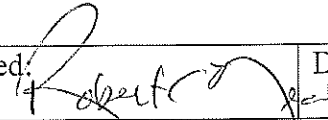


Department of Public Works Policy & Procedure

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1.0 PREAMBLE

Actual costs for the construction of Master Planned Drainage Facilities (MPDF), i.e. those shown on the current Revised Master Plan of Drainage Map and identified in the Engineer's Report Relative to the Revised Master Plan of Drainage as approved by the Director of Public Works, shall be eligible for reimbursement in accordance with this policy.

2.0 PURPOSE

To establish a reimbursement policy for the construction of Master Planned Drainage Facilities that shall replace the policy dated January 19, 1993.

3.0 DIVISIONS/DEPARTMENTS/AGENCIES AFFECTED

- 3.1 City Engineering Division
- 3.2 Capital Engineering Division
- 3.3 Administrative Services Division
- 3.4 City Attorney's Office
- 3.5 Finance Department

4.0 REFERENCES

- 4.1 Department of Public Works Policy Regarding Credit/Reimbursement to Developers for Construction of Master Planned Drainage Facilities dated January 19, 1993
- 4.2 Revised Master Plan of Drainage Map dated January 2005
- 4.3 Engineer's Report Relative to the Revised Master Plan of Drainage dated January 2005
- 4.4 Engineering Design Guidelines Section 3.9 dated January 1997
- 4.5 Lancaster Municipal Code Sections 13.04.100, 15.64.060, 15.64.210, 16.24.040 and 16.24.160
- 4.6 Funding, Credit and Reimbursement Agreement for the Construction of Master Planned Drainage Facilities
- 4.7 Subdivision Map Act

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5.0 DEFINITIONS

- 5.1 “Reimbursement” includes all forms of payment towards construction of Master Planned Drainage Facilities including but not limited to credits, refunds, quarterly refunds, semi-annual refunds, and/or annual reimbursement.
- 5.2 Net drainage fee revenue is equal to drainage impact fees collected minus drainage impact fees refunded.
- 5.3 A year is a fiscal year and includes the period from July 1 to June 30.

6.0 POLICY

6.1 Effective Date

This policy is in effect as of August 10, 2011

6.2 Construction of Master Planned Drainage Facility

Whenever a MPDF is within or adjacent to a subdivision or development project and the drainage facilities are necessary for the proper drainage of the project and protection of surrounding properties, the developer will be required to construct said facilities.

Construction of the MPDF will be required prior to occupancy of any building in the project. If the project is approved for phasing, construction of the MPDF is required prior to occupancy of any building within the phase affected by the drainage.

Construction of local drainage facilities are the responsibility of the developer and as such are not addressed in this policy.

6.3 Requirement for Reimbursement Agreement

All developers anticipating reimbursement for the construction of Master Planned Drainage Facilities after the effective date of this policy shall enter into a reimbursement agreement with the City of Lancaster prior to encroachment permit issuance and construction of the MPDF; a reimbursement agreement is required for any form of reimbursement whether the cost of the facility exceeds the amount of drainage impact fees for the project or not.

The amount of the reimbursement will be as specified in the executed reimbursement agreement.

The developer will be responsible for submitting copies of documentation regarding the construction costs of the MPDF for review and approval by the City of Lancaster prior to execution of the reimbursement agreement.

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The developer will be charged a fee per the fee schedule to set up the MPDF reimbursement agreement.

Notwithstanding any other provision of this policy, the City's reimbursement obligation shall expire ten (10) years from the effective date of the reimbursement agreement entered into pursuant to this Section 6.3. The reimbursement agreement entered into pursuant to this Section 6.3 shall specify the date on which the City's reimbursement obligation expires. Upon such expiration, the City shall have no further reimbursement obligation.

6.4 Crediting of Master Planned Drainage Facility Fees

6.4.1 Projects issued permits after January 1, 2011

Any project issued encroachment permits for the construction of Master Planned Drainage Facilities after January 1, 2011, shall not be eligible for credit towards the payment of required drainage impact fees.

6.4.2 Projects issued and holding valid permits prior to January 1, 2011

Any project issued and holding valid encroachment permits for the construction of Master Planned Drainage Facilities prior to January 1, 2011, shall be eligible for credit towards the payment of required drainage impact fees per Section 4.2 of the Engineer's Report relative to the Revised Master Plan of Drainage.

The City shall issue a Drainage Impact Fee Credit Certificate to all developers currently eligible for credit. The developer must present the original certificate when pulling building permits in order to receive credit toward the payment of required drainage impact fees. The City shall record all credit transactions on the certificate each time credits are used. Credit certificates issued shall remain valid until all Drainage Impact fee credits are exhausted. Once all credits have been exhausted, the original certificate shall be returned to the City.

6.5 Refund of Drainage Impact Fees

When construction of a MPDF is required per Section 6.2 above, the developer will receive a refund of drainage impact fees. In no event will the refund exceed the cost of the MPDF.

Refund of drainage impact fees shall be made quarterly, semi-annually, or annually as determined appropriate by the Director of Finance.

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6.6 Annual Reimbursement

In any one year, no single developer that has entered into a reimbursement agreement shall receive payment in an amount greater than 20% of the total net drainage fee revenue collected for that year.

If more than one reimbursement agreement is in effect during a year, each agreement shall receive a proportionate percentage of the 20% of the total net drainage fee revenue collected for that year.

The amount to which each agreement is entitled for the year will be determined by the ratio of the balance owed each agreement to the total amount owed all of the agreements in effect for the year (% of total).

Following is an example of the method used to determine the amount to which each agreement is entitled:

- 1) TOTAL NET DRAINAGE FEE REVENUE COLLECTED BETWEEN July 1st AND June 30th = \$3,000,000
- 2) AMOUNT OF (1) ABOVE AVAILABLE FOR PAYMENT TO AGREEMENTS = 0.20 x \$3,000,000 = \$600,000
- 3) NUMBER OF AGREEMENTS IN EFFECT = 3
- 4) PAYMENT = % OF TOTAL x (2) ABOVE

AGREEMENT	BALANCE	% OF TOTAL	PAYMENT
A	\$100,000	8.7	\$52,000
B	\$50,000	4.3	\$25,800
C	<u>\$1,000,000</u>	<u>87.0</u>	<u>\$522,000</u>
TOTAL	\$1,150,000	100.0	\$600,000

Payments will be made after June 30th each year. There will be only one annual reimbursement payment per year. Only agreements that are in effect prior to June 30th of each calendar year will be included in the determination of the payment amount.

6.7 Costs Eligible for Reimbursement

Actual costs for performance, labor and materials for the construction of Master Planned Drainage Facilities will be eligible for reimbursement.

Costs for engineering design (including engineering services such as surveying and geotechnical analysis) and construction services will be allowed up to 20% of the cost of construction for the MPDF.

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Reimbursements will not be given for right-of-way within the property being developed.

Reimbursements for offsite right-of-way may be considered on a case by case basis.

Reimbursements will not be given for grading of earthen channels.

Reimbursements will not be given for administrative or incidental costs such as overhead, clerical services, securities fees, reproduction fees, permit fees, inspection fees, plan checking fees, etc.