



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 11-17-08

Approved

Date

11/18/08

COUNCIL DISTRICT: 7
SNI AREA: N/A

SUBJECT: APPROVAL OF A TURNKEY AGREEMENT WITH SUMMERHILL HOMES, LLC TO CONSTRUCT RECREATION AND LANDSCAPE IMPROVEMENTS ON THE DAIRY HILL DETENTION BASIN SITE, AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND

RECOMMENDATIONS

- 1) Approval of a Turnkey Agreement with Summerhill Homes LLC to construct recreation and landscape improvements on the Dairy Hill Detention Basin site and to reimburse Summerhill Homes, LLC from the Subdivision Park Trust Fund (Communications Hill Reserve) in an amount not to exceed \$896,283 for recreation and landscape improvements associated with Tentative Map No. PT03-007.
- 2) Adoption of the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund (Fund 375):
 - a. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$896,283 for Dairy Hill Detention Basin; and
 - b. Decrease the Reserve: Communications Hill by \$896,283.

OUTCOME

Approval of recommendations would allow final approval of the turnkey agreement and completion of Dairy Hill Detention Basin recreation area improvements on an approximately two-acre site.

EXECUTIVE SUMMARY

The purpose of this memorandum is to recommend approval of a Turnkey Agreement with Summerhill Homes LLC to construct recreation and landscape improvements on the Dairy Hill Detention Basin site located between Communications Hill Boulevard and the UPPR line on the southern most boundary of the residential project site. Recreation improvements on the detention basin will include benches, turf areas, walkways, signage, landscaping, and irrigation. When completed, improvements will allow for minimal secondary recreation activities such as walking, jogging, and informal game play on open turf areas. Improvements to the Site will be maintained by a Community Facilities District No. 8 ("CFD").

This memorandum also recommends appropriation ordinance amendments in the Park Trust Fund to appropriate \$896,283 to reimburse the Developer for the construction of the proposed improvements. The source of funds for this appropriation is the Communications Hill Reserve which holds parkland fees in excess of \$4 million paid by the Developer for the housing project located at the southeasterly corner of Curtner Avenue and Communications Hill Boulevard.

BACKGROUND

The City's Parkland Dedication Ordinance (PDO), San José Municipal Code, Chapter 19.38, requires developers to dedicate land for neighborhood and community parks, construct park or recreational improvements, or pay a parkland fee in lieu of dedication or construction to help meet the demand for neighborhood and community parkland generated by the development of new residential subdivisions ("Parkland Dedication Obligation"). Summerhill Homes, LLC, (the "Developer") received development approvals under Tentative Map PT03-007 and Planned Development Permit PD03-004 for a housing project located at the southeasterly corner of Curtner Avenue and Communications Hill Boulevard. The Developer previously satisfied its Parkland Dedication Obligation by paying parkland in-lieu fees for PT03-007 in the total amount of \$4,034,600. These fees were paid between 2003 and 2004 and deposited into the Subdivision Park Trust Fund to be used for the development of future park and recreational amenities within neighborhoods associated with the Communication Hill Specific Plan ("CHSP").

The CHSP had initially called for the provision of an open space area in the form of a "formal orchard" scheme, but it was eliminated in favor of additional housing units and an approximate two-acre detention basin ("Site") located between Communications Hill Boulevard and the UPPR line on the southern most boundary of the residential project site. Staff negotiated with the Developer over an approximate two-year period and accepted the proposal by the Developer to construct recreation and landscape improvements on this detention basin. In exchange for these improvements, the City would grant parkland fee credits from parkland fees previously collected from the housing project. Developer and City now desire to enter into this Agreement to provide additional recreation facilities, as defined in the Parkland Dedication Ordinance, to

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serve the residential units identified on Tentative Map PT03-007 and other neighborhoods within the CHSP area.

ANALYSIS

The Site will be used primarily as a detention basin and maintained by a CFD. If approved by the City Council, the Site will also have a secondary use as an open space recreational area with improvements to allow for minimal recreation activities such as walking, jogging, and informal game play on open turf areas. Recreation improvements on the detention basin will include benches, turf areas, walkways, landscaping, and irrigation. All of the recreation improvements will be designed and constructed in accordance with standard City specifications as shown on the attached schematic plan (Exhibit A).

