RESOLUTION NO. 2006-117

A RESOLUTION AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE A "REIMBURSEMENT AGREEMENT FOR PROPERTY ACQUISITION" WITH CORINTHIAN HOMES FOR REIMBURSEMENT OF CITY'S COSTS ASSOCIATED WITH THE ACQUISITION OF PROPERTY

WHEREAS, as a condition of approval for DiBenedetto Acres Subdivision, Project No. EG-00-095, as approved under Elk Grove Planning Commission (Resolution No. 2005-02 dated 01/13/05) Corinthian Homes ("Developer") must make certain public street improvements to the development project as outlined in the Tentative Map; and

WHEREAS, the Developer must acquire title to the adjoining property in order to build the off-site improvement; and

WHEREAS, the Developer, after good faith efforts, has not been able to acquire title to the Property; and

WHEREAS, the City will attempt to acquire title to the off-site Property on behalf of the Developer; and

WHEREAS, the City will follow and adhere to the guidelines set forth in the executed "Reimbursement Agreement For Property Acquisition" with the Developer, in addition to the Land Acquisition Procedures as set forth by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and its various amendments and the State of California, Department of Housing and Community Development, adopted Title 25 of Chapter 6 of the California Code of Regulation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager, or his designee, to execute a "Reimbursement Agreement for Property Acquisition" between the City of Elk Grove and Corinthian Homes for reimbursement of all costs associated with the acquisition of property.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 10th day of May 2006.

RICK SOARES, MAYOR of the CITY OF ELK GROVE

APPROVED AS TO FORM:

ANTHONY B. MANZANETTI,

CITY ATTORNEY

CERTIFICATION ELK GROVE CITY COUNCIL RESOLUTION NO. 2006-117

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO
ss
CITY OF ELK GROVE
)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 10, 2006 by the following vote:

AYES 5: COUNCILMEMBERS: Scherman, Soares, Cooper, Leary, Briggs

NOES: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

Peggy E. Jackson, City Clerk City of Elk Grove, California

REIMBURSEMENT AGREEMENT FOR PROPERTY ACQUISITION

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THIS REIMBU	RSEMENT AGREEMENT (this "Agreement") is entered into as of	f this
day of	, 20, by and between the City of Elk Grove, a municipal	
corporation ("City"), a	nd Corinthian Homes ("Developer").	

RECITALS

- A. On January 13, 2005, City of Elk Grove Planning Commission approved the Tentative Map for Developer for property located within the subdivision, also known as DiBenedetto Acres (the "Project").
- B. Approval of the DiBenedetto Acres/Tentative Map for the Project by City has been conditioned upon Developer making certain improvements to the development project as outlined in the Tentative Map, including all or a portion of said improvements which shall be located on property adjacent to, near, or in support of the Project (the "Property") as conditioned in the Tentative Map (DiBenedetto Acres, EG-00-095, Exhibit A-Conditions of Approval, Item #27).
- C. Title to the Property is not held by Developer; Developer must acquire title to the Property prior to making any improvements thereon.
- D. Developer and City desire to set forth the procedure for acquisition of title to the Property.
- NOW, THEREFORE, in consideration of the rights and obligations hereunder and for other good and valuable consideration, Developer and City agree as follows.

AGREEMENT

Article 1 – <u>GENERAL</u>

- 1. <u>Agreement</u>. Developer shall attempt in good faith, in accordance with the terms hereof, to negotiate the purchase of the Property from the owner thereof. If, after good faith attempts to negotiate the purchase of the Property, Developer has not been able to acquire title to the Property, Developer may request that City acquire the Property by eminent domain.
- 2. <u>Costs.</u> Developer shall be responsible for all costs related to its acquisition of the Property, and if Developer submits a written request that City acquire the Property by eminent domain, Developer shall be responsible for all of City's costs and expenses, as hereinafter defined, incurred in acquiring the Property. Developer shall be responsible for all fees, costs and expenses incurred by City in prosecuting a condemnation action and acquiring title to the Property through settlement, trial and any appeal, including, but not limited to, staff fees, legal fees, consultant and expert witness fees, costs and expenses, the value of the Property as

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determined by settlement or judgment, loss of business goodwill damages as determined by settlement or judgment, and the opposing party's costs and legal fees in the event City is ordered by a court of competent jurisdiction to pay such costs and legal fees (the "Fees and Costs").

