

<b>CITY COUNCIL AGENDA COVER-SHEET</b>
--

**From: Nancy Batchelder, City Recorder**

- ☒ Regular Meeting Agenda Item      Work Session Discussion Topic
- o Add to agenda for \_\_\_\_\_ meeting.
  - o Continue this item until \_\_\_\_\_.
  - o Item dismissed.

**DATE:** June 9, 2016

**Title:** Yachats Farm Store/Yachats Brewing Request for System Development Charges Waiver

**Item:** At the January City Council meeting Nathan Bernard, owner of the Yachats Farm Store said that when the new waterline is installed along Hwy 101 in front of his store/brewery he would like to have a 2" water line installed and he requested a waiver of the increased System Development Charges, stating that he only wanted to fill the vessels faster and would not actually be increasing the capacity.

The following table shows what the additional System Development Charges fees are for a 2" meter when a credit is given for the current meter that would be removed:

System Development Charges				
		2" Meter	Less credit	Additional
	Water	\$ 32,572.31	\$ 4,071.54	\$ 28,500.77
	Sewer	\$ 50,433.53	\$ 6,304.19	\$ 44,129.34
			Total	<u>\$ 72,630.11</u>

In several meetings following the initial request, the City Council has discussed this request, the possible impact the discharge from the brewing operations could have on the wastewater system and Bernard's plans for increased production in the next few years.

At the March 10, 2016 meeting, City Council voted on a motion to defer the System Development Charges until the property was sold or the production reached a certain level and authorized the Mayor to work with the City Attorney to draft an agreement for Bernard to sign. Since that time, the City Attorney has advised the Mayor that this would not be possible.

So, the next option would be for an installment agreement and a lien securing the agreement.

I have prepared a draft Agreement, Resolution and Lien based on the above System Development Charges for a 30-year term at 2.75% interest. The interest rate is 2 points over what the City is earning in the Local Government Investment Pool at this time.

**Attachments:** Draft Resolution, Draft Agreement, Draft Lien, Loan Amortization Schedule

**CITY OF YACHATS**  
**RESOLUTION NO. draft**

**WHEREAS**, the Yachats Farm Store/Yachats Brewing requested the City of Yachats provide a 2" meter to service the larger scale brewery operations planned for the business; and, requested a waiver of the System Development Charges for the increased capacity of the service connection; and

**WHEREAS**, in several meetings following the initial request the City Council received information regarding the possible impact on the wastewater system once the brewery operations began larger scale production and the proposed business plan for the future operations as the Council discussed options; and

**WHEREAS**, on advice received from the City Attorney, the deferment considered by the City Council is not possible, the City Council has proposed an installment agreement for payment of the System Development Charges;

**NOW THEREFORE**, the City of Yachats resolves the following:

Section 1 – System Development Charges less Credit Given

The System Development Charges for a 2" water meter shall be charged with credit given for the current service as following:

System Development Charges				
		2" Meter	Less credit	Additional
	Water	\$ 32,572.31	\$ 4,071.54	\$ 28,500.77
	Sewer	\$ 50,433.53	\$ 6,304.19	\$ 44,129.34
			Total	\$ 72,630.11

Section 2 – Installment Agreement

Nathan Bernard, Owner and Operator of the Yachats Farm Store/Yachats Brewing and EL EL SEE, LLC, the owner of record for Lot 14-12-27-DA-01900 AKA 348 Hwy 101 N. shall be offered an installment agreement with the following terms:

- Subject lot: 14-12-27-DA-01900
- Initial payment of \$1,785.58 shall be paid on or before July 1, 2016.
- Fifty-nine (59) equal semi-annual installments of \$1,785.58 shall be due on January 1 and July 1 of each year following the initial payment on July 1, 2016 for a total of Sixty (60) payments over a 30-year term, until paid in full.
- The annual interest rate shall be 2.75%.
- A lien shall be filed on the subject lot as security for the unpaid balance as provided in the Yachats Municipal Code Chapter 8.20 Subsection 8.20.080 (D)

Attest:

\_\_\_\_\_  
Ronald L. Brean, Mayor

\_\_\_\_\_  
Nancy Batchelder, City Recorder

CITY OF YACHATS

**AGREEMENT TO PAY SYSTEM DEVELOPMENT CHARGES IN INSTALLMENTS**

Description of the property being located in the City of Yachats, County of Lincoln, State of Oregon:  
Tax Assessors Map and Tax Lot Number: 14-12-27-DA-01900 .