The current total estimated cost to design and construct the detention basin recreation improvements is \$896,283. The Developer would have received credit under the PDO for the recreational improvements if it had elected to previously enter into a turnkey agreement and construct the recreational improvements in-lieu of making the payments for parkland fees. It is, therefore, recommended that the City reimburse the Developer up to an amount not to exceed \$896,283 for the cost of these recreation improvements.

Currently, there is a total of \$4.8 million budgeted in a reserve for Communications Hill which may be used for park and recreation improvements within the Communication Hill Specific Plan area. Included in this memorandum is a recommendation to appropriate \$896,283 of this reserve to reimburse the Developer for the construction of recreational improvements at the Site. The Developer will be required to submit a reimbursement request once the recreational improvements have been completed and approved by the City.

EVALUATION AND FOLLOW-UP

Action taken by City Council on this item will provide final authorization to oversee construction of the turnkey project, and accept the recreation and landscape improvements after final inspections have been completed. Department of Public Works staff has reviewed and approved the project construction documents and will refine the design as necessary to complete the project in accordance with City construction standards.

PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater.

(Required: Website Posting)

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- 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)**

Although the proposal does not meet the criteria as listed above, community outreach for specific project elements was conducted for the CHSP as outlined below.

The design concept for the Dairy Hill housing project along the northern portion of the CHSP (PT03-007) had been discussed with the surrounding community during the outreach process for the residential development in late 2002. Community meetings were held in September 2002 and August 2003 to introduce the Dairy Hill housing project to local residents. Included in the project were requirements by the City for the inclusion of a detention area to contain overflow runoff from the project site and adjacent streets during rain storm events.

As master developer for the Dairy Hill community, the Developer has repeatedly met with board members of the Dairy Hill Master Homeowner Association (HOA), Spyglass, Ventana and Heritage HOAs in 2006, 2007 and most recently in Summer of 2008 to discuss this proposal as well as other items relative to tract close-out of the entire Dairy Hill residential project. Local residents understand the current proposal and also understand that this is a joint facility that will not have play uses commonly found in other public spaces within the City. Residents are eager to see this proposal move forward and the Developer has been in contact with the various management companies working with the various HOAs to inform them of progress on the proposal and final turnkey agreement.

This memorandum will be posted on the City's website for the November 18, 2008 City Council agenda.

COORDINATION

This item has been coordinated with the Department of Public Works and the City Attorney's Office.

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COST SUMMARY/IMPLICATIONS

Maintenance of the Dairy Hill Detention Basin will be funded from a CFD established for the Communication Hill Specific Plan area and will, therefore, not impact the City's operating budget.

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the agreement recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Adopted 2008-2009 Budget (Page)	Last Budget Action (Date, Ord. No.)
Current Available Funding					
375	8210	Reserve: Communications Hill	\$896,283*	V-787	
Total Project Funding			\$896,283		

* Included in this memorandum is a request to appropriate \$896,283 from the Reserve: Communications Hill (appropriation totals \$4,814,000) to be used for the Dairy Hill Detention Basin project.

CEQA

CEQA: Addendum to Negative Declaration for PDC02-042.



