



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso
Jennifer Maguire

SUBJECT: SEE BELOW

DATE: 11-19-07

Approved

Deanna Sabre

Date

11/26/07

COUNCIL DISTRICT: 7
SNI AREA: N/A

SUBJECT: APPROVAL OF THE FIRST AMENDMENT TO PARKLAND AGREEMENT FOR TENTATIVE MAP NO. PT00-11-152 BETWEEN CITY OF SAN JOSE AND KB HOME, SOUTH BAY INC., AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND

RECOMMENDATION

- (a) Approval of the first amendment to Parkland agreement for Tentative Map PT00-11-152 with KB Home, South Bay, Inc., for Planned Development Permit PD03-022, associated with Tentative Map No. PT00-152 to add a play lot at Vieira Park, located at the corner of Adeline Ave. and Grassina Street (Communication Hill), and to reimburse KB Home, South Bay, Inc. in an amount not to exceed \$196,067.
- (b) Adoption of the following Appropriation Ordinance Amendments in the Subdivision Park Trust Fund (Fund 375):
 - (1) Increase the appropriation to the Department of Public Works for the Tuscany Hills Parks and Neighborhood Trail Turnkey Project by \$22,000;
 - (2) Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the KB Home Reimbursement for Tuscany Hill Parkland Fees Project by \$174,000; and
 - (3) Decrease the Reserve: Communications Hill by \$196,000.

OUTCOME

Approval of the recommendations in this memorandum would allow an addition of a play lot to the Block 5 Tuscany Park Square (a.k.a. Vieira Park) and additional funds for Public Works design, review and inspection costs associated with this additional element to the park.

BACKGROUND

In 2000, KB Home (the "Developer") received subdivision approvals to develop 126 single-family detached, 245 single-family attached and 362 multi-family units on an approximate 129.2 gross acre site located near the corner of Communications Hill Boulevard and Hillsdale Avenue. This phase of the Communication Hill Specific Plan (CHSP) residential build-out is known as the Tuscany Hills project. To fulfill its parkland obligation for PD03-022, the Developer had proposed to dedicate and improve two park sites totaling 1.8 acres and a 1.4-acre neighborhood trail to serve residents of the housing project.

On June 5, 2007, the Developer entered into a Turnkey Parkland Agreement with the City to construct the 1.3-acre Block 5 park, 0.5-acre overlook park, and a 1.4-acre neighborhood trail. At that time, the proposed park elements consisted of picnic and seating areas, security lighting, turf and irrigation, landscaping, walkways as well as trail improvements. The Developer has recently requested approval from the City to add a play lot to the current park design. This proposed first amendment to the original agreement with KB Home will provide authorization for the Developer to construct a new play lot in conjunction with improvements already approved for the Block 5 park site with the original turnkey parkland agreement.

ANALYSIS

The Tuscany Hills housing project consists of a total of 733 mixed unit types on the hilltop portion of the CHSP development area. The housing project is nearly completed to date and the Developer has prepared bid and contract documents for the two park sites and neighborhood trail facilities as part of their original zoning and planned development permit requirements. The Developer has begun construction of the overlook park site and the trail, and has completed site grading for the Block 5 site. Further construction on the Block 5 site has been postponed until approval of the additional play lot to the site has been secured.

The addition of the play lot results in an overall increase of \$196,067 to the total project cost (\$150,821 for construction costs and \$23,246 for construction contingency and \$22,000 for the City's plan review and inspection fees.) The addition of the play lot also increases the amount the City needs to reimburse the developer by \$174,000, for the difference between the amount of in lieu park fees owed to the City and park in lieu fees already collected by the City from the Developer. Exhibit C of the agreement has been revised to reflect the additional costs proposed with the new play lot addition. All other terms and conditions contained in the original parkland agreement not modified with this first amendment shall remain unchanged.

This memorandum includes appropriation actions increasing the KB Home Reimbursement project by \$174,000 (item 2.b in the Recommendation section of the memorandum), from \$771,000 to \$945,000, which allows the City to reimburse the Developer the sum of \$944,470 (the difference of \$1,217,400 in fees already paid by Developer and \$272,930, the amount due to the City). It also includes appropriation actions increasing the Tuscany Hills Parks and

Neighborhood Trail Turnkey project by \$22,000, from \$154,000 to \$176,000 for Department of Public Works design, review and inspection of the turnkey parks and neighborhood trail. The offsetting adjustment to the funding increases recommended in this memorandum is the Reserve: Communications Hill.

EVALUATION AND FOLLOW-UP

This project addresses the need to meet the demand for parks created by new housing developments.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The original park design concept is based upon the Communications Hill Specific Plan and had been discussed with the surrounding community during the original outreach process for the overall residential development back in early 2001. Two community meetings were held at Hillsdale Church and the Mountain Springs Mobile Home Park in February 2001 to introduce the Tuscany Hill project to local residents. Approximately 25-35 residents attended these meetings, discussing a number of potential project issues and impacts including traffic impacts and enforcement, construction schedules, project circulation, architecture, access issues, and grading/drainage impacts. Most residents in attendance were pleased with the layout and architecture of the project.

The design details of the park were subsequently approved by the Planning Director in 2003 (PD 03-022). The Public Notice for the Turnkey Agreement to construct Block 5 Tuscany Park Square (a.k.a. Vieira Park) was mailed in early May 2007. A design sketch of the park was included in the Public Notice.

The addition of the play structure to Block 5 Tuscany Park Square was in response to extensive feedback from the residents of Tuscany Hills. Residents of Tuscany Hills communicated their request for a play structure to be added to Block 5 Tuscany Park Square via online discussion groups. The updated design was presented to the residents during the annual homeowner association (HOA) membership meeting on May 23, 2007. Approximately 50 residents were in attendance of the May 23, 2007 HOA membership meeting held at 1071 Blossom Hill Road (Alain Pinel Training Room). The updated design of Block 5 Tuscany Park Square already includes benches near and fencing around the play area. Block 5 Tuscany Park Square is surrounded on four sides by public streets for visibility. The updated design of the park was received favorably by the community during the May HOA meeting with no further design change comments or requests. KB Home was subsequently asked to add a play structure to the park in response to a request from the Council office.

This memorandum will be posted on the City's website for the December 11, 2007 City Council agenda.

COORDINATION

Preparation of the amended turnkey parkland agreement and this memorandum has been coordinated with the City's Attorney's Office and the Departments of Public Works and Planning, Building and Code Enforcement.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

To meet their parkland dedication ordinance requirements for Planned Development Permit PD03-002, KB Home, South Bay, Inc. will be dedicating and improving 1.8-acres neighborhood parkland and a 1.4-acre trail. The following cost summary has been revised from the initial cost summary approved with the turnkey agreement to allow for the addition of a play lot.

The Developer paid the City a total of \$1,217,400 in parkland fees for the first phases of the housing project. After deducting credits due to the Developer and the cost of construction of the turnkey parks and the neighborhood trail, the Developer's obligation to the City was reduced to \$272,930 for the following:

- \$97,100 for 16 units remaining in the project not receiving parkland credits.
- \$175,830 for City's Design Review and Inspection Fee (15% of construction costs)

1. **COST OF PROJECT:**

Developer Contribution for Turnkey Park	\$1,217,400
Developer's True Parkland Obligation	<u>(272,930)</u>
Total Reimbursement to Developer	\$944,470
PW Costs for Inspection Services	\$175,830
Total	\$1,120,300

2. **SOURCE OF FUNDING:** 375 – Subdivision Park Trust Fund

3. **OPERATING COSTS:** The annual maintenance cost to the City for the two park sites is estimated to be \$14,000 per year. Funding for maintenance was included in the Department's 2007-2008 Adopted Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	Total Appn.	2007-2008 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,120,300		
Remaining Funding Available					
375	5933	KB Home Reimbursement for Tuscany Hill Parkland Fees	\$771,000	N/A	10/16/07, Ord. No. 28143
375	5930	Tuscany Hills Parks and Neighborhood Trail Turnkey	\$154,000	N/A	10/16/07, Ord. No. 28143
Total Current Funding Available			\$925,000		
Additional Funding Recommended					
375	8210	Reserve: Communications Hill	\$196,000*	V - 744	
Total Funding for Project			\$1,121,000		

* Included in this memorandum is a request to reduce the Reserve: Communications Hill appropriation by \$196,000 (total appropriation is \$5,739,000) to ensure sufficient funding is available to repay the developers and for DPW to provide the necessary inspection services.

HONORABLE MAYOR AND CITY COUNCIL
11-19-07
Subject: **Tuscany Hills Amended Turnkey Parkland Agreement**
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CEQA

CEQA: Resolution No. 70194.



ALBERT BALAGSO
Director of Parks, Recreation
and Neighborhood Services



JENNIEER MAGUIRE
Acting Budget Director

For questions please contact Matt Cano, Division Manager, at (408) 535-3580.

Attachment: Proposed Amended Park Concept Plan

REVISED EXHIBIT A-1

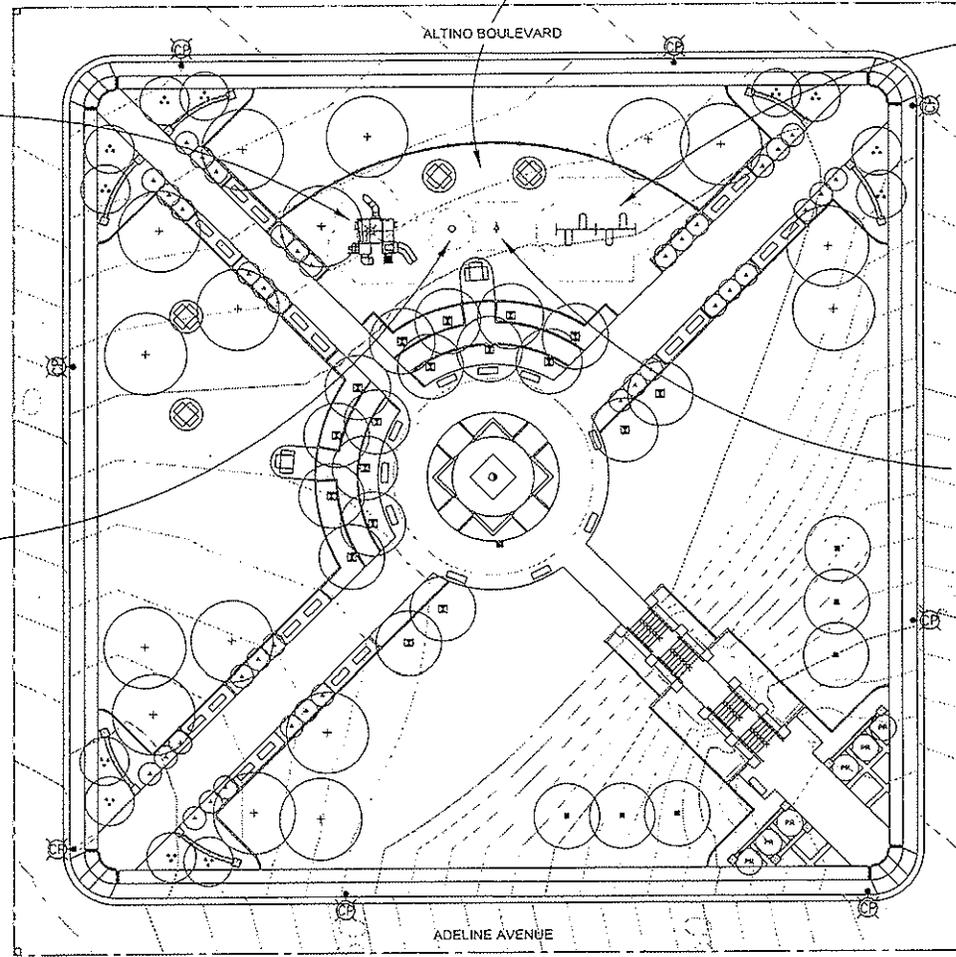
PARK SITE PLAN



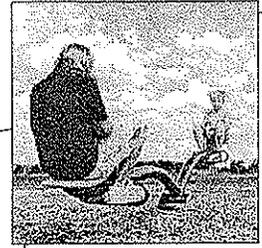
TOT COMPOSITE PLAY STRUCTURE



YOUTH INDEPENDANT
STAND-UP SPINNER



TOT ARCH BELT SWINGS



TOT SPRING SEESAW

5

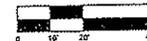
BLOCK 5 PARK - PLAYGROUND EXHIBIT

COMMUNICATIONS HILL - TUSCANY HILLS

05/22/07



NORTH



1" = 20 FEET