Systems Development Charges (hereafter SDC) for the lot shall be \$72,630.11.

In accordance with the provisions of the Yachats Municipal Code Chapter 8.20 and Resolution No. \_\_\_\_\_, We hereby agree to pay the System Development Charges for the installation of a 2" water meter and associated water and sewer services according to the terms provided in Resolution No. \_\_\_\_\_ as follows:

- Initial payment of \$1,785.58 shall be paid on or before July 1, 2016.
- Fifty-nine (59) equal semi-annual installments of \$1,785.58 shall be due on January 1 and July 1 of each year following the initial payment on July 1, 2016 for a total of Sixty (60) payments over a 30 year term, until paid in full.
- The annual interest rate shall be 2.75%.

**Security:** In accordance with Yachats Municipal Code Chapter 8.20, Sub-Section 8.20.080 (D) the amount of SDCs financed herein hereby shall be and is a lien on the above described real property, until paid in full, effective this date and will be entered in the lien dockets of the City and Lincoln County.

In consideration thereof, and in pursuance of the provisions of Municipal Code and Resolution No. \_\_\_\_\_ aforesaid, We hereby expressly waive all and every irregularity or defect, jurisdictional, procedural or otherwise, in the apportionment and determination of the amount of the SDCs for the above mentioned project.

IN WITNESS WHEREOF, We have hereunto set our hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(signed) \_\_\_\_\_  
Nathan Bernard, Owner/Operator – Yachats Farm Store/Yachats Brewing

(signed) \_\_\_\_\_  
EL EL SEE LLC – Owner of Record for Lot 14-12-27-DA-01900  
AKA 348 Hwy 101 N – Yachats Oregon

(signed) \_\_\_\_\_  
Ronald L. Brean, Mayor

Attest:

(signed) \_\_\_\_\_  
Nancy Batchelder, City Recorder

NOTICE OF LIEN

**The City of Yachats**, Lincoln County, Oregon hereby certifies a lien against the following property for System Development Charges:

Owner of Record: EL EL SEE LLC

Owners address of record: 224 NW 13TH AVE, PORTLAND, OR 97209

Legal Description: OVERLOOK ADDN. TO YACHATS, BLOCK 7, LOT 15 & 16, DOC201104832

Also known as: 348 HWY 101 N. , Yachats, OR 97498 a.k.a.: Tax Map 14-12-27-DA, Tax Lot 01900.

Current Amount, as of this date: \$72, 630.11

An installment agreement signed by all parties, marked "Exhibit A" is attached containing all conditions, including interest rate and payment schedule is secured by this lien.

Dated the    day of

\_\_\_\_\_  
City Recorder

STATE OF OREGON    )  
                                  ) ss  
COUNTY OF LINCOLN )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me appeared Nancy Batchelder, to me personally known, who being first duly sworn, did say that she is the City Recorder of the City of Yachats, that said instrument was executed by the City of Yachats, and she acknowledged said instrument to be the free act and deed of the City of Yachats, Lincoln County, Oregon.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, this, the day and year last above written.

\_\_\_\_\_  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_

After recording, return to:  
City of Yachats  
PO Box 345  
Yachats, OR 97498

# Loan Amortization Schedule

Enter values	
Loan amount	\$ 72,630.11
Annual interest rate	2.75 %
Loan period in years	30
Number of payments per year	2
Start date of loan	1/1/2016
Optional extra payments	

Loan summary	
Scheduled payment	\$ 1,785.58
Scheduled number of payments	60
Actual number of payments	60
Total early payments	\$ -
Total interest	\$ 34,504.48

Lender name:

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	7/1/2016	\$ 72,630.11	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 786.91	\$ 998.66	\$ 71,843.20	\$ 998.66
2	1/1/2017	\$ 71,843.20	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 797.73	\$ 987.84	\$ 71,045.47	\$ 1,986.51
3	7/1/2017	\$ 71,045.47	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 808.70	\$ 976.88	\$ 70,236.76	\$ 2,963.38
4	1/1/2018	\$ 70,236.76	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 819.82	\$ 965.76	\$ 69,416.94	\$ 3,929.14
5	7/1/2018	\$ 69,416.94	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 831.09	\$ 954.48	\$ 68,585.85	\$ 4,883.62
6	1/1/2019	\$ 68,585.85	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 842.52	\$ 943.06	\$ 67,743.33	\$ 5,826.68
7	7/1/2019	\$ 67,743.33	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 854.11	\$ 931.47	\$ 66,889.22	\$ 6,758.15
8	1/1/2020	\$ 66,889.22	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 865.85	\$ 919.73	\$ 66,023.37	\$ 7,677.87
9	7/1/2020	\$ 66,023.37	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 877.76	\$ 907.82	\$ 65,145.62	\$ 8,585.70
10	1/1/2021	\$ 65,145.62	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 889.82	\$ 895.75	\$ 64,255.79	\$ 9,481.45
11	7/1/2021	\$ 64,255.79	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 902.06	\$ 883.52	\$ 63,353.73	\$ 10,364.97
12	1/1/2022	\$ 63,353.73	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 914.46	\$ 871.11	\$ 62,439.27	\$ 11,236.08
13	7/1/2022	\$ 62,439.27	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 927.04	\$ 858.54	\$ 61,512.24	\$ 12,094.62
14	1/1/2023	\$ 61,512.24	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 939.78	\$ 845.79	\$ 60,572.45	\$ 12,940.41
15	7/1/2023	\$ 60,572.45	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 952.71	\$ 832.87	\$ 59,619.75	\$ 13,773.28
16	1/1/2024	\$ 59,619.75	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 965.80	\$ 819.77	\$ 58,653.94	\$ 14,593.06
17	7/1/2024	\$ 58,653.94	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 979.08	\$ 806.49	\$ 57,674.86	\$ 15,399.55
18	1/1/2025	\$ 57,674.86	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 992.55	\$ 793.03	\$ 56,682.31	\$ 16,192.58
19	7/1/2025	\$ 56,682.31	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,006.19	\$ 779.38	\$ 55,676.11	\$ 16,971.96
20	1/1/2026	\$ 55,676.11	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,020.03	\$ 765.55	\$ 54,656.09	\$ 17,737.50
21	7/1/2026	\$ 54,656.09	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,034.06	\$ 751.52	\$ 53,622.03	\$ 18,489.03
22	1/1/2027	\$ 53,622.03	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,048.27	\$ 737.30	\$ 52,573.76	\$ 19,226.33
23	7/1/2027	\$ 52,573.76	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,062.69	\$ 722.89	\$ 51,511.07	\$ 19,949.22
24	1/1/2028	\$ 51,511.07	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,077.30	\$ 708.28	\$ 50,433.77	\$ 20,657.49
25	7/1/2028	\$ 50,433.77	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,092.11	\$ 693.46	\$ 49,341.66	\$ 21,350.96
26	1/1/2029	\$ 49,341.66	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,107.13	\$ 678.45	\$ 48,234.53	\$ 22,029.41
27	7/1/2029	\$ 48,234.53	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,122.35	\$ 663.22	\$ 47,112.18	\$ 22,692.63
28	1/1/2030	\$ 47,112.18	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,137.78	\$ 647.79	\$ 45,974.39	\$ 23,340.42
29	7/1/2030	\$ 45,974.39	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,153.43	\$ 632.15	\$ 44,820.96	\$ 23,972.57
30	1/1/2031	\$ 44,820.96	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,169.29	\$ 616.29	\$ 43,651.68	\$ 24,588.86
31	7/1/2031	\$ 43,651.68	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,185.37	\$ 600.21	\$ 42,466.31	\$ 25,189.07
32	1/1/2032	\$ 42,466.31	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,201.66	\$ 583.91	\$ 41,264.65	\$ 25,772.98
33	7/1/2032	\$ 41,264.65	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,218.19	\$ 567.39	\$ 40,046.46	\$ 26,340.37

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
34	1/1/2033	\$ 40,046.46	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,234.94	\$ 550.64	\$ 38,811.52	\$ 26,891.01
35	7/1/2033	\$ 38,811.52	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,251.92	\$ 533.66	\$ 37,559.60	\$ 27,424.67
36	1/1/2034	\$ 37,559.60	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,269.13	\$ 516.44	\$ 36,290.47	\$ 27,941.11
37	7/1/2034	\$ 36,290.47	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,286.58	\$ 498.99	\$ 35,003.89	\$ 28,440.11
38	1/1/2035	\$ 35,003.89	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,304.27	\$ 481.30	\$ 33,699.61	\$ 28,921.41
39	7/1/2035	\$ 33,699.61	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,322.21	\$ 463.37	\$ 32,377.41	\$ 29,384.78
40	1/1/2036	\$ 32,377.41	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,340.39	\$ 445.19	\$ 31,037.02	\$ 29,829.97
41	7/1/2036	\$ 31,037.02	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,358.82	\$ 426.76	\$ 29,678.20	\$ 30,256.73
42	1/1/2037	\$ 29,678.20	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,377.50	\$ 408.08	\$ 28,300.70	\$ 30,664.80
43	7/1/2037	\$ 28,300.70	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,396.44	\$ 389.13	\$ 26,904.26	\$ 31,053.94
44	1/1/2038	\$ 26,904.26	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,415.64	\$ 369.93	\$ 25,488.62	\$ 31,423.87
45	7/1/2038	\$ 25,488.62	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,435.11	\$ 350.47	\$ 24,053.51	\$ 31,774.34
46	1/1/2039	\$ 24,053.51	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,454.84	\$ 330.74	\$ 22,598.67	\$ 32,105.08
47	7/1/2039	\$ 22,598.67	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,474.84	\$ 310.73	\$ 21,123.82	\$ 32,415.81
48	1/1/2040	\$ 21,123.82	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,495.12	\$ 290.45	\$ 19,628.70	\$ 32,706.26
49	7/1/2040	\$ 19,628.70	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,515.68	\$ 269.89	\$ 18,113.02	\$ 32,976.16
50	1/1/2041	\$ 18,113.02	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,536.52	\$ 249.05	\$ 16,576.50	\$ 33,225.21
51	7/1/2041	\$ 16,576.50	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,557.65	\$ 227.93	\$ 15,018.85	\$ 33,453.14
52	1/1/2042	\$ 15,018.85	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,579.07	\$ 206.51	\$ 13,439.78	\$ 33,659.65
53	7/1/2042	\$ 13,439.78	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,600.78	\$ 184.80	\$ 11,839.00	\$ 33,844.44
54	1/1/2043	\$ 11,839.00	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,622.79	\$ 162.79	\$ 10,216.21	\$ 34,007.23
55	7/1/2043	\$ 10,216.21	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,645.10	\$ 140.47	\$ 8,571.11	\$ 34,147.70
56	1/1/2044	\$ 8,571.11	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,667.72	\$ 117.85	\$ 6,903.38	\$ 34,265.55
57	7/1/2044	\$ 6,903.38	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,690.65	\$ 94.92	\$ 5,212.73	\$ 34,360.48
58	1/1/2045	\$ 5,212.73	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,713.90	\$ 71.67	\$ 3,498.83	\$ 34,432.15
59	7/1/2045	\$ 3,498.83	\$ 1,785.58	\$ -	\$ 1,785.58	\$ 1,737.47	\$ 48.11	\$ 1,761.36	\$ 34,480.26
60	1/1/2046	\$ 1,761.36	\$ 1,785.58	\$ -	\$ 1,761.36	\$ 1,737.14	\$ 24.22	\$ -	\$ 34,504.48