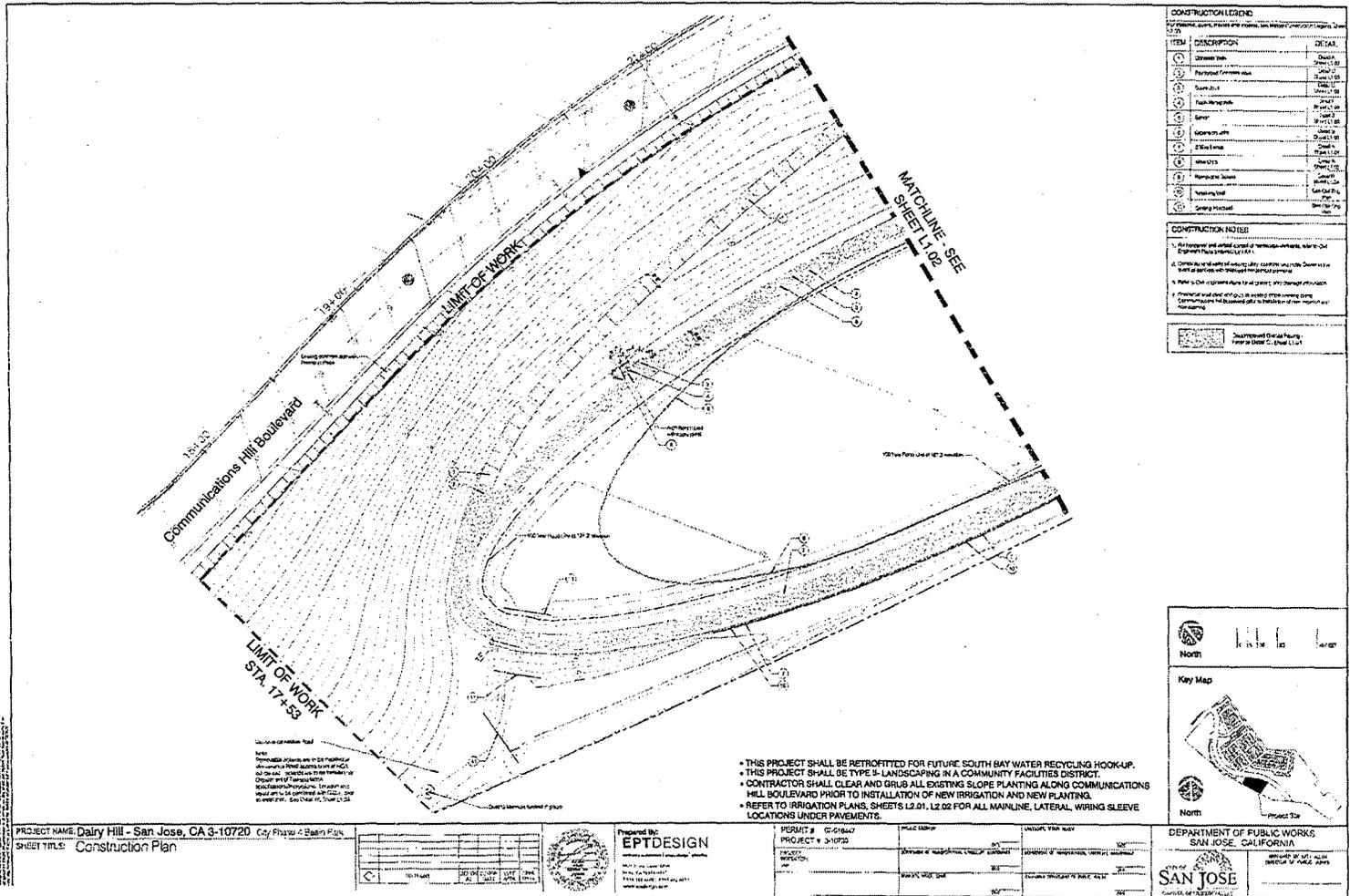
ALBERT BALAGSO
Director of Parks, Recreation
and Neighborhood Services



JENNIFER A. MAGUIRE
Budget Director

For questions, please contact MATT CANO, DIVISION MANAGER, at (408) 535-3580.

Attachments—Conceptual Site Plan

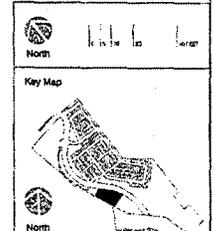


ITEM	DESCRIPTION	DETAIL
1	Construction	Sheet 1
2	Final	Sheet 1
3	As-Built	Sheet 1
4	As-Built	Sheet 1
5	As-Built	Sheet 1
6	As-Built	Sheet 1
7	As-Built	Sheet 1
8	As-Built	Sheet 1
9	As-Built	Sheet 1
10	As-Built	Sheet 1
11	As-Built	Sheet 1
12	As-Built	Sheet 1
13	As-Built	Sheet 1
14	As-Built	Sheet 1
15	As-Built	Sheet 1
16	As-Built	Sheet 1
17	As-Built	Sheet 1
18	As-Built	Sheet 1
19	As-Built	Sheet 1
20	As-Built	Sheet 1

CONSTRUCTION NOTES

- All proposed and existing utility lines shall be shown on the Engineering Plans (SHEETS L2.01 - L2.02).
- Contractor shall verify all utility lines shown on the Engineering Plans (SHEETS L2.01 - L2.02) are correct and shall be shown on the As-Built Plans.
- Refer to City Engineering Plans for all proposed and existing utility lines.
- Contractor shall verify all utility lines shown on the Engineering Plans (SHEETS L2.01 - L2.02) are correct and shall be shown on the As-Built Plans.

