



CITY OF FORT BRAGG

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COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: August 8, 2017
TO: Public Works & Facilities Committee
FROM: Linda Ruffing, City Manager
AGENDA ITEM TITLE: **Receive Report and Consider Making Recommendation to City Council Regarding Offer for City to Purchase Water Main Installed in Connection with the Casey Subdivision**

ISSUE:

On February 25, 2009, the Fort Bragg Planning Commission approved a four-parcel residential subdivision at 400 Ocean View Drive (Casey subdivision). Pursuant to that approval, the applicant, Debbi Casey (Casey), extended a water main in Ocean View Drive to serve the subdivision. The water main has sufficient capacity to serve other undeveloped properties on Ocean View Drive within the city limits. According to Ms. Casey, the cost of installing the water main was \$68k. Ms. Casey has offered to dedicate the water main to the City in exchange for a \$30k payment.

SUMMARY:

The conditions of approval of the Casey subdivision included requirements that the applicant "submit an improvement and utility plan to the Public Works Director for review and approval prior to undertaking any improvement to the subdivision" (Special Condition No. 6) and that "all work within the City's right-of-way must be performed in accordance with encroachment permits from the City. All improvements either must be completed prior to approval of the Parcel Map or a bond must be submitted to ensure their completion (Special Condition No. 7). A copy of the permit is included as Attachment A.

The development included the construction of water and sewer lines running under Ocean View Drive to connect with the City's water and sewer mains. The water and sewer lines that were constructed exceed the capacity required for the subdivision. Although Section 17.88.020(D) of the Fort Bragg Municipal Code allows the City to require a subdivider to build and then dedicate oversized improvement to the City, the conditions of approval for the Casey subdivision did not require Casey to dedicate the water and sewer facilities to the City upon completion. Therefore, Casey owns the water and sewer facilities and is responsible for ongoing maintenance.

In 2012, the City and Casey entered into negotiations to establish a reimbursement agreement whereby the City would require future developments on Ocean View Drive to connect to the Casey subdivision water and sewer lines and to partially reimburse Casey for the costs,

including loan payments, for building the water and sewer lines. However, the City and Casey did not execute the reimbursement agreement.

Casey recently approached the City and requested that the City purchase the water line. She does not want to sell the sewer line.

If the City chooses to buy the water line, its value would need to be established by a formal appraisal. Since the City would be taking on maintenance responsibility, estimated maintenance costs would be subtracted from the appraised value. Once the value is determined, it would be allocated between the Casey subdivision and the potential future connections to the water main. The amount paid by the City could not exceed the amount allocated to potential future connections

RECOMMENDATION:

Staff recommends that the City enter into negotiations with Ms. Casey for the possible acquisition of the privately-owned water main that was constructed in Ocean View Drive in conjunction with the Casey subdivision. As a real property negotiation, the matter would be agendaized for a closed session discussion with the full Council.

ATTACHMENTS:

- A. Development Permit for Casey Subdivision- DIV 2-08 & CDP 10-08