

Amendment #1 to the Permanent Financing Capital Facilities Fee Agreement

This Amendment #1 (“Amendment #1”) is entered into this ____ day of _____, 2023, by and between the City of Merced (“City”), a California charter municipal corporation, and the Regents of the University of California, on behalf of the Merced Campus (“UC”) (collectively, “Parties”).

WHEREAS, on October 17, 2003, the Parties entered into the Permanent Financing Capital Facilities Fee Agreement (“Agreement”) to acquire financing for the construction of City water and sewer lines necessary to serve Merced Campus (“Project”); and

WHEREAS, under the Agreement, UC pays the Project debt service, with final payment anticipated in August 2033; and

WHEREAS, under the Agreement, in the event other development connects to the Project through 2033, the City applies those connection fees towards the debt service, thereby reducing UC’s future payments; and

WHEREAS, to date, no other development has connected to the Project; and

WHEREAS, in 2020, A.B. 3312 was adopted allowing the City to submit an application to annex the Campus and certain adjacent parcels without annexing the intervening property; and

WHEREAS, the Parties wish to amend the Agreement to extend the reimbursement period another 10 years.

NOW THEREFORE, THE CITY AND UC AGREE as follows:

1. The second paragraph of Section 2, Capital Facilities Fee, of the Agreement is amended as follows:

To the extent that other users along the corridor of the Project connect to and receive City water and sewer service from the Project, the City shall collect fees or charges from third party users (“Connection Fees”) and shall immediately deposit all Connection Fees, without offsets or deductions of any kind, into the University Capital Charge Fund held by the City. The City shall not extend any discounts or fee waivers to such third party Project users, and the Connection Fees shall in no event be less than amounts charged to third party users which connect to the City water and sewer systems during the same fiscal year, unless the City pays the amount of any discount or fee waiver to the University Capital Charge Fund at the time otherwise due for the payment of the Connection Fees. The City agrees to amend the Municipal Code so that The Regents shall be entitled to receive credit in determining the Capital Facilities Fees for any Connection Fees paid into the University Capital Charge Fund within forty (40) years of the date of this Agreement.

2. A fourth paragraph is added to Section 2, Capital Facilities Fee, of the Agreement to read as follows:

In the event The Regents has completed payment of the Capital Facilities Fee in full, the City shall transmit any Connection Fees collected to The Regents instead of depositing same into the University Capital Charge Fund.

3. Except as amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment #1 as of the date written above.

CITY OF MERCED

REGENTS OF THE UNIVERSITY OF
CALIFORNIA

BY: _____
Stephanie R. Dietz
City Manager

BY: _____

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

APPROVED AS TO LEGAL FORM

BY: _____
Assistant/Deputy City Clerk

BY: _____

APPROVED AS TO LEGAL FORM

BY:  10/5/2023
City Attorney

COUNTY DATA:

BY: _____
Verified by Finance Officer