

**TO:** James L. App, City Manager  
**FROM:** Robert A. Lata, Community Development Director  
**SUBJECT:** Reimbursement Agreement for Sewer Line  
18<sup>th</sup> Street Sewer, Thomas  
**DATE:** September 21, 2004

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**Needs:** For the City Council to consider establishing a Reimbursement Agreement for the sewer line constructed in 18<sup>th</sup> Street, from Riverside Avenue to Highway 101.

- Facts:**
1. On March 25, 2003, the Planning Commission adopted Resolution 03-028 approving Conditional Use Permit 02-015.
  2. In accordance with Condition of Approval No. 11 of Conditional Use Permit 02-015, Chris Thomas has constructed a sewer line and appurtenances in order to provide sewer service to his development.
  3. The sewer line provides sewer availability for the immediate area and thereby benefits other properties. Thomas has requested that a reimbursement agreement be established in order for other properties to pay their share of the costs. The sewer line and appurtenances qualify for reimbursement pursuant to Title 14, Section 14.08.070 M1b of the Municipal Code.
  4. The sewer line, appurtenances and their costs are identified in the proposed Agreement as "Exhibit A – Sewer Line Improvements".
  5. Those properties benefiting from the Sewer Line Improvements have been identified in the proposed Agreement as "Exhibit B - Served Properties".

**Analysis  
and  
Conclusion**

The sewer line and appurtenances constructed by Chris Thomas on 18<sup>th</sup> Street benefit surrounding properties by providing access to sewer thereby allowing these properties the opportunity for development.

The costs for the construction of the sewer line and appurtenances provided by Chris Thomas have been reviewed and are recommended for acceptance. The map of "Sewer Line Improvements" (Exhibit "A") accurately represents properties that will benefit from the construction of the sewer line.

The method of determining the shares of cost of the construction of the sewer line is fair and equitable to all properties as shown on "Exhibit B - Served Properties".

**Policy  
Reference:** Municipal Code Title 14, Section 14.080.07

**Fiscal**

**Impact:**

No direct fiscal impact. A portion of the reimbursement fee will go to the City to cover its time to administer the agreement.

**Options:**

- a. Adopt the attached Resolution No. 04-xx establishing the 18<sup>th</sup> Street Sewer Reimbursement and authorize the Mayor to enter into an Agreement with Chris Thomas for the City to collect the reimbursable amounts on behalf of the developer.
- b. That the City Council amend, modify or reject the above option.

Attachments: (5)

1. Resolution
2. Reimbursement Agreement including Exhibit A – Project Site/Sewer Line Improvements and Exhibit B – Served Properties

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES ESTABLISHING REIMBURSEMENT FEES FOR THE CONSTRUCTION OF A SEWER LINE AND APPURTENANCES IN 18<sup>TH</sup> STREET (THOMAS)

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WHEREAS, on March 25, 2003, the City Planning Commission adopted Resolution 03-028 approving Conditional Use Permit 02-015 located at 1135 18<sup>th</sup> Street; and

WHEREAS, in accordance with Condition of Approval No. 11 of Conditional Use Permit 02-015, Chris Thomas has constructed a sewer line and appurtenances described in "Exhibit A – Sewer Line Improvements" in order to provide sewer service to his development; and

WHEREAS, the sewer line and appurtenances constructed by Chris Thomas will provide sewer availability to, and will therefore benefit, other properties. Therefore the sewer line and appurtenances qualify for reimbursement pursuant to Title 14, Section 14.08.070 M1b of the Municipal Code which provides that a developer of off-site sewer improvements is entitled to "A pro rata share of the cost of installing all sewer lines and appurtenances beyond the property line of installer where sewer lines are wholly outside the property of applicant and are subject to probable future use by connectors other than applicant"; and

WHEREAS, Chris Thomas has requested that a reimbursement agreement be established in order for other properties to pay their share of the costs of the sewer line and appurtenances, as such proportionate shares have been determined and approved by the City Engineer;

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1. Based on the staff report prepared by the City Engineer, the City Council finds as follows:

1. That the pro rata eligible amount of reimbursement to Chris Thomas is \$15,185.
2. That the real properties identified in "Exhibit B - Served Properties", are subject to probable future use of said sewer line and appurtenances.
3. That the reasonable reimbursement charge for connection to the sewer line for a single family residence or one residential unit is \$3,037. In order to reimburse the City for administration of the agreement the reasonable reimbursement charge for a single family residence is \$304. This charge is in addition to the reimbursement to Chris Thomas, for a total per unit reimbursement charge of \$3,341.
4. That the City will begin collecting these fees as each parcel connects into the sewer line.
5. That in accordance with Title 14, Section 14.08.070 M5b of the Municipal Code, this reimbursement shall expire (10) ten years from the date of the acceptance of the sewer main.
6. That the reimbursement charges approved by this Resolution are a "condition of development" and are therefore exempt from the guidelines and procedures of Proposition 218 (Article XIII D Section 1(b) of the California Constitution).

SECTION 2. That the City Council hereby approves and authorizes the Mayor to execute a Reimbursement Agreement in substantially the form attached hereto and incorporated herein by reference, subject to any minor technical and clarifying changes approved by the City Manager and City Attorney. The Reimbursement Agreement provides that City shall collect from those real properties identified in Exhibit "B" who connect to said sewer line the amount of \$3,341 per single family residential unit. These fees shall be collected at the time building permits are issued.

SECTION 3. The total aggregate amount to be paid to Chris Thomas, under the Reimbursement Agreement shall not exceed \$15,185.

SECTION 4. That pursuant to Title 14, Section 14.08.070 M5b of the Municipal Code, the City's obligation to collect reimbursements shall expire on September 21, 2014.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 21st day of September 2004 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk

RECORDING REQUESTED BY AND

WHEN RECORDED RETURN TO:

CITY ENGINEER

COMMUNITY DEVELOPMENT DEPT.

CITY OF EL PASO DE ROBLES

1000 SPRING STREET

PASO ROBLES, CA 93446

## **REIMBURSEMENT AGREEMENT**

(Conditional Use Permit 02-015 -- Thomas)

THIS REIMBURSEMENT AGREEMENT (the "**Agreement**") is entered into this \_\_\_ day of \_\_\_\_\_, 2004, by and between the **CITY OF EL PASO DE ROBLES**, a municipal corporation (the "**City**"), and **CHRISTOPHER THOMAS (Developer)**".

### **Recitals**

- A. **Developer** has developed the property known as 1135 18<sup>th</sup> Street, within the limits of the **City**.
- B. As a condition to the approval of Conditional Use Permit 02-015, contained in Planning Commission Resolution No. 03-028, Condition No. 11, **Developer** has agreed to construct a new sanitary sewer line that would serve not only 1135 18th Street, but also other properties.
- C. The **City** has determined that the installation of the sanitary sewer line avoided increased costs and disruption of public service because it was integrally related to and coordinated with the development of properties other than 1135 18th Street.
- D. The City Council adopted Resolution No. 04-\_\_\_ on \_\_\_\_\_ which established the eligible amount of reimbursement to Applicant in the amount of \$15,185. Said Resolution further

established the real properties which are subject to use of the sewer main and the amount to be reimbursed to **Developer**. Resolution 04-\_\_\_ is attached hereto and is incorporated herein by reference.

### Agreements

NOW, THEREFORE, THE **CITY** AND **DEVELOPER** HEREBY AGREE AS FOLLOWS:

#### Section 1. Sanitary Sewer Line.

**Developer** has caused to be designed, constructed and installed the sanitary sewer line. The sanitary sewer line is specifically described in Exhibit A, incorporated herein by reference, and is generally described as a sanitary sewer line that serves 1135 18<sup>th</sup> Street and other properties to the to the west of 1135 18th Street. Those properties which are served by the sanitary sewer line (the “Served Properties”) are shown generally on the map attached hereto as Exhibit A, and listed as Exhibit “B” incorporated herein by reference.

Construction of the sanitary sewer line has been undertaken and completed in accordance with the plans approved by the City Engineer.

#### Section 2. Plans; Permits.

Prior to the commencement of construction and installation of the sanitary sewer line, **Developer** has caused to be prepared plans and specifications to the **City** for its approval. In addition, **Developer** has secured any and all permits as required by the **City** or any other governmental agency affected by such construction. **City** has provided all proper assistance to **Developer** in securing these permits.

#### Section 3. Insurance; Indemnification

Prior to the commencement of construction of the sanitary sewer line, **Developer** has furnished, or caused to be furnished, to the **City** duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amounts specified by the **City**, naming the **City** as an additional insured. The policy limits of

such policies may be in lesser amounts if **Developer** shall provide the **City** with duplicate originals or appropriate certificates of a binder (approved by the **City**) which indemnifies and holds the **City** harmless from and against all liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person, or to the property of any person, which shall occur on or adjacent to the construction site and which shall be directly or indirectly caused by any acts done thereon, or by any errors or omissions of **Developer** and its agents, servants, employees and contractors, and which provides for the defense of the **City** against all claims or causes of action arising therefrom. Such insurance policies have been maintained and kept in force, and such obligation to indemnify was continuous, during periods of construction of the sanitary sewer line, and until **City** has approved and accepted the sanitary sewer line.

**Section 4. Nondiscrimination**

**Developer**, for itself and its successors and assigns, agrees that in the construction of the sanitary sewer line, **Developer** did not and will not discriminate, and will not permit its contractors and subcontractors to discriminate, against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

**Section 5. Reimbursement for the Sanitary Sewer Line.**

In consideration of the undertakings of **Developer** under Section 1 of this **Agreement**, **City** agrees to reimburse, or cause to be reimbursed, to **Developer** a portion of the costs actually incurred by **Developer** for construction of the Sanitary Sewer Line (the "Reimbursement Amount"). The Reimbursement amount shall be determined as set forth below.

The costs actually incurred by **Developer** for construction of the Sanitary Sewer Line (the "**Developer's** Costs") shall be determined based upon evidence submitted by the **Developer**. Upon completion of the Sanitary Sewer Line, **Developer** shall submit to the **City** documentation reasonably satisfactory to the **City** evidencing the cost of the Sanitary Sewer Line.

Following a determination of the **Developer's** Costs, the **City** and **Developer** shall meet and confer in order for the **City** to determine the Reimbursement Amount to be paid to **Developer**. The Reimbursement Amount shall be based on an allocation of the **Developer's** Costs to all of the properties served by the sanitary sewer.

**Section 6. Compliance with Law.**

**Developer** states that they have complied with all laws applicable to the construction of the improvements and work to be completed as described in this **Agreement**.

**Section 7. Termination of this Agreement.**

This **Agreement** and the obligations of **Developer** and the **City** hereunder shall terminate upon the payment by the **City** of the full Reimbursement Amount or within ten (10) years from the date of this Agreement.

**Section 8. Applicable Law.**

This **Agreement** shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by any party for a breach of this **Agreement** or to enforce any provision herein, the prevailing party in such action shall be entitled to reasonable attorneys' fees and such other costs as may be determined by a court of competent jurisdiction.

IN WITNESS WHEREOF, **Developer** and the **City** have executed this **Agreement** as of the date first above written.

**CITY:**

CITY OF EL PASO DE ROBLES,  
a municipal corporation

By \_\_\_\_\_  
Frank R. Mecham, Mayor

Attest:

By: \_\_\_\_\_  
Sharilyn M. Ryan, Deputy City Clerk

**DEVELOPER:**

a \_\_\_\_\_

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

Its: \_\_\_\_\_

**[Signatures Must be Notarized]**

EXHIBIT "B"

PROPERTIES TO BE SERVED BY  
SANITARY SEWER LINE IMPROVEMENTS  
REIMBURSEMENT AREA

<b>Assessor Parcel Numbers</b>	<b>Property Identification</b>	<b>UNITS / SHARES</b>
APN 008-243-018,019,021	Thomas, Chris	4
APN 008-243-020		2
APN 008-243-017		2
APN 008-243-005		1
	Total Shares	9

<b>Description</b>	<b>Cost</b>
Engineering & Surveying	\$4,765.00
Plan Review & Inspection	1,000.00
Sewer	18,000.00
Paving	3,568.00
Total Cost	\$27,333.00

Total Cost \$27,333 ÷ 9 Shares = \$3,037 per unit

\$3,037 per unit x 5 other participating shares = \$15,185 Maximum amount of reimbursement

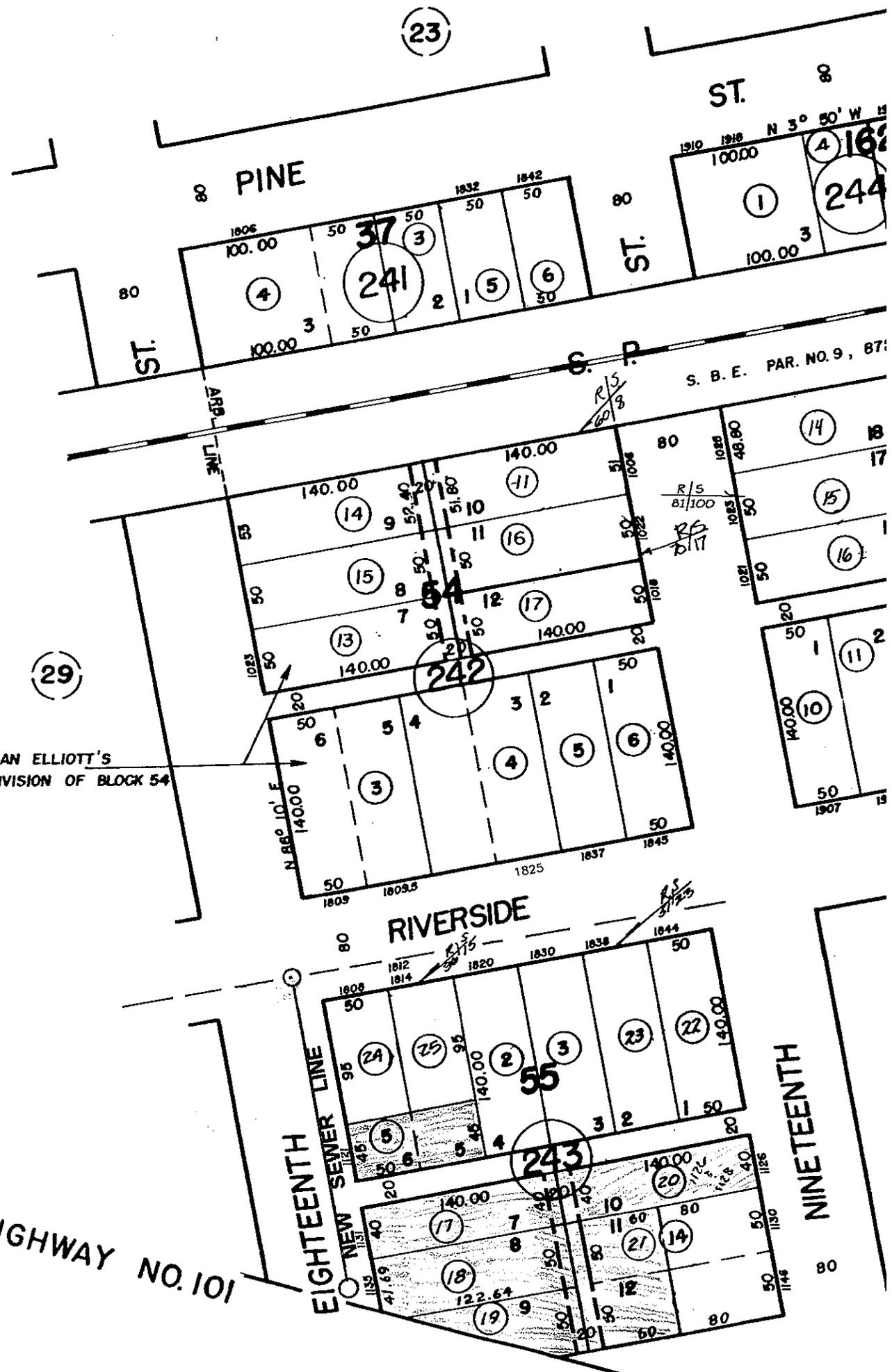
EXHIBIT "A"

SANITARY SEWER LINE IMPROVEMENTS

NATHAN ELLIOTT'S  
SUBDIVISION OF BLOCK 54

(29)

(23)



U. S. HIGHWAY NO. 101