Unit 11 Infrastructure Improvements

Public Meeting June 12, 2017 – Concept Layouts and Conceptual Costs
AGENDA

Open House
05:30 – 06:00 PM

Presentation
06:00 – 07:00 PM

Questions and Answers
07:00 – 07:30 PM
INTRODUCTIONS

CITY OF RIO RANCHO

- Mayor – Mr. Hull
- Councilor – Mr. Jim Owen
- City Manager – Mr. Keith Riesberg
- Public Works Director – Mr. Mathew O’Grady, P.E.
- City Engineer – Mr. B. J. Gottlieb, P.E.
- Capital Improvements Section Manager – Mr. Jamie Marrufo
- Project Engineer – Mr. Randall Carroll, P.E.
Several residents have approached the City.
- They have asked what would it cost to install paved roads, drainage, curb, gutter and sidewalks? and
- How could this work be financed and completed?

We are responding to these inquires.

City staff have completed some initial investigations on infrastructure costs. We will share this information tonight.

The City is **NOT** imposing a Special Assessment District.
History of Rio Rancho

- A New York mail-order business, AMREP, acquired approximately 90,000 acres of ranch land during the 1960s and 1970s, as well as platting this property and filing with County government, to develop and sell as lots for homes. **This is the basis of Rio Rancho today.**

- In 1973, the State Subdivision Act was passed requiring Counties to regulate the subdivision of land within their jurisdictions, and to require the provision of adequate infrastructure as a condition of subdivision approval and subsequent development.

- The City of Rio Rancho was incorporated in 1981.
The vast majority of property in the City, like Unit 11, is original AMREP platting, grandfathered in terms of legally being able to privately develop without providing infrastructure improvements such as paved roads, water and sewer service lines, curb and gutter, sidewalks, etc.

Today, Rio Rancho can generally be divided into two categories of platting/development:

1. original AMREP platted lots (pre-1973); and
2. large pieces of real estate retained by AMREP, or others, for development of planned subdivisions such as North Hills, Northern Meadows, River’s Edge I, II, and III, and Enchanted Hills.
Development in New Mexico

When property is purchased within a Planned Subdivision the cost of infrastructure is included in the price of the property. The infrastructure included are:

- Drainage infrastructure
- Paved roads, curb and gutter and sidewalks
- Water Service and Sanitary sewer connection
- Local community parks

If an existing platted area, *platted before 1973*, lacks certain types of infrastructure (e.g., paved roads/water/sewer/drainage) and the property owners in this area want these amenities, the mechanism by which they can get these is through a special assessment district (SAD), which is done in accordance with State law.
Current Rio Rancho Development Requirements

- New infrastructure (like paved streets) come about when private developers construct these improvements (infrastructure) as part of a Planned Subdivision.

- So, what does this mean? Property owners in planned subdivisions/developments, like Enchanted Hills, Cabezon, and Northern Meadows have paved roadways, sidewalks, drainage, and connections to water/sewer system. The new homes owners paid for the infrastructure in the price of their home/property.

- Please note local government does not install or fund subdivision infrastructure.
DRAINAGE IMPROVEMENTS
Drainage Summary

Although the information being presented is per street segment, the drainage solution must be considered an ALL or NOTHING approach. Storm water runoff does not naturally follow boundaries such as streets or property lines. It is mainly governed by surface conditions.

Storm water management:
- includes collection and discharge to an existing system; and
- system infrastructure are placed under paved roads; and
- are sized to consider the entire drainage basin not simply a few streets.
Drainage Overview for Unit 11

- To preserve Road improvement integrity under road storm drain piping is required.
- Total estimated drainage solution for the selected area is estimated at $8.9 million.
This is an overview of the inundation from the 100 year design storm.

This two dimensional flow model yields a very good correlation to what is actually seen during heavy rain events.

The following enlargement allows one to see what happens as a result of the development.
As flows are interrupted by residential development ponding and redirection occur.
ROAD IMPROVEMENTS
Road Summary

As you already know, this area only has water infrastructure. We developed 3 options with varying roadway cross sections with drainage improvements and sewer lines with stub-out to property lines.

- Proposed Option 1-Full City Standard infrastructure:
  - Roadway street section with pavement, curb and gutter, sidewalk, storm drain and a sewer line with stub-outs.

- Proposed Option 2-Partial City Standard infrastructure:
  - Roadway section with pavement, curb and gutter, storm drain and a sewer line with stub-outs.

- Proposed Option 3-Minimal infrastructure:
  - Roadway section with pavement, roadside swale, driveway culvert crossings, and a sewer line with stub-outs.
Photo of an existing typical Unit 11 roadway section.
OPTION 1: Full City Standard Infrastructure
Rendering of a typical street section curb, gutter and sidewalk.

OPTION 1: Full City Standard Infrastructure
OPTION 2: Partial City Standard Infrastructure
Rendering of a typical street section curb and gutter only.

OPTION 2: Partial City Standard Infrastructure
OPTION 3: Minimal Infrastructure
Rendering of a typical street section with roadside swales and culvert crossings.

OPTION 3: Minimal Infrastructure
Estimated Cost for Infrastructure Options per lot

- **Proposed Option 1-Full City Standard infrastructure:**
  - Pavement, curb and gutter, a 5’ sidewalk and a sewer line: $35,000
  - Average Drainage Cost per lot: $10,000
  - Total cost per lot $45,000

- **Proposed Option 2-Partial City Standard infrastructure:**
  - Pavement, curb and gutter, and a sewer line: $30,000
  - Average Drainage Cost per lot: $10,000
  - Total cost per lot $40,000

- **Proposed Option 3-Minimal infrastructure:**
  - Pavement, swales, culvert crossing, and a sewer line: $27,000
  - Total cost per lot $27,000

The City does not recommend Option 3 because the roadside swales could damage the road during storm events.
### Estimated Monthly Payment per lot

<table>
<thead>
<tr>
<th>Proposed Option</th>
<th>Full City Standard infrastructure:</th>
<th>Partial City Standard infrastructure:</th>
<th>Minimal infrastructure:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total estimated cost for the 893 lots in this area of U11:</td>
<td>$40,190,000</td>
<td>$35,720,000</td>
<td>$24,115,000</td>
</tr>
<tr>
<td>Estimated Monthly per lot for 15 years at 4.5% interest:</td>
<td>$345</td>
<td>$290</td>
<td>$210</td>
</tr>
<tr>
<td>Estimated Monthly per lot for 20 years at 4.5% interest:</td>
<td>$285</td>
<td>$240</td>
<td>$170</td>
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</tbody>
</table>

The City would make $3.7 million in offsite sewer improvements in order to accommodate the sewer system for this area of U11, utilizing existing resources.
Comparative Septic System Costs

- Total septic system replacement could run as high as $10,000

- New septic system for undeveloped ½ acre lots per current NMED requirements $10,000 - $15,000 plus annual inspections and periodic maintenance.
IMPROVEMENT
DISTRICTS
SADs
Don’t My Taxes Pay for Constructing New Infrastructure?

- Local government constructs new paved roads identified as collectors, arterials, etc. Some examples include Unser Boulevard, Southern Boulevard, and Northern Boulevard. These paved roads carry the most traffic in the city and are part of the city’s overall road network in and out of the community.

- Since 1973, the State of New Mexico recognized that every city resident/property owner should pay for the infrastructure that benefits their property, (e.g. infrastructure to access and live on their property). The central idea is that one particular group should not have infrastructure improvement costs subsidized by taxpayers as a whole. This is consistent with most States, infrastructure that directly benefits only certain residents must be paid for by those residents.
Special Assessment Districts (SADs)

In general, Special Assessment Districts (SADs) are created to help finance infrastructure in existing communities such as storm drainage, roads, water, sanitary sewer, parks and other amenities. SADs are governed by New Mexico Statutes, Sections 3-33-1 through 3-33-43.
Special Assessment District Methods

Using the **Petition Method** the city may initiate a district if the owners of 2/3 of the benefiting properties (596 properties in this case) petition the city requesting a district to construct improvements and assess the costs of improvements.

Using the **Provisional Order Method** the city may initiate a district when it determines that creation of a district is necessary for the safety, health, and welfare of the community. The Special Assessment District is created at the discretion of the governing body.
SAD Process Milestones

Pre-SAD Investigation (1 month)
Resolution 1: Defines the boundaries and need for the SAD (1 month)
Resolution 2: Public hearing on the merits of the SAD (4 months)
Resolution 3: Officially creates the SAD (10 months)
Resolution 4: Establishes time/place of the Assessment Hearing, i.e. what it will cost the lot owners, and objections (4 months)
Resolution 5: Confirms and approves the assessments (5 months)

Construction: For this area, could take up to 1 year.
SAD Financing

- Bonds are sold to finance these improvements and property owners are each assessed a portion of the bonds.
- This assessment may or may not be added to an owner's property tax bill.
- The SAD assessment may be paid in full or in part prior to construction.
- Unpaid balances may be financed and paid off over time.
Where do we go from here?

There needs to be community involvement for the City to proceed.

Such involvement should be in the form of local residents acting as champions to develop a survey/petition demonstrating the communities level of desire to participate in an SAD.
Unit 11 Infrastructure Improvements

Question/Comments?