

SULTAN CITY COUNCIL

AGENDA COVER SHEET

ITEM NO: D - 2
DATE: August 9, 2007
SUBJECT: Developer Agreements
CONTACT PERSON: Public Works Director Dunn

ISSUES:

The issue before the City Council is directing City Staff to open discussion with the Development Community to use Developer Agreements as a funding source for a portion of the Wastewater Treatment Plant (WWTP) Upgrade.

SUMMARY:

The City is experiencing a higher than expected level of WWTP customer growth and consequent need for more WWTP capacity. The City has a desire to have "growth pay for growth" through direct cash contributions from local developers, through General Facility Charges (GFC), or a combination of these resources.

There are four alternative capital-financing strategies:

- General Facilities Charge

This is a cost recovery mechanism that imposes an up-front charge as a condition of service. The GFC is imposed on new development based on capacity required. This is a relatively common approach used by a large number of utilities in Washington State. Capital cost and capacity of the system define the basis of the GFC. In this strategy, project funding remains the City's responsibility, with GFCs as a potential related revenue source.

- Developer Reimbursement Contracts

Latecomer agreements, authorized under chapter 35.91 RCW, allow construction of utility system improvements be a private landowner(s) with reimbursement by other private landowners who may later connect to the city's system and benefit from those improvements. The developer first enters into a recovery contract with the city, and then constructs the improvements with city construction standards. This alternative precludes access to public funding sources, yet involves minimal financial risk to the City.

The amount of the latecomer charge will depend on the cost of the new facility, the amount of capacity provided and each developers financial contribution compared to their demand and the system-wide demands.

- **Contractual Development Commitment**

Establishes an agreement between the City and the developer for the developer to acquire or pay for future capacity according to a specified schedule, typically through per-purchase of GFCs with installment payments. This strategy allows access to public funding sources and provides guaranteed, scheduled cash flow to the utility to help support project debt service.

- **Local Improvement Districts**

Title 36 of the RCW offers communities the power to establish a local improvement district (LID) and to levy assessments as a one time charge or on an annual basis for up to twenty years, against property owners within the identified district. This option is best for facilities that benefit population in a specific area of the City. A benefit to this method of financing is that it does not usually impact monthly user rates, debt capacity or debt service coverage requirements of the managing agency since the repayment of the bond or loan is backed by property within the LID.

City staff is seeking Council direction to discuss these alternative financing strategies with the development community.

Developer Payment Examples

Example	Issues	Financial Stability Ranking
<p>Example 1: Initial Developers Pay for Requested ERUs and All Phase I Excess Capacity Up-Front with Latecomer Agreements</p>	<p>Developers would pay cash up-front for all unclaimed capacity in the system and not just the ERUs they are requesting. The City would pay costs related to facilities which serve both current and future customers.</p> <p>Do the developers own the capacity, or are they just helping finance it?</p> <p>Establishing latecomer agreements: When and how do the payments start? After the developer has hooked up all of its requested ERUs?</p> <p>Equity among developers</p> <p>City GFC collected for its share and developer GFC.</p> <p>Effort required to coordinate multiple developers and different up-front payments and capacity requests.</p> <p>Extensive legal involvement required</p> <p>Need to include a mechanism for recovering any project cost increases</p>	<p>High</p>

<p>Example 2: Initial Developers Pay for Requested ERUs Up-Front</p>	<p>Developer would pay cash up-front for its desired ERUs, and the City would finance the remainder.</p> <p>Could the City buy back the units if the developer did not use them? At what cost? Latecomer agreements.</p> <p>Need to include a mechanism for recovering any project cost increases</p> <p>Ratepayers may be impacted if development does not occur at as high a rate as planned.</p>	<p>Medium</p>
<p>Example 3: New Development Pays for new connections through GFC as Growth Occurs (20 ERUs/Yr)</p>	<p>City finances Project and collects GFC only as growth occurs.</p> <p>Ratepayers may be impacted if development does not occur at as high a rate as planned.</p>	<p>Low</p>

BACKGROUND:

Certain local developers have requested that additional capacity be made available in the wastewater system to provide for growth in the community. The total GFC charged to new customers may be a combination of the expansion portion of the GFC and a portion of the GFC that covers the existing (historic) sewer system facilities that will be used by new customers.

DISCUSSION:

Three separate examples for recovering the cost of new facilities from the initial developers are:

- 1) Pay Up-Front for all Capacity
- 2) Pay Up-Front only for Requested Capacity
- 3) Pay for New Connections only as Growth Occurs

Under all three scenarios, funding would come from three sources: (1) the developer contributions, (2) the City capital reserves, which are approximately \$1.2 million, and (3) other City and/or future development funding such as bonds, loans, or grants.

One or a combination of these funding sources could be used to allow the initial developers to fund part of the WWTP Upgrade Project. Staff, at Council direction, will seek to maximize developer contributions and minimize the City's investment.

FISCAL IMPACT:

Example 1: Initial Developers Pay for Requested ERUs and All Phase I Excess Capacity Up-Front with Latecomer Agreements

CIP Financing	Total Cost	Cost Share
Phase I Project Costs	\$15,200,000	
Short Term Improvements Project Costs	\$250,000	
Phase I and Short Term Project Costs	\$15,450,000	
Initial Developer Contributions	\$11,650,000	75%
City Reserves	\$1,200,000	8%
Other City Funding	\$2,660,000	17%
Total Project Funding Required in Addition to Initial Developer Contributions	\$3,860,000	
Initial Developer Cost per requested ERU^{1,2}	\$12,400	
Portion Recovered by Developers through Latecomer Charges^{1,3}	\$4,500	

¹Rounded to nearest \$100

²The developer cost per requested ERU is calculated based on the developer contribution divided by the requested ERUs (\$11,650,000 / 941).

³The portion recovered by developers through latecomer charges is the cost per ERU less the Unit Cost of Expansion Capacity of the GFC shown in Table 2-2.

Developer would pay cash up-front for its requested capacity (ERUs) and the City would finance the remainder.

Initial Developers Pay for Requested ERUs Up-Front

CIP Financing	Total Cost	Cost Share
Phase I Project Costs	\$15,200,000	
Short Term Improvements	\$250,000	
Total Phase I Project Costs	\$15,450,000	
Initial Developer Contributions ¹	\$7,430,000	48%
City Reserves	\$1,200,000	8%
Other City/Future Developer Funding	\$6,820,000	44%
Total Project Funding Required in Addition to Initial Developer Contributions	\$8,016,100	

¹The initial developer contributions are calculated by multiplying the requested ERUs by the expansion portion of the GFC presented in Table 2-2 (941 x \$7,900).

New Development pays up front for new connections through the GFC as Growth Occurs (20 ERUs/year)

New Development Pays for Excess Capacity through GFC as Growth Occurs (20 ERUs/Year)

CIP Financing	Total Cost	% of Total
Phase I Project Costs	\$15,200,000	
Short Term Improvements	\$250,000	
Total Phase I Project Costs	\$15,450,000	
Initial Developer Contributions	\$0	0%
Contributions from new development over 10 years ¹	\$1,580,000	10%
City Reserves	\$1,200,000	8%
Other City/Future Developer Funding	\$12,670,000	82%
Total Project Funding Required in Addition to Developer Contributions (10 years)	\$13,870,000	

¹The contributions from new development are calculated by multiplying the 20 ERUs per year over 10 years by the growth-related portion of the GFC presented in Table 2-2 (20 x 10 x \$7,900).

ALTERNATIVES:

1. Direct staff to open up discussion with development community pros/cons
2. Do not authorize staff to work with developer on agreements

STAFF RECOMMENDATION:

Direct staff to open discussions with the development community while continuing to seek funding for the WWTP Upgrade that needs to be completed to meet the forecast growth in the City of Sultan.

RECOMMENDED ACTION:

Authorize City Staff to open discussion with the development community as well as researching other Cities that have dealt with similar issues to fund a portion of the Wastewater Treatment Plant Upgrade.

