TO: Mayor and City Council
FROM: Public Works Department
SUBJECT: RESOLUTION: APPROVE A PAYMENT AGREEMENT FOR THE CFD 90-1 AIRPORT “IN-LIEU” FEE FOR FARMINGTON FRESH

RECOMMENDATION

It is recommended that a resolution be adopted authorizing the City Manager to execute a payment agreement with Farmington Fresh for a reduced Airport “In-Lieu” fee, of $20,003.29 using the building foot print area as the basis for calculating the adopted Airport “In-Lieu” fee.

Summary

The Farmington Fresh facility, located at the Stockton Metropolitan Airport, expanded their existing operation in 1998 by adding a packing and cold storage building. Although appropriate sewer connection fees were assessed and collected, the City/County adopted Airport “In-Lieu” fee triggered by the 1998 addition has been in dispute and has not yet been paid. Farmington Fresh is requesting they be allowed a reduction in the acreage used as a basis to calculate the adopted Airport “In-Lieu” fee from the actual ground lease area of approximately 27 acres down to 2.495 acres, reflecting the actual size of their existing building foot print. Approval of this request would significantly reduce the impact of the Airport “In-Lieu” fee collection for this facility.

DISCUSSION

Farmington Fresh submitted an outside sewer service application in April of 1998, for the addition of a packing and cold storage building, triggering the need for additional sewer service. After extensive review and evaluation, the Municipal Utilities Department staff determined that per the Public Facilities Fee Program Administrative Guidelines adopted on February 12, 1991, Resolution No. 91-0119, the increased sewer discharge precipitated the necessity to charge additional sewer usage fees.

Although Farmington Fresh is currently connected to City of Stockton sewer and has wastewater processed by the City of Stockton, as part of the permitting process for the expansion, it was determined the applicant was also subject to the South Stockton Community Facilities District 90-1 Airport “In-Lieu” Fee as adopted by the City Council on July 1, 1996, Resolution No. 96-0333, and the San Joaquin County Board of Supervisors on July 9, 1996, B-96-811. The “In-Lieu” fee established a sewer fee to be charged for all new or expanded development on privately leased County Airport property. The current “In-Lieu” fee of approximately $8,017/acre is based upon the legal parcel size or documented ground lease area. Representatives of Farmington Fresh have indicated their ground lease is approximately 27 acres.

AGENDA ITEM 6.11
Farmington Fresh is requesting that because the 1998 addition is an expansion of their existing development, and because the main facility was in existence prior to the adoption of the Airport “In-Lieu” fee, they be allowed an exemption from the adopted Guidelines and allowed a reduction in the acreage used to calculate the Airport “In-Lieu” Fee from the ground lease area of approximately 27 acres, down to 2.495 acres, reflecting the actual footprint area of their buildings. Based on the reduced acreage, the Airport “In-Lieu” fee due from Farmington Fresh would be $20,003.29.

Given the unusual nature of this particular operation which includes a relatively small building site on a rather large ground lease area, it would appear this request would be a reasonable solution to this ongoing Airport “In-Lieu” fee issue.

Any future Farmington Fresh expansion project(s) will be subject to additional Airport “In-Lieu” fees as determined by the Municipal Utilities Department, again using the actual building footprint area of said future expansion as a basis for calculating the adopted Airport “In-Lieu” fee.

PREPARED BY: Dennis Merkel, Assistant Engineer

Respectfully submitted,

GREGG S. MEISSNER
DEVELOPMENT SERVICES MANAGER

APPROVED BY CITY MANAGER
RESOLUTION APPROVING PAYMENT AGREEMENT WITH
FARMINGTON FRESH FOR CFD 90-1 AIRPORT IN-LIEU FEE

WHEREAS, Farmington Fresh leases property consisting of approximately 27
acres (APN 177-260-14) at the Stockton Metropolitan Airport from San Joaquin County; and

WHEREAS, the total building square footage of Farmington Fresh consists of
2.495 acres of the approximately 27 acres leased from San Joaquin County; and

WHEREAS, Farmington Fresh agrees that its entire building square footage shall
be subject to the CFD 90-1 Airport In-Lieu Fee pursuant to the South Stockton
Community Facilities District 90-1 Administrative Guidelines; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS
FOLLOWS:

1. That the Payment Agreement (CFD 90-1 Airport In-Lieu Fees) attached
hereto as "Exhibit A" is hereby approved.

2. That the City Manager is hereby authorized and directed to execute said
Payment Agreement.

PASSED, APPROVED, and ADOPTED ________________________________

ATTEST:

GARY A. PODESTO
Mayor of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton