



CITY OF
FOLSOM
INCORPORATED BY CHARTER

Folsom City Council Staff Report

MEETING DATE:	12/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11134 – A Resolution Authorizing the City Manager to Execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of the Natoma Alley Rehabilitation and Replacement Project and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 11134 – A Resolution Authorizing the City Manager to Execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of the Natoma Alley Rehabilitation and Replacement Project and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department (EWR) identifies sewer infrastructure rehabilitation and replacement projects through sewer master plans and ongoing sewer condition assessment programs. As a condition of the City’s State permit for its wastewater collection system, EWR is required to perform ongoing condition assessments on the wastewater system and correct any defects/deficiencies identified through this process.

Through these efforts, portions of the wastewater system in the City have been identified as needing rehabilitation or replacement (R&R). A comprehensive plan has been developed for the R&R of these aging or failing systems and much of this work has been completed in recent years. The next phase of the R&R program includes the replacement and relocation of sewer lines within

Natoma Street and the Persifer and Mormon Alleys, between Stafford Street and Coloma Street, known as the Natoma Alley Rehabilitation and Replacement Project.

This project will rehabilitate and replace approximately 5,000 feet of sewer infrastructure, including relocating private sewer laterals. Through the City's sewer condition assessment program, City staff has had to perform continual maintenance in this area in order to sustain operations of these systems. These pipes are beyond their serviceable life and require rehabilitation and replacement.

Part of the construction for this project has already been completed. In order to finish the construction for this project, the City needs to acquire six (6) sewer easements totaling approximately 7,284 square feet. The City worked with the property owners of all six properties and came to agreements on the valuation for each individual easement. The City will enter into sewer easement and maintenance agreements with each property owner for the easements.

This Resolution will Authorize the City Manager to Execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of the Natoma Alley Rehabilitation and Replacement Project and Appropriation of Funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$70,952 or greater shall be awarded by City Council.

Acquisition of property rights by the City of Folsom requires City Council approval. Resolution No. 2435, adopted on July 18, 1988, authorizes the City Manager to execute an Easement Deed.

ANALYSIS

The Natoma Alley Rehabilitation and Replacement Project will replace and rehabilitate portions of the sewer systems in the older areas of the City that are encountering ongoing maintenance problems. The Project consists of reconnecting sanitary sewer laterals, replacing property line cleanouts, and replacing existing sewer mains, some on private property.

During the design phase of the new sewer system, it was determined that the best design option would be to construct multiple portions of the sewer mainline on six (6) separate parcels of private property. If a sewer mainline is located within private property, a Right of Way Easement is required which gives the City permission to access the private property to install and maintain the mainline.

The City contracted with Bender Rosenthal, Inc. (BRI) to prepare the necessary surveying and documentation to obtain the right of way easements, including plat and legal descriptions, title reports, and appraisals. BRI also determined the fair market value of each easement, which was included in the appraisal reports. In addition to the fair market value included in the appraisal

reports, City staff also discussed other potential property related impacts with the property owners that are not included in an appraisal report. This includes disruption to residents or businesses, removal of trees, impacts to access the property during construction, or other property related impacts.

Per the direction from City Council during a Closed Session Meeting on September 12, 2023, City staff (Environmental and Water Resources Director and Associate Civil Engineer) met with each property owner to discuss the valuation for the easements. The initial offer presented by the City to the owners matched the fair market value of the easements as determined by BRI. The City negotiated with the owners and a final offer was agreed to between both parties, as summarized in Table 1 below. The total amount for the easements offered to the property owners by the City is \$166,100.

Pursuant to Civil Code of Procedure Section 1263.025, the property owners had the choice to obtain an independent appraisal, of which the City would pay for the actual reasonable costs up to \$5,000. All the property owners, except the owner of 115 Natoma Street, declined to obtain an independent appraisal. The property owner of 115 Natoma Street elected to obtain an independent appraisal prepared by Commercial Valuation, Inc. (CVI). Based on the appraisal report completed by CVI, the appraised fair market value offered to the owner by the City is \$67,000.

During negotiations between the City and the owners of 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street, the owners accepted the fair market value as determined by BRI. For 216 Natoma Street, the agreement includes an additional \$5,000 for the avoided cost of an appraisal and impacts to their driveway for access to their school during construction and property restoration activities due to the proposed alignment of the new sewer line on their property for a total value of \$29,900.

During conversations with the owner of 210 Natoma Street, several potential impacts were concerning to the property owner. These impacts included disruption to residents, loss of a tree, a new sewer line in the backyards of four rental units and potential challenges with renting these four units with a new sewer line in the backyard. The agreed upon offer for this property is \$43,000.

Construction of the Natoma Alley Rehabilitation and Replacement Project cannot continue without approval of this Resolution.

