

RESOLUTION NO. 2017-67

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN  
AUTHORIZING THE CITY MANAGER TO EXECUTE A STREET IMPROVEMENTS  
REIMBURSEMENT AGREEMENT  
(University Avenue – William Jessup University)

The City Council of the City of Rocklin does resolve as follows:

Section 1. The City Council of the City of Rocklin hereby authorizes the City Manager to execute a Street Improvements Reimbursement Agreement (University Avenue – William Jessup University) in substantially the form attached hereto as Exhibit A, and by this reference incorporated herein.

PASSED AND ADOPTED this 25<sup>th</sup> day of April, 2017, by the following vote:

AYES:	Councilmembers:	Janda, Broadway, Gayaldo, Patterson, Yuill
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None



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Scott Yuill, Mayor

ATTEST:



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Barbara Ivanusich, City Clerk

## EXHIBIT A

### **STREET IMPROVEMENTS REIMBURSEMENT AGREEMENT**

**(University Avenue – William Jessup University)**

THIS STREET IMPROVEMENTS REIMBURSEMENT AGREEMENT ("**Agreement**") is entered into as of this 25<sup>th</sup> day of April, 2017, ("**Effective Date**") by and between the City of Rocklin, a municipal corporation (hereinafter "**City**") and William Jessup University, a California non-profit religious corporation, (hereinafter, "**Landowner**") regarding the release of obligations of Landowner for certain street improvements known as University Avenue by the payment of certain in lieu fees for the construction by the City of certain intersection and street improvements on University Avenue.

### **RECITALS**

A. On February 12, 2013 the City adopted Resolution No. 2013-33 approving a Design Review (William Jessup University/ DR-2012-03) for that certain development for the construction of three building phases to include dormitories, academic buildings, and an events center on a portion of the existing William Jessup University campus ("**Design Review Approval**").

B. Subsection 2.B.8 of Resolution No. 2013-33, conditioned the Design Review Approval on Landowner being responsible for certain on and off-site improvements including the road and frontage improvements associated with University Avenue on University property and the signal modifications at the intersection of Atherton Road and Sunset Boulevard to accommodate pedestrian movements ("**Landowner's University Avenue Obligations**").

C. In order to take advantage of favorable market and construction conditions, the City chose to accelerate the construction of University Avenue, including Landowner's University Avenue Obligations authorized by City Council Resolution 2014-102 on May 27, 2014.

D. The construction of University Avenue by the City, including the construction of Landowner's University Avenue Obligations commenced in August of 2014 and were completed in April of 2016.

E. By letter dated March 21, 2016, City Manager, Rick Horst, on behalf of the City, and Dr. John Jackson, President, on behalf of Landowner, executed a Letter of Understanding that the parties would enter into a deferred improvement agreement for Landowner to make payment to the City for the costs associated with Landowner's University Avenue Obligations and determine a trigger to begin such payments following the completion of a final audit of the University Avenue construction costs.

F. The City has completed a final audit of the University Avenue construction costs and City and Landowner agree the amount of \$3,015,066 are the actual and reasonable costs associated with Landowner's University Avenue Obligations. City and Landowner have agreed on the payment schedule set forth in this Agreement ("**Payment Schedule**"). The Payment Schedule is separate from and in addition to payments by Landowner to City pursuant to existing agreements between Landowner and City for waterline and dry trench improvements (Resolution No 2016-34 and Resolution No 2014-98).

G. City and Landowner desire to enter into this Agreement to satisfy Landowner's obligations under Design Review Approval, particularly subsection 2.B.8., and establish terms of the reimbursement obligation to City by Landowner for Landowner's University Avenue Obligations.

### **AGREEMENT**

1. **Recitals.** The above Recitals are deemed true and correct and incorporated herein to this Agreement.

2. **Payment.** In lieu of Landowner's construction of Landowner's University Avenue Obligation, Landowner shall reimburse the City **\$3,015,066 ("Landowner's Obligation")** for the cost of Landowner's University Avenue Obligations, which amount is agreed to by the parties to be the actual and reasonable cost of such improvements. Landowner promises to pay to City Landowner's University Avenue Obligation on the terms and conditions set forth in this Agreement.

3. **Principal Amount.** Landowner shall make payment to the City in the amount of **\$3,015,066 ("Principal Amount")**, together with interest (as defined below) within seven (7) years of this Agreement pursuant to the Payment Schedule set forth in this Agreement.

3.1. **Interest on Principal Amount.** Interest on the Principal Amount shall accrue at the rate of 2.15% per annum commencing on June 1, 2019 and continuing until the Principal Amount is paid off in its entirety (the "**Interest**"). Interest shall be payable in annual installments commencing on June 1, 2020 and continuing on June 1 of every year thereafter until Principal Amount and all accrued interest is paid off in its entirety. Interest shall be computed on a three hundred sixty (360) day year and a thirty (30) day month.

3.2 **Payment of the Principal Amount and Maturity.** The Principal Amount shall be due in annual installments of \$502,511.00 commencing on June 1, 2019 and continuing on June 1 of every year thereafter until the Principal Amount is paid off in its entirety (2019 through 2024), without notice, demand, or presentment. Provided the annual payments are made timely and without payment default charges or other expenses in accordance with the terms of this

Agreement, the annual payments shall be allocated to principal and interest as shown on the Payment Schedule attached hereto as Exhibit A and incorporated herein by reference.

3.3. Payment Default. If Landowner fails to repay any yearly payment owed hereunder within twenty (20) days of when due, the remaining Principal Amount owed shall bear interest at a rate which is 2.0 percentage points higher than the rate of interest otherwise provided in this Agreement.

4. **Prepayment**

Landowner may prepay to City any or all of its outstanding obligations under this Agreement at anytime without penalty.

5. **Other fees.**

Nothing contained in this Agreement shall be deemed to waive the obligation to pay traffic impact fees in accordance with Rocklin Municipal Code section 3.16.300 et seq. or Landowner's obligations under the Northwest Rocklin Annexation Area Public Facilities Financing Plan 2008 Update approved by the City Council of the City of Rocklin on May 27, 2008 as Ordinance No. 932.

6. **Notices and Payments**

All payments made under this Agreement and all notices of any kind which either party may desire to serve on the other in connection with this Agreement shall be in writing and may be served by personal delivery or registered or certified mail, return receipt requested. Any payments and notices so served shall have postage fully prepaid, and be addressed to the other party as follows:

To City:

City of Rocklin  
3970 Rocklin Road  
Rocklin, California 95677  
Attention: City Manager

To Landowner:

William Jessup University  
2121 University Ave.  
Rocklin, CA 95765  
Attn: Dr. John Jackson

7. **Successors-in-Interest.**

The sale or transfer of the land by Landowner shall not release Landowner from its obligations under this Agreement.

8. **Assignment**

Neither party shall assign its rights or obligations under this Agreement without prior notice to and written consent of the other party.

9. **Attorney Fees; Litigation Costs.**

If any legal action or other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this Agreement or because of a dispute, breach, default, or misrepresentation in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and other costs, in addition to any other proper relief. Prevailing party includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

Whenever provision is made in this Agreement for the payment of attorney's fees, such fees shall be payable whether the legal services are rendered by a salaried employee for the party or by independent counsel and shall include such fees as are incurred in connection with any pretrial proceeding, trial or appeal of the action.

Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

10. **Integration.**

This Agreement, all attached exhibits, and all related documents referred to in this Agreement, constitute the entire agreement between the parties, relating to this matter. There are no oral or parol agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged. This Agreement does not supersede or nullify any existing written agreements between the parties on other matters.

11. **Severability.**

If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be enforced to the fullest extent permitted by law.

12. **Waivers.**

No waiver or breach of any provision shall be deemed a waiver of any other provision. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

13. **Authority of Parties.**

All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.

14. **Governing Law, Venue.**

This Agreement shall be governed by and construed in accordance with California law. All disputes must be brought in the Superior Court of the State of California, Placer County or the Federal Court in the Eastern District of California, whichever has subject matter jurisdiction over the dispute.

15. **Counterparts.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by Landowner and City.

**"CITY"**  
CITY OF ROCKLIN,  
a California Municipal Corporation

By:   
Ricky A. Horst, City Manager

**"LANDOWNER"**  
WILLIAM JESSUP UNIVERSITY,  
a California Non-profit Religious Corporation

By: 

APPROVED AS TO FORM:

 5/8/17  
Steven P. Rudolph, City Attorney

ATTEST:

  
Barbara Ivanusich, City Clerk

## EXHIBIT A



## EXHIBIT A

### Loan Amortization Schedule

**Lender:** City of Rocklin  
**Borrower:** William Jessup University

Loan Amount \$ 3,015,066.00  
Annual Interest Rate 2.15%  
Number of Payments 7  
Start Date of Loan 06/01/2017

Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance	Cumulative Interest
06/01/2018	\$3,015,066.00	\$0.00	\$0.00	\$0.00	\$3,015,066.00	\$0.00
06/01/2019	\$3,015,066.00	\$502,511.00	\$502,511.00	\$0.00	\$2,512,555.00	\$0.00
06/01/2020	\$2,512,555.00	\$556,530.93	\$502,511.00	\$54,019.93	\$2,010,044.00	\$54,019.93
06/01/2021	\$2,010,044.00	\$545,726.95	\$502,511.00	\$43,215.95	\$1,507,533.00	\$97,235.88
06/01/2022	\$1,507,533.00	\$534,922.96	\$502,511.00	\$32,411.96	\$1,005,022.00	\$129,647.84
06/01/2023	\$1,005,022.00	\$524,118.97	\$502,511.00	\$21,607.97	\$502,511.00	\$151,255.81
06/01/2024	\$502,511.00	\$513,314.99	\$502,511.00	\$10,803.99	\$0.00	\$162,059.80
		<u>\$3,177,125.80</u>	<u>\$3,015,066.00</u>	<u>\$162,059.80</u>		