



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving Fee Payment Agreement for  
1343 East Kettleman Lane (Tuscany Comfort Suites)

**MEETING DATE:** March 19, 2008

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Adopt a resolution approving a Fee Payment Agreement for 1343 East Kettleman Lane and authorizing the City Manager to execute the agreement on behalf of the City.

**BACKGROUND INFORMATION:** The proposed project is located at 1343 East Kettleman Lane and consists of an 89-room hotel (Tuscany Comfort Suites).

The developer, KFP Galt, LLC, has requested a Fee Payment Agreement for Development Impact Mitigation Fees and Wastewater Capacity Impact Fees for the proposed project (\$420,496). The developer has also requested that the payment of fees be made in twenty (20) equal semi-annual installments (\$28,005) over a ten-year period. Interest would be charged at the current Local Agency Investment Fund (LAIF) rate plus one percent (5.801%). The City Manager currently has authority to approve Fee Payment Agreements having a term of seven years or less. Since the requested term is ten years, Council approval of the agreement is required. Staff feels that the developer's request for a ten-year term is reasonable and recommends approval of the agreement.

**FISCAL IMPACT:** While the fee payment agreement reduces impact fee revenue in the current year, the interest rate being charged will offset the loss of interest earnings to the impact fee fund. Obviously, the degree of offset will depend on the actual interest rates the City receives on its investments.

**FUNDING AVAILABLE:** Not applicable.

\_\_\_\_\_  
Richard C. Prima, Jr.  
Public Works Director

Prepared by Chris Boyer, Junior Engineer

Attachment

RCP/CB/pmf

APPROVED: \_\_\_\_\_  
Blair King, City Manager

WHEN RECORDED, RETURN TO:  
City Clerk  
City of Lodi  
221 West Pine Street  
Lodi, CA 95240

FEE PAYMENT AGREEMENT  
1343 E. Kettleman Lane

THIS AGREEMENT is made and entered into by and between the CITY OF LODI, hereinafter referred to as "City" and KFP GALT LLC, hereinafter referred to as "Owner".

RECITALS:

Owner is the owner of that certain real property situated in the City of Lodi, County of San Joaquin, and described as follows:

See Exhibit A for legal description

Owner is desirous of complying with existing City ordinances and policies regarding payment of the Wastewater Capacity Impact Fee and Development Impact Mitigation Fees as set forth in Title 13, Chapter 13.12 and Title 15, Chapter 15.64, respectively, of the Lodi Municipal Code. However, Owner has requested payment of the Wastewater Capacity Impact Fee and Development Impact Mitigation Fees in twenty (20) equal semi-annual installments over a ten (10) year period.

Council of the City will approve the payment of fees in twenty (20) equal semi-annual installments on condition that the owner first enter into and execute this agreement with the City.

NOW THEREFORE, in order to insure satisfactory performance by Owner of Owner's obligations under said City Code, the parties agree as follows:

1. Owner agrees to pay Development Impact Mitigation Fees and Wastewater Capacity Impact Fee in the combined amount FOUR HUNDRED TWENTY THOUSAND FOUR HUNDRED NINETY SIX AND 00/100 DOLLARS (\$420,496.00) in twenty (20) equal semi-annual payments of TWENTY EIGHT THOUSAND FOUR AND 57/100 DOLLARS (\$28,004.57) at an interest rate of 5.801 percent. The principal amount represents \$174,120.00 for Development Impact Mitigation Fees and \$246,376.00 for the Wastewater Capacity Impact Fee as shown on the attached Development Impact Mitigation Fee Summary Sheet (Exhibit B).
2. The first payment shall be due no later than July 1, 2008. All subsequent payments are due no later than January 1 and July 1 of each year.
3. Each payment shall be credited first on interest due and the remainder on principal.
4. Upon sale, transfer or any other conveyance of the property, all fees payable under this agreement shall become immediately due and payable. This agreement shall have no right of assignment.

5. If Owner fails to meet any specified payment as set forth in Item #1 above within fifteen (15) days following the due date, the City Manager or the City Council may serve written notice upon Owner for breach of this agreement and the default of Owner.
6. In the event of any such notice of breach, Owner shall have the duty to pay, in full, the balance of the required fees. If the Owner, within five days after the serving of notice, does not give the City written notice of its intention to pay in full the balance of the unpaid development impact mitigation fees and wastewater capacity impact fee, and does not make such payment within five days after its notice to City, this agreement shall be considered void. City shall institute legal proceedings to recover the balance of the unpaid fees and for any excess cost or damage occasioned City thereby.
7. A copy of the Agreement shall be recorded in the office of the San Joaquin County Records, P. O. Box 1968, Stockton, California 95201-1968.
8. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

Richard C. Prima, Jr.  
Public Works Director  
City of Lodi  
P. O. Box 3006  
Lodi, CA 95240-1910

Notices required to be given to Owner shall be addressed as follows:

KFP Galt, LLC  
2552 Cottonwood Dr.  
Lodi, CA 95242

IN WITNESS WHEREOF, the parties hereto have set their hands the day, month and year appearing opposite their names.