This resolution will authorize the City Manager to execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of the Natoma Alley Rehabilitation and Replacement Project in the amount of \$166,100.

Table 1: Summary of Easement Offers

Easement Address	Easement Area (ft ²)	Easement Offer Accepted by Owner
115 Natoma Street	2,389	\$67,000
210 Natoma Street	1,501	\$43,000
216 Natoma Street	1,654	\$29,900

308 Natoma Street	531	\$8,000
310 Natoma Street	850	\$12,800
312 Natoma Street	359	\$5,400
	Total	\$166,100

FINANCIAL IMPACT

The City shall pay not to exceed sums of \$67,000 for the 115 Natoma Street Sewer Easement, \$43,000 for the 210 Natoma Street Sewer Easement, \$29,900 for the 216 Natoma Street Sewer Easement, \$8,000 for the 308 Natoma Street Sewer Easement, \$12,800 for the 310 Natoma Street Sewer Easement, and \$5,400 for the 312 Natoma Street Sewer Easement, totaling \$166,100.

The Natoma Alley Rehabilitation and Replacement Project is included in the FY 2023-24 Capital Improvement Plan with a total project budget of \$5,145,000. Staff is requesting an appropriation of \$166,100 in the Wastewater Operating Fund (Fund 530) for the cost of the Sewer Easement and Maintenance Agreements. Once authorized, the appropriation will increase the total project budget to \$5,311,100. Funds are currently available in the Wastewater Operating Fund (Fund 530) for the appropriation.

ENVIRONMENTAL REVIEW

This project is a replacement and/or improvement of existing infrastructure with negligible or no expansion of use and therefore is categorically exempt from environmental review under the California Environmental Quality Act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exemptions, Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and/or 15304 (Minor Alterations to Land).

ATTACHMENTS

1. Resolution No. 11134 – A Resolution Authorizing the City Manager to Execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of the Natoma Alley Rehabilitation and Replacement Project and Appropriation of Funds
2. Signed Offer Letter for 115 Natoma Street
3. Signed Offer Letter for 210 Natoma Street
4. Signed Offer Letter for 216 Natoma Street
5. Signed Offer Letter for 308 Natoma Street
6. Signed Offer Letter for 310 Natoma Street
7. Signed Offer Letter for 312 Natoma Street

Submitted,

Marcus Yasutake, Director
 ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

Attachment 1

RESOLUTION NO. 11134

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE SEWER EASEMENT AND MAINTENANCE AGREEMENTS BETWEEN THE PROPERTY OWNERS OF 115 NATOMA STREET, 210 NATOMA STREET, 216 NATOMA STREET, 308 NATOMA STREET, 310 NATOMA STREET, AND 312 NATOMA STREET AND THE CITY OF FOLSOM FOR THE CONSTRUCTION OF THE NATOMA ALLEY REHABILITATION AND REPLACEMENT PROJECT AND APPROPRIATION OF FUNDS

WHEREAS, to comply with the State's Waste Discharge Requirements Order, the City is currently implementing its Sewer System Management Plan (SSMP) which consists of condition assessment, as well as operation and system improvements; and

WHEREAS, the City has identified this project as a priority to maintain integrity and operation of the sanitary sewer collection system; and

WHEREAS, the City of Folsom desires to obtain easements at 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street which are required for construction of the Natoma Alley Rehabilitation and Replacement Project; and

WHEREAS, the City negotiated with the owners of each easement property and came to an agreement on the valuation of each easement; and

WHEREAS, the City shall pay \$67,000 to the owner of 115 Natoma Street, \$43,000 to the owner of 210 Natoma Street, \$29,900 to the owner of 216 Natoma Street, \$8,000 to the owner of 308 Natoma Street, \$12,800 to the owner of 310 Natoma Street, and \$5,400 to the owner of 312 Natoma Street; and

WHEREAS, the Natoma Alley Rehabilitation and Replacement Project is included in the FY 2023-24 Capital Improvement Plan with a total project budget of \$5,145,000; and

WHEREAS, an additional appropriation of funds in the amount of \$166,100 in the Wastewater Operating Fund (Fund 530) will increase the total project budget to \$5,311,000; and

WHEREAS, sufficient funds are currently available in the Wastewater Operating Fund (Fund 530) for the appropriation; and

WHEREAS, the easement deeds and agreements will be in a form acceptable to the City Attorney;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Sewer Easement and Maintenance Agreements between the Property Owners of 115 Natoma Street, 210 Natoma Street, 216 Natoma Street, 308 Natoma Street, 310 Natoma Street, and 312 Natoma Street and the City of Folsom for the Construction of

the Natoma Alley Rehabilitation and Replacement Project for a not-to-exceed amount of \$166,100.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$166,100 in the Wastewater Operating Fund (Fund 530).

PASSED AND ADOPTED this 12th day of December, 2023, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2



October 27, 2023

115 Natoma Street
Folsom, CA 95630

Dear Property Owner:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0172-045.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services, to complete an appraisal report for the 2,389 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value was determined to be \$35,900.

Pursuant to Civil Code of Procedure Section 1263.025, you elected to obtain an independent appraisal performed by Commercial Valuation, Inc. (CVI). Based on the appraisal report completed by CVI, the appraised fair market value is \$67,000. The fair market value offered to you by the City is \$67,000.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$67,000. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

Michael Moore

Printed Name

Michael J Moore

Signature

30 Oct 2023

Date

Marcus Yasutake

Environmental & Water Resources Director

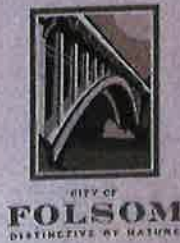
M. YK

Signature

10/31/2023

Date

Attachment 3



November 8, 2023

210 Natoma Street
Folsom, CA 95630

Dear Property Owner:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0171-007.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services to complete an appraisal report for the 1,501 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value of the easement is \$23,500.

During negotiations between you and the City on October 30, 2023, the City agreed to offer you an additional \$19,500 due to the potential impacts to your rental business associated with the property. Based on the fair market value as determined by BRI and the additional \$19,500, the amount offered to you by the City is \$43,000.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$43,000. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

Brian Townsend
Property Owner - Printed Name

[Signature]
Property Owner - Signature

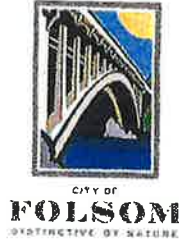
11/10/2023
Date

Marcus Yasutake
Environmental & Water Resources Director

[Signature]
Signature

11/13/2023
Date

Attachment 4



October 5, 2023

216 Natoma Street
Folsom, CA 95630

Dear Stephen and Doreen Holden:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0171-023.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services to complete an appraisal report for the 1,654 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value of the easement is \$24,900.

During negotiations between you and the City on October 4, 2023, the City agreed to offer you an additional \$5,000 to avoid the cost of an independent appraisal. Based on the fair market value as determined by BRI and the additional \$5,000, the amount offered to you by the City is \$29,900.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$29,900. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

STEPHEN HOLDEN

Doreen Holden

Property Owner – Printed Name

Steph Holden

Doreen Holden

Property Owner – Signature

10-5-23

10-5-23

Date

Marcus Yasutake

Environmental & Water Resources Director

m yst

Signature

10/10/2023

Date

Attachment 5



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

October 19, 2023

308 Natoma Street
Folsom, CA 95630

Dear Property Owner:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0171-033.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services to complete an appraisal report for the 531 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value offered to you by the City is \$8,000.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$8,000. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

TARIQ ABBASI

Property Owner – Printed Name

Property Owner – Signature

Date

10/18/23

Marcus Yasutake

Environmental & Water Resources Director

Signature

Date

10/19/2023

Attachment 6



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

October 20, 2023

310 Natoma Street
Folsom, CA 95630

Dear Property Owner:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0171-032.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services to complete an appraisal report for the 850 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value offered to you by the City is \$12,800.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$12,800. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

MERWIN J CARLSON
Property Owner – Printed Name

[Signature]
Property Owner – Signature

10/20/2023
Date

Marcus Yasutake
Environmental & Water Resources Director

[Signature]
Signature

10/20/2023
Date

Attachment 7



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

October 20, 2023

312 Natoma Street
Folsom, CA 95630

Dear Property Owner:

The City of Folsom (Environmental and Water Resources Department) completed the right-of-way phase for their Natoma Alley Sewer Rehabilitation Project. The purpose of this correspondence is to formally offer you the fair market value of the appraised value of the easement on your property, Sacramento County Assessor's parcel number 070-0171-031.

To assist in the process, the City of Folsom retained Bender Rosenthal, Inc. (BRI), Commercial Valuation and Right of Way Services to complete an appraisal report for the 359 square foot easement located on your property. Based on the appraisal report completed by BRI, the fair market value offered to you by the City is \$5,400.

Upon approval by City Council and your signature on the Easement Agreement, the City will issue a check to you for \$5,400. Before proceeding to City Council for approval, the City requests your signature approving the offer listed above. The Easement Agreement and related documentation will be provided after approval by City Council.

If you have any questions regarding this offer letter, please contact Marcus Yasutake, Environmental and Water Resources Director, at myasutake@folsom.ca.us or 916-461-6161.

[Handwritten Signature]
Property Owner – Printed Name

[Handwritten Signature]
Property Owner – Signature

Oct 20, 2023
Date

Marcus Yasutake
Environmental & Water Resources Director

[Handwritten Signature]
Signature

10/20/2023
Date

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