



Council Letter No. 20-

July 13, 2020

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor & City Council,

Subject: Consideration of an Ordinance Authorizing the City Manager to Enter into a Sewer Extension Reimbursement Agreement with 906 Property, LLC (Culver's—906 North Simpson Drive) in the City of Warrensburg, Missouri

BACKGROUND:

In October 2019, City Council approved Ordinance 5554 amending City Code to allow for sewer extension reimbursement agreements. Sewer extension reimbursement agreements provide a mechanism for developers to recover a portion of their costs to extend the sewer main by subsequent developers utilizing the improvement. Based on the total cost of the improvement, the city calculates a per square footage cost of the area served by the main extension. Any lot connecting to the new main will pay a sewer improvement fee to the city based on the cost per square footage of the improvement. The city will then distribute the amount collected to the developer who incurred the actual cost of the improvement.

ISSUES:

906 Property, LLC, extended an 8" sewer main over 1000' to connect the Culver's building located at 906 North Simpson Drive to the sanitary sewer system. The developer stated a desire to participate in a reimbursement program to recuperate costs from subsequent developers making connections to the new main. The agreement is in place for 10 years or until all costs set forth in the agreement are recovered. The city does not guarantee any collection of reimbursement. The total cost of the extension was \$181,986.

STRATEGIC PLAN:

Focus I: Investment in Infrastructure

FISCAL IMPACT:

The sewer improvement fee associated with the reimbursement agreement charged to subsequent developers is in addition to all other sewer fees. Additionally, the city retains a 10% administrative fee for any reimbursement payments distributed.

RECOMMENDATION:

Pass ordinance authorizing the City Manager to enter into a Sewer Extension Reimbursement Agreement with 906 Property, LLC (Culver's—906 North Simpson Drive)

Sincerely,

Danielle Dulin
Assistant City Manager

Cc: City Manager

Attachments: Ordinance
Sewer Extension Reimbursement Agreement

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A SEWER EXTENSION REIMBURSEMENT AGREEMENT WITH 906 PROPERTY, LLC (CULVER’S—906 NORTH SIMPSON DRIVE) IN THE CITY OF WARRENSBURG, MISSOURI

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WARRENSBURG, MISSOURI AS FOLLOWS:

Section 1. That City Manager enter into a Sewer Extension Reimbursement Agreement with 906 Property, LLC (Culver’s – 906 North Simpson Drive).

Section 2. That this ordinance shall be in full force and effect after its passage by the City Council.

Read two times and passed in open session this 13th day of July, 2020.

Bryan Jacobs, Mayor

Attest:

Cindy Gabel, City Clerk