



## Agenda Report

18-1458

Agenda Date: 12/11/2018

### REPORT TO COUNCIL

#### SUBJECT

Action to Approve the Park Agreement with SummerHill Lawrence Station, LLC et al. for Construction of Park Improvements within the Lawrence Station Area Plan

#### BACKGROUND

California Government Code § 66477, a component of the Subdivision Map Act and referred to as the Quimby Act (Quimby), permits local jurisdictions to require the dedication of land and/or payment of fees in lieu of parkland dedication to help mitigate the impacts from new residential developments. In addition, if the subdivider (i.e. developer) provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the local ordinance.

In July 2014, Council adopted Ordinance No.1937 which added Chapter 17.35 "Park and Recreational Land" to the Santa Clara City Code (SCCC) that requires new residential developments to provide developed park and recreational land, and/or pay a fee in-lieu thereof pursuant to Quimby and/or the Mitigation Fee Act to mitigate the impacts of the new residential population on existing City parks and recreation infrastructure. Under Quimby, the land, fees, or combination thereof are to be used only for the purpose of acquisition and development of new parkland or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision, or in a neighborhood other than the neighborhood in which the subdivision for which fees were paid provided the legislative body makes several specific findings and adheres to the required reporting guidelines. Further, if the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance.

According to City Code Chapter 17.35, projects may submit a written request for up to 50% credit against the amount of the in-lieu fees owed for eligible onsite private parkland and recreational amenities devoted to Active Recreational Uses provided the development meets the requirements contained in SCCC section 17.35.070, including that the private recreation and open space does not include features required under other zoning and building codes, that it is devoted to active recreational uses, it is maintained by the future residents of the development, are of a size, shape and location appropriate for such uses, and contains at least four of the eight park elements (landscaped/furnished park area, playgrounds, community gardens, group picnic area, game, fitness, or sport court area, swimming pool, recreation center).

On November 29, 2016, the City Council adopted the Lawrence Station Area Plan (a Specific Plan) and Environmental Impact Report, along with the associated General Plan and Zoning Ordinance Amendments. Land use entitlements for the SummerHill Lawrence Station, LLC's (SummerHill or Developer) Project (SummerHill Project) were approved on the same day. SummerHill submitted its residential Project application uniformly under the Quimby Act provisions of SCCC Chapter 17.35 and will construct public park improvements on the dedicated public parkland and, per the Quimby Act, will be reimbursed for the value of the public park improvements from in lieu park fees collected on the Project.

The City and owners of the parcel on which the SummerHill Project is located (SummerHill Lawrence Station,

LLC, SHAC LS Apartments I LLC, and SHAC LS Apartments II LLC) have negotiated a Park Agreement (Attachment 1) to set the terms and conditions of the park construction according to the approved schematic design and phasing plan, and to coordinate payments of in lieu fees and the City's acceptance of the parkland and improvements. A Community Facilities District (CFD) will be considered by Council in early 2019 that will provide the funding mechanism for the City to maintain the parks once constructed through City staff and/or a maintenance services contract.

### **DISCUSSION**

SummerHill's Project application, submitted uniformly under the provisions of Quimby, will develop 994 dwelling units generating an estimated 2,254 new residents (953 multi-family units at 2.24 persons/unit density is 2,135 persons + 41 single family units at 2.9 persons/unit density is 119 persons). Therefore, based on the City's Quimby standard of 3.0 acres of parkland per 1,000 residents, the Project is required to dedicate a total of 6.7609 acres of public parkland and/or combination of land and fees set by resolution in the Municipal Fee Schedule.

SummerHill has proposed to meet the parkland dedication requirement of 6.7609 developed park acres (\$28,404,942 in value) by construction and dedication of several public "mini parks" totaling approximately 3.2 acres, and providing a fee in lieu of dedication in the amount of \$16,285,602, based on the prescribed calculations which must be used as set forth in SCCC section 17.35.060. This Project includes 2.3035 acres of eligible private amenities; therefore the credit is 1.1518 acres (or, \$4,376,717 in value). Since SummerHill will construct park improvements (design and construction of park improvements and community building) valued at \$9,510,500 on the public park parcels dedicated, the balance of fees due in lieu of parkland dedication is \$2,398,385. However, to date, the City has received a payment from the Developer in the amount of \$1,760,920 effective with project building permit issuance, leaving a remainder due in the amount of \$637,465.

In summary, the calculations are:

Parkland Dedication Requirement 6.7609 acres (Total Value)	\$28,404,942
LESS: Dedicated Parkland Value (3.1893 acres)	-\$12,119,340
<b>Subtotal (Remaining developed parkland owed 3.5716 acres)</b>	<b>\$16,285,602</b>
LESS: Credit for eligible Onsite Private Parkland and Recreational Amenities	-\$4,376,717
<b>Subtotal (Remaining developed parkland owed 2.4198 acres)</b>	<b>\$11,908,885</b>
LESS: Budgeted Public Park Improvement costs (Value)	-\$9,510,500
<b>Balance of Quimby Fees Due In Lieu of Parkland Dedication</b>	<b>\$2,398,385</b>
LESS: Quimby Fees Paid by Developer to date (Attachment 1, Exhibit G)	-\$1,760,920
<b>Remainder Quimby Fee owed (estimated) (Attachment 1, Exhibit G)</b>	<b>\$637,465</b>

The proposed Park Agreement includes the following key points:

- Developer's Design and Phased Construction of Park Improvements (Mini Parks A, B, C, D, E, F, G, and H) according to the schematic designs for park improvements previously approved by Council and the City approved construction documents
- Adhering to the Final Budget for park improvements. If the final construction costs of the public park improvements are less than the budgeted park design and construction (project) costs and remainder Quimby fees owed, then SummerHill shall pay the City the additional amount of Quimby fees due (see Attachment 1, Park Agreement - Exhibit F). If the final construction costs are more than the public park

improvement project budget costs, then the City shall credit SummerHill the amount of the difference against the remaining Quimby fees due; but, in no case shall the City be obligated to reimburse SummerHill for more than the amount of the remaining balance of Quimby fees due.

- Process for acceptance of improvements and transfer of title to City for public parks
- One year Warranty period for parks and improvements
- Developer/successor responsibility for repair or replacement of aboveground park assets disturbed or damaged by maintenance activities to the storm water treatment measures on lots H, J, N and T (which the developer will need to enter into a separate storm water facility installation and maintenance agreement with the City)
- Payments and "True up" of Parkland In Lieu Fees

### **ENVIRONMENTAL REVIEW**

The City of Santa Clara prepared an Environmental Impact Report (EIR) for the Lawrence Station Area Plan (LSAP), which included construction of parks for the project, approved on November 29, 2016 (Resolution No. 16-8384), pursuant to the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et seq.).

### **FISCAL IMPACT**

There is no fiscal impact to the General Fund. Under the conditions of the residential project approval, and the terms of the proposed Park Agreement pursuant to Quimby, the Developer is required to construct, pay for and dedicate to the City developed public parkland. Further, a Community Facilities District (CFD) for the Lawrence Station Area will be considered by Council in early 2019 that will provide the funding mechanism for the City to maintain the parks once constructed through City staff and/or maintenance services contract. Should the City not approve the CFD and related contracts, then the City would be responsible for all maintenance and lifecycle costs of the facilities. The estimated amount for maintenance of the CFD facilities is \$345,000 per year.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office, Finance Department, Community Development Department, and City Manager's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Approve and authorize the City Manager to execute the Park Agreement by and between the City of Santa Clara and SummerHill Lawrence Station, LLC et al.

Reviewed by: James Teixeira, Director of Parks & Recreation  
Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Park Agreement with SummerHill Lawrence Station, LLC