



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: MAY 15, 2007

ITEM NUMBER:

**SUBJECT:** APPROVAL OF TERMINATION OF AGREEMENT AND WAIVER BETWEEN THE CITY OF COSTA MESA AND C. J. SEGERSTROM & SONS FOR SPECIAL ASSESSMENT DISTRICT 79-01 (SOUTH COAST DRIVE)

**DATE:** MAY 3, 2007

**FROM:** PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

**PRESENTATION BY:** WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** PETER NAGHAVI, TRANSPORTATION SERVICES MANAGER, 714-754-5182

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## **RECOMMENDATION:**

1. Approve Termination of Agreement and Waiver (Attachment 1) for the formation of a special assessment district in order to finance construction of street improvements in the vicinity of Home Ranch development;
2. Authorize the Mayor and City Clerk to execute the above agreement; and
3. Direct the City Clerk to record the Termination of Agreement and Waiver.

## **BACKGROUND:**

The City of Costa Mesa and C. J. Segerstrom & Sons had previously entered into an "Agreement and Waiver" for the creation of a special assessment district in the vicinity of Home Ranch development for the construction of street and utility improvements. The agreement for the assessment district, known as 79-01 (South Coast Drive), was executed on June 28, 1979, and is provided in Attachment 2.

The agreement for special assessment district imposed a lien on the C. J. Segerstrom & Sons' property. As part of the recently approved Susan Street Exit Ramp project, a portion of C. J. Segerstrom & Sons property which is subject to this existing "Agreement and Waiver" will be dedicated to the State of California Department of Transportation (Caltrans) for the purpose of the construction of the new off ramp. Caltrans requires that the property acquired is "free and clear" and not have any liens imposed.

## **ANALYSIS:**

The proposed Termination of "Agreement and Waiver" voids the 1979 agreement between the City of Costa Mesa and C. J. Segerstrom & Sons for the formation of a special assessment in the Home Ranch area for roadway construction. Staff supports this action as all roadways in the Home Ranch area have been constructed to General Plan standards and no further assessments are required to fund street and roadway improvements in this area.

The termination will also clear the Home Ranch property of the lien imposed due to the agreement, allowing for subsequent transfer of a portion of the property to Caltrans.

Staff requests that the City Council approve the Termination of Agreement and Waiver and direct the City Clerk to record the executed agreement.

**ALTERNATIVES CONSIDERED:**

One alternative would be to not approve the Termination of Agreement and Waiver. However, this alternative would preclude the C. J. Segerstrom & Sons ability to transfer the property to Caltrans at the completion of the Susan Street Exit Ramp project. Also, this alternative maintains the need for assessment district for street improvements that have been completed.

**FISCAL REVIEW:**

There is no fiscal impact with the Termination of Agreement and Waiver. All roadways in the Home Ranch area have been built to General Plan standards.

**LEGAL REVIEW:**

The City Attorney's office has reviewed and approved the attached agreement as to form.

**CONCLUSION:**

In June 1979, an "Agreement and Waiver" was entered between the City of Costa Mesa and C. J. Segerstrom & Sons to fund street and roadway improvements in the Home Ranch area. As all roadway and utility projects in this area have been completed, staff recommends that the City Council approve the attached Termination of Agreement and Waiver and authorize the Mayor and City Clerk to execute the same. In addition, staff recommends that the City Council direct City Clerk to record the executed termination agreement.

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**PETER NAGHAVI**  
Transportation Services Manager

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**WILLIAM J. MORRIS**  
Director of Public Services

- ATTACHMENTS:
1. [Termination of Agreement and Waiver](#)
  2. [Agreement and Waiver dated June 28, 1979](#)

- DISTRIBUTION:
- City Manager
  - Assistant City Manager
  - City Attorney
  - City Clerk
  - Deputy City Manager – Dev. Svcs. Director
  - Director of Public Services
  - Staff
  - File