

**City Of Woodland  
City Council Meeting Agenda Summary Sheet**

**Agenda Item:**

Authorize mayor to sign agreement with Holt Property Group to acquire most of Parcel #50876 for \$83,700 in Park Impact Fee Credits.

**Agenda Item #:** Action (F)

**For Agenda of:** January 22, 2013

**Department:** Public Works

**Date Submitted:** January 16, 2012

**Cost of Item:** \$83,700 in Park Impact Fee Credits  
**Amount Budgeted:** \$0  
**Unexpended Balance:** \$0

**BARS #:** 352 000 000 345 85 00 00

**Description:** **Park Impact Fees**

**Department Supervisor Approval:** Public Works Department /s/ *Barb Stupp*

**Committee Recommendation:** The Park Board approved forwarding this to City Council with pass recommendation 3-0 at December 19, 2012 Meeting.

**Agenda Item Supporting Narrative (list attachments, supporting documents):**

- 1) December 19, 2012 Park Board Acquisition Memo.
- 2) Scott Hill Park Map.
- 3) Proposed Agreement between City of Woodland and Holt Property Group.

**Summary Statement/Department Recommendation:**

On September 6, 2012 Mayor Laseke, City Council Members, Rotary Members, and Staff conducted a walk around the proposed Scott Hill Park. One of the discussions that came out of that walk around was the real need for a second access to the Park. Out of that discussion staff was asked to talk with the owners of Parcel #50876 located just east of the parcel about acquiring the property or using it to construct a second access from the existing Meriwether Lane to the park.

In November the PW Director talked with Holt Development Group which owns the property about alternatives other than purchasing it through cash (see attached memo). Staff negotiated an agreement that in exchange for \$83,700 in Park Impact Fee Credits, most of Parcel #50876 (see attached map) would become City Property through a boundary line adjustment moving the property onto Parcel #508800100. The northeast corner of the parcel would remain in Holt's ownership for future development. The Park Board approved this agreement at their December 19, 2012 meeting.

The current Park Impact Fee is \$1,116 per single family house and \$831 per multi-family dwelling unit. \$83,700 equates to 75 single family homes at the current rate.

City Council tabled this item on January 7<sup>th</sup> and requested that a draft agreement be included before they vote on the agreement. Attached is an agreement that has been reviewed by Mr. Eling and approved by Holt Property Group for the completion of the boundary line adjustment and administration of Park Impact Fee Credits. The agreement does not include the legal description of the boundary line adjustment which was not completed in time for this report but the attached map represents pretty close

the proposed adjustment. This staff report also addresses some concerns brought by council at the last meeting.

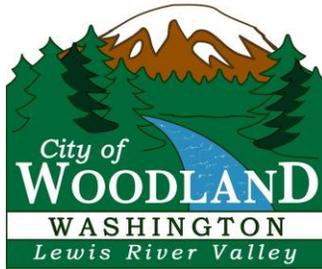
One concern was the amount of traffic the park would generate on the Meriwether Subdivision. Prior to the purchase of the property for park use, the original developer had proposed the construction of 169 homes on this property with two accesses, one at Scott Hill Road and the other on Meriwether Lane. The 2004 Transportation Impact Analysis done for the Meriwether Subdivision (all phases) indicated that 150 homes would generate 1,532 weekday trips. That correlates to 1,726 weekday trips for 169 homes. If we split the count 50/50 for this analysis between trips on Scott Hill Road and Meriwether we would have 863 daily trips on Meriwether resulting from the homes on the hill. The Institute of Transportation Engineers (ITE) Manual provides a rate of 0.20 PM Peak Hour Trips per acre of Regional Park. For our 40 acre park that means 8 PM Peak Hour trips. The correlation between PM Peak Hour trips and daily trips is typically 15-20%. If we assume 15% then the Scott Hill Park is expected on a weekday to generate 53 daily trips meaning 26.5 daily trips from Scott Hill Park to Meriwether Lane.

On weekends when there are tournaments I would expect the park to generate more traffic than 169 homes. Traffic from out of town teams, however, would mainly use the Scott Hill Road access because it is closer to I-5 than the Meriwether access. I do not anticipate the traffic impact of out of town teams on the Meriwether Subdivision to be significant. So except for a few weekends a year, this park will generate a fraction of the traffic that was expected from the construction of 169 homes which is what was being proposed when most of the existing homes in the Meriwether Subdivision were completed.

Another concern was whether the City should keep Park Impact Fees and instead require residential developers to build pocket parks. Park Impact Fees provide a way to charge residential construction consistently and equitably for paying into our park system. It also provides a way for funding a diverse park system. A good park system should have pocket parks, but it also needs regional parks like Horseshoe Lake and athletic fields like Scott Hill Park, walking trails, and natural areas, etc. Park Impact Fees provides a revenue stream for creating that diversity. Eliminating Park Impact Fees and just requiring pocket parks eliminates that diversity and it eliminates consistency in how we deal with developers. For example, if a developer comes in and wants to build 100 homes he would have to build some type of park facility. But if you just short plat a lot and build 3 homes you would not have to build a park. That type of park funding program does not treat everybody the same.

A third concern was how this agreement would impact the City's budget. This agreement does not require any cash outlay but it would reduce the amount of Park Impact Fee revenue going into Fund 352. In 2012 the City received \$16,740 in Park Impact Fee Revenues. The 2013 Budget has no expenditures from Fund 352 so this agreement would not affect the 2013 budget. Looking beyond 2013, while this agreement would reduce our incoming Park Impact Fees in future years, the major park project that the City is trying to complete is the Scott Hill Park. The second access to this park is necessary and this park is a City Priority, so acquisition of this property is the most appropriate use of Park Impact Fees for the foreseeable future.

Staff recommends approving an agreement with Holt Group to acquire most of Parcel #50876. This would provide a vital secondary access to the park and improve access to the park for the residential area on the east part of town. The agreement would be recorded as part of the boundary line adjustment.



## MEMORANDUM

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Date: December 13, 2012  
From: Bart Stepp, PE, Public Works Director  
To: Park Board  
CC: Mayor of Woodland  
Subject: Acquiring Property for second Scott Hill Park Access  
Enclosure: Park Parcel Map

When the Scott Hill Park Property was purchased last year it left one parcel, #50876, between the park and Meriwether Lane under private property. The original subdivision proposed on the hill had Meriwether Lane extending all the way to the top of the hill. During development of Meriwether Phase I the developer did put in a road grade to the top of the hill. The road grade created also includes some drainage improvements that could be used if a road was installed on that grade.

To be a viable project the Scott Hill Park needs a second access point besides Scott Hill Road. Other properties were discussed but the access to Meriwether Lane was by far the best option.

In November I initiated negotiations with The Holt Group, the company that owns Parcel #50876, about acquiring that parcel or a part of the parcel to gain the second access needed. They were interested and we agreed upon the following proposal subject to Park Board and City Council Approval.

For \$83,700 in Park Impact Fee Credits, the City would acquire most of Parcel #50876. The northeastern corner of the property would remain with The Holt Group for future development. This would be accomplished through a boundary line adjustment which would put most of the land in Parcel #50876 into Parcel #508800100 which is the main park parcel. The Holt Group would be able to sell these Park Impact Fee Credits to any homebuilder in the City.

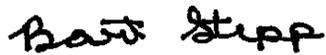
The benefit of this arrangement is the City gets the second access needed without expending current City Funds. The drawback is the Park Impact Fee Fund will not provide the revenue previously anticipated in the next few years for park development.

In terms of value for the City, the engineering and construction already done for the existing road grade exceeds \$83,700. The City would be able to use the previously engineered road design to construct the second access. Since any other second access

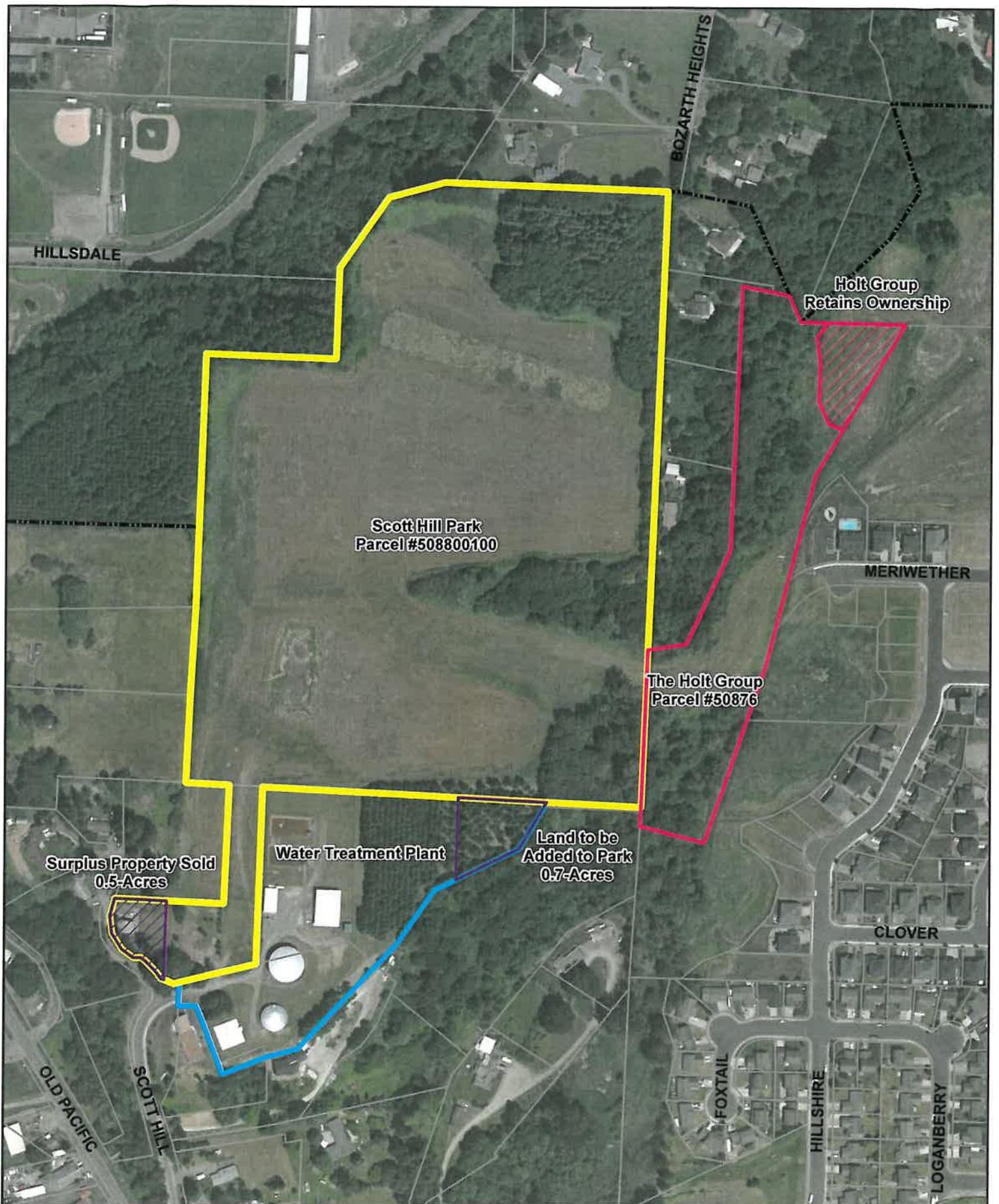
would require significantly more engineering and construction costs this is a real value to the City. In addition the assessed value of Parcel #50876 is \$64,210. The City would acquire more than 75% of the land so that is a land value of at least \$48,150. So in short the value of acquiring this land for the City is greater than \$100,000 so the price of \$83,700 is a good value for the City.

Staff recommends that the Park Board approve this agreement and forward it to City Council for their approval.

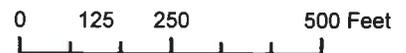
Sincerely,

A handwritten signature in black ink that reads "Bart Stepp". The signature is written in a cursive, slightly slanted style.

Bart Stepp, PE  
City of Woodland  
Public Works Director



**SCOTT HILL PARK & SPORTS COMPLEX**  
**December 13, 2012**



**CONSENT OF GENERAL PARTNER  
OF  
HOLT DISTRESSED PROPERTY FUND, 2010, L.P.,  
A DELAWARE LIMITED PARTNERSHIP  
HOLT DISTRESSED PROPERTY FUND, 2010 (PARALLEL 1), L.P.,  
A DELAWARE LIMITED PARTNERSHIP**

The undersigned, being the general partner (the "General Partner") of each of Holt Distressed Property Fund 2010, L.P., a Delaware limited partnership, and Holt Distressed Property Fund 2010, LP (Parallel 1), L.P., a Delaware limited partnership (collectively, the "Partnerships") hereby consents and agrees to the adoption of the following resolutions, effective as of March 28, 2011:

**LIMITED DELEGATION OF AUTHORITY TO SCOTT MILLER**

WHEREAS, pursuant to Section 6.1 of the Agreement of Limited Partnership dated as of December 7, 2010 of each of the Partnerships (collectively, the "Partnership Agreements"), the management and supervision of the Partnerships is vested exclusively in the General Partner (including its duly appointed agents), and the General Partner (and its duly appointed agents) shall have full control over the business and affairs of the Partnerships, subject to the terms of the Partnership Agreements;

WHEREAS, the General Partner desires to appoint Mr. Scott Miller, Vice President, the Holt Group, ("Miller"), and Krista Harvill-Sorter, Chief Financial Officer, The Holt Group ("Sorter") as agents of the General Partner for limited purposes with respect to the Partnerships and to provide for efficient administration of the General Partner's affairs with respect to the Partnerships; now, therefore it is

RESOLVED, that Sorter is hereby authorized to approve in writing on behalf of the partnership Miller's acts as specified below;

RESOLVED Further, that Miller is hereby authorized (a) to commit the Partnerships to the purchase, license, sale or lease of real or personal property, tangible or intangible, or products or services or other rights, (b) to make or participate in any such purchase, license, sale or lease on credit, and (c) to execute contracts, agreements, leases, deeds, bills of sale, easements, trust agreements, guarantees, indemnities, licenses, permits and governmental applications and other instruments with respect to any of the foregoing or otherwise in the course of the business of the Partnerships; provided, however, that (i) Miller, acting alone, shall not commit the Partnerships to any obligation of more than five hundred thousand dollars \$500,000 (firm or contingent), without the prior written approval of either Mr. Greg Kubicek or Sorter, and may not commit the Partnership to any obligation of more than five million dollars (\$5,000,000); and

RESOLVED, FURTHER, that the delegation of authority to Miller and Sorter pursuant to these resolutions is limited as set forth above and the General Partner retains to right to revoke the delegation of authority for any reason, at any time.

**GENERAL PARTNER:**

HOLT MANAGEMENT, LLC,  
a Delaware limited liability company

By: HOLT HOLDINGS, LLC,  
a Delaware limited liability company

By:   
Name: Greg Kubicek  
Title: Member

**AGREEMENT BETWEEN THE CITY OF WOODLAND AND HOLT DISTRESSED PROPERTY FUND  
2010 LP FOR COMPLETION OF A BOUNDARY LINE ADJUSTMENT BETWEEN PARCEL #50876  
OWNED BY HOLT DISTRESSED PROPERTY FUND 2010 LP AND PARCEL #50880100 OWNED BY  
THE CITY OF WOODLAND**

THIS AGREEMENT is entered into between the City of Woodland, a municipal corporation, hereinafter referred to as "the City", and Holt Distressed Property Fund 2010 LP, Inc., hereinafter referred to as "Holt Group", in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. Agreement Scope. In exchange for agreeing to and executing the boundary line adjustment between Parcels #50876 and #50880100 physically described in Exhibit A, Holt Group will receive \$83,700 in Park Impact Fee Credits from the City of Woodland.
2. Purpose of Agreement. The boundary line adjustment will provide for a second road access to the proposed Scott Hill Park off of Meriwether Lane and additional space for Scott Hill Park.
3. Compensation. Holt Group shall be compensated by the City for signing the boundary line adjustment under this agreement as follows:
  - a. Holt Group receives \$83,700 in Park Impact Fee Credits from the City of Woodland. Holt Group may sell or transfer these credits to any person or legal entity constructing residential structures in the City of Woodland. The City of Woodland will keep track of the number of credits used and will notify Holt Group when all of the credits have been used.
  - b. If the City eliminates Park Impact Fees, the City will compensate Holt Group for the balance of Park Impact Fee Credits not redeemed or not transferred. Compensation will be in the form of other credits acceptable to Holt Group or cash.
4. Park Impact Fee Credit Time Period. Park Impact Fee Credits will be redeemable for a period of 15 years. The 15 year period will begin running from the date the boundary line adjustment is recorded with the Cowlitz County Auditor. Notwithstanding Section 3, any Park Impact Fee Credits not redeemed within that 15 year time period will expire. For purposes of this Agreement a credit is "redeemed" when the holder follows the procedure set forth in Section 5 of this Agreement. All transfers shall correctly state the date of expiration of the credit and shall state the credits cannot be re-transferred after transfer by Holt Group.
5. Park Impact Fee Credit Redemption. To redeem Park Impact Fee Credits a homebuilder must present a letter to the City of Woodland from Holt Group that states the amount of credits the homebuilder has purchased and the letter must be signed by the authorized signatory agent identified in Exhibit B. If the name of Holt Group or the authorized signatory agent changes the City must receive appropriate documentation to replace Exhibit B before allowing redemption of Park Impact Fee Credits with the new company or signatory agent. In the event of a conflict between this Agreement and the Woodland Municipal Code, the terms of this Agreement shall control. The City has no obligation to honor tendered redemptions for credits which exceed the total credits set forth in Section 3.
5. Indemnification / Hold Harmless. Holt Group shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or

suits including reasonable attorneys fees arising from its transfer of Park Impact Fee Credits to third parties.

6. Non-Waiver. Waiver by the City of any provision of this agreement or any time limitation provided for in this agreement shall not constitute a waiver of any other provision.
7. Attorney Fees: In the event of a lawsuit, arbitration or other action to interpret or enforce any provision of this agreement brought by either party, then the prevailing party shall be awarded such sum for attorney fees as a court or arbitrator may deem reasonable, together with the costs associated with such suit, arbitration or action.
8. Notices. Notices to the City of Woodland shall be sent to the following address:

Bart Stepp, Public Works Director  
City of Woodland  
PO Box 9; 300 E. Scott Ave.  
Woodland, Washington 98674

Notices to Holt Group shall be sent to the following address:

Peter Rose  
Holt Distressed Property Fund 2010 LP  
PO Box 87970  
Vancouver, Washington 98687-7970

9. Integrated Agreement. This Agreement together with Exhibits A and B represents the entire and integrated agreement between the City and Holt Group and supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended only by written instrument signed by both the City and Holt Group.

DATED this \_\_\_\_ day of January, 2013.

CITY OF WOODLAND

HOLT DISTRESSED PROPERTY FUND 2010 LP

\_\_\_\_\_  
By: Grover B. Laseke, Mayor

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_