

**OCTOBER 23, 2018 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 –7:22 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, *L. McIntosh, J. Pendergraph, R. West

*Council Member L. McIntosh arrived at 6:55 p.m.

OTHERS PRESENT

J. Goodwin, City Manager
A. Ramos, City Attorney
S. Mahoney, Finance Director
T. Raney, Community Development Director
D. Schilling, City Engineer
A. Wightman, Police Chief
A. Paquette, Fire Chief

PLEDGE OF ALLEGIANCE:

Council Member J. Pendergraph led the pledge of allegiance.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Motion made by Council Member J. Pendergraph, Seconded by Council Member R. Coe to **approve minutes of the regular meeting on October 9, 2018; Malone Culvert Failure and Emergency Replacement Project Update and Quarterly Investment Report September 30, 2018.** Vote called: AYES – Pendergraph, Coe, Henderson, and West. ABSENT: McIntosh. Motion carried.

REGULAR CALENDAR

1) City Manager Jim Goodwin presented the staff report for the Memorandum of Understanding (MOU) Regarding Remaining Closure/Post Closure Expenses through September 30, 2018 for the Recology Yuba-Sutter Landfill in Marysville between Recology Yuba-Sutter and the Cities of Live Oak, Marysville, Wheatland and Yuba City, and the Counties of Sutter and Yuba. The City of Wheatland is part of a six-member Joint Powers Authority agency formed in 1990 as the Bi-County Integrated Waste Management Authority and is now known as the Regional Waste Management Authority (RWMA). The RWMA members are Yuba County, Sutter County and the cities of Live Oak, Marysville, Wheatland and Yuba City. One elected council member or board member from each member agency make up the RWMA Board. Currently Councilmember Pendergraph represents Wheatland on the RWMA Board. Each RWMA member agencies' Collection Service Agreement with Recology Yuba-Sutter effective January 1, 2012 through September 30, 2019 provided that the unfunded portion of the post closure expenses for Recology Yuba-Sutter's landfill in Marysville is an "Allowed Cost of Operations" and shall be supported by a written agreement between Recology Yuba-Sutter and the member agencies describing the method for their calculation. No such written agreement has been made, other than what was included in prior rate adjustments. With the recent adoption of a new Collection Service Agreement effective October 1, 2018, replacing the Collection Service Agreement that was to terminate on

September 30, 2019, the RWMA members agency administrators discussed entering into a Memorandum of Understanding (MOU) to document the landfill post closure expenses to be paid for the final year (October 1, 2017 to September 30, 2018) of the now prior agreement. The proposed MOU presented to the City Council documents the expenses; sources and distribution of funds owed; and, procedures for submittal of final documentation and payment of certain post closure expenses incurred from October 1, 2017 through September 30, 2018. The MOU specifically addresses the net annual post closure maintenance expenses; shoring up the 15-year post-closure maintenance trust fund and Article 5 trust fund; and, the final true-up of the landfill gas project that commenced in 2009. The sources and distribution of funds owed is specified in the MOU and includes allocations based on the RWMA member jurisdictions' past contributions of refuse to the Marysville Landfill (92.2%) and allocations amongst the RWMA member jurisdictions based on actual collection revenues documented for Rate Year 2011 and included in the Collection Service Agreements effective January 1, 2012. It also specifically limits the maximum liability of the RWMA member jurisdiction liability to just those items and values shown as they will have no liability for these items under the new Collection Service Agreements effective October 1, 2018. While these expenses are the obligation of each of the RWMA member jurisdictions, the portions of these expenses not already included in the service rates are anticipated to be funded by the Rate Stabilization and Capitalization Funds previously remitted to the RWMA Five Jurisdiction and Yuba City Rate Stabilization and Capitalization Funds and contributions from the RWMA, if necessary. All five participating member agencies must approve the MOU for it to become effective.

Council Member J. Henderson commented any excess fund will there be a credit. City Manager J. Goodwin responded that rate stabilization funds could be insufficient to pay the full balance, if that were the case the RWMA still has funds available to pay the difference.

Motion was made by Council Member J. Pendergraph, Seconded by Council Member R. West to **Adopt Resolution No. 26-18 approving the Memorandum of Understanding Regarding Remaining Closure/Post Closure Expenses Through September 3D, 2018 for the Recology Yuba-Sutter Landfill in Marysville between Recology Yuba-Sutter and the Cities of Live Oak, Marysville, Wheatland and Yuba City, and the Counties of Sutter and Yuba and authorize the Mayor to execute the document.** Vote called – AYES: Pendergraph, West, Coe, and Henderson. ABSENT: McIntosh. Motion carried.

2) City Engineer Dane Schilling presented the staff report for the First Amendment to the Subdivision Improvement Agreement for Village 1 of the Jones Ranch (aka Caliterra Ranch) Subdivision with Dale Investments, LLC. On March 27, 2018, the City and Dale Investments, LLC (“Developer”) entered into a Subdivision Improvement Agreement concerning Village 1 of the Jones Ranch (aka Caliterra Ranch) Subdivision. Section 7 of the Subdivision Improvement Agreement requires the Developer to provide the City with security for the infrastructure work required to serve the project until the work is constructed and accepted by the City. Typically, improvement securities are provided in the form of a bond issued by a state acknowledged surety company. However, the Developer has not been able to obtain a bond for the project and is requesting that the City accept a lien against the property as an alternate form of security until the project is closer to commencing construction. City Staff and the City Attorney have reviewed the City’s options and determined that a lien is an acceptable form of security as a temporary measure until the Developer secures a bond. The agreement and lien have been prepared and reviewed by the City Attorney, and found to be acceptable form of improvement security. The agreement stipulates that the Developer agrees to the temporary lien until the Developer is prepared to commence construction of the infrastructure for the project which is anticipated in the spring of 2019. The Developer agrees to replace the lien agreement by furnishing the City with an improvement security authorized by Section 7.1 of the Subdivision Improvement Agreement not later than 90 days before the Developer intends to commence construction of the infrastructure improvements. The estimated cost of the on-site and off-site infrastructure improvements is \$5,458,165.

Council Member R. Coe questioned if exercising a lien is more expensive than collecting on a bond. City Attorney Andrew Ramos responded that exercising the bond option is somewhat easier. Rick Lang from Dale Investments contacted that placing the lien is a good solution.

Motion was made by Council Member R. West, Seconded by Council Member J. Pendergraph to **authorize the City Manager to enter into the first amendment to the Subdivision Improvement Agreement for Village 1 of the Jones Ranch (aka Caliterra Ranch) Subdivision with Dale Investments, LLC.** Vote called – AYES: West, Pendergraph, Coe and Henderson. ABSENT: McIntosh. Motion carried.

3) Community Development Director Tim Raney presented the staff report for discussion of the City of Wheatland Development Impact Fees and building permit fees. The Wheatland City Council has requested information regarding the City's fees required for new development. Staff has compiled the information in this staff report to provide the Council with an overview and understanding of the current fee structures applied to new development. The purpose of development impact fees is to require new development to pay its fair share cost of the construction of public infrastructure and facilities. Impact fees help to finance a wide variety of public facilities and services such as schools, libraries, police and fire protection, and transportation improvements. These fees paid by new development ensure that the new residents and businesses cover their fair share of the costs of the facilities necessary to provide them with adequate city government services. State law (California Government Code Section 66006) allows each local agency to impose development impact fees (referred to as AB 1600 fees) by preparing a fee study and following a specified public process. The AB 1600 legal requirements stipulate that fees imposed on new development have the proper nexus to any project on which they are imposed. In addition, AB 1600 imposes certain accounting and reporting requirements with respect to the fees collected. For accounting purposes, these fees must be segregated from the General Fund of the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to the fund or account and used only for the purpose for which fees were collected. The City of Wheatland last updated its AB1600 development impact fees in 2007. An outside consulting firm was retained to properly calculate and process the development impact fees. The basis for the costs for these fees was drawn from the infrastructure background reports prepared for the 2006 General Plan Update. To calculate the per unit fee, the total cost for each impact fee category was divided by the level of new development assumed for each of the land use types identified in the 2006 General Plan Update. In addition to the standard development fees adopted by the City, three additional development impact fee zones also exist within the City of Wheatland due to approved development agreements between the City and the property owners. The City has granted fee protections to the Caliterra Ranch, formerly known as the Jones Ranch subdivision, and the Heritage Oaks Estates East residential subdivision. Staff has gathered the current development impact fees for neighboring jurisdictions. However, it should be noted that comparing development impact fees among jurisdictions is often difficult due to varying approaches and needs for new infrastructure and facilities. These differences also highlight the difficulty in attempting to use development impact fees as a measure of a jurisdiction's interest in attracting new development. Fees adopted for each jurisdiction represent the levels and types of infrastructure and facilities envisioned by each governing board for their future residents and businesses. Jurisdictions may also decide to provide higher levels of some services, such as including aquatic facilities for their residents, which will substantially increase their park fee.

