

CITY OF YUBA CITY  
STAFF REPORT

**Date:** November 6, 2007  
**To:** Honorable Mayor & Members of the City Council  
**From:** Public Works  
**Presentation by:** George Musallam, Public Works Director

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**Summary**

**Subject:** Reimbursement Agreement – River Valley High / Commercial Area

- Recommendation:**
- a. Adopt a resolution approving the execution of a Reimbursement Agreement with Roy E. Lanza, Jaswant S. Bains, Yuba City Unified School District, and Calvary Christian Center.
  - b. Authorize the Chief Financial Officer to make a supplemental appropriation as fees are collected to support payment of pass through to Developer.
  - c. Authorize payment to Yuba City Unified School District in the amount of \$118,159.06 for oversizing the water and sewer lines in the River Valley High School area.
  - d. Authorize payment to Roy Lanza in the amount of \$18,200 for oversizing of a sewer line in the River Valley Commercial area.

**Fiscal Impact:** Total - \$136,359.06  
\$39,333.24 – Account No. 981035-65501 (Developer Contribution – Sewer Schedule B Obligation)  
\$97,025.82 – Account No. 97003-65501 (Water Line Extension Project & Distribution Piping Enhancement)

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**Background:**

In 2004, with the construction of River Valley High School, Yuba City Unified School District provided for the design and construction of 12” and 14” water lines and 12” and 18” sewer lines on El Margarita Road from 1,100’ south of Spirit Drive to State Route 20.

In 2005, with the construction of the public improvements associated with the River Valley Commercial Center, Roy Lanza provided for the design and construction of an 18” sewer line in Harter Parkway from State Route 20 to Spirit Drive.

**Analysis:**

The required improvements will benefit an area much larger than River Valley High School and the River Valley Commercial Center. The proposed Reimbursement Agreement is the City’s standard 15-year agreement obligating the City to make reimbursement to the Developer contingent upon the

City's ability to collect the fees from the affected property owners if and when their property develops. At the time that both of these projects were developed, standard practice for the City was to pay oversizing fees for pipes constructed that are larger in diameter than required for the proposed project. This paid for the difference of the minimum size line required for the project and the size of line requested to be developed by the City in order to serve future development. This was typically handled through Schedule B of the Subdivision Agreement.

With both River Valley High School and River Valley Commercial, there was never a formal agreement between the City and the developers to pay oversizing fees. However, former staff expressed to the developers that the City would pay oversizing fees, as that was the City's standard practice.

The amount of \$118,159.06 in oversizing reimbursement to Yuba City Unified School District is based on the following:

Description	Length	Oversize Cost/Lineal Foot	Total
14" Water Line	3,614 LF	\$10.76	\$38,886.64
12" Water Line	70 LF	\$6.38	\$446.60
18" Sewer Line	2,285 LF	\$29.12	\$66,539.20
12" Sewer Line	1,119 LF	\$10.98	\$12,286.62
Total:			\$118,159.06

The amount of \$18,200 in oversizing reimbursement to Roy Lanza is based on the following:

Description	Length	Oversize Cost/Lineal Foot	Total
18" Sewer Line	625 LF	\$29.12	\$18,200
Total:			\$18,200

The oversizing cost is based upon a matrix developed by staff that takes into account the cost in the difference between the minimum size line required and the size of line requested by the City.

The City's practice is to also execute a Reimbursement Agreement to pass through any extension fees collected from property owners adjacent to the water or sewer lines to pay for their half of the lines. The subject Reimbursement Agreement identifies the properties that will benefit from the constructed water and sewer lines, and identifies the amounts owed by each property owner should they connect to water or sewer. The reimbursement amount is based on the City's adopted extension fees and is calculated based on the front footage of each property. The Agreement specifies payment to Lanza, Bains, Yuba City Unified School District, and Calvary Christian Center because they have a private Development Agreement for disbursement of costs and reimbursements.

**Fiscal Impact:**

There is currently \$475,349.33 available in Account No. 981035-65501 (Developer contribution – Sewer Schedule B obligation), taking into account the Schedule B obligation for Tres Picos Estates. With the payment of \$39,333.24, there will be \$436,016.09 remaining which is not currently programmed for other projects.

There is currently \$1,074,059.15 available in Account No. 97003-65501 (Water Line Extension Project & Distribution Piping Enhancement). With the payment of \$97,025.82, there will be \$977,033.33 remaining for programmed projects in the FY 2007-08 Capital Improvement Program.

