



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 12, 2018

FROM: PUBLIC WORKS DEPARTMENT WARD: 4

SUBJECT: REIMBURSEMENT AGREEMENT FOR SEWER INSTALLATION COSTS BETWEEN THE CITY AND MOHAMMED SADEGHIAN FOR MOHAMMED SADEGHIAN TO INSTALL APPROXIMATELY 2,050 FEET OF 12-INCH DIAMETER SEWER MAIN IN VAN BUREN BOULEVARD BETWEEN FRED STREET AND LITTLE COURT – CITY TO REIMBURSE MOHAMMED SADEGHIAN AN AMOUNT NOT TO EXCEED \$563,500 TOWARDS THE COST OF THIS SEWER MAIN INSTALLATION

ISSUE:

Approve a Reimbursement Agreement for Sewer Installation Costs between the City and in Van Buren Boulevard between the City and Mohammed Sadeghian to install approximately 2,050 feet of 12-in diameter sewer main in Van Buren Boulevard between Fred Street and Little Court – City to reimburse Mohammed Sadeghian an amount not to exceed \$563,500 towards this cost of this sewer main installation.

RECOMMENDATIONS:

That the City Council:

1. Approve the Reimbursement Agreement for Sewer Installation Costs between the City and in Van Buren Boulevard between the City and Mohammed Sadeghian to install approximately 2,050 feet of 12-in diameter sewer main in Van Buren Boulevard between Fred Street and Little Court – City to reimburse Mohammed Sadeghian an amount not to exceed \$563,500; and
2. Authorize the City Manager, or his designee, to execute the Reimbursement Agreement for Sewer Installation Costs with Mohammed Sadeghian, including making minor and non-substantive changes.

BACKGROUND:

The Van Buren Boulevard corridor between Wood Road and King Avenue is within the Woodcrest neighborhood. The entire Van Buren Boulevard corridor from Wood Road to King Avenue is within the City's sewer service area. However, the City does not have any infrastructure in place to provide the necessary sewer services. Currently, properties along this

stretch of Van Buren Boulevard are on septic and lie within portions of the City and the County. From Wood Road to Gamble Avenue, it is within the City limits. From Gamble Avenue to King Avenue, it is in the unincorporated area of the County of Riverside.

On January 19, 2017, the Development Committee, with Chair Gardner, Vice Chair Davis, and Member Mac Arthur present, unanimously recommended that the City Council approve in concept the installation of sewer infrastructure along Van Buren Boulevard from Wood Road to King Avenue (Project) to provide services to the area, which includes City areas as well as unincorporated areas; and a cooperative effort with the County of Riverside Executive Office and Economic Development Agency (EDA) to create a Community Facility District (CFD) to fund this project.

On March 21, 2017, the City Council approved a conceptual plan to provide new sewer facilities in Van Buren Boulevard between Wood Road and King Avenue, an Interagency Agreement with the Western Municipal Water District to provide temporary sewer services on Van Buren Boulevard between Little Court and Gamble Avenue, and authorized a supplemental appropriation of Sewer Enterprise funds in the amount of \$900,000.

DISCUSSION:

On December 1, 2015, the City Council approved Developer's planning cases P13-0263, P13-0264, P14-0769, P15-0269, and P15-0159 ("Project"). In connection with the Project, Developer is to install 10-inch diameter sewer main along Van Buren from Little Court west along the Project frontage.

The Project's development is expected to precede the City's planned construction of new sewer facilities in Van Buren Boulevard. In an effort to facilitate the development, City staff and the Developer entered into negotiations regarding the ability to accelerate the segment of sewer that the Developer is required to install. Realizing that there is a mutually beneficial interest in constructing the required segment prior to City construction, a Sewer Reimbursement Agreement was drafted which will allow the Developer to construct the required portion now and have the City reimburse for the portions that are noncontiguous to the project frontage. The Developer will be financially responsible for the portion of sewer that is contiguous to its frontage.

FISCAL IMPACT:

The estimated total project cost including design, construction, construction engineering, and contingencies is anticipated not to exceed \$563,500. Sufficient funds are available in the Project Account No. 9896923-440301 (Woodcrest Sewer) to reimburse the project.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Sewer Reimbursement Agreement
2. Project Location Map
3. Low Construction Bid