

## RESOLUTION NO. 2019-0146

Adopted by the Sacramento City Council

May 14, 2019

### **Appropriating Willowcreek Fee Revenue and Associated Interest to Reimburse Engineering and Soft Costs**

#### **BACKGROUND**

- A. On May 13, 1997, the City Council adopted Resolution No. 97-227 and Ordinance No. 97-027, which formed the Willowcreek fee district and adopted the Willowcreek Financing Plan/Nexus Study (the "Finance Plan") to provide for the orderly development of the Willowcreek project area located in the South Natomas Community Plan. This area is bounded by Garden Highway on the South, the Natomas Main Drainage Canal on the East, and Interstate 80 on the West and the North, except for certain residential developments that were previously constructed in the southeast corner of the described area.
- B. Also, on May 13, 1997, the City Council adopted Resolution No. 97-228, which established the amount of the Willowcreek Fee (the "Fee") in accordance with the Mitigation Fee Act to fund drainage, sewer, water, and transportation improvements.
- C. Subsequent to adoption of the Finance Plan, several construction cost items were added to the facilities program and adjustments were made to certain land use assumptions. On October 14, 1997, the City Council adopted Resolution No. 97-576, which adopted the Amended Final Willowcreek Financing Plan/Nexus Study (the "Amended Finance Plan") that accounted for these changes and the resulting impact on the Fee amount.
- D. Fee revenue that is collected by the City is to be distributed to various fund components based on cost percentages outlined in the Amended Finance Plan. Specifically, 6.9% of Fees collected is to be distributed for "Engineering Consultant Costs" ("Engineering Costs") and 8.7% is to be distributed for "Property Owner Soft Cost Reimbursement" ("Soft Costs").
- E. The Spink Corporation provided engineering services to design the plans and specifications for the Willowcreek project area. The Amended Finance Plan specifies that the cost of these services is to be reimbursed from the Engineering Costs portion of the Fee. In 2001, the Spink Corporation was acquired by Stantec Consulting.

- F. Certain landowners in the Willowcreek project area provided advance funding of costs for the purposes of facilitating the implementation of the Amended Finance Plan, which then specifies that these advanced costs are to be reimbursed from the Soft Costs portion of the Fee.
- G. On October 14, 1997, the City Council adopted Resolution No. 97-577, authorizing the execution of the *Reimbursement Agreement by and Between the City of Sacramento, the Spink Corporation and Landowners and Former Landowners in the Willowcreek Assessment District Relating to Private Funding of Certain Willowcreek Finance Plan and Developer Project Management Costs* (“Agreement #97-167”). The City entered into Agreement #97-167 with the Spink Corporation and ten landowners to reimburse them for engineering services and advance funded costs, respectively, if sufficient amounts of the Fee are collected.
- H. Two original landowners that entered into Agreement #97-167 have assigned their reimbursement rights to other entities in specific percentages provided to the City. On March 31, 2000, Willowcreek Associates assigned portions of their future reimbursements to two other entities (Christ Unity Church and Metropolitan Life), and on October 31, 2001, John V. Diepenbrock also assigned portions of their future reimbursements to two other entities (Nelson Family Trust and Kathleen B. Diepenbrock).
- I. Pursuant to the Amended Finance Plan and Agreement #97-167, the Engineering Costs to be reimbursed to the Spink Corporation total \$494,664. As of July 1, 2018, \$160,115 is still owed the Spink Corporation after reductions based on amounts previously reimbursed. In addition, the total Soft Costs amount outlined in the Amended Finance Plan and Agreement #97-167 total \$663,702. As of July 1, 2018, \$204,180 is still owed landowners based on amounts previously reimbursed and Fee credits issued. In addition, three of the original landowners have been fully reimbursed.
- J. With the recent increase in development activity in the Willowcreek project area, staff has verified that sufficient Fee revenue has been collected to reimburse \$130,000 in Engineering Costs and \$160,000 in Soft Costs pursuant to Agreement #99-167, for a total reimbursement amount of \$290,000. The remaining \$30,115 in Engineering Costs and \$44,180 in Soft Costs will be reimbursed when future Fee revenues are sufficient to carry out such reimbursements.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that the background statements A through J are true and correct.

Section 2. The Willowcreek Project (I22206000) expenditure budget shall be increased by \$290,000 with a transfer from the Willowcreek Fee Fund (Fund 3008).

Section 3. The City Manager is hereby authorized to distribute the appropriated funds in accordance with, and to the landowners/entities identified in, Exhibit A, or their verified successors in interest as determined by the City Manager or City Manager's designee.

Section 4. Exhibit A is part of this resolution.

**Table of Contents:**

Exhibit A – Reimbursement Amounts

Adopted by the City of Sacramento City Council on May 14, 2019, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:

**Mindy Cuppy**

Digitally signed by Mindy Cuppy  
Date: 2019.05.16 11:29:57  
-07'00'

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Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

## Exhibit A

### Reimbursement Amounts

Landowner/Entity	Current Reimbursement Remaining	Amounts to be Reimbursed	Reimbursement Amount Remaining
<b>Engineering Costs</b>			
Stantec Corporation (formerly Spink)	\$160,114.86	\$130,000.00	\$30,114.86
<b>Subtotal Engineering Costs</b>	<b>\$160,114.86</b>	<b>\$130,000.00</b>	<b>\$30,114.86</b>
<b>Soft Costs</b>			
Barandas, Manuel	\$4,736.07	\$3,711.29	\$1,024.78
Camino Station	\$21,888.87	\$17,152.61	\$4,736.26
Christ Unity Church	\$40,686.94	\$31,883.20	\$8,803.74
Citation Northern	\$5,860.09	\$4,592.10	\$1,267.99
Diepenbrock, Kathleen B.	\$9,109.64	\$7,138.52	\$1,971.12
Diepenbrock, John V.	\$9,109.64	\$7,138.52	\$1,971.12
Giannoni, John & Kerry	\$2,222.05	\$1,741.25	\$480.80
Metropolitan Life	\$25,779.83	\$20,201.65	\$5,578.17
Nelson Family Trust	\$18,219.28	\$14,277.04	\$3,942.25
Sanwa Bank	\$23,601.18	\$18,494.41	\$5,106.77
Willowcreek Associates	\$42,966.38	\$33,669.42	\$9,296.96
<b>Subtotal Soft Costs</b>	<b>\$204,179.96</b>	<b>\$160,000.00</b>	<b>\$44,179.96</b>
<b>Totals</b>	<b>\$364,294.82</b>	<b>\$290,000.00</b>	<b>\$74,294.82</b>