

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE October 18, 2016	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors
FROM: Susanne Baker, Finance Director
THROUGH: Rodger Craddock, City Manager
ISSUE Resolution 16-23 Extension of Sewer Recovery Agreement

BACKGROUND

In December of 2005 the City entered into Sewer Recovery Agreement (SRA) 2005-01 with Ike Parker for the extension of the existing main sewer line to the developments being built by Mr. Parker on Fulton Avenue in Empire. The purpose of the SRA was to ensure if the undeveloped properties adjacent to the newly extended main sewer line were developed and connected, the owner of such property would pay their proportional share of the cost of installing the extended main sewer line; 95% of any payment would go to the developer, with the City retaining five percent as compensation for administering the agreement.

In 2009, Mr. Parker's attorney submitted a letter on his behalf requesting approval of the one-time extension of the 10-year agreement, which was to expire in 2015. This request was made after the settlement of litigation over the validity and interpretation of the SRA after Mr. Parker sold his property to a third party. At that time, Ordinance 415 was enacted to retroactively ratify and clarify the reimbursement obligation of the SRA to resolve any future litigation. During this procedural action the timely request for an extension of the agreement was inadvertently missed. At this time the Council is asked to adopt a resolution to retroactively grant the extension back to the time of the original expiration.

ADVANTAGES

Adopting the resolution will retroactively grant the intended one-time ten-year extension to 2025.

DISADVANTAGES

Without adoption of the resolution the developer would not be able to receive proportional compensation for extending the main sewer line.

BUDGET

The City will retain five percent of the reimbursement for administering the agreement.

RECOMMENDATION

It is staff's recommendation the City Council adopt Resolution 16-23 to retroactively approve the one-time ten-year extension of Sewer Recovery Agreement (SRA) 2005-01.

City of Coos Bay

Resolution 16 – 23

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, SEWER RECOVERY AGREEMENT 2005-01 EXTENSION OF TIME TO RECEIVE PROPORTIONAL SHARE OF THE COST TO EXTEND THE MAIN SEWER LINE ON FULTON TO ADJACENT PROPERTIES.

WHEREAS, the City Council of the City of Coos Bay, Coos County, Oregon (the “City”), enacted Ordinance 415 on June 16, 2009; and

WHEREAS, the purpose of the ordinance was to ratify and clarify the reimbursement obligation of sewer recovery agreements to ensure if the adjacent undeveloped properties were developed and connected to the new sewer line, the owner of such property would pay their proportional share of the cost of the improvement; and

WHEREAS, 95% of any such payment would go to the developer, with the City retaining five percent as compensation for administering the agreement; and

WHEREAS, the developer’s attorney submitted a request on May 13, 2009 to exercise the one-time request to extend the 2005-01 (Ike Parker) sewer recovery agreement;

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby retroactively authorizes the one-time ten-year extension of sewer recovery agreement 2005-01 from December 23, 2015.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Coos County, Oregon this 18th day of October 2016.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder