



CITY OF OAK HARBOR
Development Services Department

**Developer Reimbursement Agreement
Application and Process**

What is a Developer Reimbursement Agreement?

Developer Reimbursement Agreements (also known as latecomer's agreements) are contracts between the City and a property owner that allow the property owner to recover a portion of the cost of offsite improvements required for the property to be served but also benefiting other properties. The Agreement assesses properties served in proportion to the benefit and expressed as a pro rata share of the total cost. The owner's property must assume its pro rata share of the costs. The latecomer's assessment appears as a lien on the property payable at the time of connection. When assessed properties connect to the facility covered by the Agreement, the City collects the assessment and forwards the funds to the developer. The City retains a percentage of the assessment collected for overhead costs incurred in administering the contract.

How is a Developer Reimbursement Agreement approved?

All Developer Reimbursement Agreements require City Council approval. Two separate meetings are held. Preliminary approval must be granted prior to construction of the proposed facilities. Final approval of the project, costs and assessments must be granted before the agreement can take effect. Applicants for a Developer Reimbursement Agreement are required to notify all property owners who will have assessments placed on their property at least 10-days prior to Council considerations.

What types of improvements and costs are eligible for Reimbursement Agreements?

Reimbursement agreements can be used to recover a portion of the cost of water, storm drainage, sewer, street or associated improvements. All costs associated with the improvements, including engineering design, sales tax, permits, inspection construction management and other related costs, are eligible for inclusion in a Developer Reimbursement Agreement. Inflation, profit and interest costs are not eligible for inclusion.

How long are the Agreements valid?

Developer Reimbursement Agreements may be approved for a period not to exceed 15 years. The duration of the agreement can vary with type of improvement.

Is a public hearing required for a Developer Reimbursement Agreement approval?

A public hearing may be required. Please consult with staff regarding the need for a Public Hearing.

When is the application submitted?

Reimbursement Agreements must receive preliminary approval from the City Council prior to the release of permits and prior to the start of work. Applications for reimbursement agreements can be submitted at any time prior to permit issuance.

How are Assessments determined?

Assessments may be determined by any method accepted by State law for determining pro rata share including but not limited to: Special benefit method, zone and termini method, front foot method, and the square foot method. The City Council has the final authority to approve, modify or reject the assessment method, assessment area or individual assessments.

Who can apply?

Any legal owner of a parcel of real property installing offsite improvements necessary to serve the property.

What is the cost of application?

The application fee is \$150.00 fee payable at the time of application. In addition to the application fee, there is a \$50.00 per hour charge for each hour, beyond the first 3 hours, of time spent by city staff reviewing the application. These fees are in addition to any fee related to review of the engineering plans. Charges for time spent beyond the first three hours must be paid in full prior to final consideration of the agreement by the City Council.

The Developer Reimbursement Agreement Application Process

1. Preliminary plan submittal, review and approval – Preliminary engineering plans of the proposed improvements are submitted to the City for review and approval. Engineering drawings need not be 100% complete for preliminary agreement approval. However, the preliminary plans should contain enough information to demonstrate the benefit to affected property owners, sufficient to develop an engineer's cost estimate and provide basic information on the type, size and location of improvements.
2. Preliminary Agreement approval – After the preliminary engineering plans are approved by the City Engineer, the applicant completes the application, preliminary agreement forms, provides a stamped engineer's estimate of the costs, notifies all affected property owners prior to the Council's preliminary consideration and submits the required affidavits. The City Engineer reviews the preliminary agreement forms and presents the preliminary agreement to the City Council for consideration. A public hearing may be held if requested by any affected property owner. The City Council may choose to approve or deny the preliminary agreement. Preliminary agreement approval is required prior to issuance of permits by the City Engineer.
3. Construction of Improvements— Final engineering plans must be approved by the City Engineer and all appropriate permits shall be obtained prior to the start of work. After Council approval of the preliminary agreement the work may proceed in accordance with the approved plans.
4. Final Agreement approval— Upon completion of the work and successful completion of all required inspections the final agreement forms are completed and submitted to the City Engineer. The final agreement reflects actual construction costs. Final notices are mailed to all affected property owners prior to the Council's consideration with the final assessment. The City Engineer reviews the final agreement form and presents the final agreement to the City Council for consideration. A public hearing may be held if requested by any affected property owner. The City Council may choose to approve, deny or modify the final agreement.

Fees

- Fee due at time of Developer's Reimbursement Agreement application submittal: **\$150.00**. An additional **\$50.00 per hour** for review work in excess of three hours spent on reviewing the application will be charged to the applicant.

If you have any questions regarding the Developer's Reimbursement Agreement process, please contact the Permit Coordinator at (360) 279-4510.



Developer's Reimbursement Agreement

Submittal Requirement Lists & Applications **Submittal Requirement List**

The following checklists identify information required for preliminary and final Developer's Reimbursement Agreements.

1. **APPLICATION FORM (attached)** - The application form must be complete and the applicant must sign at least one original copy in ink;
2. **APPLICATION FEE** – The fee for application for Developer's Reimbursement Agreement must accompany the application submittal packet;
3. **PRELIMINARY REIMBURSEMENT AGREEMENT:**
 - Copy of approved preliminary plan.
 - Estimated costs prepared and stamped by a registered Professional Engineer
 - Legal descriptions, parcel numbers, and legal property owners of all affected properties
 - Proof of ownership of the property being developed by title report
 - Proposed method of assessment with supporting calculations
4. **AFTER STAFF REVIEW OF PRELIMINARY INFORMATION:**
 - Affidavit of mailing of notification
 - Submittal of completed preliminary reimbursement agreement forms supplied by the engineering division
5. **FINAL REIMBURSEMENT AGREEMENT :**
 - Copy of improvement record plans
 - Supporting documentation of actual costs (invoices, bill of lading, etc)
 - Legal descriptions, parcel numbers, and legal property owners of all affected properties
 - Assessment calculations and final assessments
 - Affidavit of mailing of notification of final assessment
 - Bill of sale and 1-year 10% Maintenance Guarantee Bond submitted
 - Submittal of completed final reimbursement agreement forms supplied by the engineering division
 - After Council approval submittal of copy of agreement with County auditor's recording number is required within 30 days



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**Developer's Reimbursement Agreement
 Application Form**

Project Name:

Address and Parcel number of Property to be served by improvements

Description of Proposal:

APPLICANT NAME/CONTACT PERSON	Address:
E-mail Address:	Phone and Fax:
PROPERTY OWNER NAME (list multiple owners on a separate sheet):	Address:
E-mail Address:	Phone and Fax:
ENGINEER/SURVEYOR:	Address:
E-mail Address:	Phone and Fax:
Agreement will cover the following improvements: (check all that apply)	Improvements are associated with: (check all that apply)
<input type="checkbox"/> Water <input type="checkbox"/> Stormdrain <input type="checkbox"/> Sewer <input type="checkbox"/> Streets <input type="checkbox"/> other	<input type="checkbox"/> Offsite Subdivision Improvements <input type="checkbox"/> Offsite Commercial site improvements <input type="checkbox"/> Utility service extension <input type="checkbox"/> other
Estimated value of improvements:	\$
Have the utility plans been submitted for review?	
If not, when is the anticipated date of submittal	

AUTHORIZATION: The undersigned hereby certifies that this application has been made with the consent of the lawful property owner(s) and that all information submitted with this application is complete and correct. False statements, errors, and/or omissions may be sufficient cause for denial of the request.

I declare under penalty of the perjury laws that the information I have provided on this form/application is true, correct and complete.

Authorized Signature

Date