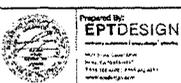
Documented Final Plans
 Prepared by: EPT Design
 Date: 11/11/11



- THIS PROJECT SHALL BE RETROFITTED FOR FUTURE SOUTH BAY WATER RECYCLING HOOK-UP.
- THIS PROJECT SHALL BE TYPE B LANDSCAPING IN A COMMUNITY FACILITIES DISTRICT.
- CONTRACTOR SHALL CLEAR AND DRIB ALL EXISTING SLOPE PLANTING ALONG COMMUNICATIONS HILL BOULEVARD PRIOR TO INSTALLATION OF NEW IRRIGATION AND NEW PLANTING.
- REFER TO IRRIGATION PLANS, SHEETS L2.01, L2.02 FOR ALL MAINLINE, LATERAL, WRING SLEEVE LOCATIONS UNDER PAVEMENTS.

PROJECT NAME: Dairy Hill - San Jose, CA 3-10720 City Phase 2 Basin Piping
 SHEET TITLE: Construction Plan

NO.	DATE	DESCRIPTION
1	11/11/11	ISSUED FOR PERMIT
2	11/11/11	ISSUED FOR CONSTRUCTION
3	11/11/11	ISSUED FOR AS-BUILT

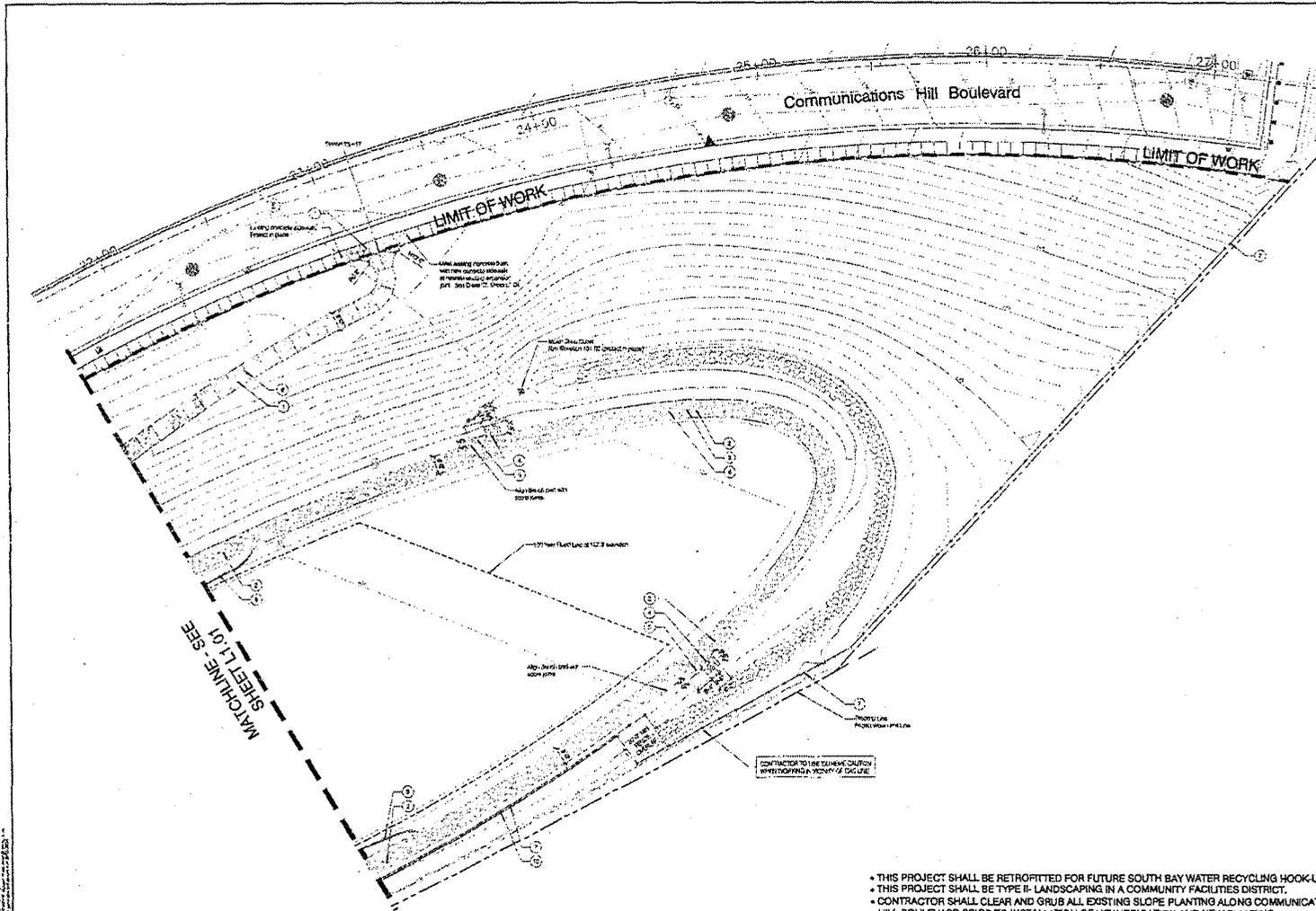


PERMIT #	11-01647	PROJECT #	3-10720
PROJECT NAME	Dairy Hill - San Jose, CA 3-10720	DATE	11/11/11
PROJECT LOCATION	San Jose, CA	PROJECT TYPE	Construction
PROJECT OWNER	City of San Jose	PROJECT STATUS	Permitted

DEPARTMENT OF PUBLIC WORKS
 SAN JOSE, CALIFORNIA

CITY OF SAN JOSE
 OFFICE OF PUBLIC WORKS

EXHIBIT A-1



CONSTRUCTION LEGEND

ITEM	DESCRIPTION	DETAIL
1	Utility Valve	Detail A
2	Flow Meter	Detail B
3	Valve Box	Detail C
4	Flow Meter	Detail D
5	Flow Meter	Detail E
6	Flow Meter	Detail F
7	Flow Meter	Detail G
8	Flow Meter	Detail H
9	Flow Meter	Detail I
10	Flow Meter	Detail J
11	Flow Meter	Detail K
12	Flow Meter	Detail L
13	Flow Meter	Detail M
14	Flow Meter	Detail N
15	Flow Meter	Detail O
16	Flow Meter	Detail P
17	Flow Meter	Detail Q
