

RESOLUTION NO. 11021 (2019 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING A WASTEWATER REIMBURSEMENT AGREEMENT FOR CONSTRUCTION OF THE BUCKLEY SEWER LIFT STATION

WHEREAS, On September 19, 2017, the San Luis Obispo City Council certified the Final Environmental Impact Report; approved the Avila Ranch Development Plan, Airport Area Specific Plan Amendment 1318-2015, General Plan Amendment 1319-2015, Vesting Tentative Tract Map 3089, Ordinance 1638 (2017 Series) approving a rezone of the Avila Ranch property, and Ordinance 1639 (2017 Series) approving Development Agreement 2017-1, and formation of a Community Facilities District (collectively “Project”); and

WHEREAS, Section 6.02.1 of Development Agreement 2017-1 requires Avila Ranch to construct or pay for its fair share allocation of public facilities and infrastructure needed to serve the Project; and

WHEREAS, Vesting Tentative Tract Map 3089 Condition 50 requires Avila Ranch to construct a sewer lift station to connect to a force main system to transport wastewater flow from both the Project site and future development east and west of the Project, as illustrated in the Approved Plans, then north to the Tank Farm Lift Station (“Buckley Lift Station”); and

WHEREAS, Avila Ranch estimates the cost to construct the Buckley Sewer Lift Station will be approximately \$1.3 million; and

WHEREAS, Section 5.05.3 of Development Agreement 2017-1 requires the City to reimburse the actual hard and soft costs associated with Avila Ranch’s construction of that portion of any oversized facilities attributable to a project or area other than the Project or Project property. Therefore, the City proposes to reimburse Avila Ranch for the cost of constructing the Buckley Sewer Lift Station to the extent that such reimbursement is available as part of the City’s adopted fee program; and

WHEREAS, Wastewater development impact fee reimbursements shall not exceed the purpose or amount being collected; and

WHEREAS, Wastewater development impact fees are assessed based on residential unit size (e.g. where a residential unit that is 1,201 square feet or more is equal to one equivalent dwelling unit (EDU)); and

WHEREAS, The City agrees to issue the Developer wastewater development impact fee reimbursements from the City’s Sewer Fund to the extent that funds are available as part of the City’s adopted fee program. Exhibits specifying the Eligible Buckley Sewer Lift Station Construction Costs and Wastewater Development Impact Fee Reimbursements are available in Exhibits 1 and 2; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The “Wastewater Reimbursement Agreement,” attached to this Resolution as Attachment A, is hereby approved, and the Mayor is authorized to approve minor revisions and execute said Agreement on behalf of the City contingent on the adoption of revised Wastewater Development Impact Fees also being considered on June 4, 2019.

SECTION 2. The Utilities Director is authorized to administer and implement the “Wastewater Reimbursement Agreement” as provided therein.

SECTION 3. The Mayor and City staff are authorized to take action necessary to carry out the intent of this Resolution.

SECTION 4. Environmental Review. Construction of the Buckley Sewer Lift Station was reviewed as part of the Avila Ranch EIR, certified by the City Council on September 19, 2017. The City found in connection with its review and consideration of the Wastewater Reimbursement Agreement that no subsequent or supplemental Environmental Impact Report is required under CEQA because the terms and conditions of the Agreement are consistent with and within the scope of and contemplated by the FEIR adopted for the Avila Ranch Project. This Agreement relates only to the financial mechanism by which the developer’s costs in excess of fair share will be reimbursed and does not implicate any physical change to the project or the environment.

Upon motion of Council Member Christianson, seconded by Council Member Gomez, and on the following roll call vote:

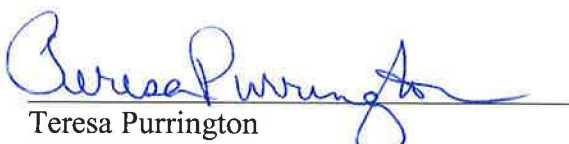
- AYES: Council Members Christianson, Gomez, and Stewart,
Vice Mayor Pease and Mayor Harmon
- NOES: None
- ABSENT: None

The foregoing resolution was adopted this 4th day of June 2019.



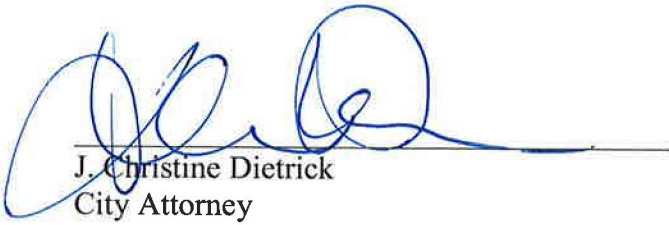
Mayor Heidi Harmon

ATTEST:



Teresa Purrington
City Clerk

APPROVED AS TO FORM:



J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 13TH day of June, 2019.



Teresa Purrington
City Clerk

**WASTEWATER REIMBURSEMENT AGREEMENT
FOR AVILA RANCH**

This Agreement is made on _____, 2019, by and between the City of San Luis Obispo, a municipal corporation and charter city ("City") and Avila Ranch, LLC, a California limited liability company ("Avila Ranch").

Recitals

- A. On September 19, 2017, the San Luis Obispo City Council certified the Final Environmental Impact Report; approved the Avila Ranch Development Plan, Airport Area Specific Plan Amendment 1318-2015, General Plan Amendment 1319-2015, Vesting Tentative Tract Map 3089, Ordinance 1638 (2017 Series) approving a rezone of the Avila Ranch property, and Ordinance 1639 (2017 Series) approving Development Agreement 2017-1, and formation of a Community Facilities District (collectively "Project"); and
- B. Section 6.02.1 of Development Agreement 2017-1 requires Avila Ranch to construct or pay for its fair share allocation of public facilities and infrastructure needed to serve the Project; and Vesting Tentative Tract Map 3089 Condition 50 requires Avila Ranch to construct a sewer lift station to connect to a force main system to transport wastewater flow from both the Project site and future development east and west of the Project, as illustrated in the Approved Plans, then north to the Tank Farm Lift Station ("Buckley Lift Station"); and
- C. Avila Ranch estimates the cost to construct the Buckley Lift Station will be approximately \$1.3 million as shown in **Exhibit 1** to this Agreement; and
- D. Section 5.05.3 of Development Agreement 2017-1 requires the City to reimburse the actual hard and soft costs associated with Avila Ranch's construction of that portion of any oversized facilities attributable to a project or area other than the Project or Project property. Therefore, the City proposes to reimburse Avila Ranch for the cost of constructing the Buckley Lift Station to the extent that such reimbursement is available as part of the City's adopted fee program; and
- E. Wastewater development impact fee reimbursements shall not exceed the purpose or amount being collected; and
- F. Wastewater development impact fees are assessed based on residential unit size (e.g. where a residential unit that is 1,201 square feet or more is equal to one equivalent dwelling unit (EDU)), as shown in **Exhibit 2**; and
- G. The City agrees to issue the Developer wastewater development impact fee reimbursements from the City's Sewer Fund to the extent that such reimbursements are available as part of the City's adopted fee program. Exhibits specifying the Eligible Buckley Lift Station Construction Costs and Wastewater Development Impact Fee Reimbursements are available in Exhibits 1 and 2, respectively; and

- H. The City has found in connection with its review and consideration of this Agreement that no subsequent or supplemental Environmental Impact Report is necessary or required under CEQA because the terms and conditions of this Agreement are consistent with and within the scope of and contemplated by the FEIR adopted for the Project.

Based on the foregoing, for good and valuable consideration, the parties agree as follows:

AGREEMENT

1. Terms. The foregoing recitals are deemed by both parties to be a material part of this Agreement and are incorporated herein and binding on the parties by this reference.

2. Capitalized terms used in this Agreement will have the following meanings:

(a) "Agreement" means this agreement as executed by the Avila Ranch and the City of San Luis Obispo.

(b) "Approved Plans" means the plans for the Buckley Lift Station as approved by the City in City Final Map file no. FMAP-1563-2018, sheets G-001, G-002, C103-C105, C501-C503, E005, N-001 to N-004, and all other improvements on Parcel 29 of VTM 3089, including any modifications thereof including modifications directed during construction.

(c) "Approximate per Equivalent Dwelling Unit Cost" is the approximate per unit cost of the Buckley Lift Station is as shown in Exhibit 2 to this Agreement.

(d) "Avila Ranch" or "Developer" means Avila Ranch, LLC.

(e) "Buckley Lift Station" means the 165,000 gallon sewer lift station constructed by Avila Ranch to connect to a force main system to transport wastewater flow from the Project site and development east of the Project site, north through the Project site ("Buckley Lift Station").

(f) "City" means the City of San Luis Obispo, a municipal corporation and charter city.

(g) "Developer Costs" means those costs specified in Exhibit 1 related to the estimated cost of designing, permitting and constructing the Buckley Lift Station. Developer Costs shall include all Developer hard and soft costs, including, without limitation, the following minimum amounts for insurance (1.75% of hard costs); supervision (2.25% of hard costs); construction management (1.75% of hard costs); bonding and project management (3.5% of hard costs). Such percentage allocations for the foregoing soft costs and indirect costs shall not require detailed itemized justifications unless Avila Ranch's claims for such expenses are in excess of the percentages claimed herein. Soft costs shall include Developer's legal, accounting, and engineering costs. Developer costs shall also include interest expense on the projected unpaid balance owed to Avila Ranch. For the purposes of this agreement such interest expenses is \$162,139 based on the 9-year project buildout specified in the Avila Ranch Development Plan.

(h) "Eligible Wastewater Fees" means the City's Wastewater Development Impact Fees to the extent that such fees are collected as part of the City's adopted fee program. The City and Avila Ranch agree that the Eligible Fees provided herein are full reimbursement for Avila Ranch's cost of the Buckley Lift Station construction. Avila Ranch waives any other reimbursement from other benefitting properties, and waives any infrastructure oversizing reimbursements that it may otherwise be eligible for under State Law and the Development Agreement to the extent that such fees are paid as part of the City's adopted fee program.

3. City Obligations. In consideration of Avila Ranch's agreement to design and construct the Buckley Lift Station, the City agrees to the following:

(a) To reasonably cooperate and work with Avila Ranch to review contractor bids in a timely manner to confirm that work proposed conforms to Approved Plans and to provide construction inspection services to ensure conformity through completion of the Buckley Lift Station.

(b) Upon Avila Ranch's completion of the Buckley Lift Station as specified in the Approved Plans, and upon notification to the City, the City shall conduct final inspection of the Buckley Lift Station to determine compliance with Approved Plans and City of San Luis Obispo Standard Specifications and Engineering Standards. If the Buckley Lift Station is determined by the City to be constructed in accordance with the Approved Plans, the City shall approve the Buckley Lift Station and accept it in accordance with Section 8 of this Agreement.

(c) To timely reimburse Avila Ranch its Developer Costs from Eligible Wastewater Fees due pursuant to Section 5 of this Agreement.

4. Developer Obligations. In consideration of City's entering into the Agreement, Avila Ranch agrees to the following:

(a) In order to assure that the costs of construction of the Buckley Lift Station are reasonable, prior to commencing construction of the Buckley Lift Station, Avila Ranch shall obtain at least three (3) non-collusive bids for construction of the Buckley Lift Station and provide copies to City. Avila Ranch is not required to accept any particular bid. However, if Avila Ranch accepts a bid which is (1) more than ten (10) percent higher than the lowest bidder or (2) above the Engineer's Estimate for the Buckley Lift Station, Avila Ranch must reasonably justify its selection to the City Engineer, which justification must be accepted or rejected by the City within fifteen (15) business days of submission. If the City rejects the justification, it must set forth in writing its reasoning for the rejection and meet and confer with Avila Ranch to discuss the rejection. City may not unreasonably reject Avila Ranch's bid selection.

(b) Required Documentation of Expenditures. Developer shall provide City with supporting documentation for the cost of the Buckley Lift Station construction. This documentation shall be redacted and unredacted certified payroll, copies of executed contracts and copies of invoices from the general contractors, subcontractors, consultants, and suppliers, together with evidence of payment showing that payment has been made and partial lien releases for work completed, unless additional sources of documentation are identified in a separate letter agreement executed between the parties within thirty (30) days of execution of this agreement.

(c) To respond to City's reasonable requests for additional information to resolve discrepancies provided such additional information falls within the scope of the Required Documentation of Expenditures.

(d) To construct the Buckley Lift Station according to the Approved Plans and the City of San Luis Obispo Standard Specifications and Engineering Standards. Neither observation of the work by the City nor failure of City to inspect the improvements or to discover defects in material or workmanship shall relieve the Developer from its obligation to complete construction in accordance with the plans and specifications approved by the City and to ensure that the improvements are free of defects in materials and workmanship.

(e) To provide the City access at all times to the Buckley Lift Station construction site and furnish the City with all reasonable information necessary for ascertaining full knowledge of the improvements with respect to the progress, workmanship, and character of materials and equipment used and employed in the work.

5. Reimbursement; Proof of Developer Costs.

(a) Avila Ranch is entitled to reimbursements of Developer Costs for the Buckley Lift Station set forth in Exhibit 1 from Eligible Wastewater Fees. The City shall reimburse Avila Ranch from development impact fees for the total cost of the Buckley Lift Station, on a per Equivalent Dwelling Unit (EDU) basis as set forth in Exhibit 2, within 90 days of the builder within the Avila Ranch project paying applicable fees for issuance of building permits, subject only to the requirement that a completion and faithful performance bond be provided to the City for the improvements. Payments will be made to Avila Ranch on a quarterly basis.

(b) Upon completion of the Buckley Lift Station, Avila Ranch shall submit the Required Documentation of Expenditures pursuant to Section 4(b) of this Agreement to City for verification. If final actual Developer Costs increase pursuant to accepted bid amounts, approved change orders, or other modifications directed by the City Engineer, creditable Developer Costs shall be increased to the extent that such fees are collected as part of the City's adopted fee program. Required Documentation of Expenditures may be submitted in advance of City acceptance of the Buckley Lift Station. Within sixty (60) days after submittal of Required Documentation of Expenditures by Avila Ranch, City Engineer shall verify the Developer Costs, or shall submit a request in writing to Avila Ranch for additional information identified pursuant to Sections 4(b) of this Agreement deemed necessary by the City Engineer to verify Developer Costs, subject to the limitations in those Sections. Such additional information shall be submitted by the Avila Ranch to the City Engineer within thirty (30) days from receipt of the written request by the City Engineer in accordance with the City's Engineering Standard Specifications.

(c) Once the Required Documentation of Expenditures is deemed complete by the City Engineer, the City shall confirm the amount of the reimbursement for the Buckley Lift Station within forty-five (45) days.

6. Scope of Agreement. This Agreement shall not be construed to limit the right of the City to modify the Buckley Lift Station, provided such changes are within the scope of the Development Agreement and Conditions of Approval. It is understood that City directed changes to the Buckley Lift Station directed by the City Engineer, are eligible for corresponding adjustments to

the Developer Costs and the amount of Eligible Wastewater Fee Reimbursements as set forth in the Agreement.

(a) Any increase or decrease in cost from the Developer Cost must be reflected in the Contractor bid or change orders submitted by Avila Ranch and approved by the City Engineer or vice versa. The only change orders excepted from City approval are (1) those directed by City Engineer, (2) those in which Avila Ranch shifts cost savings from one line item to another line item (excluding use of project contingency), or (3) those for which Avila Ranch does not seek reimbursement from the City.

(b) Avila Ranch and the City Engineer, together, may approve a change order if the total Developer Cost increase to the Buckley Lift Station is Forty-Five Thousand Dollars (\$45,000) or less and the net total of the change orders theretofore approved does not exceed the contingency amount for the Buckley Lift Station. Avila Ranch and the City Manager together may approve a change order if the cost increase is One Hundred Thousand Dollars (\$100,000) or less and the net total of the change orders theretofore approved does not exceed the contingency amount. Any change order in excess of one hundred thousand dollars (\$100,000) above the Development Costs, may require City Council approval as determined by the Director of Public Works.

(c) The City's approval of a change order shall not be unreasonably withheld, delayed or conditioned; provided it shall be reasonable for the City to deny any change order resulting from: a cause other than unforeseen conditions; additional or remedial work necessary to correct any non-conformity with Approved Plans, City of San Luis Obispo Standard Specifications and Engineering Standards; work that does not meet the Approved Plans, City of San Luis Obispo Standard Specifications and Engineering Standards; or work that does not meet the workmanship that is customary for the region. The City shall accompany any rejection with a written statement of the basis therefor. To the extent the change order requires City approval, Avila Ranch may proceed with the work covered by the change order pending City approval of the change order, or even after City rejection of the change order, but Avila Ranch shall do so at its own risk to the extent that the City raises valid objections to the change order proposal. Any change order that is submitted to the City for approval shall be deemed accepted if not accepted or rejected by the City within twenty (20) working days of such submittal, unless the City requests an extension of time due to the complexity of the change order. Any change order submitted that needs City Council approval shall be placed upon the next available City Council agenda, consistent with otherwise applicable City agenda routing deadlines, after the change order request has been deemed complete by the City Engineer and there shall be no deemed approval for such change orders as otherwise specified in this section.

7. Indemnification. Avila Ranch shall indemnify, defend and hold the City, its officials, officers, employees and agents harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state or municipal law or ordinance, including, but not limited to, the Avila Ranch's failure to pay prevailing wages when required, or other cause in connection with the acts or omissions of Avila Ranch, its employees, subcontractors, or agents, or on account of the performance or character of construction and installation of the Buckley Lift Station, except where such liability, claims, suits, actions, damages, and causes of action result from the negligence or willful misconduct of the City. Such indemnification by Avila Ranch shall cease for any claims made after acceptance of the Buckley Lift Station by the City. It is understood that the duty of Avila Ranch to indemnify and hold City harmless includes the duty to defend City as set forth

in section 2778 of the California Civil Code. Within fifteen (15) days of City's notice that it has been made a party to an action arising out of Avila Ranch's acts or omissions under this Agreement, Avila Ranch shall provide a defense to the City in that action, with counsel acceptable to City. In the event Avila Ranch fails to provide such a defense to City, Avila Ranch shall be liable to the City for its attorneys fees and litigation costs incurred to defend itself beginning on the sixteenth (16th) day from the date of the City's notice and request for a defense. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve Avila Ranch from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

8. Acceptance of the Buckley Lift Station.

(a) The Buckley Lift Station shall become the sole exclusive property of the City upon acceptance. Avila Ranch shall notify City in writing when the Buckley Lift Station is complete. The notice shall be submitted to the City by personal delivery and shall be deemed received by the City on the date of delivery. Such written notification shall include a request that the City accept the Buckley Lift Station. As soon as practicable but no later than sixty (60) days of receipt of such notification of completion of the Buckley Lift Station, the City shall determine whether the Buckley Lift Station was constructed in accordance with the Approved Plans and City Standard Specifications and Engineering Standards. Within sixty (60) days of when the City determines the Buckley Lift Station was constructed in accordance with the Approved Plans and City of San Luis Obispo Standard Specifications and Engineering Standards, the City shall accept the Buckley Lift Station at the next available City Council hearing. If the City determines that the Buckley Lift Station was not constructed in accordance with the Approved Plans and City Standard Specifications and Engineering Standards, then the City will provide written notice to Avila Ranch. Written notice shall include details of the identified deficiencies. The City shall meet and confer with Avila Ranch to discuss these deficiencies within ten (10) business days of Avila Ranch's request to do so.

(b) Prior to acceptance of the Buckley Lift Station by the City, the Developer shall deliver to the City copies of all plans, specifications, shop drawings, record drawings, operating manuals, service manuals, warranties and other documents relating to the design, construction, installation, and operation of the Buckley Lift Station. Plans shall be submitted in CAD and PDF format as acceptable to the City.

9. Warranty and Repair. The Developer hereby warrants the improvements as to materials and workmanship and, should any failure of any improvement occur within a period of one year after initial acceptance of such improvement by the City, the Developer shall promptly cause the needed repairs to be made without cost to the City. The provisions contained herein shall not be deemed to limit any rights the Developer has to seek damages or other relief from any acts or omissions of any contractor involved in the construction or design of the improvements. Notwithstanding the foregoing, the Developer's warranty excludes remedy for damage or defect caused by ordinary wear and tear under normal usage, abuse, neglect, modifications not performed



ATTACHMENT A

by the Developer or its agents. Nothing herein shall be construed to limit any other warranties the City may have from the manufacturer or any materials used in the improvements, but the warranty contained in this Section 9 shall be the exclusive warranty of Developer, and all other express or implied warranties of Developer are expressly disclaimed.

10. Force Majeure. The Term of this Agreement and the time within which Avila Ranch shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days during which performance of such act is delayed unavoidably by strikes, lock-outs, Acts of God, failure or inability to secure materials or labor by reason of priority or similar regulations or order of any governmental or regulatory body, initiative or referenda, moratoria, litigation filed attacking execution or performance of this Agreement, severe economic downturn, enemy action, civil disturbances, fire, unavoidable casualties, or any other cause beyond the reasonable control of Avila Ranch.

11. Successors and Assigns. Each and every provision of this Agreement shall be binding and inure to the benefit of the successors in interest of the Parties hereto.

12. Term. This Agreement shall expire when reimbursements for all improvements constructed by Avila Ranch identified in this Agreement are completed, and fully satisfied.

13. Integration. This is an integrated Agreement containing all of the consideration, understandings, promises and covenants exchanged between the parties, notwithstanding the Avila Ranch's obligations as specified in the approved Conditions of Approvals, the Vesting Tentative Tract Map, and the Development Agreement.

14. Construction and Interpretation. It is agreed and acknowledged by the parties that the provisions of this Agreement have been arrived at through negotiation, and that the parties have had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

15. Jurisdiction. Any action by any party to this Agreement shall be brought in the appropriate court of competent jurisdiction within the County of San Luis Obispo, State of California, notwithstanding any other provision of law which may provide that such action may be brought in some other location.

16. Choice of Law. This Agreement is made under and in all respects will be interpreted, enforced and governed by the laws of the State of California.

17. Amendment. This Agreement cannot be altered, amended or modified in any way without the express written consent of each party hereto or their authorized successor-in-interest.

18. Time is of Essence. Time is of the essence for this Agreement.

19. Notice. Notices under this Agreement shall be deemed given when delivered by First Class Mail, Postage Prepaid, as follows:

City of San Luis Obispo:

City Clerk
990 Palm Street
San Luis Obispo, CA 93401

with a copy to:

City Attorney
990 Palm Street
San Luis Obispo, Ca 93401

Avila Ranch:

Avila Ranch, LLC

Andrew D. Mangano, Managing Member
3561 South Broad Street
San Luis Obispo, CA 93401

Stephen J. Peck
Peck Planning and Development, LLC
2455 Greenwood Avenue
Morro Bay, CA 93442

with a copy to:

Thomas Law Group
455 Capitol Mall, Suite 801
Sacramento, CA 95814

20. Counterparts. This Agreement may be executed in one of more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

21. Severability. If any one or more of the provisions contained in this Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired.

22. Authority. The parties hereby represent that the persons executing this Agreement are expressly authorized to do so for and on behalf of the parties.

23. Captions. The captions of the Sections of this Agreement are for convenience and reference only, and are not intended and shall not be construed to define or limit the provision to which they relate.

24. Recitals and Exhibits. The Recitals first set forth herein and all Exhibits attached hereto are incorporated in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

CITY OF SAN LUIS OBISPO

By: _____
Mayor Heidi Harmon

AVILA RANCH, LLC, a California limited liability
company

By:  _____

Name: ANDREW D. MANKANO

Title: MANAGING MEMBER

ATTEST:

Teresa Purrington, City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick, City Attorney

EXHIBIT 1

Eligible Buckley Lift Station Construction Costs

BUCKLEY SERVICE AREA LIFT STATION ESTIMATE OF COST					
CAT. ITEM	QUANT	UNIT	COST/UNIT	COST	DESCRIPTION
IMPROVEMENTS					
MOBILIZATION	1	LS	\$ 45,000.00	\$ 43,606.00	5% OF TOTAL CONSTRUCTION COSTS
ROUGH GRADING	15,000	SF	\$ 0.75	\$ 11,250.00	INCLUDES COMPACTED SUBGRADES
SHORING	1	LS	\$ 35,000.00	\$ 35,000.00	ALLOWANCE
DEWATERING	1	LS	\$ 30,000.00	\$ 30,000.00	ALLOWANCE
PUMPS, WETWELL AND VAULT	1	LS	\$ 233,000.00	\$ 233,000.00	ALLOWANCE
ELECTRICAL	1	LS	\$ 15,000.00	\$ 15,000.00	ALLOWANCE
FIBER OPTIC LINES TO TF LS	6,900	LF	\$ 30.00	\$ 207,000.00	TRENCHING, CONDUITS AND TRAFFIC CTRL.
ASPHALT DEMO/PATCHBACK	4,500	LF	\$ 12.50	\$ 56,250.00	INCLUDES SAWCUTTING, DEMO AND PATCHBACK
CONNECTION TO TF LIFT STATION	1	LS	\$ 10,000.00	\$ 10,000.00	ON TANK FARM ROAD
CONTROLS	1	LS	\$ 100,000.00	\$ 100,000.00	ALLOWANCE
GENERATOR	1	LS	\$ 75,000.00	\$ 75,000.00	ALLOWANCE
GENERATOR ENCLOSURE	1	LS	\$ 15,000.00	\$ 15,000.00	ALLOWANCE
LIFT STATION PAD	1,600	SF	\$ 8.00	\$ 12,800.00	ASSUMES 6" REINFORCED
GENERATOR PAD	75	SF	\$ 15.00	\$ 1,125.00	12" REINFORCED
EQUIPMENT PAD	65	SF	\$ 15.00	\$ 975.00	12" REINFORCED
APPROACH	160	SF	\$ 8.50	\$ 1,360.00	CITY STANDARD
ACCESS ROAD PAVING	2,100	SF	\$ 5.00	\$ 10,500.00	INCLUDES BASE AND PAVING
RECYCLED WATER SERVICE	1	EA	\$ 1,750.00	\$ 1,750.00	ALLOWANCE
RECYCLED WATER FEES/METER	1	LS	\$ 21,000.00	\$ 21,000.00	ALLOWANCE
GAS SERVICE	1	EA	\$ 750.00	\$ 750.00	ALLOWANCE
METAL FABRIC FENCING	395	LF	\$ 25.00	\$ 9,875.00	CHAIN LINK FENCING WITH SLATS
BLOCK WALL FENCE	115	LF	\$ 125.00	\$ 14,375.00	ASSUMES AROUND LIFT STATION
LANDSCAPING	525	SF	\$ 5.00	\$ 2,625.00	INCLUDES IRRIGATION AND PLANTINGS
TREES	-	EA	\$ 350.00	\$ -	ALLOWANCE
16' GATES	2	EA	\$ 1,500.00	\$ 3,000.00	ON ACCESS ROAD
LIGHT POLE	1	EA	\$ 4,500.00	\$ 4,500.00	AT LIFT STATION
Subtotal Hard Cost:				\$ 915,741.00	
Contingency @				10%	\$ 91,574.10
Total:				\$ 1,007,315.10	
SOFT COSTS					
ENGINEERING DESIGN LIFT STATION	1	LS	\$ 34,200.00	\$ 34,200.00	MKN Contract
CIVIL & LANDSCAPE ENG. DESIGN	1	LS	\$ 28,283.00	\$ 28,283.00	RRM Contract
SPECIAL GEOTECH	1	LS	\$ 6,500.00	\$ 6,500.00	GeoSolutions
ELECTRICAL ENGINEER	1	LS	\$ 9,800.00	\$ 9,800.00	Thoma Contract
ENGINEERING CONSTRUCTION	1	2%	\$ 20,170.37	\$ 20,170.37	Survey
LEGAL AND ACCOUNTING	1	LS	\$ 2,500.00	\$ 2,500.00	ALLOWANCE
CITY PLAN CHECK FEES	1	2.44%	\$ 22,370.77	\$ 22,370.77	Estimate
CITY INSPECTION FEES	1		\$ -	\$ -	City to Provide All Inpsection
SPECIAL INSPECTIONS/TESTING	1	2.50%	\$ 22,920.88	\$ 22,920.88	Estimate; City to Pay Actual
SPECIAL PLANNING PLAN CHECK	1	1.50%	\$ 13,752.53	\$ 13,752.53	Estimate; City to Pay Actual
INSURANCE	1	1.75%	\$ 16,044.61	\$ 16,044.61	Estimate; City to Pay Actual
SUPERVISION	1	2.25%	\$ 20,628.79	\$ 20,628.79	Estimate; City to Pay Actual
CONSTRUCTION MANAGEMENT	1	1.75%	\$ 16,044.61	\$ 16,044.61	Estimate; City to Pay Actual
BONDS/PROJECT MANAGEMENT	1	3.50%	\$ 32,089.23	\$ 32,089.23	Estimate; City to Pay Actual
Soft Cost Subtotal:				\$ 245,304.78	
GRAND TOTAL:				\$ 1,252,619.88	

EXHIBIT 2
Reimbursements

Buildout and Cash Flow											
	Units	EDU	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
R-1	101	1.00	-	-	-	-	-	-	-	50	51
R-2 Standard	228	1.00	45	45	45	29	64	-	-	-	-
R-2 Pocket (>1200 SF)	54	1.00	11	11	11	10	10	-	-	-	-
R-2 Pocket (Mod/WF-1100 SF)	18	0.80	5	5	-	-	8	-	-	-	-
R-3 Duplex (1,850 SF)	38	1.00	-	-	-	-	-	38	-	-	-
R-3 Townhome (>1,200 SF)	77	1.00	-	-	-	-	-	77	-	-	-
R-3 Townhome (1,100 SF -1,200 SF)	40	0.80	-	-	-	-	-	-	40	-	-
R-3 Townhome (<1,100 SF)	39	0.80	-	-	-	-	-	-	39	-	-
R-4 (450 SF - 800 SF)	40	0.70	-	-	-	40	-	-	-	-	-
R-4 (801 SF - 1,100 SF)	60	0.80	-	-	-	60	-	-	-	-	-
R-4 (>1,100 SF)	25	0.80	-	-	-	25	-	-	-	-	-
Total	720	671.60	61	61	56	164	82	115	79	50	51
Impact Fee Credits		\$ 1,414,759	\$ 127,095	\$ 127,095	\$ 118,669	\$ 284,384	\$ 169,367	\$ 242,253	\$ 133,134	\$ 105,328	\$ 107,434
Capital Cost		Costs		Project Cost Payoff							
Improvements		\$ 915,741									
Soft Costs		\$ 245,305									
Contingency		\$ 91,574									
Subtotal		\$ 1,252,620	\$ 1,252,620								
Accumulated Annual Interest Expense	3.25%	\$ 162,139		\$ 36,580	\$ 33,638	\$ 30,874	\$ 22,635	\$ 17,866	\$ 10,574	\$ 6,591	\$ 3,382
Total		\$ 1,414,759	\$ 1,125,525	\$ 1,035,009	\$ 949,978	\$ 696,468	\$ 549,736	\$ 325,349	\$ 202,789	\$ 104,052	\$ (0)
Cost/Reimbursement per EDU		\$ 2,107									

Residential (by Unit Size)	EDU per Fee Schedule	Estimated Units	Total EDUs	Reimbursement Per Unit
Residential Unit (1,201 square feet or more)	1.0	498	498.0	\$ 2,107
Residential Unit (801-1200 square feet or	0.8	182	145.6	\$ 1,685
Residential Unit (451 to 800 square feet)	0.7	40	28.0	\$ 1,475
Mobile Home	0.6			\$ 1,264
Studio Unit (450 square feet or less)	0.3			\$ 632
Total		720	671.60	\$ 1,414,759