In January 2019, the City's building plan check and inspection fees will be contracted to Yuba County. Therefore, for any new building application, the County will apply its current plan check and inspection fee calculations to that application. As typical with most jurisdictions in California, the Yuba County plan check and inspection fees are based on the size and estimated valuation of the proposed structure. Staff has applied the fee structure to construct an assumed average single-family residence and a single commercial building. Because the permit fees are based upon the size of the structure, staff has assumed a 2,000 square foot floor plan for a single-family residence and 2,000 square foot commercial building.

City staff has provided an overview of development impact fees and permitting for consideration by the City Council. The current City of Wheatland development impact fees are based upon the infrastructure and utilities identified and designed to meet the land uses adopted in the 2006 General Plan Update. Since the adoption of the General Plan, a variety of changes to the existing conditions of the land in and around Wheatland have occurred that may generate the need for the City to revisit the adopted list of facilities and infrastructure. Due to changes in the flood control regulations and areas that may require substantial flood control projects to allow development, some of the lands on the west-side of the City may not be well suited for future development. Other properties provided with General Plan urban land uses have been planted with walnuts and are anticipated to be in agricultural production for many years. Roadways previously proposed to cross these properties may not be feasible. The original General Plan infrastructure planning did not include the necessary facilities required to provide the necessary services to the Johnson Rancho project area. Staff is concerned that the current development impact fees may need to be adjusted to accommodate the changes in the City's land use patterns.

The Council may wish to consider the information that has been provided and the subsequent discussion and direct staff regarding any necessary tasks to review and adjust the City's development impact fees. In general, staff recommends that the City Council consider the following steps to update the City's current AB1600 fees; prepare a limited General Plan update to take into account known land use constraints affecting the 2006 City of Wheatland General Plan; prepare new backbone infrastructure plans to serve a revised General Plan land use map and prepare and recalculate the AB1600 development impact fees to fund the construction of the new backbone infrastructure plans.

Council Member R. Coe commented that part of the information the Ad Hoc Committee for the Downtown Corridor Plan is looking into is old information.

Council Member R. West commented on financing for the General Plan Update (GPU) and the possibility of grant money from SAGOG. J. Goodwin responded that the GPU would cost approximately \$150,000. T. Raney responded that the Johnson Rancho Project may fund part of the cost for a GPU. West questioned the timeline for the GPU, T. Raney responded possibly by the end of 2019. West commented on fee agreements with Johnson Rancho, Hop Farm and Almond Estates. T. Raney explained the Almond Estates property is now being used as an orchard and there is not an existing funding agreement. R. West commented on the SYTIA funding study for the bypass will add an additional 15-20% to the cost of impact fees. R. West questioned when the funding mechanism is passed for the bypass study will current developer agreements be subject to the dollar amount. Raney responded yes.

Council Member L. McIntosh commented on

Council Member J. Henderson concurred with Council Member West's to encourage infill development. Henderson commented on evaluating fees appropriately with 2006 information. J. Goodwin responded that from a timing stand point, the total lot count on approved maps is approximately 1,100. J. Henderson commented that since the City's current General Plan is from 2006, is there an increase in liability in terms of fee setting. A. Ramos responded that the life of a General Plan is quite long and believes the City is fine at this point. J. Goodwin added the nexus study is built in to the General Plan and best practice for the nexus study for impact fees is 5 years.

Council Member J. Pendergraph commented on possible funding sources for the City's Housing Element. T. Raney responded very few grants are available. There is a new grant available for standard CDBG funds.

City Manager J. Goodwin stated that in conclusion, the City needs to find a way to fund a GPU in order for the nexus analysis. J. Goodwin added that the Master Tax Sharing Agreement approved non duplicative county impact fees.

REPORTS

Council Member J. Pendergraph reported on completion of the Septic System Replacement Project at WFA Station No. 3 and reward of the construction contract for the bathroom repair project at WFA Station No. 3. Council Member J. Henderson reported on the YSEDC meeting; progress of construction on the Enterprise Rancheria Casino and his trip to Beale AFB.

ADJOURN

There being no further business, Council Member J. Henderson adjourned the meeting at 7:22 p.m.

Minutes approved and adopted this 27th day of November 2018.

Joseph Henderson, *Mayor*

Lisa J. Thomason, *City Clerk*