COUNCIL ACTION:

DATE: August 9, 2007

ATTACHMENTS:

- ATTACHMENT A Planning and Finance Series – Paying Development’s Way
By Patrick L. Dugan, Everett, WA
- ATTACHMENT B Generic Outline of a Developer Agreement

Planning and Finance Series

Paying Development's Way

Patrick L. Dugan, Everett, Washington

Introduction

A common issue in planning and public finance is how to finance the capital facilities needed to support new growth. This problem is a particular challenge in areas where there is a lot of growth activity. In areas experiencing such growth, local governments also often seek to ensure that new development pays its own way without burdening existing residents with new taxes. In this column, we will explore the range of financial mechanisms that can address this need, as well as the advantages and disadvantages of each mechanism.

Basic Concepts

The basic principle in financing capital facilities to support growth is that development of capital facilities can increase the value of property those facilities serve. Development of this property adds additional value. An effective way to finance the facilities that provide the wealth is then to capture a share of the increased wealth to pay for the facilities.

Financing facilities associated with development often involves a "chicken and egg" dilemma; development cannot occur without facilities, and developers cannot pay for facilities until they can develop. Furthermore, it may be difficult to amass enough funds to pay for facilities before development occurs. Debt financing can mitigate both of these concerns of timing and amassing money. Money can be borrowed (In government parlance, bonds can be issued.) to build the facilities, and the borrowed money can be paid back over time from a future revenue stream of income. So the challenge is to find ways to create the future revenue stream to pay the debt service on the borrowed money or bonds. Such a revenue stream must be stable and predictable so that it can be relied on to pay the debt service over many years.

Common Financing Techniques

A variety of financing tools can capture a portion of the increased property values created. A few of the most common follow.

Direct Developer Financing: Developers may need to build facilities themselves in order to develop their property (such as building a street for adequate access), or developers may be required to provide facilities by development regulations, such as streets in a new subdivision or to mitigate an adverse impact under environmental laws. In these cases, developers often borrow against their future income to finance these facilities. While we often do not think about it this way, direct developer financing is the most common way public facilities are built. Creative coordination between local governments' financing strategy and development regulations can maximize the use of this technique for developers to finance a significant amount of the needed facilities themselves.

Special Assessment Districts: A local government can form a special assessment district (known as Local Improvement Districts in Washington). In these districts, the local government levies a special assessment (very similar to a property tax) against the increased value of the property to provide a revenue stream to pay for the debt service on a special type of bond.

The increased value created by the construction of the facilities is known as "special benefits," and the amount of assessment levied cannot be more than the value of the special benefits created by the facilities. Developers often like to use these districts when they need facilities because in a special district they can finance the facilities with low interest public borrowing rather than higher interest bank loans.

Tax Increment Financing: In states where this mechanism is legal (not in Washington, in its true sense), a local government can designate a tax-increment financing district, usually limited to blighted areas that need redevelopment. Within these areas, property taxes from existing tax authorities (taxes for all taxing districts including schools) may be diverted from their regular purpose to pay debt service on bonds issued to finance capital facilities. Since this mechanism does not impose new taxes on the developer, it is very popular with developers and local governments interested in promoting new development.

Impact Fees: Most states now allow local governments to assess fees on new development to help pay for facilities that are needed to support the growth. These fees must be calculated in a way that fairly spreads the cost of new facilities over all of the development that creates the need for these facilities. While these fees have become popular tools and can be used effectively to finance facilities, they do offer some drawbacks. It is politically difficult to set these fees high enough to finance all of the needed facilities. Since they consist of one-time fees on each development, they do not provide an assured stream of revenue to make reliable debt services payments.

Targeted Taxes: Governments may apply a tax on events that tend to be associated with new development. These taxes may or may not be specifically dedicated for capital purposes. For example, in Washington, there are at least two such taxes. One is a tax on all real estate transactions, which under state law can only be used to finance capital facilities identified in the jurisdiction's comprehensive plan. Another tax is the state's general sales tax system which applies the sales tax on new construction. While the proceeds of this tax are not restricted by law to capital facilities, many local governments designate all or a portion of the sales tax collected from construction activity to be used only to finance capital facilities (usually not a fixed amount).

