

**TO:** James L. App, City Manager  
**FROM:** Doug Monn, Director of Public Works  
**SUBJECT:** Reimbursement Agreement for Sewer Line  
Pine Street Alley, Belmont  
**DATE:** November 21, 2006

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**Needs:** For the City Council to consider establishing a Reimbursement Agreement for the sewer line constructed in the alley west of Pine Street, between 10<sup>th</sup> and 11<sup>th</sup> Streets.

**Facts:**

1. In 2004, Keith Belmont in association with Hastings Enterprises, remodeled the existing building at 828 to 836 11<sup>th</sup> Street.
2. Belmont constructed a new sewer line in the alley south of 11<sup>th</sup> Street, westerly from Pine Street, in accordance with plans approved by the City Engineer.
3. The sewer line provides sewer availability for the Stables Hotel currently under construction on Pine Street adjacent to the south side of the subject alley. Belmont has requested that a reimbursement agreement be established in order for the Hotel 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. The property benefiting from the Sewer Line Improvements has been identified in the proposed Agreement as “Exhibit B - Served Properties”.

**Analysis  
and**

**Conclusion:** The sewer line and appurtenances constructed by Keith Belmont, in the alley west of Pine Street between 10<sup>th</sup> and 11<sup>th</sup> Streets, benefits the property immediately to the south by providing access to the sewer.

The cost for the construction of the sewer line and appurtenances, provided by Belmont, has been reviewed and is recommended for acceptance. The “Sewer Line Improvements” (Exhibit “A”) accurately represents the property that will benefit from the construction of the sewer line.

**Policy**

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

**Fiscal**

**Impact:** None.

- Options:**
- a. Adopt the attached Resolution No. 06-xxx establishing the Pine Street Alley Sewer Reimbursement and authorize the Mayor to enter into an Agreement with Keith Belmont 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: (3)

1. Letter from Belmont
2. Resolution
3. Reimbursement Agreement including Exhibit A – Project Sewer Line Improvements and Exhibit B – Served Properties

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**

THIS **REIMBURSEMENT AGREEMENT** (the “**Agreement**”) is entered into this 21<sup>st</sup> day of November, 2006, by and between the **CITY OF EL PASO DE ROBLES**, a municipal corporation (the “**City**”), and **Keith Belmont**, (“**Developer**”).

### **Recitals**

- A. **Developer** has constructed a sewer line in the alley west of Pine Street and south of 11<sup>th</sup> Street, within the limits of the **City**.
- B. In accordance with Municipal Code policy, **Developer** has constructed a sewer line that would serve not only his development at 828-836 11<sup>th</sup> Street, but also adjacent properties. In accordance with Title 14 of the Municipal Code, the **Developer** has requested reimbursement for the proportional shares of cost for installing the sewer line.
- C. The **City** has determined that the installation of the sewer line will benefit adjacent properties south of the alley.
- D. The City Council adopted Resolution No. 06-xxx on November 21, 2006 which established the eligible amount of reimbursement to Applicant in the amount of \$8,895. Said Resolution further established the real properties which are subject to probable future use of the sewer main and the amount to be collected from each individual property owners connection to the sewer line. Resolution No. 06-xxx is attached hereto and is incorporated herein by reference.

SewerReimbursementAgreementBelmontPineStreetAlley 11-21-06.DOC

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## Agreements

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

### Section 1. Sewer Line

**Developer** has caused to be designed, constructed and installed the sewer line Improvements. The sewer line is more specifically described in Exhibit A, incorporated herein by reference, and are generally described as a sewer line needed to serve properties along the alley west of Pine Street, south of 11<sup>th</sup> Street and north of 10<sup>th</sup> Street. Those properties which are anticipated to be served by the sewer line (the “**Served Properties**”) are shown generally on the map attached hereto as Exhibit B, incorporated herein by reference.

Construction of the sewer line has been undertaken and completed in accordance with the **City**’s Sewer Master Plan, and approved by the City Engineer.

