

## PERMIT CENTER

# PAYBACK REQUIREMENTS

### Informational Brochure

June 2013

Prepared by:

City of Auburn  
Customer Service Center

One East Main Street  
Auburn, WA 98001  
Telephone: (253) 931-3010  
Fax: (253) 931-3053





# CITY OF AUBURN PAYBACK REQUIREMENTS

## **Introduction**

When a developer extends public facilities (i.e. water, sanitary sewer, or storm improvements) to provide service to their project, they may be eligible to recover some portion of those costs by entering into a Payback Agreement with the City. The following summarizes the City's Payback Agreement process and requirements. Payback requirements are defined by Auburn City Code and Washington State Law (ACC 13.40.060 and RCW 35.91.020).

## **Definitions**

- "Developer" shall be defined as a person, including corporations, firms, companies, individuals, government agencies or officials, or any organization of any kind, who seeks to develop a property.
- "Facilities Extension" is defined as the extension of public water, sanitary sewer, and storm drainage facilities belonging to the City, including, but not limited to conveyance lines, mains, structures, pumping facilities, storage facilities, and treatment facilities.

## **What is a Payback Agreement?**

A Payback Agreement is an agreement between the City and a developer for the sole purpose of providing a mechanism for reimbursing such developer for a pro rated portion of the original costs incurred by that developer for the installation of a facility extension to the extent facilities benefit future connections or developments. The agreement requires owners of benefiting properties to pay for their pro rated share of the costs of improvements when they are permitted a service connection to the extended facility. The agreement allows the City to collect payments from benefiting properties and pass them on to the developer. The City collects the money during the normal utility permitting process. Washington State Law (RCW 35.91.020) allows a maximum term of 20 years for a Payback Agreement, however, the City, at its discretion, may define a shorter term for the agreement.

## **How do I know that I am eligible for a Payback Agreement?**

The City will notify the developer early in the process when a public facility extension is needed in association with their development proposal. This determination can usually be made once the scope of the facility extension has been defined and any benefiting properties have been identified.

## **What are the next steps if I am eligible for a Payback Agreement?**

The developer shall track all applicable project costs and submit them to the City once construction has been completed and accepted by the City. A separate cost breakdown is required for each facility (i.e. costs for water, costs for sanitary sewer, and costs for storm drainage). Cost information must be accurate, defensible, and consistent with standard construction industry practices. The following summarizes applicable project costs:

- Construction costs (i.e. bid proposal)
- Contract Administrative costs
- Engineering costs including design, survey inspection, as-built drawings, etc.
- Applicable City costs (i.e. permit fees, etc.)
- Payback application fee

The cost information shall be submitted with the Payback Information Request Form (see attached) within 90 days of acceptance of the facility improvements by the City.

Upon review of the material, the City Engineer will determine a payback assessment method that will be recommended to the Auburn City Council. Based on this recommended assessment method, the developer is required to prepare and submit the following:

- A scaled map that clearly shows the parcels within the benefit area, and
- A corresponding spreadsheet that clearly indicates the parcel number, owner name(s), and proposed payback assessment for each parcel in the benefit area.

### **What is the Payback Agreement approval process?**

With the recommendation of the City Engineer, the Payback Agreement will be presented to the City Council for final approval. The City Council has the discretionary power to approve or disapprove the recommended Payback Agreement.

### **How does a Payback Agreement work?**

All properties connecting to water, sanitary sewer or storm facilities for which a Payback Agreement is in force and have not paid their fair share will be assessed the charge as provided in the agreement. The payback assessments shall be based on the costs and methodology identified in the approved Payback Agreement. Payback assessments are required to be paid in full before the city allows service connections to a property. Monies collected by the City will then be reimbursed to the developer of said payback at six (6) month intervals for the duration of the agreement.

The methodology of a Payback is determined by the kind of facility extension that occurs. While the nature of a given project sometimes leads the City Engineer to recommend other methodologies, the front footage and area assessments are the most commonly used. For example, when a utility main is extended along the frontage of a benefiting property, the determination for payback is usually calculated based on the length of the frontage. This is known as a front footage assessment method. For most non-linear improvements, like pump stations, for example, the determination for payback is usually calculated based on the area served by the new facility. This is known as an area assessment method. In cases where both linear and non-linear facilities are installed, (i.e. pump stations and pipes) the front footage and area assessments may be combined.

### **What are my ongoing responsibilities?**

The developer shall keep a current record of his/her address and telephone number on file with the City, and shall within 30 days of any change of their address and/or telephone number, notify the City in writing. If the property owner fails to comply with the notification requirements within 60 days of the specified time, then the contracting municipality may collect any reimbursement funds owed to the property owner under the contract. Such funds shall be deposited in the capital fund of the City.

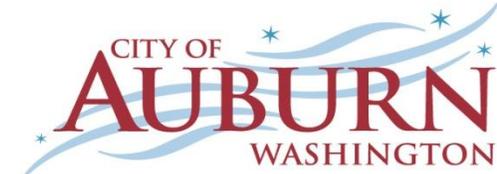
**What are my costs associated with the Payback Agreement Application?**

An administrative fee will be assessed for the processing of Payback Agreements as per the City of Auburn fee schedule. These fees will be due when the Payback Information Request form is submitted to the Public Works Department.

Application Fee	\$500.00
Processing Fee	\$1000.00
Area or Special Benefit Analysis	\$500.00
Transaction / Collection Fee	\$300.00

If you have any questions or require additional information about the Payback requirements (ACC 13.40.060), please contact the Public Works Department at 253-931-3010, Auburn City Hall, One East Main Street, Auburn, WA.





# CITY OF AUBURN PAYBACK INFORMATION Application

(Completed by Payback Applicant)

Date. \_\_\_\_\_

Permit No. \_\_\_\_\_

Contact Information: \_\_\_\_\_

Developer Legal Name: \_\_\_\_\_  
Please Print (Include Spouse Name, Corporation Name, etc.)

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Telephone Number (Including Area Code)

Mailing Address: \_\_\_\_\_  
(Applicant Address)

Site Address: \_\_\_\_\_

Parcel Number: \_\_\_\_\_

Legal Description of Site (Quarter Section, Township, Range):  
\_\_\_\_\_  
\_\_\_\_\_

Type of Property:  Single Family/Duplex  Multi-Family  
 Commercial/Industrial  Institutional

Submit a complete cost breakdown of actual expense for each utility including:

- Construction (i.e. bid proposal)
- Contract Administrative costs
- Engineering costs to include design, survey inspection, as-built drawings, etc.
- Applicable City costs (i.e. permit fees, etc.)

\_\_\_\_\_  
Name of Owner/Developer (Please Print)

\_\_\_\_\_  
Telephone Number (Including Area Code)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Signed

-----  
**FOR CITY USE ONLY**

Sewer

Water

Storm