CITY OF LODI, a Municipal Corporation

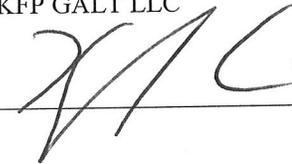
Dated: \_\_\_\_\_ 2008

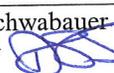
By: \_\_\_\_\_  
Blair King, City Manager

Attest: \_\_\_\_\_  
Randi Johl, City Clerk

KFP GALT LLC

Dated: 2/27 \_\_\_\_\_ 2008

\_\_\_\_\_  


Approved as to form: \_\_\_\_\_  
D. Stephen Schwabauer  
City Attorney 

Dated: \_\_\_\_\_ 2008

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Joaquin

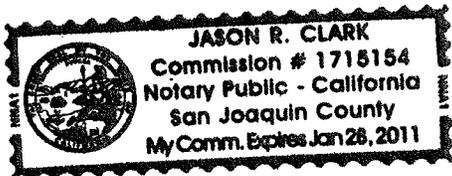
} ss.

On 2-27-08  
Date

before me, Jason R. Clark Notary  
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Kyu Kim  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

*[Handwritten Signature]*  
Signature of Notary Public

#### OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

#### Description of Attached Document

Title or Type of Document: Fee Payment Agreement

Document Date: 2-27-08

Number of Pages: 3

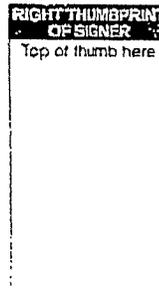
Signer(s) Other Than Named Above: KFP GALT LLC, Kyu Kim

#### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_





# CITY OF LODI

PUBLIC WORKS DEPARTMENT

## Development Impact Mitigation Fee Summary Sheet

Subdivision: \_\_\_\_\_  
 Name \_\_\_\_\_ Tract # \_\_\_\_\_ File # \_\_\_\_\_

Parcel: **1337 E. Kettleman Lane** \_\_\_\_\_  
 Address \_\_\_\_\_ Permit # \_\_\_\_\_

AP # \_\_\_\_\_

Developer/Owner: **KFP Management Inc.** \_\_\_\_\_  
 Name \_\_\_\_\_

Address \_\_\_\_\_

Project Description: **Tuscany Comfort Suites** \_\_\_\_\_

GP Land Use Category: **Industrial** Parcel \_\_\_\_\_ **Commercial Retail** Project (if different) \_\_\_\_\_

| Fee Category                        | Account #  | P            | RAE  | Adj. | F            | A    | T            |
|-------------------------------------|------------|--------------|------|------|--------------|------|--------------|
| 1) Water Facilities                 | 1821.6122  | \$ 5,046.00  | 0.64 |      | \$ 3,230.00  | 2.00 | \$ 6,460.00  |
| 2) Sewer Facilities - See Below     |            |              |      |      | \$ 0.00      | 2.00 | \$ 0.00      |
| 3) Storm Drainage Facilities        | 3261.6122  | \$ 18,454.00 | 1.33 |      | \$ 24,540.00 | 2.00 | \$ 49,080.00 |
| 4) Street Improvements              | 3321.6122  | \$ 14,355.00 | 2.08 |      | \$ 29,860.00 | 2.00 | \$ 59,720.00 |
| 5) Police Protection Facilities     | 12151.6122 | \$ 1,983.00  | 4.12 |      | \$ 8,170.00  | 2.00 | \$ 16,340.00 |
| 6) Fire Protection Facilities       | 12161.6122 | \$ 1,938.00  | 2.69 |      | \$ 5,210.00  | 2.00 | \$ 10,420.00 |
| 7) Parks & Recreation Facilities    | 12171.6122 | \$ 27,868.00 | 0.32 |      | \$ 8,920.00  | 2.00 | \$ 17,840.00 |
| 8) General City Fac. & Prog. Admin. | 12181.6122 | \$ 8,012.00  | 0.89 |      | \$ 7,130.00  | 2.00 | \$ 14,260.00 |

**Total 1-8: \$ 174,120.00**  
**Wastewater Capacity Fee: <sup>(1)</sup> \$ 246,376.00**  
**Grand Total: \$ 420,496.00**  
 due prior to project approval

P = Program Fee per Residential Acre Equivalent (RAE) per Resolution 2001-242 and 2004-238 as adjusted in conformance with LMC 15.64.050.  
 RAE = Residential Acre Equivalent per LMC §15.64.070, unless adjusted.  
 Adj. = Checked if RAE is adjusted, see Notes below.  
 F = Fee per acre (rounded to nearest \$10.00) = P x RAE.  
 A = Gross acreage per LMC §15.64.020A & 15.64.060 (rounded to nearest 0.01 acre).  
 T = Total Fee for service category = A x F.

Notes:

1. Wastewater Capacity Impact Fee is based on a 138-bed hotel and 3 beds/sewer service unit (SSU) and represents 46 SSU. Each SSU is \$5,356.00.
2. The fees are based on the January 2008 Development Impact Mitigation Fee Schedule.

By: \_\_\_\_\_ Approved: \_\_\_\_\_ Record #: \_\_\_\_\_

Date Billed: \_\_\_\_\_

Date Paid: \_\_\_\_\_ (Fee category 1 thru 8)

RESOLUTION NO. 2008-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
AUTHORIZING FEE PAYMENT AGREEMENT FOR  
1343 EAST KETTLEMAN LANE

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Fee Payment Agreement with KFP Galt, LLC, for Development Impact Mitigation Fees and Wastewater Capacity Impact Fees for project located at 1343 East Kettleman Lane.

Dated: March 19, 2008

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I hereby certify that Resolution No. 2008-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 19, 2008, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk