



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Authorization to Sign Central City Revitalization Assessment District Deferral and Reimbursement Agreements

MEETING DATE: April 17, 1996

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council authorize the City Manager and City Clerk to execute Assessment Deferment and Reimbursement Agreements for the Lodi Central City Revitalization Assessment District No. 95-1.

BACKGROUND INFORMATION: As previously discussed with Council, property owners within the Lodi Central City Revitalization Assessment District, whose property is being used for residential or nonprofit purposes, have been offered the opportunity to request a deferment and reimbursement agreement for the assessments on their parcels. At Council direction, the deferment covers all residential/nonprofit uses, including residential rentals and the residential portions of those properties containing both residential and commercial uses.

A sample cover letter and agreement are attached as Exhibit A. In simple terms, the agreement provides that the City agrees to advance the amount finally assessed on the property on behalf of the property owner and the owner agrees to reimburse the City on a pro rata basis should the residential/nonprofit use be changed to a commercial use during the life of the bonds.

The property owners were notified at the time of mailing of the Notices of Assessment that deferment and reimbursement agreements could be requested if their parcels were used for residential or nonprofit purposes. This information was also provided during the District telethon conducted on February 27 and 28. As of April 4, thirty-nine deferment and reimbursement agreements have been requested by, and mailed to, eligible property owners. We have received several signed agreements from the property owners. The agreements need to be executed by the owners and the City. When the District is approved, the agreements will be recorded in the San Joaquin County Recorder's office.

Staff recommends that Council authorize the City Manager and City Clerk to execute agreements signed by the property owners on behalf of the City. The deadline for the agreements will be the same as the deadline for cash payoffs: thirty days after the final assessment notice.

FUNDING: Depends on number of deferment and reimbursements requested. The thirty-nine agreements that have been requested as of April 4, 1996 represent deferred assessments of \$90,857. Funding for the deferred assessments will come from the City's contribution to the project.


Jack L. Ronsko
Public Works Director

Prepared by Sharon Welch, Associate Civil Engineer
Attachment

cc: City Attorney
City Engineer
Associate Civil Engineer - Development Services
Timothy Hachman

APPROVED: _____

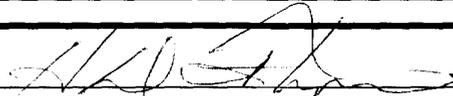

H. Dixon Flynn -- City Manager

EXHIBIT A

CITY COUNCIL

DAVID P. WARNER, Mayor
PHILLIP A. PENNINO
Mayor Pro Tempore
RAY G. DAVENPORT
STEPHEN J. MANN
JACK A. SIEGLOCK

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6842

H. DIXON FLYNN
City Manager
JENNIFER M. PERRIN
City Clerk
RANDALL A. HAYS
City Attorney

(Date)

(Name)
(Street Address)
(City, State)

SUBJECT: Assessment Parcel _____
(APN #)
(Street Address)

In accordance with your request, enclosed is the original and two copies of the Assessment Deferment and Reimbursement Agreement for your parcel within the Lodi Central City Revitalization Assessment District. Since your property is being used for residential/nonprofit uses, it is eligible for this deferment.

Briefly, the deferment means that the City will pay your assessment on the condition that, should you change the use of the parcel from residential/nonprofit to commercial, you will repay the assessment. The repayment amount will be reduced annually on a prorated basis with the life of the bonds.

The original and one copy of the agreement needs to be signed by the property owner(s), acknowledged by a Notary Public and returned to our office prior to April 10, 1996. The second copy is for your records. We have a Notary Public available in our office who can acknowledge your signature(s) on the agreement. Please call before coming to our office if you wish to take advantage of this service.

The agreement will be signed by the City when the assessment district is approved and one copy of the agreement bearing original signatures will be returned to you for your records. This agreement will be recorded in the office of the San Joaquin County Recorder.

If you have any questions regarding the terms of the agreement or Notary Public services, please contact Sharon Welch, Associate Civil Engineer, at (209) 333-6800 Ext. 659.

Richard C. Prima, Jr.
City Engineer

RCP/SAW

Enclosures

cc: Associate Civil Engineer
Timothy Hachman

EXHIBIT A

When recorded, mail to:

Public Works Director
City of Lodi
P. O. Box 3006
Lodi, CA 95241-1910

CITY OF LODI

LOCAL BENEFIT ASSESSMENT DEFERMENT AND REIMBURSEMENT AGREEMENT LODI CENTRAL CITY REVITALIZATION ASSESSMENT DISTRICT NO. 95-1

OWNERS:

IT IS AGREED BY AND BETWEEN THE CITY OF LODI, a Municipal Corporation of the State of California, hereafter called "CITY", and _____ hereafter called "OWNER", as follows:

1. CITY, in accordance with and pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code), has commenced proceedings for the formation of the Lodi Central City Revitalization Assessment District No. 95-1 (hereafter called "District") for the purpose of financing the acquisition and/or construction of public improvements, benefiting the property within the District, including the property of OWNER, all as more particularly described in Resolution No. 95-123, adopted by the City Council of CITY on September 20, 1995.

2. OWNER's property, designated Assessment Parcel _____ in the District Assessment Diagram filed in Book ____ of Maps of Assessment and Community Facilities Districts at Page ____ in the office of the San Joaquin County Recorder (hereafter called the "OWNER's property"), was assessed for its share of the estimated costs of the public improvements to be financed through the District, requiring payment of the net sum of \$ _____.

3. OWNER's property is currently carrying a residential use on all the property assessed.

4. CITY agrees to advance on behalf of OWNER the amount finally assessed on the property having such current use prior to the date of CITY's resolution determining unpaid assessments and providing for the issuance of bonds in the District proceedings.

5. In consideration of such advance, except as provided in Paragraph 9 below, OWNER agrees to reimburse CITY for such advance at the time and in the amount provided in Paragraph 6.

6. The amount established under Paragraph 4 and this Paragraph 6 shall be paid to CITY by OWNER as a condition precedent to a change in current use and/or the development of the property by whichever of the following shall first occur:

- (a) The issuance by the CITY of a building permit, business tax certificate, or use permit which authorizes a commercial or industrial establishment on any portion of the property; or

EXHIBIT A

(b) The acceptance by the CITY of a final subdivision map, parcel map, or lot line adjustment, which authorizes commercial or industrial use, filed by the OWNER or the successor in interest of the property.

The amount of reimbursement required under this Paragraph 6 shall be determined by the then unpaid principal amount of the bonds issued in the proceedings, with the OWNER's share of such unpaid amount computed on the same pro rata basis which the OWNER's property assessment bears to the total original assessments levied as the then unpaid principal amount of the bonds bears to the total amount of bonds originally issued. This computation places the obligation of the OWNER's property at that time on the same basis as all other properties within the District which have paid in prior years their pro rata installments on the unpaid assessments. At the option of the OWNER, the principal amount of the assessment may be paid in full or paid in annual installments on the general property tax bill of the OWNER's property, in which event the principal amount shall bear interest, at the same rate as the bonds bear, on the decreasing balance in the same manner as if bonds had been issued on the OWNER's property assessment.

7. OWNER agrees that this Agreement may be recorded at the option of CITY and that the covenants and obligations of OWNER under this Agreement shall run with the property and shall be binding upon OWNER, and his/her/their successors, assigns and personal representative(s).

8. CITY contemplates the establishment of the District pursuant to its Resolution No. 95-123, either as it presently exists or as amended, and OWNER agrees to become a part of any such District; provided, however, that the inclusion of the property in any such District shall not expand the obligations of OWNER as set forth in this Agreement.

9. The term of this Agreement shall expire on the earlier of the following dates: (a) the receipt of reimbursement to CITY by OWNER, or (b) the last maturity date of the bonds issued in the proceedings, and if no development or change in use of the property as described in Paragraph 6 above occurs within that period, the obligation of OWNER hereunder shall be extinguished.

DATED: _____

OWNER(S)

CITY OF LODI

By: _____
H. Dixon Flynn, City Manager

Attest:

Jennifer M. Perrin, City Clerk

Approved as to form:

Randall A. Hays, City Attorney