Article 2 - PURCHASE NEGOTIATIONS

1. Appraisal. Prior to the commencement of negotiations with the owner of the Property, or as soon as reasonably practicable thereafter if Developer has begun negotiations prior to the date hereof, Developer shall, at its sole cost and expense, obtain an appraisal of the Property (the "Appraisal"). The Appraisal shall be performed by a MAI certified appraiser whose appraisal business is located within the greater Sacramento area. Said appraiser shall be familiar with the Elk Grove market. The appraisal shall be completed according to current USPAP standards. Developer may request a list of local appraisers from the City. If requested, City will provide Developer with the name of the appraiser within five days after City receives Developer's request therefor. In addition to USPAP standards, the appraisal must conform to the requirements of Cal.Civ.Proc.Code Sections1263.010, et.seq., and Cal.Govt.Code Sections 7267 and 7267.1.

If, for any reason, after good faith effort, Developer is unable to obtain a valid appraisal of the Property, because of property access limitations, or otherwise, Developer may refer the matter to City as set forth in Article 3, so long as such referral is accompanied by a written explanation of the reason that Developer was unable to obtain such appraisal.

- 2. <u>Good Faith Offers</u>. Developer must make three (3) good faith attempts to acquire the Property from the owner thereof, including at least one personal meeting with the owner of record or the owner's authorized representatives. All firm offers to purchase the Property must be in writing. The amount of Developer's final offer must not be less than the fair market value established by the Appraisal.
- 3. Quarterly Status Reports. On the first day of each quarter calendar year during the course of negotiations by Developer, Developer shall provide City with a report (i) identifying the Project and the Property, (ii) describing the current status of negotiations, and (iii) identifying any specific issues that are impeding resolution of individual acquisitions, (the "Quarterly Report"). If Developer has more than one project within the boundaries of City, for which a reimbursement agreement has been executed, Developer may consolidate the Quarterly Reports for all such projects.

Quarterly Reports shall be submitted to:

Real Estate Manager City of Elk Grove Development Services – Public Works 8401 Laguna Palms Way Elk Grove, CA 95758

Article 3 - CONDEMNATION

- 1. Referral to City. If, after three (3) written, good faith attempts to acquire the Property, Developer has not acquired title thereto, Developer may refer the matter, in writing, to City for its review and determination whether to proceed with eminent domain (the "Referral Notice"). Developer acknowledges and agrees that a referral to City does not guarantee that title to the Property will be obtained, and further, that if City commences an eminent domain proceeding, City cannot guarantee that title will be obtained within Developer's project timelines.
- a. <u>Documents</u>. The Referral Notice shall be accompanied by (i) a legal description of, and ownership information for, the Property (completed by a surveyor licensed in the State of California, if the Property is not a complete parcel), (ii) a definition of the interest to be obtained, i.e., fee or easement, (iii) a plot plan showing the location of the Property in relation to the location of the Project, also completed by a licensed surveyor if the Property is not a complete parcel, (iv) a current preliminary title report, with copies of all exceptions to title, that are referenced therein, (v) copies of all correspondence with the owner relative to the acquisition of the Property through the date of the Referral Notice, (vi) telephone logs documenting all contacts between Developer and the owner of the Property, (vii) the date on which Developer will be ready to begin work on the Property if possession can be obtained thereon, and (viii) any and all other documentation in Developer's possession or control relating to the Developer's attempts to acquire the Property (the "Documents").
- b. <u>Initial Deposit</u>. The Referral Notice shall also be accompanied by the deposit of:
- (i) <u>Fair Market Value of Property</u>. The amount of the current fair market value of the Property, substantiated by a copy of the Appraisal. The parties acknowledge that the value of the property is set by the most recent Appraisal, which contains a "date of value" that is not earlier than six (6) months prior to the date of the Referral Notice.
- (ii) Appraisal Update Costs. The estimated cost of an update to the Appraisal (or a new appraisal, if the Appraisal is not in compliance with the terms hereof), if more than 90 days has passed since the date of the Appraisal (see Attachment A).
- (iii) <u>City Staff Fees and Costs</u>. A deposit in the amount of Eighteen Thousand Five Hundred (\$18,500) Dollars, representing an initial deposit for Fees and Costs of City Staff.
- 2. <u>City Review of Developer's Information</u>. City shall review the Documents within two weeks after receipt thereof and shall provide Developer with written notice of its determination whether Developer has complied with the terms of this Agreement. If Developer has not complied with the terms hereof, City's notice shall describe any deficiency and shall return Developer's Initial Deposit, less City Staff Fees and Costs. Developer may correct such

deficiencies and may re-submit its Referral Notice. If City determines that Developer has complied with the terms hereof, City shall notify Developer thereof and shall provide Developer an estimate of the Fees and Costs to be incurred by the City to complete acquisition of the Property by eminent domain (the "Notice of Acceptance").

- a. <u>Pre-condemnation</u>. After City submits its Notice of Acceptance, City shall commence pre-condemnation activities in accordance with the Code of Civil Procedure. Pre-condemnation activities include, but shall not be limited to, the following: inspection of the Property; updating the Appraisal; and performing an environmental assessment of the Property.
- b. Resolution of Necessity. After City has performed its pre-condemnation activities, City shall place a proposed resolution of necessity on the agenda, for consideration by City's council. Developer acknowledges that the council must adopt a resolution of necessity prior to City proceeding with an eminent domain action. Developer further acknowledges that this Agreement shall not bind the council to adopt such resolution, and if the council fails to adopt such resolution within one hundred and eighty (180) days after City's receipt of the Notice of Acceptance, City shall refund the unused portion of Developer's deposits and shall remove the project condition requiring the acquisition of the Property.
- 3. Waiver of Map Condition. Notwithstanding anything to the contrary contained in Section 2 above, the City Engineer is hereby authorized to review each referral to the City, during the period between the service of the Notice of Acceptance and the placement of a proposed resolution of necessity on the council's agenda, to determine whether it is in the best interest of the City to withdraw the Notice of Acceptance and waive the condition of approval that requires acquisition of the Property. Upon a determination that it is in the best interests of the City, the City Engineer may, by notice to Developer, waive the condition, so long as the act of waiving the condition is exempt from further CEQA review. If the City Engineer elects to waive the condition, Developer's payment of all City's costs arising hereunder, through the date of the proposed waiver, shall be a condition precedent to the effectiveness of such waiver. The waiver of a condition of approval for the Project, shall not obligate the City Engineer to waive a similar condition of approval on any other projects of Developer within the jurisdiction of the City.
- 4. <u>Relocation Plan</u>. Developer shall pay the cost of a relocation estimate and plan obtained from a relocation firm engaged by City. Should relocation be necessary, Developer shall pay all relocation benefits identified by the relocation firm, or required by order of an administrative body or court with jurisdiction over the Property.
- 5. <u>Payment of Fees and Costs</u>. During the course of the eminent domain action, Developer shall reimburse City for Fees and Costs as follows:
- a. <u>First Additional Deposit</u>. Upon Developer's receipt of the Notice of Acceptance, Developer shall deposit with City, the amount of City's estimate of the Fees and Costs set forth herein.
- b. <u>Second Additional Deposit</u>. If the updated Appraisal concludes that the Property has a higher value than the amount of the fair market value deposited, Developer will

deposit the difference within fifteen (15) days after Developer's receipt of City's written request therefor.

- c. Ongoing Fees and Costs. During the pendency of the litigation, City may notify Developer that additional amounts are necessary to obtain a Final Order of Condemnation Developer shall pay such amounts within thirty (30) days after receipt of City's request substantiating the need therefor. City shall be available to meet with Developer to discuss the need for additional advances of Fees and Costs, including amounts and timing, and City shall consult Developer before making a statutory offer of compensation, pursuant to CCP §1250.410. If City does not receive Developer's payment of Fees and Costs within the thirty (30) day period, City may cease all work and effort related to the acquisition of the Property, until such time as the additional funds are received; provided, however, if litigation has been commenced, City may abandon the condemnation and Developer shall bear the risk of any costs and penalties incurred thereby.
- d. <u>Final Payment</u>. Within sixty (60) days after the conclusion of all condemnation proceedings, including, but not limited to, post-trial motions and appeals, City shall deliver to Developer a final accounting of any and all unpaid Fees and Costs payable by Developer. Developer shall reimburse City such amounts within thirty (30) days after Developer's receipt thereof.
- 6. <u>Disbursement of Funds</u>. City shall have sole discretion as to the disbursement of all funds advanced by the Developer, limited only by the provisions of this Agreement.
- Abandonment. If, at any time during the pendency of the litigation, Developer determines that it will not proceed with the Project and desires that City cease the acquisition of the Property, Developer shall provide written notice thereof to City (the "Abandonment Notice"). Within 10 days after receipt thereof, City shall provide to Developer an itemization of all outstanding Fees and Costs incurred, but unpaid, and an estimate of the Fees and Costs required to abandon the action. Developer shall pay the same to City upon receipt. Developer acknowledges that the parties defending an eminent domain action could be entitled to reimbursement of Fees and Costs incurred in defense of the action, pursuant to CCP §1268.610 and §1268.620, and Developer further acknowledges that such amounts shall be paid to City as Fees and Costs of abandonment upon receipt of City's request therefor.
- 8. <u>Satisfaction of Map Condition</u>. The condition to City's approval of the map for the Project which requires that Developer construct improvements on the Property shall not be deemed satisfied by Developer entering into this Agreement, nor by Developer's referral of the matter to the City, pursuant to Article 3, Section 1, hereof.
- 9. <u>Selection and Compensation of Personnel</u>. City's use of any funds advanced by Developer and the requirement for the Developer to advance funds hereunder shall not be contingent on the hiring of any specific employee or consultant. City reserves absolute discretion as to the selection, hiring, assignment, supervision and evaluation of any and all employees, contractors, or consultants that may be necessary to assist City in acquiring the Property. City shall have the sole discretion to establish the amount of compensation paid to the

employees and the amount of fees paid to the consultants or the consultants' firms that are hired by City in connection with the acquisition of the Property.

- 10. <u>City's Control of Decisions</u>. City's use of funds advanced by Developer and the requirement for the Developer to advance funds hereunder shall not be dependent upon City's approval of any action requested by the Developer and shall in no way influence City's decisions with respect to the acquisition of the Property. Neither Developer nor any other person providing funding hereunder shall, as a result of such funding, have any expectation as to the results of the acquisition of the Property or the selection of an alternative favorable to or benefiting the Developer, at any time prior to or after obtaining a Final Order of Condemnation, including, but not limited to, whether to seek an order for possession before judgment. The amount of any final offer of compensation or the desire to appeal a judgment or order of the trial court.
- 11. <u>Supervision and Control of Personnel</u>. Developer is expressly prohibited from directly or indirectly exercising any supervision or control over any employee, agent or consultant of City engaged in the acquisition of the Property. Violation of this provision is cause for City to cease proceedings to acquire the Property. This prohibition shall not be construed to preclude Developer, its agents or representatives, from consulting with City regarding the acquisition of the Property, nor from providing information to City or any employee, agent or consultant of City in connection therewith, or from seeking information from City, or any employee, agent or consultant of City with respect thereto.

Article 4 – MISCELLANEOUS

- 1. <u>Indemnification, Defense and Hold Harmless</u>. Developer hereby acknowledges and agrees that Developer shall defend, indemnify, release and hold harmless City and its agents, officers, attorneys, elected officials, consultants (whether professional, legal, technical, or other), independent contractors and employees ("City's Agents") from any and all damage, liability or loss, or any claim of damage, liability or loss, including without limitation attorney's fees or costs (including claims for "private attorney general" fees), connected with or arising out of any action, proceeding or alternative dispute resolution process (collectively, "Action") against City or City's Agents to: (a) attack, set aside, void, or annul the actions of City or City's Agents related to this Agreement, including, without limitation, any decision, determination, or action made or taken with respect to the acquisition of the Property; or (b) to impose personal liability against City's Agents resulting from or arising out of their involvement in the acquisition of the Property pursuant to this Agreement.
- a. <u>Confer and Cooperation</u>. In the event of any such Action, City and Developer shall confer and cooperate with each other in response to such Action, including the use of outside consultants and/or legal counsel; however, this agreement to 'confer and cooperate' shall in no way be construed to limit City's independence in its response to such Action, including without limitation, its authority in connection with the retention and/or use of outside consultants and/or legal counsel, nor shall it obligate City to in any way compromise or alter its attorney-client relationships or confidences with legal counsel or outside consultants. To the extent that City uses any of its resources, including, without limitation, the fees and expenses of outside consultants, attorneys and experts, in responding to any Action, Developer shall

reimburse City in accordance with this Agreement for the use of such resources within thirty (30) days of City's written demand for payment. Such resources include, but are not limited to, staff time, court costs, and City Attorney's or other City legal counsel's, agent's or consultant's time at a rate equal to its total costs, or any other direct or indirect costs associated with responding to the Action.

- b. <u>City to Notify Developer</u>. City shall promptly notify Developer of any Action.
- c. <u>City's Active Participation.</u> City shall actively participate, at Developer's expense, in the defense of any Action in which it is named as a party. If City retains outside counsel, agents, or consultants (collectively, "Agents") at Developer's expense as part of City's active participation, then City shall exercise sole, reasonable control and supervision over such Agents.
- 2. <u>Assignment</u>. Developer, for itself, its heirs, distributes, executors, administrators, legal representatives, successors and assigns, covenants that it will not assign this Agreement without the prior written consent of City in each instance, which consent may be withheld in City's sole discretion. Any assignment in violation of this Article 4 will be void. No permitted assignee of this Agreement may further assign this Agreement without City's prior written consent.
- 3. <u>Notices</u>. All notices under this Agreement shall be delivered by personal service, deposited in the United States mail, postage prepaid, certified and/or registered, or deposited with any nationally-recognized overnight courier that routinely issues receipts, addressed to the as set forth below. All notices shall be deemed delivered upon receipt or refusal thereof.

To (Company/Developer Name): Brady McGuire

Corinthian Homes

9848-H Business Park Drive Sacramento, CA 95827

To City: City Clerk

City of Elk Grove

8380 Laguna Palms Way Elk Grove, CA 95758

With a Copy to: Real Estate Manager

City of Elk Grove

Development Services – Public Works

8401 Laguna Palms Way Elk Grove, CA 95758

Any party may, by written notice to the other parties to this Agreement, change the address at which that party receives written notice under this section.

- 4. <u>Governing Law; Venue</u>. This Agreement is made under, and shall in all respects be interpreted, enforced, and governed by, the laws of the State of California. In the event of a dispute concerning the terms of this Agreement, the venue for any legal action shall be with the appropriate court in the County of Sacramento, State of California.
- 5. <u>Materials Confidential</u>. All of the materials prepared or assembled pursuant to this Agreement shall be confidential, unless are deemed to be public records, and shall not be made available to any individual or organization without the prior written approval of City, except by court order.
- 6. <u>Joint and Several Obligation</u>. If Developer consists of more than one person or entity, the liability of each such person or entity signing this Agreement as Developer shall be joint and several.
- 7. <u>Entire Agreement</u>. This Agreement embodies the entire agreement between the parties hereto relative to the subject matter herein. No amendment, alteration, modification of, or addition to this Agreement will be valid or binding unless expressed in writing and signed by all parties.
- 8. <u>Severability</u>. If any provision of this Agreement proves to be illegal, invalid or unenforceable, the remainder of this Agreement will not be affected by such finding, and in lieu of each provision of this Agreement that is illegal, invalid or unenforceable will be added as a part of this Agreement as similar in terms to such illegal, invalid or unenforceable provision as may be possible and legal, valid and enforceable.
- 9. <u>No Waiver</u>. The waiver by either party of any agreement, condition, or provision contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Agreement.
- 10. <u>Authority</u>. Developer and the party executing this Agreement on behalf of Developer represent to City that such party is authorized to do so by requisite action of the board of directors, or partners, as the case may be, and agree, upon request, to deliver to City a resolution or similar document to that effect.
- 11. <u>Late Payment Interest</u>. If any payment required by this Agreement is not made when payment is due, a late rate charge of 18% per annum or the maximum rate allowed by applicable law, whichever is less, shall accrue on the payment owed from the date on which it was due until the date on which it is paid in full with accrued interest.
- 12. <u>Time of the Essence</u>. Time is of the essence of each and every provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly caused this Agreement to be executed as of the dates set forth below.

DEVELOPER: By:	CITY: City of Elk Grove, a municipal Corporation
Name: Bruce Palmbaum Its: Managing Member Date: 4/17/06	By: John Danielson, City Manager Date:
	RECOMMENDED FOR APPROVAL: By:
	By:Peggy Jackson, City Clerk



8401 LAGUNA PALMS WAY • ELK GROVE, CALIFORNIA 95758 TEL: 916.683.7111 • FAX: 916.691.2001 • www.elkgrovecity.org

DEVELOPMENT SERVICES

 BUILDING SAFETY & INSPECTION
 (916) 478-2235

 PLANNING
 (916) 478-2265

 PUBLIC WORKS
 (916) 478-2263

 SOLID WASTE
 (916) 478-3634

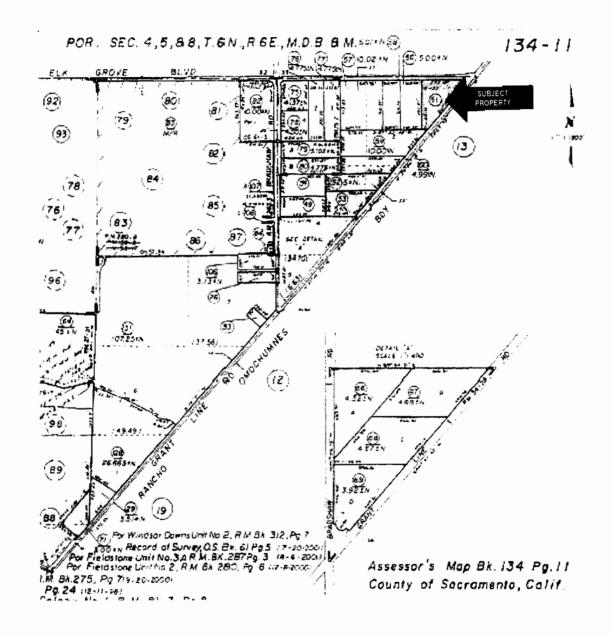
 TRANSIT
 (916) 687-3030

INITIAL DEPOSIT FOR COSTS

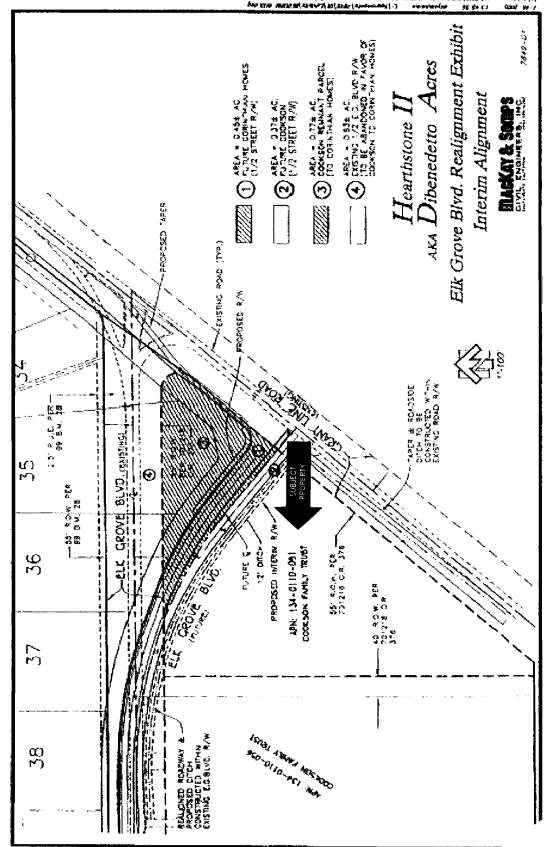
Attachment A

Per Article 3 – Condemnation, 1. (b) Initial Deposit, Developer, CORINTHIAN HOMES, shall be responsible for an initial deposit for the following items:

<u>ITEMS</u>	<u>AMOUNT</u>	
Appraisal Report:	\$	8,000.00
Preliminary Title Report:	\$	500.00
City Staff Fees and Costs:	<u>\$</u>	10,000.00
INITIAL DEPOSIT FOR COSTS	\$	18,500.00



Conditions of Approval / Militarion Measure		Timing/ Implementation	Enforcement/ Monitoring	Verification (date and Slanature)
	material shall separate the shoulder from the roadside drainage ditch. Extra ROW will be required for the drainage ditch after the appropriate drainage study is completed and the final drainage ditch width is determined. The ditch shall be lined with rock or other material acceptable to the City Engineer to minimize vegetation growth and mosquito proliferation. Alternative methods of lining will be evaluated but must be approved by the City Engineer. Full improvement of Jetmar Way is required along this project site frontage. Improvements may vary at the intersection of Grant Line Road and Jetmar Way and will be determined at the improvement Plan stage.			
27.	Dedicate/acquire the right of way for the intersection of Elk Grove Blvd and Grant Line Road at a 90 degree angle, based upon an expanded intersection, in accordance with the City of Elk Grove Improvement Standards and to the satisfaction of Public Works.	Prior to the recordation of any Final Subdivision Map	City of Elk Grove Development Services - Public Works	
28.	All improvements shall be dedicated in accordance with the City of Elk Grove Improvement Standards and to the satisfaction of Public Works.	Prior to the recordation of any final Subdivision Map	City of Elk Grove Development Services – Public Works	
29.	Install 3 sets speed cushions on "B" Street or redesign "B" Street such that it will minimize the cut-through traffic on "B" Street. Speed cushions shall be located, designed and installed in accordance with City Standards.	Prior to the recordation of any Final Subdivision Map	City of Elk Grove Development Services Public Works	
3 D.	Submit a property description and a copy of the approved tentative subdivision map along with the appropriate application to the City of Elk Grove for the inclusion of this development to the City of Elk Grove Stormwater Utility. Public Hearing and appeal period shall be held prior to recordation of the Final Map.	Prior to the recordation of any final Subdivision Map	City of Elk Grove Development Services – Public Works	



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