

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING A SECOND AMENDMENT TO
THE AGREEMENT REGARDING CONSTRUCTION OF
PARKS IN MILLENIA.

WHEREAS, MCMILLIN OTAY RANCH, LLC, a Delaware limited liability company (“McMillin”) and City entered into the “Development Agreement by and between the City of Chula Vista and McMillin Otay Ranch LLC,” recorded October 27, 2009 as Document No. 2009-0595116 of Official Records of the San Diego County Recorder (the “Development Agreement”), and the “Agreement Regarding Construction of Parks in a Portion of Otay Ranch Eastern Urban Center,” recorded October 28, 2009 as Document No. 2009-0599389 of Official Records of the San Diego County Recorder (the “Parks Agreement”). The Development Agreement and Parks Agreement relate to what they called the “EUC,” which is now known as “Millenia”; and

WHEREAS, by an assignment, memorandum and confirmations recorded February 22, 2011 as Document No. 2011-0098720 of Official Records of the San Diego County Recorder, McMillin assigned its rights and transferred its obligations under the Development Agreement and Parks Agreement to SLF IV/McMILLIN MILLENIA JV, LLC, a Delaware limited liability company (“SLFMM”). SLFMM changed its name to that of Master Developer (SLF IV-Millenia, LLC) by amendments filed in Delaware on March 4, 2015, and in California on March 9, 2015; and

WHEREAS, Master Developer and City previously wanted to refine the Parks Agreement by providing some flexibility for the payment of In-Lieu Fees for certain developments, such as affordable housing projects. Accordingly, they entered into the “First Amendment” to the Parks Agreement (Resolution No. 2015-089) which recorded on December 8, 2015 as Document No. 2015-0627423 of Official Records of the San Diego County Recorder; and

WHEREAS, Master Developer and City now wish to further refine the Parks Agreement by providing additional flexibility to address the possibility that fewer residential units could be built in the EUC (2,550) than had originally been anticipated (2,983); and

WHEREAS, Master Developer no longer owns some of the McMillin Property. However, the Parks Agreement, as amended by the First Amendment and this Second Amendment, is intended to provide for the development of parks throughout the EUC; thus, remaining consistent with the original Parks Agreement with respect to Master Developer’s rights and obligations under the Development Agreement. To the extent parks have already been developed and parts of the EUC have been sold, the effect of this amended agreement is to ensure compliance by the time of the EUC’s build-out. The legal description to which this Second Amendment pertains thus includes all of the original McMillin Property, less only land which has been sold to merchant builders and some property dedicated to Caltrans; and

WHEREAS, the City's parks standard is three acres per 1,000 residents, which equates to 23.36 acres of park obligation for the project at full buildout of 2,983 residential units and 19.97 acres of park obligation if only 2,550 units are built; and

WHEREAS, the Millenia parks program delivers parks by relying on an "equivalency" program converting physical park acres to dollars which are then used to improve the parks at a higher level; and

WHEREAS, the Millenia parks program delivers six urban parks and other urban recreational facilities which would provide unique recreational opportunities for the residents and visitors of Millenia; and

WHEREAS, the Millenia parks will be linked by a system of park promenades, jogging paths, wide sidewalks and the Regional Trail which link to the pedestrian circulation system in the surrounding villages, thus, facilitating pedestrian access to residents from outside of Millenia; and

WHEREAS, the Master Developer has proposed a second amendment to the Parks Agreement to: 1) specify how the park program would be adjusted in the event fewer residential units were to be built in the project while maintaining, to the extent possible, the level of park amenities proposed in the parks agreement, 2) remove the requirement to enter into a three-party agreement for the design of each park in Millenia while maintaining the requirement of the Master Developer to seek the City's approval for the selection of Landscape Architecture firms designing the parks, as well as, the approval of the design documents for each park and 3) increase the funding of park improvement per acre to offset the impact of the recent State prevailing wage legislation requiring all projects with a public end use, including parks, to be bid at prevailing wage rates resulting in a park construction increase of approximately 20-25% or more, depending on current construction bids, in accordance with Senate Bill 7 which came into effect in January 2015; and

WHEREAS, the City will temporarily advance \$1,225,065 in Parkland Acquisition & Development (PAD) fees contributed by neighboring developments for community park purposes to build the last park in Millenia during the Millenia Affordable Housing fee deferral period; and

WHEREAS, the last park to be built in Millenia is the Town Square (P3), a 2.28-acre park and paseo within the Main Street District, which will be connected to other Millenia parks and to destinations throughout Otay Ranch by the Regional Trail connecting to Otay Ranch Village 7 to the west via Bob Pletcher Way, the western Millenia gateway emerging from the Route 125 underpass, and to Otay Ranch Village 11 to the east via the planned pedestrian bridge over Eastlake Parkway. Construction of the Town Square is required to commence prior to occupancy of the first building on Tentative Map (TM) lots 17 or 18 within the Main Street District, approximately in year 2020.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it hereby approves the Second Amendment to the master agreement regarding construction of Parks in Millenia between the City and SLF IV-Millenia, LLC., in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk and authorizes and directs the Mayor to execute the same.

Presented by

Approved as to form by

Kelly Broughton,
Director of Development Services

Glen R. Googins
City Attorney