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DEPARTMENT OF
PUBLIC WORKS

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

September 5, 1989

916-449-5283

Budget and Finance/Transportation
and Community Development Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: RESOLUTION APPROVING A REIMBURSEMENT AGREEMENT TO PURCHASE NORTH
NATOMAS WATER STORAGE AND TRANSMISSION FACILITIES**

SUMMARY

This report recommends that the Joint Committees review and recommend that an agreement with the Capital Gateway Ownership Group for the purpose of acquiring certain water storage and water transmission facilities in North Natomas be adopted by the full City Council. The attached resolution also recommends that funds in the amount of \$2,010,152 be advanced to the project for reimbursement payments to Capital Gateway. This item is scheduled to be heard by the City Council at their regularly scheduled meeting this same day, September 5, 1989.

BACKGROUND

Please see the attached City Council report dated September 5, 1989.

FINANCIAL

Please see the attached City Council report dated September 5, 1989.

POLICY CONSIDERATIONS

The subject agreement for reimbursement is consistent with Section 47.321(e) of the City Code. There are no new policy consideration involved with this item.

MBE/WBE

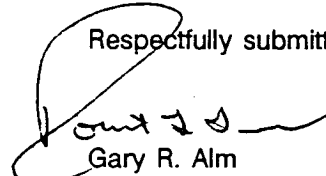
MBE/WBE goals are not applicable.

Budget and Finance/Transportation
and Community Development Committee
September 5, 1989
Page 2

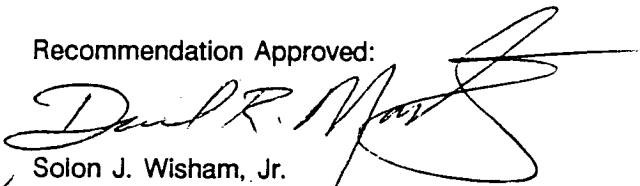
RECOMMENDATION

It is recommended that the Joint Committees recommend to the full City Council the adoption of the attached resolution which approves the Reimbursement and Warranty Agreement, authorizes the agreement to be executed, and authorizes the City Manager and the Director of Finance to expend funds from the Reservoir and Pump Station Project (PN:ZC26) as they become available until reimbursement to the Capital Gateway Ownership Group is completed.

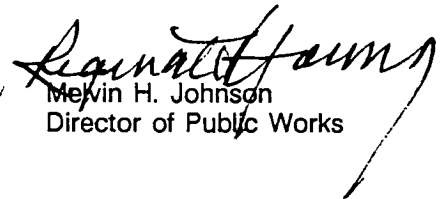
Respectfully submitted,


Gary R. Alm
Senior Engineer

Recommendation Approved:

for 
Solon J. Wisham, Jr.
Assistant City Manager

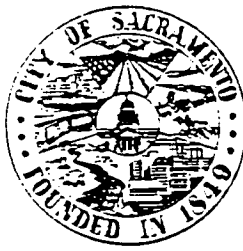
Approved:

for 
Melvin H. Johnson
Director of Public Works

Contact Person:

Gary Alm, Senior Engineer
449-8732

September 5, 1989
DISTRICT 1



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September 5, 1989

916-449-5283

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RESOLUTION APPROVING A REIMBURSEMENT AGREEMENT TO PURCHASE NORTH NATOMAS WATER STORAGE AND TRANSMISSION FACILITIES

SUMMARY

This report recommends that Council approve an agreement with the Capital Gateway Ownership Group for the purpose of acquiring certain water storage and water transmission facilities in North Natomas. It also recommends that funds in the amount of \$2,010,152 be advanced to the project for reimbursement payments to Capital Gateway.

BACKGROUND

The Capital Gateway Ownership Group (the "developers") have constructed a three million gallon water tank, a booster pump station, and 1236 linear feet of 36-inch water transmission main in the North Natomas Community Plan Area. The facilities conform to the City's Master Water Plan for North Natomas and are needed to serve development of the area.

The facilities are considered primary water infrastructure and would normally be provided by the City through the Capital Improvement Program as the community develops. In this case, the developers have constructed the facilities in advance and are willing to convey ownership to the City in return for reimbursement as provided in the subject agreement. The agreement also stipulates that the developers will provide a one-year warranty on design and construction of the facilities.

FINANCIAL

The total reimbursable cost for design and construction is summarized as follows:

Water Tank and Pump Station	\$1,400,000
Water Tank Site (2.06 acres)	500,000
36-inch Water Transmission Main	<u>110,152</u>
Total Acquisition Cost	\$2,010,152

Under the agreement, the developers will be reimbursed \$500,000 in cash at the time of acceptance. This funding is currently available in the Reservoir and Pump Project (PN:ZC26). The remaining balance of \$1,510,152, including accrued interest, will be reimbursed to the developers in annual installments from the City Water Development Fund. The amount of each annual installment will be dependent upon the availability of funds from Water Development Fee revenue. The agreement requires that the reimbursement is to be completed within a ten-year period.

The purchase of the water storage facilities and the water tank site with Water Development Fee Revenue will be part of the North Natomas Financing Plan. Council action on the Financing Plan is scheduled this fall in conjunction with the North Natomas Mello Roos District.

POLICY CONSIDERATIONS

The subject agreement for reimbursement is consistent with Section 47.321(e) of the City Code. There are no new policy considerations involved with this item.

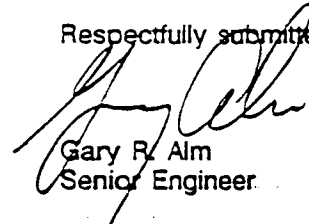
MBE/WBE

MBE/WBE goals are not applicable.

RECOMMENDATION

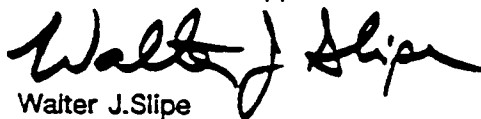
It is recommended that Council adopt the attached resolution to approve the Reimbursement and Warranty Agreement, authorize the agreement to be executed, and authorize the City Manager and the Director of Finance to expend funds from the Reservoir and Pump Station Project (PN:ZC26) as they become available until reimbursement to the Capital Gateway Ownership group is completed.

Respectfully submitted,



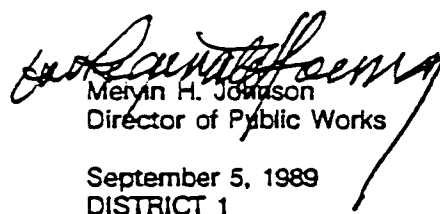
Gary R. Alm
Senior Engineer

Recommendation Approved:



Walter J. Slipe
City Manager

Approved:



Mervin H. Johnson
Director of Public Works

Contact Person:

Gary Alm, Senior Engineer
449-8732

September 5, 1989
DISTRICT 1

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING REIMBURSEMENT AND WARRANTY AGREEMENT RELATIVE TO ACQUISITION OF NORTH NATOMAS WATER STORAGE AND TRANSMISSION FACILITIES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. This Council hereby approves that certain Reimbursement and Warranty Agreement dated _____ 1989 by and between the City of Sacramento and Capital Gateway Ownership Group, on file with the City Clerk.
2. The City Manager is authorized to sign said agreement and the City Clerk is authorized to attest its execution.
3. The City Manager and Director of Finance are authorized and directed to expend funds this fiscal year from the Reservoir and Pump Station Project (413-500-ZC26-4820) in the amount of \$500,000 to make the initial payment for the subject agreement.

MAYOR

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____