



STAFF REPORT

TOWN COUNCIL MEETING OF MAY 9, 2017

To: Honorable Mayor and Members of the Town Council
From: Joan L. Phillipe, Town Manager
Subject: Request for Consideration of Amendment to Agreement for Advancement of Funds, Reimbursement and Indemnification for Preparation of Planning Permits, Reports, Studies and Environmental Review Documents as Required by the Loomis Municipal Code and the California Environmental Quality Act (CEQA)
Date: May 2, 2017

RECOMMENDATION ACTION:

Approve requested amendment.

ISSUE STATEMENT AND DISCUSSION:

At its March 14 meeting, Council approved an agreement with Costco providing for the advance of funds to reimburse and indemnify the town in preparing and issuing various permits, reports, studies and environmental documents for the processing of a project application for a store at the southeast corner of Sierra College Boulevard and Brace Road. The agreement requires a deposit of \$2,305,000.00. This amount includes, in addition to the processing fees, development and other fees that would be collected at the time of issuance of a building permit.

Once on deposit, the town draws against those funds so that no town funds are used in the preparation of necessary documents or to cover other expenses associated with the project. The amount was prepared and reviewed by all parties prior to submitting the agreement to council for approval.

Following approval of the agreement, Costco requested an amendment to the amount required for deposit to break out the processing portion and the development/other fees portion; the rationale being that if for some reason the project is stalled or terminated due to unforeseen circumstances, those additional funds have not been tied up.

Staff does not have the authority under the terms of the agreement to make that change and therefore the request for amendment is before you for consideration.

In reviewing the projected processing costs, staff is comfortable with the amendment. Costco has already placed on deposit \$813,280.00 which is the staff calculated amount for processing the application. The only amendment requested is the amount of deposit, all other terms and conditions remain the same meaning that if additional processing funds are needed, work on the project stops until additional funds are deposited.

The proposed amendment, Amendment #1, is attached.

FINANCIAL IMPLICATIONS:

Approving the request does not impact the town financially.

AGREEMENT FOR ADVANCEMENT OF FUNDS, REIMBURSEMENT AND INDEMNIFICATION FOR PREPARATION OF PLANNING PERMITS, REPORTS, STUDIES AND ENVIRONMENTAL REVIEW DOCUMENTS AS REQUIRED BY THE LOOMIS MUNICIPAL CODE AND THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

AMENDMENT #1

1. The Town and Costco entered into the above-referenced agreement approved by the Town Council on March 13, 2017;
2. The agreement, under Section 4, required a deposit of funds in the amount of \$2,305,000 (Two Million, Three Hundred and Five Thousand Dollars) to be used to reimburse the Town for costs incurred in analyzing the environmental impacts of and processing the application for the project. The amount also included fronting of development and other fees as initially requested by Costco.
3. The amount of deposit set forth in Section 4 is hereby amended to read \$813,280 (Eight Hundred Thirteen Thousand, Two Hundred and Eighty Dollars).
4. All other terms and provisions of the amendment remain in full force and effect.

Approved by the Loomis Town Council on May 9, 2017.

Town of Loomis
A municipal corporation

Costco Wholesale Corporation
a Washington corporation

By: _____
Joan L. Phillippe
Town Manager

By: _____
Michael Okuma, on behalf of Costco
Director of Real Estate Development

Dated: _____

Dated: _____