### Section 2. Plans; Permits

Prior to the commencement of construction and installation of the 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 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 sewer line, and until **City** has approved and accepted the sewer line.

**Section 4. Nondiscrimination**

**Developer**, for itself and its successors and assigns, agrees that in the construction of the 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 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 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 sewer line (the “**Developer’s Costs**”) shall be determined based upon evidence submitted by the **Developer**. Upon completion of the sewer line, **Developer** shall submit to the **City** documentation reasonably satisfactory to the **City** evidencing the cost of the 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**, and the amount of fees to be charged by the **City** for future connections to the sewer facilities and use of the sewer line and paid to the **Developer** (the “**Reimbursement Fees**”). The **Reimbursement Amount** and **Reimbursement Fees** shall be based on an allocation of the **Developer’s Costs** to all of the units developed or to be developed on the **Served Properties**.

The **City** shall establish a reimbursement account for **Developer** and, upon receipt of the **Reimbursement Fees** from developers of the **Served Properties**, such amounts shall be

deposited into the **Developer**'s reimbursement account. All **Reimbursement Fees** credited to **Developer**'s reimbursement account shall be disbursed to **Developer** on a semi-annual basis; provided in no event shall the total aggregate amount of **Reimbursement Fees** paid to **Developer** exceed the total **Reimbursement Amount** to be determined as set forth above in this Section 5.

Notwithstanding the foregoing, **Developer** acknowledges and agrees that payment by the **City** of all or any portion of the **Reimbursement Amount** is conditioned solely on the **City**'s receipt of **Reimbursement Fees** for future connections to the sewer facilities. **City** shall have no obligation to pay any amounts to **Developer**, except to the extent that **Reimbursement Fees** are actually collected by **City** from owners and/or developers of the **Served Properties**.

**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 earlier to occur of:

- a.     Payment by the **City** of the full **Reimbursement Amount**; or
- b.     Ten (10) years from the date of acceptance by the **City** of the sewer line.

**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

Approved as to Form:  
By Iris P. Yang, City Attorney

Attest:

By: \_\_\_\_\_  
Deborah D. Robinson  
Deputy City Clerk

**DEVELOPER:**

By: \_\_\_\_\_  
Keith Belmont

[Signatures Must be Notarized]

**EXHIBIT A**

**PROPERTIES TO BE SERVED BY**  
**SANITARY SEWER LINE IMPROVEMENTS**  
**REIMBURSEMENT AREA**

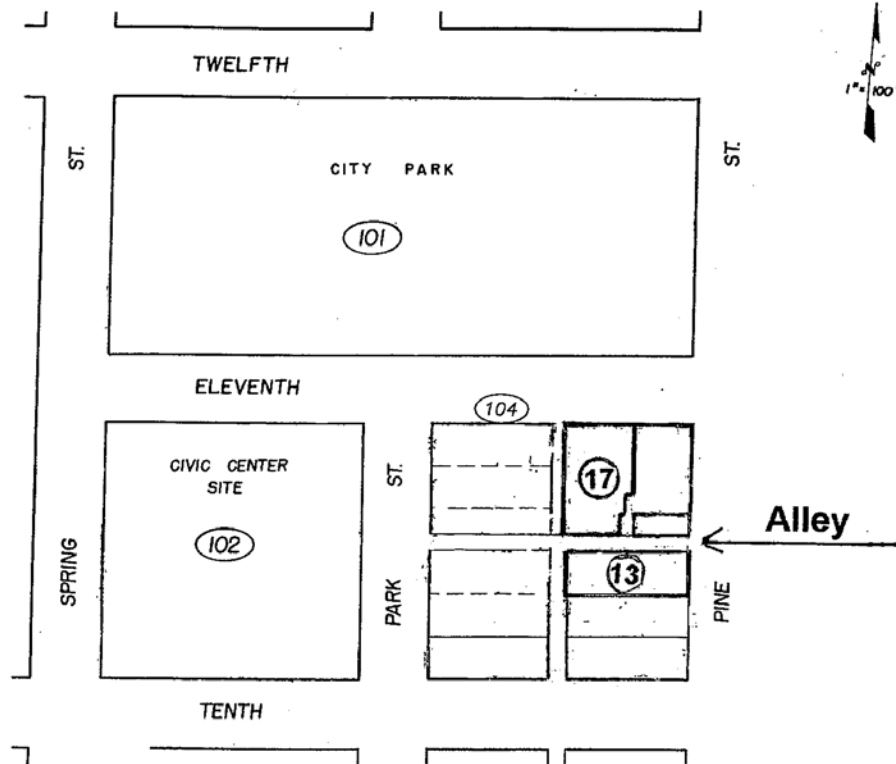
<b>Assessor Parcel Numbers</b>	<b>Property Identification</b>	<b>UNITS/SHARES</b>
APN 009-104-017	828-836 11 <sup>th</sup> Street	1
APN 009-104-013	1021 Pine Street	1
	Total Shares	2

Total Cost \$17,790 ÷ 2 Shares = 8,895 per unit



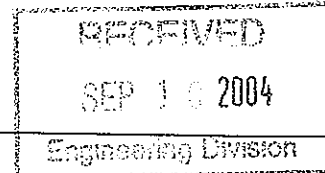
EXHIBIT B

MAP OF PROPERTIES TO BE SERVED BY  
SANITARY SEWER LINE IMPROVEMENTS



9-10

**S. Keith Belmont**



10 September 2004

John Falkenstien  
City Engineer  
City of Paso Robles  
1000 Spring St.  
Paso Robles, CA 93446

**11<sup>th</sup> ALLEY STREET SEWER MAIN  
REQUEST FOR REIMBURSEMENT**

Dear John:

This letter is to request the City enter into a sewer main reimbursement agreement for the installation of a sewer main in the alley between 10 & 11<sup>th</sup> Street, west of Pine St. The \$17,790.00 request represents the total labor and material costs.

As you know, when we re-modeled 828 - 836 11<sup>th</sup> Street, we installed a sewer main in the alley, to City standards. In addition to our building, we connected the "Goodwill Building" to the new main. We also left a connection for a future building for the property due south of us.

Our contractor has broken out the costs for the installation, which was part of a larger project. I have attached their estimate, and submit them with this letter for your review.

Please let me know if you need any further information (237-4040). Or, if you have any specific questions on the attachments, you may call Marty Landis directly at 239-0490.

Very truly yours,

A handwritten signature in black ink, appearing to be "SKB", written over a horizontal line.

S. Keith Belmont

Attachments: Sewer Main Costs, letter from Landis 8 Sep 2004  
Cc: Marty Landis w/o attachments

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1111 Riverside Ave., Suite 500  
Paso Robles, CA 93446  
(805) 237-4040 \* (805) 237-4041

F:\FILES\11th Street\11th sewer main reimb ltr to JF.doc

RESOLUTION NO. 06-xxx

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 THE ALLEY WEST OF PINE STREET AND SOUTH OF 11<sup>TH</sup> STREET  
(BELMONT)

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WHEREAS, in accordance with Municipal Code policy, Keith Belmont has constructed a sewer line and appurtenances described in “Exhibit A – Sewer Line Improvements” in order to provide City sewer service to 828-836 11<sup>th</sup> Street; and

WHEREAS, the sewer line and appurtenances constructed by Keith Belmont 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, Keith Belmont 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 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 Keith Belmont is \$8,895.
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 the property south of the alley (APN 009-104-013) is \$8,895.
4. 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.
5. 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 the City shall collect from those real properties identified in Exhibit “B” who connect to said sewer line the amount of \$8,895. These fees shall be collected upon the issuance of certificate of occupancy.

SECTION 3. The total aggregate amount to be paid to Keith Belmont, under the Reimbursement Agreement shall not exceed \$8,895.

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 November 21, 2016.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 21<sup>st</sup> day of November, 2006 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Deborah D. Robinson, Deputy City Clerk