerely,



Zane Powell