

CITY COUNCIL MEETING
NOVEMBER 5, 1986

APPEAL OF AVENUE
INVESTMENT REGARDING
ASSESSMENT OF NEW
SEWER CONNECTION FEE
ON ITS LODI AVENUE/HAM
LANE DEVELOPMENT

CC-16
CC-44
CC-51(a)
CC-56

Council Member Snider asked to abstain from discussion and voting on the following matter, because of a possible conflict of interest.

City Manager Peterson reminded the Council that a letter had been received from Mr. C. A. Wentland, Managing Partner of Avenue Investment, protesting the new sewer connection fee with regard to his Lodi Avenue/Ham Lane development. Mr. Wentland had just received word that the approved plans for development of Suite "O" at 1300 West Lodi Avenue and learned that they would be assessed the connection fee at the new rate rather than at the previous rate.

Mr. Wentland's letter was presented at the Regular Council Meeting of October 15, 1986 and was referred to staff at that time for review and the presentation of a recommendation at this meeting.

City Manager Peterson further advised the Council that on October 1, 1986, the City Council adopted Resolution No. 86-112 which established an increase in the sewer connection fees. Subsequent thereto, it was determined that a number of buildings had been erected or were under construction within the City prior to the date of the adoption of the sewer connection fees. These buildings are in a status that could best be described as a "shell" structure. At the time those projects were initiated, the developer did not pay sewer connection charges because the ultimate occupant and the interior finish were unknown. The developers are required to pay the sewer connection fees when they acquire a building permit for the "tenant improvements".

Since the plans and specifications for the "shell" structures had already been approved by the Building Division and necessary permits issued prior to the time the new fee structure was adopted, it seems logical to "grandfather" these buildings. Accordingly, it is recommended that the sewer connection charges for the "tenant improvements" in these structures be based on the