



Memorandum

Development Services Department

TO: City Council of the City Of Chula Vista

FROM: Kelly Broughton, FSALA, Development Services Director
Stan Donn, AICP, Senior Planner

SUBJECT: Otay Ranch Village 2 Development Agreement

DATE: November 18, 2014

Honorable Mayor and Council Members:

Based on the direction of City Council at the meeting of November 4, 2014, the attached three pages were revised to address the restrictions on the vocational school use (Section 4.9.1), the commitment to complete Jacaranda Park (Section 4.9.5), the timing for construction of the swim club (Section 4.9.3), and the timing for construction of the P-3 park (Section 5.2.2).

As presented before you, these edits are incorporated into the final Development Agreement, and can be approved at the second reading of the Ordinance.

agreement, it is the specific intent of the Parties to provide for the timing of the Project in this Agreement. To do so, the Parties acknowledge and provide that, subject to express terms of this Agreement including, without limitation, Sections 4.5.5 and 4.5.6, Owner shall have the right, but not the obligation, to complete the Project in such order, at such rate, at such times, and in as many development phases and sub-phases as Owner deems appropriate in its sole subjective business judgment.

4.9 Community Purpose Facilities.

4.9.1 Owner shall have the right to satisfy 9.0 acres of its community purpose facilities (CPF) requirements (Chula Vista Municipal Code Section 19.48.025) for the Project through the provision of a CPF facility on a 9 acre site located within the industrial area in Village 2 South (i.e., either IND-2 or IND-3 as depicted on Chula Vista Tentative Map 12-05). The City agrees that, subject to the approval of the City Manager, a vocational or adult education school may qualify as a permitted CPF use. The CPF site would require a Conditional Use Permit in accordance with the SPA Plan's PC District Regulations.

4.9.2 Owner, with written approval from the City Manager, shall have the option, at its sole expense, to construct a swim facility in one of the future planned Neighborhood Parks (P-2, P-5 or P-6) as more particularly described on Exhibit "E" attached to this Agreement, funding that portion of the cost above what the normal PAD fees would otherwise cover. If Owner elects to construct the swim facility:

4.9.2.1 The swim facility will be a public facility owned and operated by the City;

4.9.2.2 To exercise its option to construct a swim facility, Owner shall submit to the City Manager a preliminary facility plan and a preliminary budget for the facility, including ongoing operation and maintenance, in sufficient detail to allow the City Manager to assess whether the facility will be sustainable and will meet the amenities outlined in Exhibit "E" to this Agreement. Within thirty (30) days of the City Manager's receipt of the preliminary facility plan and preliminary budget, the City Manager shall either provide Owner with written approval to construct the facility or notify Owner of any deficiencies in the preliminary facility plan and preliminary budget that will need to be resolved to obtain the City Manager's written approval.

4.9.2.3 Upon written approval of City Manager to pursue construction of the swim facility, City shall relieve Owner from the

obligation to provide 3.9 acres of CPF in Village 7 as identified in the agreement between the City and Otay Project, LP dated August 22, 2012 and allow Owner to process an application to re-zone that land from open space and low density single family residential to a higher density single family or multi-family residential. Owner will be allowed to apply for a transfer of approved units from Village 2 to Village 7; and

- 4.9.2.4 Owner shall have the option to process an application to rezone the 0.9 acre CPF-2 site in Village 2 South to a single family zone consistent with the surrounding zoning.
- 4.9.3 Owner shall begin construction of the Montecito Swim Club (located on the CPF-7 site) prior to December 31, 2014, to the satisfaction of the Development Services Director.
- 4.9.4 Prior to approval of a Design Review application for any project in neighborhood MU-2, Owner shall demonstrate to the satisfaction of the Director of Development Services, the means by which the CPF-4 obligation will be met. Provision of a facility will be consistent with the SPA Plan and the Montecito Village Core Master Precise Plan.
- 4.9.5 Owner shall facilitate the construction of CPF-1 (Jacaranda Park) by causing construction to commence by June 1, 2015 and be completed by December 1, 2015.
- 4.10 Community Facilities District. Owner may choose to use a phased Community Facilities District (CFD) for the Project, which may have multiple improvement phases or bond series. City and Owner shall meet and confer regarding reasonable ways to lower the amount, if feasible, Owner must pay for the City's administration costs associated with such a phased CFD approach while providing the City with sufficient funds to cover the costs associated with the phased approach.
- 4.11 Fiscal Impact Fee. The 2,479 units within the Project which are subject to the Public Benefit Contribution as defined in Section 5.1.1 and as shown in the Public Benefit Contribution Table attached to this Agreement as Exhibit "F" shall be subject to an additional fiscal impact fee of eighty dollars (\$80), payable at the time of building permit issuance, in complete satisfaction of all fiscal impact funding requirements of the City Municipal Code, including CVMC 19.09.060(J), for the Project (the "Fiscal Impact Fee"). The Neighborhoods shown as exempt from the Public Benefit Contribution on the Public Benefit Contribution Table shall also be exempt from the Fiscal Impact Fee and any other fiscal impact funding requirements.

Date shall be extended because of events that cannot reasonably anticipated or controlled as described in Section 11.16 of this Agreement.

- 5.2.1.1 City shall reimburse Owner for the costs of all TDIF improvements within the Portion of Heritage Road in an amount equal to the cost of the improvements within the Portion of Heritage Road estimated in the establishment of the TDIF fee, as it may be amended from time to time. In the event that Owner anticipates the costs to exceed the amount estimated for the improvements, Owner shall seek to have the TDIF amended such that the estimated costs equals that which the Owner anticipates. At the time of the execution of this Agreement, City shall have collected a certain dollar amount for a portion of such reimbursement from projects previously constructed within Village 2. Owner shall be entitled to reimbursement from such funds. As additional TDIF funds are collected by the City, such funds shall be available for reimbursement. This reimbursement shall be in lieu of TDIF credits for the amount reimbursed from TDIF funds and subject to the verification/approval process specified in the TDIF ordinance. City shall give Owner TDIF credits, subject to the verification/approval process specified in the TDIF ordinance, to the extent of any difference between the full cost of the TDIF improvements and the amount of TDIF funds available to reimburse Owner.
- 5.2.1.2 Upon request from Owner, City shall establish a reimbursement district or reimbursement agreement for all costs (both TDIF and non-TDIF) of the entire Heritage Road within six (6) months of the request. All owners and properties benefiting from the construction of Heritage Road shall be included in the reimbursement district or agreement and shall be required to contribute their fair share portion of the construction costs.
- 5.2.2 Owner shall work with the City, to the satisfaction of the Development Services Director, to begin construction of the P-3 park by July 31, 2015. Prior to the start of construction it will be necessary for the City to approve a reimbursement agreement for the costs incurred by Owner associated with the design and construction of the park. City and Owner will work cooperatively to select a consultant to prepare the necessary construction documents, and the City will work diligently to approve those construction documents to facilitate the July 31, 2015 start date.