**Alternatives:**

Approve the execution of a Reimbursement Agreement, do not authorize payment to Yuba City Unified School District or Lanza for oversizing of the water and sewer lines, and direct staff to prepare a Reimbursement Agreement for payment to Yuba City Unified School District for oversizing of the water and sewer lines.

**Recommendation:**

Adopt a resolution approving the execution of a Reimbursement Agreement with Roy E. Lanza, Jaswant S. Bains, Yuba City Unified School District, and Calvary Christian Center, authorize the Chief Financial Officer to make a supplemental appropriation as fees are collected to support payment of pass through to Developer, authorize payment to Yuba City Unified School District for oversizing the water and sewer lines in the River Valley High School area, and authorize payment to Roy Lanza for oversizing of a sewer line in the River Valley Commercial area.

Prepared by:

Diana Langley  
Diana Langley  
Principal Engineer

Submitted by:

SRJ  
Steven R. Jepsen  
City Manager

Reviewed by:

Department Head

Finance

City Attorney

OM  
MB  
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RIVER VALLEY HIGH / COMMERCIAL AREA

WATER AND SEWER

REIMBURSEMENT AGREEMENT

This Agreement is made and entered into this 6th day of November, 2007, by and between the City of Yuba City, hereinafter called City, and ROY E. LANZA, TRUSTEE, JASWANT S. BAINS, TRUSTEE, YUBA CITY UNIFIED SCHOOL DISTRICT, AND CALVARY CHRISTIAN CENTER, hereinafter called Developer.

WITNESSETH:

WHEREAS, it is the intention of the Developer to construct water and sewer lines in and along El Margarita Road; and

WHEREAS, said street improvements and lines as shown on Drawing No. 4813-D, approved by the City Engineer and on file in his office, are to be constructed by the Developer completely at his own expense; and

WHEREAS, the above-mentioned water and sewer lines would benefit certain other properties when they are developed. A determination of the areas and locations of the properties that would benefit from these improvements has been made and is shown on the attached map and Reimbursement Distribution Schedule.

All fees collected by the City when said properties develop as shown on the attached Reimbursement Distribution Schedule will be mailed to the address of that Developer within thirty (30) days of collection. It is the responsibility of the Developer to notify the City Finance Department of any change of address.

It is understood and agreed by and between the parties hereto that City's obligation to make reimbursement to Developer is expressly contingent on said properties developing. Only in the event properties develop and pay their proportionate cost as reflected in the attached schedule shall there be an obligation or responsibility on City to make reimbursement and/or payment to Developer and then only to the extent of such payment.

The City shall not be held to this Agreement after fifteen (15) years from the date of this agreement.

In witness whereof, the parties to these presents have hereunto set their hands this year and date first above written.

CITY OF YUBA CITY, A MUNICIPAL CORPORATION

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

By: \_\_\_\_\_  
City Clerk

ROY E. LANZA

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

JASWANT S. BAINS

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

YUBA CITY UNIFIED SCHOOL DISTRICT

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

CALVARY TEMPLE ASSEMBLY OF GOD

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

Reimbursement to be Distributed as Follows to Developer:

**32.5%**

Roy E. Lanza, Trustee &  
Jaswant S. Bains, Trustee  
c/o Hust Bros.  
P.O. Box 591  
Marysville, CA 95901

**45.6%**

Yuba City Unified School  
District  
750 Palora Avenue  
Yuba City, CA 95991

**21.9%**

Calvary Christian Center  
2620 Colusa Highway  
Yuba City, CA 95993

REIMBURSEMENT DISTRIBUTION SCHEDULE

WATER LINE REIMBURSEMENT DISTRIBUTION

<b>ID</b>	<b>A.P.#</b>	<b>Property Address</b>	<b>Front Footage</b>	<b>Reimbursement Amount @ \$48.03/LF</b>
1	63-010-082	944 El Margarita Road	145'	\$6,964.35
2	63-010-015	924 El Margarita Road	160'	\$7,684.80
3	63-010-016	908 El Margarita Road	160'	\$7,684.80
4	63-010-017	888 El Margarita Road	161'	\$7,732.83
5	63-010-024	868 El Margarita Road	111'	\$5,331.33
6	63-010-018	856 El Margarita Road	697'	\$33,476.91
7	63-010-058	770 El Margarita Road	150'	\$7,204.50
8	63-010-059	736 El Margarita Road	180'	\$8,645.40
<b>Total:</b>				<b>\$84,724.92</b>

SEWER LINE REIMBURSEMENT DISTRIBUTION

<b>ID</b>	<b>A.P.#</b>	<b>Property Address</b>	<b>Front Footage</b>	<b>Reimbursement Amount @ \$49.30/LF</b>
1	63-010-082	944 El Margarita Road	145'	\$7,148.50
2	63-010-015	924 El Margarita Road	160'	\$7,888.00
3	63-010-016	908 El Margarita Road	160'	\$7,888.00
4	63-010-017	888 El Margarita Road	161'	\$7,937.30
5	63-010-024	868 El Margarita Road	111'	\$5,472.30
6	63-010-018	856 El Margarita Road	697'	\$34,362.10
7	63-010-058	770 El Margarita Road	150'	\$7,395.00
8	63-010-059	736 El Margarita Road	180'	\$8,874.00
<b>Total:</b>				<b>\$86,965.20</b>

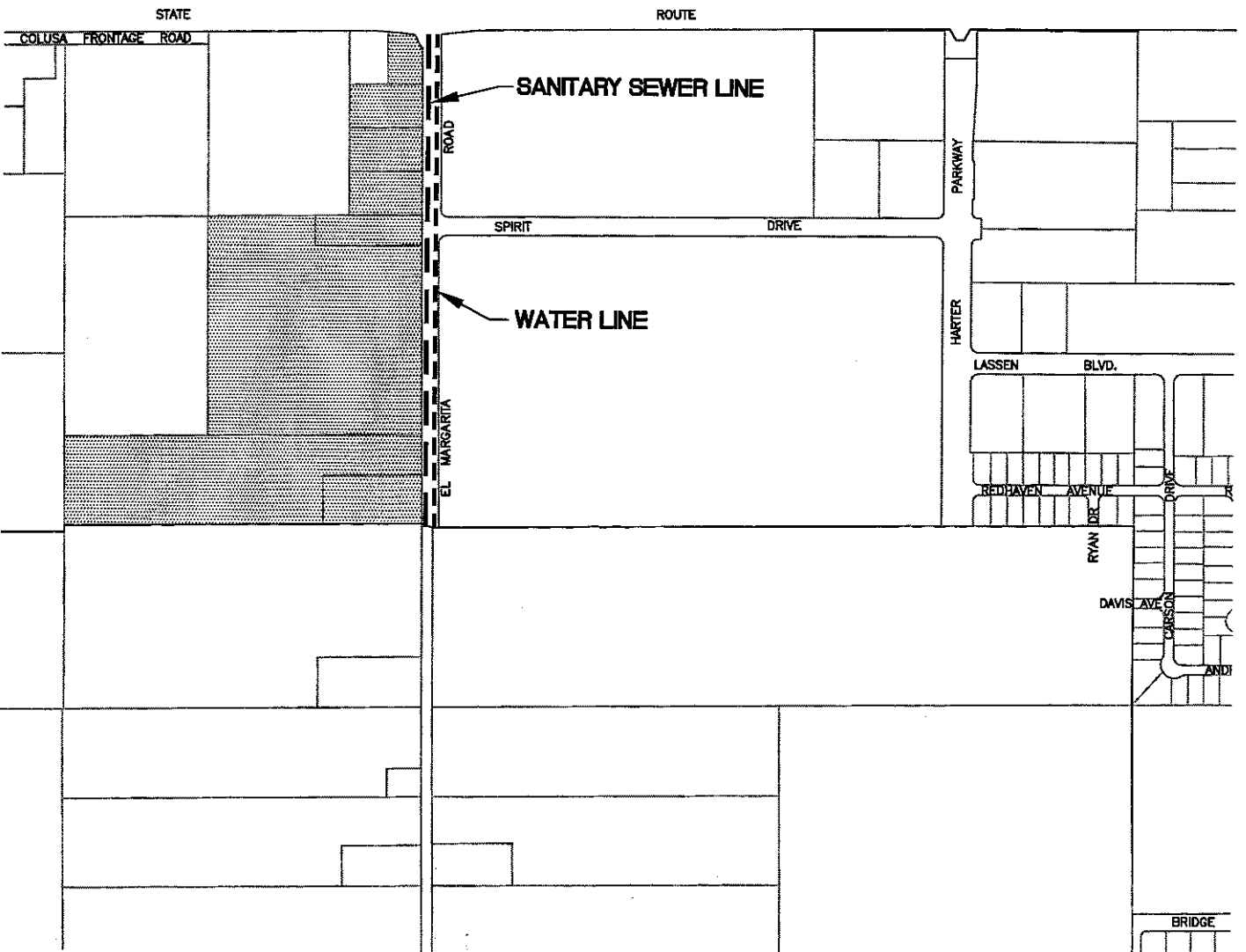
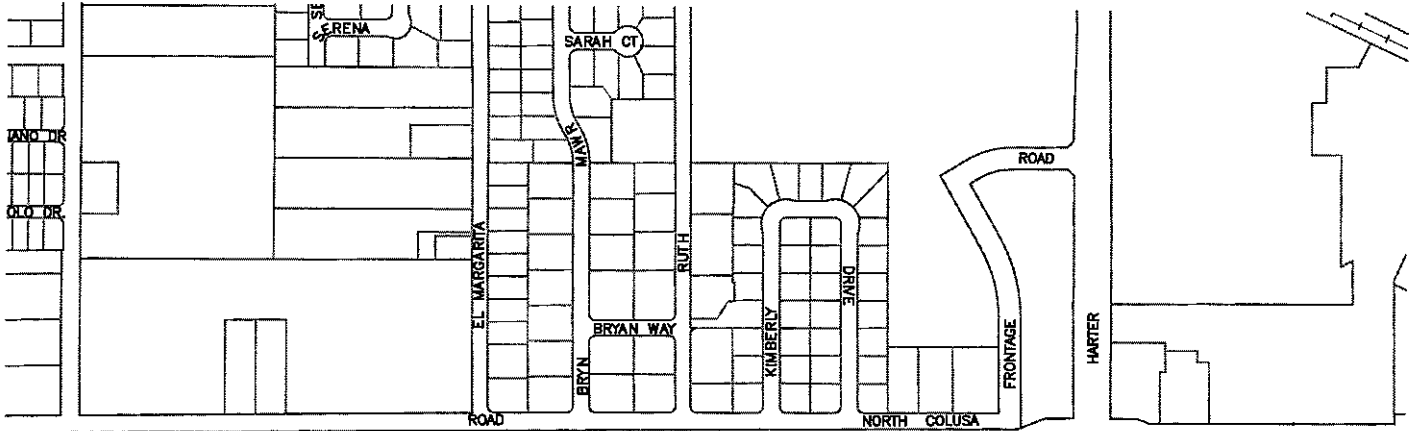
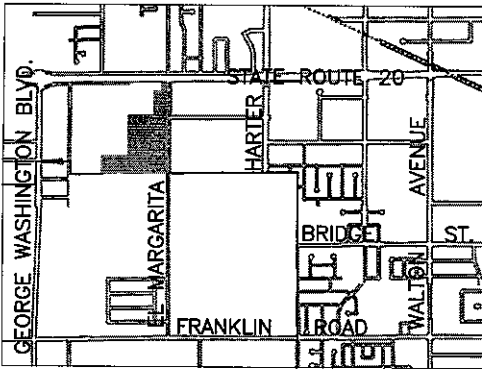
**TOTAL**

**\$171,690.12**

RIVER VALLEY COMMERCIAL AREA  
WATER AND SEWER  
REIMBURSEMENT AGREEMENT



SCALE: 1" = 600'



RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
AUTHORIZING EXECUTION OF THE RIVER VALLEY HIGH /  
COMMERCIAL AREA REIMBURSEMENT AGREEMENT WITH ROY E.  
LANZA, JASWANT S. BAINS, YUBA CITY UNIFIED SCHOOL DISTRICT,  
AND CALVARY CHRISTIAN CENTER

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF  
YUBA CITY AS FOLLOWS:

That the Mayor and City Clerk be, and they are hereby authorized and directed to execute on behalf of the City of Yuba City that certain River Valley High / Commercial Area Reimbursement Agreement between the City of Yuba City and Roy E. Lanza, Jaswant S. Bains, Yuba City Unified School District, and Calvary Christian Center.

That a copy of said River Valley High / Commercial Area Reimbursement Agreement is on file at the City Clerk's office.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 6<sup>th</sup> day of November 2007.

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK