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Department of Utilities  
Engineering Services Division

CITY OF SACRAMENTO  
CALIFORNIA

1395 35<sup>th</sup> Avenue  
Sacramento, CA 95822-2911  
phone (916) 264-1400  
(916) 264-1497/1498

**APPROVED**  
MAY 23 2000  
OFFICE OF THE  
CITY CLERK

May 9, 2000

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: AUTHORIZATION FOR CITY MANAGER TO EXECUTE A CREDIT AGREEMENT  
WITH LENNAR WINNCREST LLC FOR CONSTRUCTION OF WATER FACILITIES**

**LOCATION AND COUNCIL DISTRICT:**

District 1 (see attached map)

**RECOMMENDATION:**

Staff recommends that the City Council authorize the City Manager and City Clerk to execute a credit agreement for construction of water facilities between the City and Lennar Winncrest LLC.

**CONTACT PERSON:** Gary Reents, Division Manager, 264-1433  
Dave Brent, Supervising Engineer, 264-1420

**FOR COUNCIL MEETING OF:** May 23, 2000

**SUMMARY**

Lennar Winncrest LLC (Lennar) has constructed several large water transmission mains in the North Natomas area that serve portions of the area beyond their project. Typically, the City would construct these facilities over time using funds generated from Water System Development Fees (Fees). Consistent with the North Natomas Community Plan goal of promoting development and



CITY OF SACRAMENTO  
DEPARTMENT  
OF UTILITIES

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City Council  
Credit Agreement - Lennar Winncrest LLC  
May 9, 2000

to keep pace with development in North Natomas, the City has allowed developers to construct transmission mains and be repaid over time through issuance of credits against the fees. Staff recommends that the City Council authorize the City Manager and the City Clerk to execute a Credit Agreement for Construction of Water Facilities with Lennar.

## **BACKGROUND INFORMATION**

Development in North Natomas requires an extensive system of water reservoirs, transmission mains and distribution mains. Transmission mains are the large pipes (greater than 12" diameter) that deliver water from the treatment plants and reservoirs to the system of smaller distribution mains. Typically, the Department of Utilities collects water system development fees and constructs water reservoirs and transmission mains in phases as development occurs. Because development in North Natomas is market driven and phasing of water transmission facilities is not practical, the Department has allowed developers to construct transmission mains in conjunction with subdivision improvements. The developer is reimbursed over time through a credit agreement that allots fee credits against the water system development fee.

Lennar is developing three large subdivisions in North Natomas, known as Northborough, Parkway Plaza, and Northpointe, north of Del Paso Blvd on the east and west side of Truxel Blvd. During the first phase of construction, Lennar built transmission mains in Truxel Blvd and Club Center Drive at a cost of \$1,123,434. In accordance to a "Credit Agreement for Construction of Water Facilities" (City Manger Agreement 99-216), the City assigned Lennar 620 fee credits against the water system development fee. As of April 21, 2000, these 620 credits have all been issued.

As part of phase 2 of the subdivision construction, additional transmission mains have been constructed. This new Agreement will authorize the assignment of an additional 497 fee credits for the construction of the following transmission mains and associated apparatus:

- Construction of 4,085 feet of 24-inch main in Del Paso Road at a cost of \$583,222.
- An additional 1,280 feet of 18-inch transmission main in Club Center Drive west of Truxel Road at a cost of \$131,672.
- An additional 545 feet of 24-inch main in Truxel Road north of Club Center Drive at a cost of \$65,969.
- Construction of 1,090 feet of 18-inch main on Club Center Drive east of Truxel including a bridge crossing at the East Drainage Canal for a total cost of \$137,753.

City Council  
Credit Agreement - Lennar Winncrest LLC  
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**FINANCIAL CONSIDERATIONS**

Lennar Winncrest, LLC has agreed to front the cost for and construct all the above mentioned water transmission facilities. Reimbursement for these facilities through fee credits against the water system development fee will occur as building permits for single family homes in the designated area are released. In accordance with the Agreement, each fee credit is worth 97% of the water development fee for a single family home. The remaining 3% of each development fee is retained by the City for administrative costs of the Agreement.

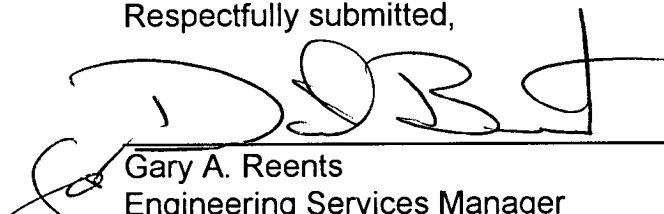
**ENVIRONMENTAL DETERMINATION**

The water transmission facilities were built in conjunction with subdivision improvements which were subject to CEQA review and approval. Authorization of fee credits to reimburse Lennar Winncrest LLC for construction cost does not result in a separate project and no additional environmental analysis is required.


**POLICY CONSIDERATIONS**

This agreement is consistent with the North Natomas Community Plan goal of promoting development in North Natomas. The agreement allows for construction of water transmission facilities in conjunction with subdivision improvements and major road construction. This approach is cost effective and compatible with the market driven development in North Natomas. Without such an agreement, construction of water transmission mains would have to be phased in over several years and would be more costly to construct.

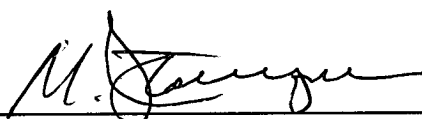
Respectfully submitted,

  
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Gary A. Reents  
Engineering Services Manager

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
Robert P. Thomas  
City Manager

APPROVED:

  
\_\_\_\_\_  
For James G. Sequeira  
Director of Utilities

**RESOLUTION NO.** 2000-257

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVED**  
MAY 23 2000  
OFFICE OF THE  
CITY CLERK

**RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE A CREDIT AGREEMENT WITH LENNAR WINNCREST LLC FOR CONSTRUCTION OF WATER FACILITIES**

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

The City Council authorizes the City Manager and the City Clerk to execute a Credit Agreement with Lennar Winncrest LLC for construction of water facilities.

\_\_\_\_\_  
MAYOR

ATTEST:

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

**FOR CITY CLERK USE ONLY**

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

DATE ADOPTED: \_\_\_\_\_

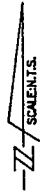
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BOUNDARY EXTENDS TO  
ELKHORN BOULEVARD

LIMITS OF CURRENT DEVELOPMENT

**NORTHBOROUGH  
PARKWAY PLAZA  
and  
NORTHPOINTE PARK**  
City of Sacramento, California



NORTHBOROUGH

NORTHPOINTE PARK

TRUXEL ROAD

PARKWAY PLAZA

DEL PASO ROAD

**LOCATION MAP -  
WATER FACILITIES CREDIT AGREEMENT  
LENNAR WINNCREST LLC**

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