



# City of Grand Island

Tuesday, February 26, 2002

Council Session

## Item H1

### **Request to Reconsider Creating Street Improvement District #1240, Grand West 2nd Subdivision**

*Creation of this District was considered at the February 12, 2002 Council meeting. Due to area resident's concerns regarding drainage in the area, the Ordinance to create the district failed on the 2nd reading. Councilmember Scott Walker, who voted against creation at the February 12 meeting, made a request for the issue to be brought forward and discussed again at the February 26, 2002 Council meeting. Several Councilmembers requested that Staff review the policies of other Cities regarding Street Improvement Districts. A synopsis of the results is attached.*

*The Public Works Department recommends approval of the motion to reconsider creation of the Street Improvement District so that both sides of the issue can state their concerns. A ten (10) year assessment period is recommended.*

Staff Contact: Steve Riehle, Director of Public Works / City Engi

**City of Grand Island  
City Code**

**§33-20. Installation of Improvements**

Developers may select either method or combination of methods listed below to comply with the minimum improvements requirements:

- (1) They may install the required improvements before council approval of the final plat.
- (2) They may submit a petition or petitions requesting the City to construct street surfacing, sanitary sewer, and water mains in the proposed subdivision by the district method. In that event, the City will prepare plans and specifications for all such improvement districts and shall assess the cost of such improvements to the adjacent property, as provided by law. The size of any street improvement district, sanitary sewer district, or water main district, shall be determined by the city council. Construction of any such district shall be subject to the City's ability to finance any of the improvements. When any length of a full-width street is being dedicated as a part of the subdivision, the subdivider shall install water and sewer lines, without using the improvement district method, prior to the creation of any street improvement district.
- (3) They may enter into a Subdivision Agreement for the installation of the required improvements.

Sidewalks shall be constructed when the adjacent lot is built upon and shall be regulated and required with the building permit for such lots, unless a waiver to construct when directed by the city council is provided in the Subdivision Agreement.

Amended by Ordinance No. 8071, eff. 3-28-95

## What Do Other Nebraska Cities Finance for Developers Through Assessments?

City	Water	Sewer	Paving	Remarks
Ashland	N/A	N/A	100%	The City of Ashland uses the Street Improvement District process, which means we assume no risk for infrastructure in new developments. Ashland would not allow a street district within the city limits to be established with undeveloped lots, unless building permits were actively being issued for most of those lots.
Aurora	N/A	N/A	95-100%	Aurora allows assessment districts, similar to Sidney and South Sioux City.
Blair	80%	80%	80%	The City of Blair has used assessment districts very successfully the last ten years. The developer is required to put up 20% of the cost (as bid) including all engineering, for the water, sewer, paving (including storm sewer) and assess the remaining 80% over 10 years. This has helped assure that the developer has done their homework on the need for the additional lots. We collect our own assessments so it allows us to monitor any delinquency.
Central City	80%	80%	80%	Central City has the same procedure as Blair, except developer signs an agreement to stipulate start of project, their understanding of funding, etc.
Columbus	N/A	N/A	100% (except intersections)	Columbus allowed Street Improvement Districts in the 1980's and ended up taking ownership of lots as the developer corporation went broke. Council changed the rules to have developer pay for all development except for the intersections in new development, which the City pays. Council is working to have developers furnish, at a minimum, a letter of credit, and guarantees for their work.
Elkhorn	N/A	N/A	N/A	In Elkhorn, as in most of the suburbs around Omaha, Sanitary Improvement Districts are almost exclusively used for new residential development. The good news is that a separate government entity, consisting of the landowners within the development (typically just the developer at the beginning), is taking all of the risk. The bad news is that the cost of development is a point or two higher than what a city could borrow money for and the city does not get to claim the population or lane miles until after annexation, which is typically three to five years after the development is begun.

## What Do Other Nebraska Cities Finance for Developers Through Assessments?

City	Water	Sewer	Paving	Remarks
Hastings	N/A	N/A	50%	None.
Kearney	50%	50%	50%	The City of Kearney requires a Developer to pay 50% of the estimated cost of paving, water and sewer construction prior to the bid being awarded, using an engineer's estimate to arrive at the cost. The balance of the cost is assessed to the lots. This policy has worked fairly well for us.
Seward	80%	80%	80%	Seward's policy is virtually identical to Blair. Seward does require the developer to sign a strict subdivision agreement.
Sidney	N/A	N/A	95%	Sidney does 95 percent of its streets in new developments through the assessment process, allowing developers up to 20 years to pay them off.
South Sioux City	loan pool	loan pool	yes	South Sioux City allows paving assessments and also have a loan pool for water and sewer extensions that are paid back when the lots sell - not to exceed three years.