



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 02/19/02
AGENDA ITEM 9
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: Amendment of Benefit District 407-95, Arbutus Court Sanitary Sewer Benefit District, to Annex Nineteen Properties into the District - John Caldwell (Applicant)

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution amending the Arbutus Court Sanitary Sewer Benefit District.

DISCUSSION:

On April 25, 1995, the City Council approved the formation of the Arbutus Court sanitary Benefit District to provide reimbursement to Miyoko and Daietsu Tsuru for expenses incurred in extending a sanitary sewer main in Arbutus Court which would serve other properties as well as their own. The sewer main extension has been installed and is now owned and maintained by the City. The original approved benefit district included eight parcels, each allotted one dwelling unit. In addition to the Tsuru's, only one property (Lot 4) has connected to the sewer main extension and has paid its appropriate benefit district fee.

Owners of an additional 19 properties located on Arbutus Court and Quercus Court have applied to be annexed into the benefit district so they will be able to connect to the sanitary sewer main installed by the Tsuru's (see Exhibit A). The 19 properties are zoned residential and are located below the sewer main necessitating the use of sewer pumps and pressurized sewer laterals to reach the main. Since all of the properties are in Alameda County, each would be required to apply for and execute a utility service agreement, requiring approval by both City Council and LAFCO.

On December 17, 2001, an informational neighborhood meeting was held to explain the various aspects of annexing into the benefit district. All property owners, both presently in the district and those who could be annexed into the district, were invited to this informational meeting. Owners or representatives of 14 properties attended the meeting.

For 18 of the 19 parcels joining the benefit district, the amended engineer's report (Exhibit B) indicates that the revised benefit district payment for each of the parcels not yet connected would be \$1,913.69 plus processing fees and compounded interest as determined at the time the property connects to the sanitary sewer. Because one of the 20 lots is of a size that could be developed with two dwellings, necessitating two sewer connections, the owner of this parcel must pay twice the amount of the other property owners.

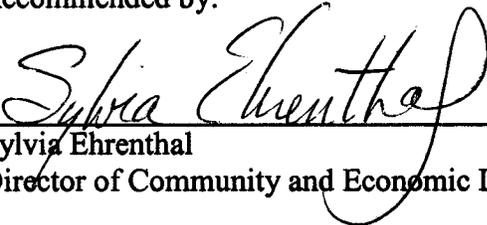
All property owners, both presently in the district and those who could be annexed in the future were notified of this public hearing. The attached resolution anticipates that 19 properties will be added to the benefit district. If additional owners request to be added to the district at the time of the hearing, Council may direct revisions to the engineer's report to incorporate these additional properties.

Prepared by:



Tim R. Koonze
Assistant Planner

Recommended by:



Sylvia Ehrental
Director of Community and Economic Development

Approved by:



Jesús Armas, City Manager

Attachments: Exhibit A. Amended Boundary Diagram
Exhibit B. Amended Engineer's Report
Draft Resolution

2/13/02

CITY COUNCIL AUTHORIZATION:

On _____, the City Council of the City of Hayward by Resolution _____ approved the establishment of the Benefit District and levied a monetary obligation on the lots shown within the boundary as indicated on this map. On _____, the City Council of the City of Hayward by Resolution _____ amended this Benefit District to add parcels 8 through 26. The monetary obligation will be due and payable upon utilization of the pertinent facilities and under the "terms and conditions" as set forth in the "Amended Engineer's Report, Amended Benefit District 407-95, Arbutus Court Sanitary Sewer Amended Benefit District", said document on file in the Office of the City Clerk of the City of Hayward.

CITY CLERK:

Filed in the Office of the City Clerk of the City of Hayward, County of Alameda, State of California, this _____ Day of _____.

CITY CLERK, CITY OF HAYWARD
COUNTY OF ALAMEDA, CALIFORNIA

COUNTY RECORDER'S CERTIFICATE:

Filed this _____ Day of _____, in the Office of the County Recorder of the County of Alameda, in Book _____ of Maps at Pages _____.