18	Flow Meter	Detail R
19	Flow Meter	Detail S
20	Flow Meter	Detail T

- CONSTRUCTION NOTES**
1. For location and extent of work, refer to the Construction Legend, Sheet L-01.
 2. Contractor shall be responsible for obtaining all necessary permits and for obtaining all necessary approvals from the City of San Jose.
 3. Contractor shall be responsible for obtaining all necessary permits and for obtaining all necessary approvals from the City of San Jose.
 4. Contractor shall be responsible for obtaining all necessary permits and for obtaining all necessary approvals from the City of San Jose.



MATCHLINE SEE SHEET L-01

- THIS PROJECT SHALL BE RETROFITTED FOR FUTURE SOUTH BAY WATER RECYCLING HOOK-UP.
- THIS PROJECT SHALL BE TYPE II - LANDSCAPING IN A COMMUNITY FACILITIES DISTRICT.
- CONTRACTOR SHALL CLEAR AND GRUB ALL EXISTING SLOPE PLANTING ALONG COMMUNICATIONS HILL BOULEVARD PRIOR TO INSTALLATION OF NEW IRRIGATION AND NEW PLANTING.
- REFER TO IRRIGATION PLANS, SHEETS L2.01, L2.02 FOR ALL MAINLINE, LATERAL, WIRING SLEEVE LOCATIONS UNDER PAVEMENTS.

PROJECT NAME: Dairy Hill - San Jose, CA 3-10720 City Phase 4 Basin Park
SHEET TITLE: Construction Plan

DATE	BY	CHKD	APP'D

Prepared by:
EPT DESIGN
1915 S. Bascom Ave., Suite 100
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Tel: 408.298.1000
Fax: 408.298.1001
www.eptdesign.com

PERMIT # 07-018447
PROJECT # 3-10720
PROJECT MANAGER: JAL

DATE	BY	CHKD	APP'D

DEPARTMENT OF PUBLIC WORKS
SAN JOSE, CALIFORNIA

APPROVED BY: [Signature]
DIRECTOR OF PUBLIC WORKS

SAN JOSE
CITY OF SAN JOSE

EXHIBIT A-2