Conclusion

There are a variety of ways the increased wealth stimulated by the construction of new capital facilities can be captured to help finance the construction of those facilities. Each tool has particular characteristics that tend to make it useful in different circumstances. Since together these methods can apply to a variety of situations, creative development and use of all of these methods can do much to finance substantial amounts of the facilities needed to support growth without taxing existing residents for their construction.

Pat Dugan has been both a city planning director and a city finance director. During the last 30 years, he has held various financial and planning positions in cities, counties, and regional agencies in three states. He has shared his views on public finance and planning with planners through regular articles in The Western Planner since 1995. In 2002, WPR honored Pat for his outstanding commitment to WP. He is a private consultant in Everett, Washington, and can be reached at <consult.dugan@verizon.net>.

Generic Outline of a Developer Agreement

1. Definitions
2. Formula linking Program Costs to ERU charges
3. Timing of Developers' Payment
4. Basis of Payment
5. Flexibility to Sell / Buy Connections
 - "What if they don't come?" - Options and constraints
6. Contingency and Claims
7. What is the minimum cost trigger?
 - What is minimum payment the developers will need to come up with before the City will move on the agreement?

Pierce County Sewer Utility Division
Development Engineering Section
9850 - 64th Street West
University Place, WA 98467

LATECOMERS AGREEMENT BETWEEN PIERCE COUNTY
AND _____ **(Applicant's Name)**
FOR INSTALLATION OF A PUBLIC SANITARY SEWER SYSTEM KNOWN AS
_____ **(Project Name/Interceptor Line)**

THIS LATECOMERS AGREEMENT is made and entered into this day by and between **PIERCE COUNTY**, a municipal subdivision of the State of Washington, herein known as "County", and _____ **(Applicant's Name)**, a _____ **(partnership, corporation, joint venture)**, herein known as "Applicant".

W I T N E S S E T H

WHEREAS, County operates a sanitary sewer utility that maintains and operates a public sanitary sewer system that collects, conveys, treats and disposes of wastewater and services portions of both incorporated and unincorporated Pierce County; and

WHEREAS, Applicant owns, or legally represents, certain real property in Pierce County, Washington, that was not served by the County's sewer system and is legally described in Exhibit "A" attached hereto and incorporated herein by this reference (herein known as the "Property"); and

WHEREAS, Applicant requested that the Property be served by the County's sanitary sewer system and submitted plans to the County to connect to public sanitary sewer facilities adjacent to or near the Property; and

WHEREAS, County has approved and has on file, the plans, specifications and estimated costs for construction of the public sanitary sewer facilities (herein known as the "Improvements") connecting the Property to the County sewer system; and

WHEREAS, County determined that, in addition to the Property, there are other properties located in the vicinity of the Improvements which could be provided sewer service at some time in the future due to the installation of the Improvements and those other properties (herein known as the "Tributary Properties") are within a County approved sewerage sub-basin (herein known as the "Tributary Service Area") which includes the Property and is defined in Exhibit "B", attached hereto and incorporated by this reference; and

WHEREAS, Applicant will construct the Improvements in accordance with the approved plans and specifications; and

WHEREAS, in exchange for the construction and dedication of the Improvements to the County, the County is willing to reimburse the Applicant for certain costs associated with

construction of the Improvements by reimbursing a portion of the Connection Charges collected from the Tributary Properties as pro rat share costs of the installation of the Improvements, and

WHEREAS, County has the authority pursuant to Pierce County Code Chapter 13.10 to enter into this Agreement to reimburse the Applicant for a portion of the cost of constructing the Improvements;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL BENEFITS AND COVENANTS DESCRIBED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Purpose. The purpose of this Latecomers Agreement is to provide the legal framework and establish the procedures for reimbursing the Applicant some portion of the cost of constructing the Improvements to serve the Tributary Service Area, including the Property, from a portion of the connection charges received within the following fifteen (15) years from the Tributary Properties.

2. Construction of Improvements By Applicant. Applicant will construct at its own expense, all the Improvements as shown on the sanitary sewer plans approved by the Wastewater Utility Manager on _____, 20___. All construction will be in accordance with the approved sanitary sewer plans and all other applicable County, State, and Federal ordinances, statutes, or regulations. Applicant will construct the Improvements and upon final acceptance of the Improvements by the County, transfer the Improvements to the County free and clear of all liens and debts, for inclusion into the sewer system as a public facility, including any right, title and interest in any property upon which the Improvements are located.

3. Applicant's Connection Charges and Other Fees. In consideration of County's permission to allow Applicant to connect to existing County sewer facilities, Applicant agrees to pay in full all applicable (estimated) connection charges due the County prior to approval of the sewer plans. The (estimated) connection charge shall be calculated in accordance with the Pierce County Administrative Code Chapter 13.04 (or that section of the Pierce County Code governing the calculation of connection charges). The estimated Applicant's Area Charge for the Property shall be \$_____.

(The Applicant acknowledges that the County currently does not have final construction cost for a portion of the existing County sewer to which connection is proposed. In addition, the Applicant acknowledges that the estimated Applicant's Area Charge is subject to change. Should the final Applicant's Area Charge be greater than the estimated amount, the Applicant agrees to pay the County the difference within 15 days of receipt of notification from the County. In addition to the connection charge, Applicant shall pay all other fees required by law, including but not limited to plan review fees, inspection fees, contract administration fees, side sewer stub charges, treatment plant capacity charges, and other administrative fees.

B-4

4. Eligible Construction Costs. The County and Applicant agree that the estimated Total Eligible Construction Cost for the Improvements to be constructed is \$ _____. Within 15 days of completion of construction of the Improvements and acceptance by the County, Applicant shall provide the complete and itemized copies of all invoices for costs related to construction of the Improvements.

The cost information provided by Applicant shall be reviewed by the County to determine the actual Total Eligible Construction Cost. Certification of the costs and authentication of the copies shall be made by the party providing the construction service and the Applicant. Costs not evidenced by an invoice shall not be included in the Total Eligible Construction Cost. Any costs not previously identified in the approved cost estimate submitted with the sewer plans and specifications shall not be included in the Total Eligible Construction Cost unless written authorization is received from the County. Construction costs which exceed the approved Engineer's Construction Cost Estimate shall not be included in the Total Eligible Construction Cost unless written authorization is received from the County.

5. Average Dry Weather Flow. The County and Applicant agree that the Average Dry Weather Flow (ADWF) that is anticipated to be generated by the Tributary Properties shall be _____ gallons per day, or _____ Residential Equivalents (R.E.'s). The County and Applicant further agree that the ADWF anticipated to be generated by the Property itself shall be _____ gallons per day, or _____ R.E.'s. Therefore, the total ADWF that is anticipated to be generated by all the properties with the Tributary Service Area shall be _____ gallons per day, or _____ R.E.'s.

6. Pro Rata Share. As the (estimated) Total Eligible Construction Cost to serve the Tributary Service Area is \$ _____, as stated in Section 4, and the total ADWF that is anticipated to be generated by all the properties with the Tributary Service Area is _____ gallons per day, or _____ R.E.'s, as stated in Section 5, the (estimated) Pro Rata Share shall be \$ _____/GPD, or \$ _____/R.E.

7. Total Reimbursable Construction Costs. As the (estimated) Pro Rata Share is \$ _____/R.E., as stated in Section 6, and the total ADWF that is anticipated to be generated by the Tributary Properties is _____ gallons per day, or _____ R.E.'s, the (estimated) Total Reimbursable Construction Cost shall be \$ _____.

8. County Agrees to Reimburse. The County agrees to reimburse the Applicant for the Total Reimbursable Construction Costs from a portion of the connection charges paid by for the Tributary Properties that subsequently connect to the Improvements until the Total Reimbursable Construction Cost has been paid in full or until the term of the Agreement expires. Except that all connection charges collected for properties within the Tributary Service Area of this agreement shall first be subject to requirements from previously executed agreements.

Reimbursement payments made from the eligible portion of the connection charges collected from the Tributary Properties shall be made to the Applicant within sixty (60) days following collection of the connection charge by the County.

No interest shall be paid on any unpaid balances related to any amount in this Agreement for the term of the Agreement.

9. Tributary Service Area. The County, pursuant to applicable Administrative Code provisions, will collect connection charges and other applicable fees from property owners within the Tributary Service Area who subsequently connect their properties to the Improvement after its conveyance to the County (herein known as the "Tributary Properties"). Those charges and fees shall include, but not be limited to Area Charges, Front Footage Charges, Side Sewer Stub Charges, Treatment Plant Capacity Charges, plan review fees, inspection fees, and contract administration fees. Only portions of the Area Charges calculated pursuant to section 13.04.100 and collected by the County from the Tributary Properties shall be used to reimburse the Owner. The portion eligible for reimbursement shall be that portion of the Area Charge related to the Improvements (herein known as the "Pro Rata Share"). No other charges or fees collected from the Tributary Properties shall be utilized to reimburse the Owner.

10. Term of Agreement. This Agreement and all obligations contained herein, shall terminate upon final payment of the Total Reimbursable Construction Cost to the Applicant pursuant to this Agreement, or at the end of fifteen (15) years from the effective date of this Agreement, whichever occurs first. The effective date of this agreement shall be the date the agreement is fully executed by the Applicant and Pierce County as evidenced on the signature page of the agreement.

11. Termination of Agreement Due to Expired Sanitary Sewer Plans. Upon execution of this Agreement, the Applicant must proceed with construction of the Improvements prior to the expiration of his/her approved sanitary sewer plans. Unless extended by mutual agreement between the County and the Applicant, should the Applicant's approved sanitary sewer plans expire prior to the initiation of construction of the Improvements this agreement shall be null and void.

12. Applicant's Warranty of Improvements. Applicant agrees and expressly warrants to the County that the Improvement will be installed pursuant to the approved design plans at the Applicant's expense, will function in a satisfactory manner and be in compliance with recognized engineering and construction standards. Applicant agrees to indemnify the County against any losses caused by faulty materials and/or poor workmanship incorporated in or relating to the improvements. Such warranty and indemnification shall be in effect for twelve (12) months commencing on the date of the County's acceptance of the Improvements as constructed. The County may require that some portions of the Improvements, such as protective coatings, be warranted for terms longer than the standard twelve months. Any maintenance bond requirements shall be accordance with then current County ordinances and regulations. Applicant will assign to County all rights Applicant possesses, as against the contractor,

subcontractors or any other person, firm, or corporation, contractual or otherwise, whether based on an express or implied warranty to recover damages relating to the Improvements.

13. Limitation of Assignment. This Agreement shall not be assignable by Applicant without the prior written approval of Pierce County.

14. Notice. Applicant shall be responsible for providing the County with its current address at all times during the term of this Agreement. All payments under this agreement shall be mailed to the Owner using the most current address on file with the Pierce County Public Works and Utilities Department. Any change of address notice submitted by the Applicant shall be sent by means of Certified Mail, return receipt request, and shall be addressed as follows:

APPLICANT(S)

(Applicant's Name and Address)

PIERCE COUNTY
Pierce County Public Works and Utilities
9850 64th Street West
University Place, Washington, 98467-1078

15. No Waiver of Permits. Nothing in this Agreement shall be construed to waive any permitting or approval process otherwise required by any Federal, State or County agency in conjunction with development on the Property.

16. Indemnification. Applicant agrees to save harmless and indemnify the County, its appointed and elected officials and employees from and against all claims of loss and expense, including, but not limited to, damage to wastewater facilities, economic loss, environmental remediation, or claims by third parties for personal injury, death, or property damages arising from performance of the Applicant's obligations under this agreement.

17. Entire Agreement. This Agreement constitutes the entire agreement between the Applicant and the County with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, with respect to such subject matter. Any alteration or amendment or modification of this agreement shall be valid only if set forth in writing and signed by both parties hereto.

18. Governing Law. In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action shall be in the courts of the State of Washington in and for the County of Pierce. This Agreement shall be governed by laws of the State of Washington and the ordinances and codes of the County of Pierce.

19. Severability. In the event any portion of this Agreement is determined to be void or unenforceable, such provision shall be severable and will not affect the validity of the remaining portion of this Agreement.

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

Executed this _____ day of _____, 20____.

PIERCE COUNTY

APPLICANT(S)

By:

Date

Its: County Executive
(if \$250,000 or more)

Department Director

Date

Deputy Prosecuting Attorney
(as to form only)

Date

Budget and Finance

Date

By:

Date

Its: _____
(Title)

By:

Date

Its: _____
(Title)

Address and Phone Number

Tax Identification Number OR
Social Security Number

N:\Documents\Sewers\Users\SCHANFR\Latecomers AGREEMENT Draft.doc(07/26/05)

B-9

EXHIBIT "A"

LEGAL DESCRIPTION

Exhibit A Text

EXHIBIT "B"

TRIBUTARY SERVICE AREA

Exhibit B Text

Project Name _____
SWLE _____
Date _____
Reviewer _____

**PIERCE COUNTY DEPARTMENT OF PUBLIC WORKS AND UTILITIES
SEWER UTILITY DIVISION**

LATECOMERS AGREEMENT CHECKLIST

DISCLAIMER - This checklist is provided to Consulting Engineers for the express purpose of assisting them in compiling information for submittal to the Sewer Utility Division of the Pierce County Department of Public Works and Utilities. This checklist is merely a guide to assist the design engineer in providing the minimum information required for a Latecomers Agreement. The County may require additional information not included on this checklist. This checklist may be revised from time to time and the design engineer should insure that he/she has the most recent copy prior to compiling a design.

The following items are required on all Latecomers Agreement submittals:

- ___ 1. Detailed plans for the public sewer system to be installed.
- ___ 2. An Engineer's cost estimate (signed, sealed, dated) showing an itemized breakdown of all costs to be reimbursed. These costs are defined in PCC 13.10.050.E.
- ___ 3. If the Applicant is a corporation, company, partnership, etc., submit the Articles of Incorporation and the tax identification number. If the Applicant is an individual, submit the social security number.
- ___ 4. Legal descriptions of all parcels that make up the Property referenced in the latecomers agreement. Provide this information in both electronic (e.g., MS WORD) and hardcopy form.
 - ___ a. Label descriptions as Exhibit A1, A2, A3, etc. depending on the number of parcels being described.
 - ___ b. If the Property has a project name, write the name and parcel number at the top of the legal description.
 - ___ c. Include page numbering for the Property legal. Even if it is one page, label the page as Page 1 of 1.
- ___ 5. Tributary service area map - submitted on 1/4 section map pages.
 - ___ a. Label map as Exhibit B - Tributary Service Area Map.
 - ___ b. Include a title for the map. The title shall include the name of the project and SWLE#.
 - ___ c. Information to show on the map shall include:
 - ___ 1) The name, address, and phone number of the person who developed the map.
 - ___ 2) The boundary of the Tributary Service Area.
 - ___ 3) Property boundary of the Property that is subject to the agreement

- ___ 4) The proposed public sewer line (solid line) that is to be installed under the Latecomers Agreement project (Include manholes, manhole numbers, flow direction arrows, diameter and length of pipe).
- ___ 5) The existing sewer line (dashed line) that the proposed line ties into (Include manhole(s), Pierce County manhole #(s), flow direction arrows, diameter and length of pipe).
- ___ 6) Label the Property by its project name shown on the legal description.
- ___ 7) A legend describing all lines and symbols used. (i.e. property boundaries, tributary service area boundaries, existing sewer line, proposed sewer line, manholes, etc.).
- ___ 8) Include the Applicant's name and address on the map.
- ___ 9) Match lines if more than one sheet is needed for map.
- ___ 10) Map shall be on 11" x 17" or 22" x 34" sheet.
- ___ 11) Provide a copy of the final map in a PDF format (via e-mail to schanfr@co.pierce.wa.us).

Note: Two (2) copies of the map shall be submitted for review. Once the review is completed, five (5) copies of the map are needed for the Latecomers Agreement.

- ___ 6. Provide a list of all the parcel numbers of all the parcels within the Tributary Service Area. Provide the property owners name(s), site addresses, and mailing addresses for the properties that are adjacent to the proposed sewer line extension. Each adjacent property owner must be contacted to determine the desired location(s) of the side sewer stub for each adjacent property. Contact shall be, at a minimum, through a certified letter to the owner of record of the properties, as indicated by the County Assessor-Treasurer's records. A sample letter is attached. **Contact shall be made a minimum of three weeks prior to plan approval. Submit a copy of each Domestic Return Receipt from the US Postal Service once they have all been returned.** The Side Sewer Stub Location Request form (attached) must be included with the certified letters along with a stamped envelope addressed to: Pierce County Department of Public Works and Utilities – Sewer Utility Division, Development Engineering Section, 9850 – 64th Street West, University Place, WA 98467.
- ___ 7. Two weeks after the certified letters have been mailed, this department will return all the Side Sewer Stub Location Request forms it has received to the Engineer, so that the requested locations may be included on the plans prior to plan approval. Properties for which no Side Sewer Stub Location Request form has been received must still be provided with a stub.
- ___ 8. Upon completion of construction, the owner shall provide itemized copies of all invoices for costs related construction of the facilities. These are limited to the costs described in PCC 13.010.050 (E). The invoices shall be numbered and labeled as to which item in the Engineer's Estimate they pertain. The Engineer shall submit a package containing the itemized invoice copies, the original Engineer's Estimate, and a summary comparing actual vs. estimated costs.

Note: The Latecomers Agreement will only be executed with one (1) Applicant. The County will draft the Agreement.

Date: _____

Subject: Proposed Sanitary Sewer Line Extension located at _____

Dear _____:

I am writing to you on behalf of _____, which is proposing a development known as _____ located at _____. In conjunction with the development, a public sewer line will be extended along _____ adjacent to your property. Construction of this public sewer line is scheduled to begin on _____.

As the owner of property adjacent to this proposed sewer line extension, you have the opportunity to request a preferred location for the side sewer stub that is required to be installed for your property in conjunction with this project.

The County currently does not require that the properties along a new public sewer line connect to the sewer system. However, if your septic system fails, or if you propose to expand the use of your property (e.g., turn a single family residence into a duplex, add an Accessory Dwelling Unit, etc.), you would be required to connect your property to the sanitary sewer system.

If you have a preferred location for your side sewer, please draw the location on the attached Side Sewer Location Request form and mail it to the County at the address on the attached stamped envelope within two weeks of receipt of this letter so that the preferred location can be incorporated onto the approved sanitary sewer plans.

If we do not receive the side sewer stub location request within 2 weeks of the date of this letter, the stub location will be located as determined by the project engineer.

If you have any questions, you can call me at (_____) _____ - _____, or if you wish to discuss your options with a County representative you can call _____ at (_____) _____ - _____.

Sincerely,

Project Manager

Enclosures: Side Sewer Location Request form w/ a stamped envelope

**PIERCE COUNTY DEPARTMENT OF PUBLIC WORKS AND UTILITIES
SEWER UTILITY DIVISION**

Side Sewer Stub Location Request

Below is a detail of the proposed sanitary sewer line extension plans for the development known as _____ . The detail shows the proposed location for a side sewer stub to serve your property (parcel number _____). If you would prefer a different location for this stub to facilitate future connection of your property to the public sewer system, please draw it on the detail below, sign the form (must be property owner), and mail this form to the address on the attached stamped envelope. Side sewer stubs must be located at least 10 feet from side property lines unless the appropriate private sanitary sewer easements are recorded and must be installed perpendicular to the sewer main unless they connect directly to a manhole.

Signature: _____
Property Owner Date