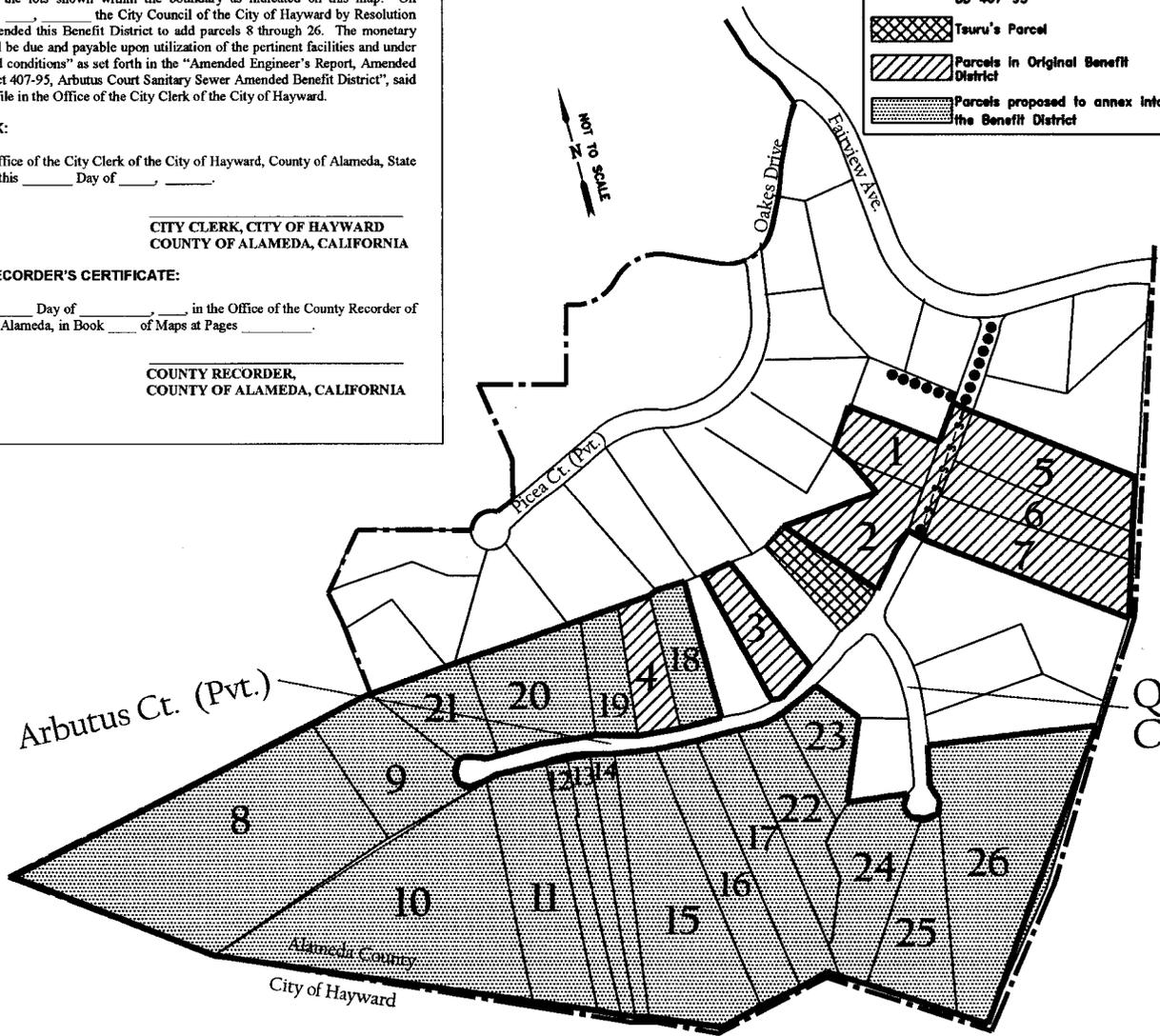
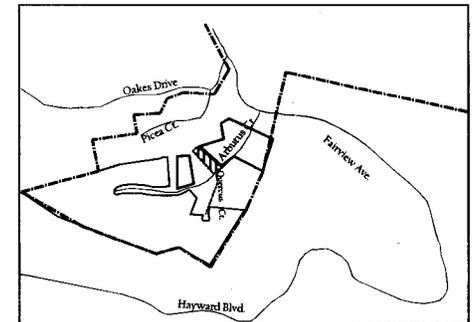
COUNTY RECORDER,
COUNTY OF ALAMEDA, CALIFORNIA

LEGEND

- BD 400-92
- Sanitary Sewer Extension
- s-s-s- Existing Sanitary Sewer BD 407-95
- ▨ Tsuru's Parcel
- ▧ Parcels in Original Benefit District
- ▩ Parcels proposed to annex into the Benefit District

NOTE: This Amended Benefit District 407-95 Boundary Diagram is only for the purpose of indicating the lots subject to the Benefit District. The assigned numbers for said lots are only for reference to benefit district documents which set forth the basic monetary obligation of said lots.

For a detailed description of the lines and dimensions of the lots, reference is made to the Alameda County Assessor's Maps for the fiscal year 2001-02.



SHEET 1 OF 2

AMENDED BOUNDARY DIAGRAM
AMENDED BENEFIT DISTRICT 407-95 Arbutus Court Sanitary Sewer Benefit District
City of Hayward, Alameda County, California February 2002

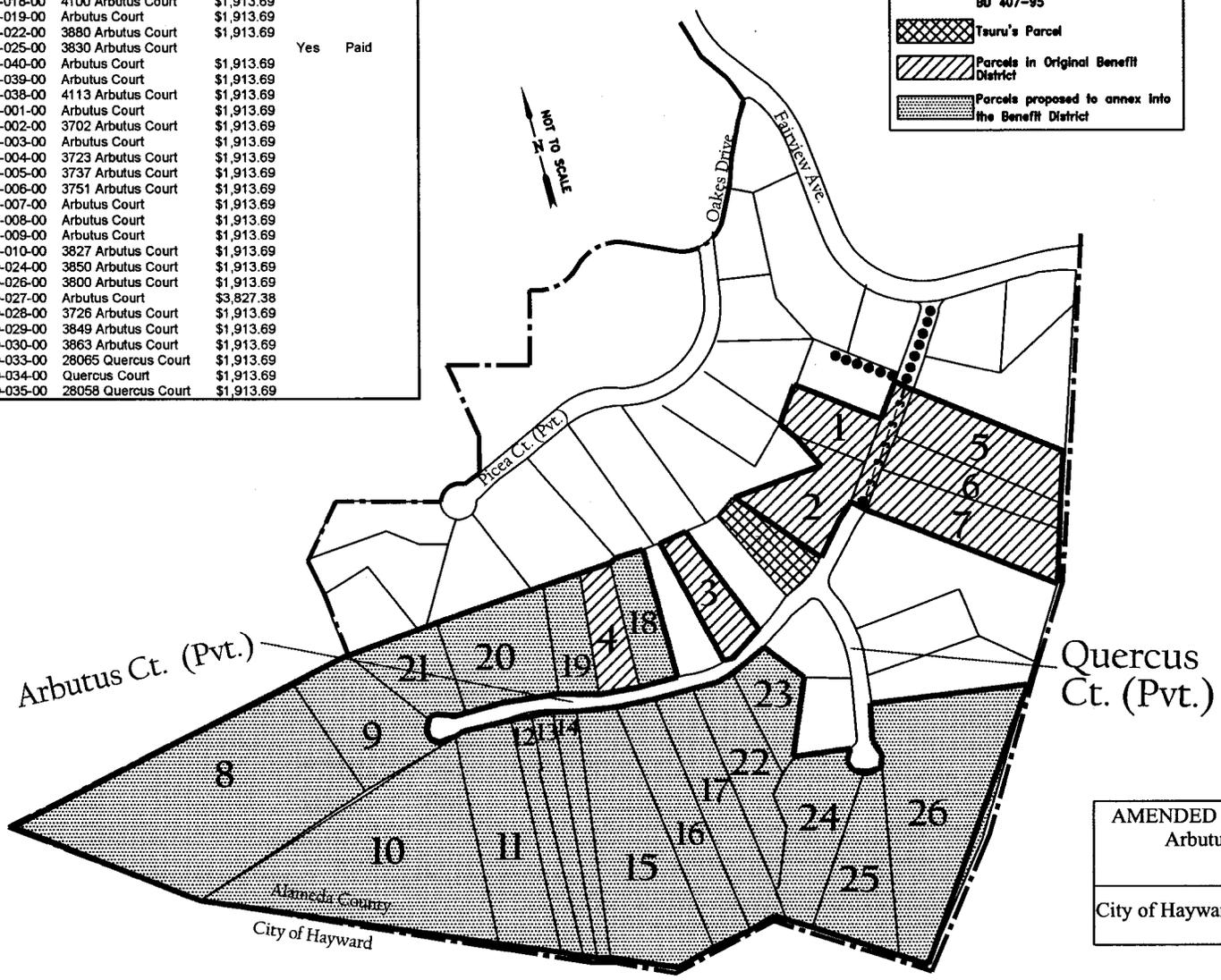
EXHIBIT A

PROPERTIES AND COST ALLOCATION

Benefit District Number	Assessor Parcel Number (2001)	Address	Cost	Paid	Comments
1	425-0500-018-00	4100 Arbutus Court	\$1,913.69		
2	425-0500-019-00	Arbutus Court	\$1,913.69		
3	425-0500-022-00	3880 Arbutus Court	\$1,913.69		
4	425-0500-025-00	3830 Arbutus Court		Yes	Paid
5	425-0500-040-00	Arbutus Court	\$1,913.69		
6	425-0500-039-00	Arbutus Court	\$1,913.69		
7	425-0500-038-00	4113 Arbutus Court	\$1,913.69		
8	425-0470-001-00	Arbutus Court	\$1,913.69		
9	425-0470-002-00	3702 Arbutus Court	\$1,913.69		
10	425-0470-003-00	Arbutus Court	\$1,913.69		
11	425-0470-004-00	3723 Arbutus Court	\$1,913.69		
12	425-0470-005-00	3737 Arbutus Court	\$1,913.69		
13	425-0470-006-00	3751 Arbutus Court	\$1,913.69		
14	425-0470-007-00	Arbutus Court	\$1,913.69		
15	425-0470-008-00	Arbutus Court	\$1,913.69		
16	425-0470-009-00	Arbutus Court	\$1,913.69		
17	425-0470-010-00	3827 Arbutus Court	\$1,913.69		
18	425-0500-024-00	3850 Arbutus Court	\$1,913.69		
19	425-0500-026-00	3800 Arbutus Court	\$1,913.69		
20	425-0500-027-00	Arbutus Court	\$3,827.38		
21	425-0500-028-00	3726 Arbutus Court	\$1,913.69		
22	425-0500-029-00	3849 Arbutus Court	\$1,913.69		
23	425-0500-030-00	3863 Arbutus Court	\$1,913.69		
24	425-0500-033-00	28065 Quercus Court	\$1,913.69		
25	425-0500-034-00	Quercus Court	\$1,913.69		
26	425-0500-035-00	28058 Quercus Court	\$1,913.69		

LEGEND

- BD 400-92 Sanitary Sewer Extension
- s-s-s- Existing Sanitary Sewer BD 407-95
- [Cross-hatched] Tsuru's Parcel
- [Diagonal lines] Parcels in Original Benefit District
- [Stippled] Parcels proposed to annex into the Benefit District



SHEET 2 OF 2

AMENDED BENEFIT DISTRICT 407-95
 Arbutus Court Sanitary Sewer
 Benefit District

City of Hayward, Alameda County, California
 February 2002

A-2

AMENDED ENGINEER'S REPORT - BENEFIT DISTRICT 407-95
ARBUTUS COURT SANITARY SEWER BENEFIT DISTRICT

I. Background

To provide sewer service to their parcel, the Tsuru's extended the existing City sanitary sewer main in Arbutus Court 400 feet westerly from its former terminus. The installation of the sewer main was extended as far westerly as possible to retain gravity flow. The Tsuru's parcel (3906 Arbutus Court) is beyond the terminus of the sewer. Therefore, Mr. & Mrs. Tsuru needed to also install a private pressure pumping system and lateral from their home to the sanitary sewer main in Arbutus Court.

The sanitary sewer main extension improvement plan, City Engineer's file E-1334, is on file in the Office of the City Clerk and by reference is herein incorporated as part of this report.

The extension of the sanitary sewer main was entirely paid for by the Tsuru's, and no City funds were involved. The sanitary sewer main has been accepted by the City of Hayward and thereby, the sanitary sewer main is now owned and maintained by the City as part of the City sewer system.

On April 25, 1995, the Hayward City Council approved Resolution No. 95-75 which formed the Arbutus Court Sanitary Sewer Benefit District No. 407-95. The District was initially composed of seven (7) parcels which excluded the Tsuru's parcel. To date one (1) of these parcels has paid their sewer benefit fee to the City which was subsequently used to reimburse Mr. & Mrs. Tsuru.

II. Discussion

The City has received a request from nineteen (19) additional property owners within the area to annex their parcels into the Arbutus Court Sanitary Sewer Benefit District No. 407-95. The seven (7) parcels currently in the Benefit District and the nineteen (19) parcels proposed to be annexed into the Benefit District are anticipated to be served by the sanitary sewer main extension, which was paid for by Mr. & Mrs. Tsuru. To date only the Tsuru's parcel and one (1) other parcel have connected to the sanitary sewer main extension.

In determining the cost to any property utilizing the sanitary sewer main, the City established a method whereby all benefiting parties, as near as possible, share equitably. In considering how to spread the cost obligation for this Benefit District, a number of factors were considered. The major factors considered are as follows:

- a) All properties utilizing the sanitary sewer main extension are or will be developed, under the present pre-zoning and General Plan designation, with single-family residences.
- b) The off-tract parcels are within the "Castle Homes" area, which have a deed restriction limiting the minimum lot size to one acre and the City had prezoned the

parcels RSB40 (40,000 sq. ft. minimum lot size). It is anticipated that only one (1) single-family residence will be constructed on each parcel, except for Assessor Parcel No. 425-500-27 which will have the ability to construct two (2) single-family residences. Therefore the financial obligation of Assessor Parcel No. 425-500-27 will be twice the financial obligation of the other parcels being annexed into the District.

- c) The elevations of some properties in the Benefit District which would eventually utilize a portion of this sanitary sewer main are at an elevation whereby they may not be able to drain by gravity to the sanitary sewer main. To provide service to these parcels would require pumping from the dwelling to the sanitary sewer main.
- d) The sanitary sewer main is 8-inches in diameter which is the normal standard size of a City sanitary sewer main for this type of development. It has more than adequate capacity to serve all the parcels under consideration, including future parcels on Arbutus & Quercus Courts.
- e) The sanitary sewer main is not oversized to provide additional capacity to accommodate a much larger ultimate service area therefore, no area-wide monetary surcharge is considered.

III. Remaining Cost Allocation

Considering the preceding facts, the following determinations were made and the method of allocating the remaining costs was determined accordingly:

- a) The total cost of the sanitary sewer main improvements and associated administrative/processing costs will be reduced by any previous payments made.
- b) All parcels within the Benefit District are anticipated to be developed with single-family residences, with one (1) residence per parcel, except for Assessor Parcel No. 425-500-27 which will have the ability to construct two (2) single-family residences. The remaining cost of the sanitary sewer main improvements which have not been reimbursed will be allocated on an equal basis to the number of residences within the Benefit District which have not paid their benefit fee, including the Tsuru's parcel.
- c) The remaining Administrative/Processing costs of the sanitary sewer main improvements, which have not been reimbursed, will be allocated on an equal basis to the number of residences which have not paid their benefit fee, excluding the Tsuru's parcel. The installer of the sanitary sewer main is assigned their parcel's share of the construction cost, but the costs of preparing and processing the documents to establish the Benefit District are only assigned to the parcels which are receiving benefit by virtue of the installer's expenditure.

IV. Remaining Cost and Benefit Determination

The installer has submitted a cost breakdown as to their costs to install 400± ft. of the sanitary sewer main from the former terminus of the sewer main. The costs are as indicated in Section VI.

Pursuant to City ordinance, all City cost incurred in the preparation and processing of this Benefit District are payable by the installer and become a portion of the recoverable costs.

With a Benefit District, the monetary obligation assigned to a parcel is only due and payable when development on the parcel actually makes use of the sanitary sewer main extension; therefore, it may be a period of time before the obligation is collected and the installer recovers any of his original costs. For that reason, the installer is eligible to receive interest on the outstanding money due. The method to determine this interest is set forth in the Municipal Code, Chapter 8 Article 16, Section 8-16.01 (m).

V. Future Service – Arbutus and Quercus Courts

Certain properties cannot be directly connected to the sanitary sewer main installed by Mr. & Mrs. Tsuru; however, for informational purposes, it is appropriate to describe how it is foreseen that other properties will eventually receive sanitary sewer service.

There are parcels on Quercus Court and Arbutus Court which are not within the Amended Benefit District. These lots are now anticipated to be served by further expansion of private pump systems and annexation into the Benefit District all efforts should be made to limit the number of individual pressure lines by combining them with the existing pump systems.

