



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 12/05/06
AGENDA ITEM 2
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: Benefit District 411-06 – Saklan Road Unincorporated Island Water, Sewer, and Storm Drain Benefit District – Initiate Proceedings, and Appoint the Engineer of Work for the Formation of the Benefit District

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution initiating proceedings related to the formation of a Benefit District for the Saklan Road Island Improvements.

BACKGROUND:

The Mt. Eden annexation project involves three unincorporated “islands” totaling approximately 138 acres of land that are completely surrounded by the City of Hayward. The Saklan Road “island,” which contains 62 acres of land with 110 parcels of record, is the largest of the three and contains a mix of detached single-family residences, undeveloped residential lots, and warehouses and industrial operations. Infrastructure in the area is deficient by City standards, and, in order to comply with City development standards and minimum infrastructure requirements, major water, sewer, and storm drain system improvements will be needed.

The City approved Tract 7657 for 149 single-family homes by KB Homes on 12.5 acres, purchased by Dutra Enterprises, Inc., in the area generally bounded by Saklan Road, Middle Lane, Eden Avenue, and West Street. The project is conditioned upon installing the aforementioned infrastructure improvements along its frontage, but, from an orderly development point of view, all missing system components for water, sewer, and storm drain systems need to be installed at once.

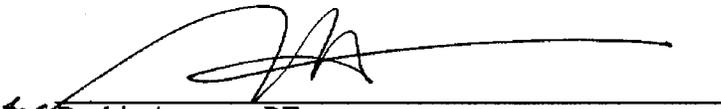
One of the main issues related to this annexation is identification of a funding source to pay for the costs to bring infrastructure up to City standards. The principal property owner, Dutra Enterprises, has agreed to provide financing to complete all the essential improvements in this area. Such improvements would entail the extension of new water and sewer mains, installation of new storm drain facilities, as well as construction of street improvements, including new curbs, gutters and sidewalks. Reimbursement of this financing to Dutra Enterprises would be accomplished through contributions by future developments based on establishment of a benefit district, or via tax increment funds that would be generated by future development in the area. Additionally, the developer bears responsibility to construct and fund those improvements directly related to this development.

Local improvement benefit districts, authorized by Section 8-16.00 of the Hayward Municipal Code, provide a reimbursement mechanism for installers who advance the full cost of public improvements to serve not only their property but also benefit neighboring lands. Benefit districts provide such installers and benefiting property owners with assurance that reimbursement will be made on an equitable basis when neighboring lands make use of the improvements.

This proposal to form the Saklan Road Unincorporated Island Water, Sewer and Storm Drain Benefit District would provide a mechanism for full funding of the improvements within the Saklan Road Island. It is proposed that the resulting benefit district fee apply to only future development or additional units on any parcel. Existing homes and other uses will be afforded the benefit of these improvements including connections to the City water and sewer systems subject only to normal connection fees paid by any other property in the City. This is consistent with what county property owners were told during meetings regarding the Mt. Eden Annexation.

The resolution to initiate proceedings is the first step in forming a Benefit District. If Council approves the resolution, the preliminary engineer's report and a resolution of intention to form the district would be the next step and would be presented to Council on December 12, 2006. A public hearing and the ordering of the formation of the district (the third step), is planned for January 16, 2007. A community meeting to inform affected property owners of the proposed district would be held prior to the hearing.

Prepared by:


Bashir Anastas, PE
Development Review Services Engineer

Recommended by:


Susan J. Daladung
Director of Community and Economic Development

Approved by:


Jesús Armas, City Manager

Attachments:

- Exhibit A: Area Map
- Draft Resolution

11.30.06

**DUE TO THE COLOR OF THE
REFERENCED ATTACHMENT, IT
HAS BEEN ATTACHED AS A
SEPARATE LINK**

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

Mue
11/30/04

RESOLUTION INITIATING PROCEEDINGS FOR THE FORMATION OF BENEFIT DISTRICT 411-06, SAKLAN ROAD UNINCORPORATED ISLAND WATER, SEWER AND STORM DRAIN BENEFIT DISTRICT, FOR THE PURPOSE OF PROVIDING REIMBURSEMENT TO THE INSTALLERS OF PUBLIC IMPROVEMENTS BENEFITTING THE SAKLAN ISLAND AREA AND DIRECTING PREPARATION OF AN ENGINEER'S REPORT

WHEREAS, the City Council of the City of Hayward is authorized pursuant to Chapter 8, Article 16 of the Hayward Municipal Code to form a local improvement benefit district for the purpose of providing for the equitable sharing of the costs of public improvements among the properties served by those improvements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that:

1. The formation of a benefit district for the purpose of providing reimbursement to the developer for the installation of a water, sewer and storm drain system improvements (the "Public Improvements") benefitting the Saklan Road unincorporated area is hereby proposed and that said district formation is pursuant to Chapter 8, Article 16 of the Hayward Municipal Code.
2. The Public Improvements to be installed by the developer and subject to reimbursement consist of improvements to the water, sewer and storm drain systems in the area indicated in the attached Exhibit "A." The Public Improvements provide capacity and are located such that they are available to provide service to properties other than that of the applicant.
3. The purpose of the district is to establish a monetary obligation applicable to those properties which are able to utilize the Public Improvements and thereby receive benefit from the Public Improvements. The monetary obligation is due and payable upon a property connecting to the Public Improvements. Monies collected in accordance with predetermined amounts and subject to certain charges will be reimbursed to the designated beneficiary.
4. The proposed district is hereby given the distinctive designation of "Benefit District 411-06, Saklan Road Unincorporated Island Water, Sewer and Storm Drain Benefit District." The properties within the proposed district are as shown on the map entitled as above and on file in the office of the City Clerk of the City of Hayward.
5. Robert A. Bauman is hereby designated as engineer for the purpose hereof and is hereby ordered to prepare a report in connection with Section 8-16.05, Article 16 of Chapter 8 of the Hayward Municipal Code. Upon completion,

said engineer shall file said report with the City Clerk for submission to this Council.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward