



City Council Report

Date: March 20, 2017
To: City Council
Through: Karolyn Kent, Assistant City Manager
From: Christine Zielonka, Development Services Department Director
Jake West, Water Resources Department Director
Subject: Reimbursement Agreement for Reimbursement of Water Line
Installation Eastmark – Inspirian Parkway
Council District 6

Purpose and Recommendation

The purpose of this report is to provide information on a proposed Reimbursement Agreement between DMB Mesa Proving Grounds LLC, a Delaware Limited Liability Company, hereinafter referred to as “Developer”, and the City of Mesa, hereinafter referred to as “Mesa.” The reimbursement covers the installation of a regional water line that was required by Mesa in conjunction with the proposed residential development known as Eastmark. 982 liner feet of water line has been installed in Inspirian Way (within the Eastmark development), located west of Signal Butte Road, north of Warner Road, as a regional improvement at a cost of \$89,837.90.

Staff recommends Council approve the Reimbursement Agreement and the Resolution authorizing the City Manager or his designee to sign the Reimbursement Agreement.

Background

The Developer has constructed a water line in Inspirian Parkway at the request of Mesa to provide the conveyance of future well water to the Mesa Water Treatment Plant. The water line extension is shown on the Vicinity Map attached to Exhibit A of the Reimbursement Agreement. The Development is subject to the regulations contained in Title Nine, Chapters Six and Eight of the Mesa City Code, which requires the Developer to design and install the offsite improvements adjacent to the proposed development. Offsite regional improvements are being required to ensure that Mesa’s minimum standards for infrastructure are maintained.

Discussion

Mesa required DMB to install a regional well water line along South Inspirian Parkway to insure that the regional water line system is in conformance with Mesa requirements. Mesa proposes to financially participate in the regional improvement costs and will reimburse the Developer for Mesa’s portion of the costs as identified within exhibit “B” of the attached Development Agreement for Reimbursement.

The Developer has installed the regional well water line improvements along South Inspirian Parkway, the well water line improvements were accepted on June 14, 2016 by the City of Mesa, Engineering Inspector. The Developer agrees to follow the terms and conditions of the Reimbursement Agreement by providing Mesa with copies of all contracts, invoices, lien releases and proof of payments that clearly and accurately document the unit costs that were paid by the Developer for the regional offsite improvements.

In order for Mesa to reimburse the Developer for Mesa's portion of project costs, Mesa must enter into the attached Reimbursement Agreement.

Alternatives

One alternative would be for Mesa to not enter into the proposed Reimbursement Agreement.

This alternative is not recommended because Mesa requested the improvement to insure conformance with City standards for regional infrastructure.

Fiscal Impact

This project was completed in conformance with Mesa's procurement policies and requirements. The cost of the water line was \$89,837.90 (see exhibit "B" within the Reimbursement Agreement for details).

Mesa's portion of funding for the improvements is budgeted in the Water Resources Department's FY 2016/2017 budget (Fund 3107, Major Program CP0652, Phase 104).

Coordinated With

The Development Services and Water Resources Departments concur with this recommendation.