VI. Cost of Installation of Main and Miscellaneous Ancillary Costs

- a) 400 ft. of 8" VCP, 1 manhole & connection to existing 8" main. Total = \$51,823.11 (Contract was based on a lump sum payment.)
- b) City charges billed to Tsuru's for the inspection of the subject facilities. Application PW-13600 = \$605.00
- c) Therefore the total construction costs for the sanitary sewer main, including inspection was \$52,428.11. To date one (1) parcel has paid their Benefit District fees which was \$6,553.51 to cover their fair share of these construction costs. At the time of this payment it was anticipated that there would only be seven (7) parcels within the Benefit District plus the Tsuru's share.
- d) A special activity number (960-9579) has been established to account for the cost incurred in preparing the district documents and performing processing to create the Benefit District. In addition Attorney's fees to represent the Tsuru's on matters pertaining to the preparation and processing of the Benefit District were included.

The total cost for these services was \$6,008.94. To date one (1) parcel has paid their Benefit District fees which was \$428.47 to cover their fair share of the costs. At the time of this payment it was anticipated that the administrative costs would be \$3,000 and there would only be seven (7) chargeable parcels within the Benefit District. The Developer's/Installer's parcel does not get charged for Benefit District processing costs.

- e) The Tsuru's did not have records to establish interest on the money expended to construct the sanitary sewer main therefore; no figure is included to reflect interest paid on the money for construction.

VII. Spread of future Benefit District fees and various properties to which the fees apply (2001 Assessor's Tax Roll)

The assessment is spread on a per single-family dwelling unit basis. The calculation is based on one unit per parcel with the exception of Parcel Number 20 which is over 2 acres in size a has been assigned two units.

VIII. Assignment of Costs to Benefiting Properties

- a) Remaining Construction cost to be assigned to the remaining twenty-seven (27) benefiting residences (which includes the Tsuru's) = \$45,874.60 (This includes the City Inspection costs.)
- b) Number of residences anticipated to be served by the "sanitary sewer main" (includes the residence of the installer/beneficiary and benefiting parcels that have not paid Benefit District fees, see Amended Benefit District Map).

Construction & inspection cost per residence is \$45,874.60 divided by twenty-seven (27) residences, which equals \$1,699.06 per residence.

- c) Remaining Administrative/Processing cost to be assigned to the twenty-six (26) benefiting residences (which excludes the Tsuru's, see IIIc of this report) = \$5,580.47 (This includes the attorney fees).

Administrative/Processing cost per residence is \$5,580.47 divided by twenty-six (26) residences, which equals \$214.63 per residence.

- d) Total per residence cost for twenty-six (26) benefiting residences which excludes the installer's residence (Mr. & Mrs. Tsuru's) is \$1,913.69 (\$1,699.06 + \$214.63). Total allocated residence cost for Mr. & Mrs. Tsuru's parcel is \$1,699.06, which is their allocated share that will not be reimbursed by the benefiting parcels.

- e) The following sets forth an identification of those parcels upon which the Benefit District cost calculations were based. The reason for their inclusion is explained in previous sections of this report.

Summary of Future Principal Obligations for Parcels within Benefit District 407-95

Diagram Number	Assessor Parcel Number	Principal Amount of Future Obligation	Comments
1	425-0500-018-00	\$1,913.69	In Original District
2	425-0500-019-00	\$1,913.69	In Original District
3	425-0500-022-00	\$1,913.69	In Original District
4	425-0500-025-00	\$0.00	In Original District - Paid
5	425-0500-040-00	\$1,913.69	In Original District
6	425-0500-039-00	\$1,913.69	In Original District
7	425-0500-038-00	\$1,913.69	In Original District
8	425-0470-001-00	\$1,913.69	Annexed FY 2001-02
9	425-0470-002-00	\$1,913.69	Annexed FY 2001-02
10	425-0470-003-00	\$1,913.69	Annexed FY 2001-02
11	425-0470-004-00	\$1,913.69	Annexed FY 2001-02
12	425-0470-005-00	\$1,913.69	Annexed FY 2001-02
13	425-0470-006-00	\$1,913.69	Annexed FY 2001-02
14	425-0470-007-00	\$1,913.69	Annexed FY 2001-02
15	425-0470-008-00	\$1,913.69	Annexed FY 2001-02
16	425-0470-009-00	\$1,913.69	Annexed FY 2001-02
17	425-0470-010-00	\$1,913.69	Annexed FY 2001-02
18	425-0500-024-00	\$1,913.69	Annexed FY 2001-02
19	425-0500-026-00	\$1,913.69	Annexed FY 2001-02
20	425-0500-027-00	\$3,827.38	Annexed FY 2001-02
21	425-0500-028-00	\$1,913.69	Annexed FY 2001-03
22	425-0500-029-00	\$1,913.69	Annexed FY 2001-02
23	425-0500-030-00	\$1,913.69	Annexed FY 2001-02
24	425-0500-033-00	\$1,913.69	Annexed FY 2001-02
25	425-0500-034-00	\$1,913.69	Annexed FY 2001-02
26	425-0500-035-00	\$1,913.69	Annexed FY 2001-02
	Total	\$49,755.94	

City Collection and Processing Costs

For each property collection, the City shall collect \$300.00/property owner to cover cost of collection and processing. This fee is over and above the money collected as reimbursement to the Tsuru's. This cost has been adopted by Council as an amendment to the City Master Fee Resolution and may be adjusted in the future if cost of the service increases or decreases.

The money collected to cover City administration shall be deposited in the general fund, fund 100 – object 4896.

The money collected for reimbursement shall be deposited in fund 840 – object 2285. The preceding is based on City accounting procedures in 1995.

In various sections of this report, reference is made to various account numbers. The reference is for information and applicability at the date of this report and is not intended to restrict any future changes which the Finance Department may make in modifying City accounting procedures.

Value Adjustment

Pursuant to City Ordinance, the beneficiary is entitled to receive interest from the date of initial approval of this Benefit District on the money expended to provide capacity to service other properties. The interest rate will be the average of those rates earned by the City on deposits in financial institutions, as determined by the City Finance Director on a fiscal year basis (HMC, Chapter 8, Article 16, Section 8-16.01).

Money collected during the fiscal year shall be calculated on a monthly basis, based on the last day of the preceding month, at the interest rate set at the end of the preceding fiscal year.

Reimbursement of Installer

Money received which is to be reimbursed to the installer shall be deposited in an interest bearing account and disbursed by the Finance Director pursuant to HMC, Chapter 8, Article 16, Section 8-16.60.

If at the time of collection of any fees from obligated property owners there is money under accounts receivable, fund 960, activity no. 9579, due and payable, to the City, such money due the City shall be deducted from any funds received prior to being reimbursed to the Benefit District installer.

Installer:
Miyoko & Daietsu Tsuru
3906 Arbutus Court
Hayward, CA 94542

Termination of the District

The collection of money from obligated property owners shall terminate on April 26, 2010 or upon payment of the obligation of all the properties within the district, whichever occurs first.

DRAFT

HAYWARD CITY COUNCIL

*mae
alston*

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION AMENDING BENEFIT DISTRICT 407-95,
ARBUTUS COURT SANITARY SEWER BENEFIT
DISTRICT, TO ANNEX NINETEEN PROPERTIES INTO THE
DISTRICT AND APPROVING THE AMENDED ENGINEER'S
REPORT AND THE METHOD FOR CALCULATING THE
FEE CHARGED TO THE DISTRICT'S PROPERTIES**

WHEREAS, on April 25, 1995, the City Council of the City of Hayward approved the Arbutus Court Sanitary Benefit District, Benefit District 407-95, which provided reimbursement to Miyoko and Daiko Tsuru, property owners, for expenses incurred in extending a sanitary sewer main in Arbutus Court to serve their property and seven surrounding parcels; and

WHEREAS, the sewer main extension has been installed and is owned and maintained by the City of Hayward; and

WHEREAS, only one property (Lot No. 4 on Exhibit "A" attached hereto) of the original seven surrounding properties has paid its appropriate benefit district fee; and

WHEREAS, nineteen additional property owners on Arbutus and Quercus Court have applied to be annexed into the benefit district to connect to the sanitary sewer main; and

WHEREAS, the method for calculating the fee charged to the benefit district properties was developed using the established equations in the amended Engineer's Report attached as Exhibit "B;" and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes the amendment of the Arbutus Court Sanitary Sewer Benefit District, Benefit District 407-95, as shown in Exhibit "A" attached hereto, annexing the nineteen properties into the district for connection to the sewer main extension, subject to application for and execution of a utility service agreement with the City of Hayward as approved by LAFCO and payment of the appropriate fees, and approves the amended Engineer's Report attached as Exhibit "B" and the method for calculating the fee contained therein.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward