

RESOLUTION NO. 2011-165

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE ENTERING INTO A LETTER AGREEMENT BETWEEN THE CITY OF ELK GROVE AND JOHN MOURIER CONSTRUCTION, INC REGARDING PARK OBLIGATIONS FOR LAGUNA RIDGE VILLAGE 10 IN THE GROVE SUBDIVISION

WHEREAS, the City Council approved a Development Agreement (DA) in October 2006 which established parks obligations for The Grove subdivision in its entirety; and

WHEREAS, John Mourier Construction, Inc. (JMC Homes) (the "Applicant") filed a request with the City of Elk Grove ("City") for a Development Agreement Amendment for Village 10 in The Grove subdivision, hereinafter is referenced as the "Project"; and

WHEREAS, the existing DA distributes park requirements over approximately 1,990 single family dwelling units in multiple Villages; and

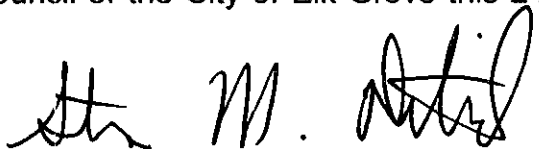
WHEREAS, ownership of each Village has changed and properties are now being developed by smaller, independent homebuilders or are currently bank owned; and

WHEREAS, it is no longer feasible to construct parks as originally anticipated in the DA due to reduced opportunities for collaboration and ability to uniformly apply parks obligations throughout the subdivision; and

WHEREAS, the letter agreement provides an alternative way for JMC Homes to perform the terms of the DA and ensures the City's continued efforts towards providing parks in Laguna Ridge.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the Mayor to enter into the letter agreement with John Mourier Construction, Inc. regarding parks obligations for Village 10 in The Grove subdivision included as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 24th day of August 2011.



STEVEN M. DETRICK, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:



JASON LINDGREN, CITY CLERK



JONATHAN HOBBS,
INTERIM CITY ATTORNEY

EXHIBIT A

DRAFT

August 24, 2011

John Mourier Construction, Inc.
JMC Homes
1430 Blue Oaks Blvd, #190
Roseville, CA 95747
Attn: Rod Yamamaka

Re: Letter Agreement between the City of Elk Grove and JMC Homes Regarding Park Obligations for Laguna Ridge Village 10 (the "Subject Property")

Dear Mr. Yamamaka:

The City of Elk Grove ("City") has considered the request of John Mourier Construction INC, ("JMC Homes") to adopt an interim measure for addressing JMC Homes' obligation to construct or fund parks within the Laguna Ridge Specific Plan (the "Park Obligations"), as necessitated by the recent change in market conditions. As an interim measure, the City is prepared to enter into this Letter Agreement in order to: (1) allow JMC Homes to continue building and selling homes with the Village 10 of the Laguna Ridge Specific Plan, as depicted on Exhibit A hereto (the "Subject Property"); and (2) ensure that the City receives adequate funding to construct the planned parks within the Laguna Ridge Specific Plan. Accordingly, upon execution by you where indicated below, this shall constitute an Agreement between the City and JMC Homes with respect to the matters set forth herein.

RECITALS

- A. The City is currently evaluating potential changes to its plan for funding and constructing parks within the Laguna Ridge Specific Plan, which changes may ultimately necessitate amending the existing Development Agreement between the City and Reynen & Bardis and/or other parties.
- B. In the meantime, the City would like to allow JMC Homes to continue constructing and selling homes within the Subject Property, subject to depositing sufficient funds with the City to cover JMC Homes' obligations to fund parks within the Laguna Ridge Specific Plan.
- C. The City has entered into similar agreements with other developers with the Laguna Ridge Specific Plan. Those agreements established a cash deposit of \$15,510.00 per unit to cover the estimated per unit cost of satisfying the park obligations for the remaining units to be constructed in the area encompassed by the Development Agreement

NOW, THEREFORE, the City and JMC Homes hereby agree as follows:

1. JMC Homes shall be permitted to build and sell homes on the Subject Property, subject to all applicable conditions of approval and other restrictions, except that the Park Obligations (including the restriction on the number of building permits that the City will issue

prior to completion of certain park improvements) shall be interpreted according to the terms of this Letter Agreement.

2. For each building permit within the Subject Property for which JMC Homes does not have a park voucher, JMC Homes shall deposit with the City the sum of Fifteen Thousand Five Hundred Ten Dollars (\$15,510.00), which shall be held by the City in an interest bearing account, and shall be used to satisfy JMC Home's Park Obligations for the Subject Property (collectively, the "Park Deposit").

3. In the event that the City establishes a fee covering the same matters for which the Park Deposit was made, the Park Deposit (including all interest thereon) shall be applied as a credit to such fee. Any unused funds from the Park Deposit, including accrued interest, shall thereafter be returned to JMC Homes within 30 days of a written request by JMC Homes. Should the adopted fee exceed the Park Deposit, JMC Homes shall pay the difference between the adopted fee and the Park Deposit within 30 days of the setting of the fee by the City.

4. In the event that the City and JMC Homes agree to have JMC Homes construct park improvements in satisfaction of JMC Home's Park Obligations for the Subject Property, the Park Deposit, including all interest thereon, shall be refunded to JMC Homes upon acceptance by City of the park improvements.

5. This Letter Agreement shall remain in effect until expressly superseded by a subsequent written agreement between the City and JMC Homes.

6. This Letter Agreement was reviewed and approved by the Elk Grove City Council at its regular meeting of August 24, 2011.

APPROVED AND AGREED:

JOHN MOURIER CONSTRUCTION, INC

CITY OF ELK GROVE

By _____
Name: Steven Schnable
Title:

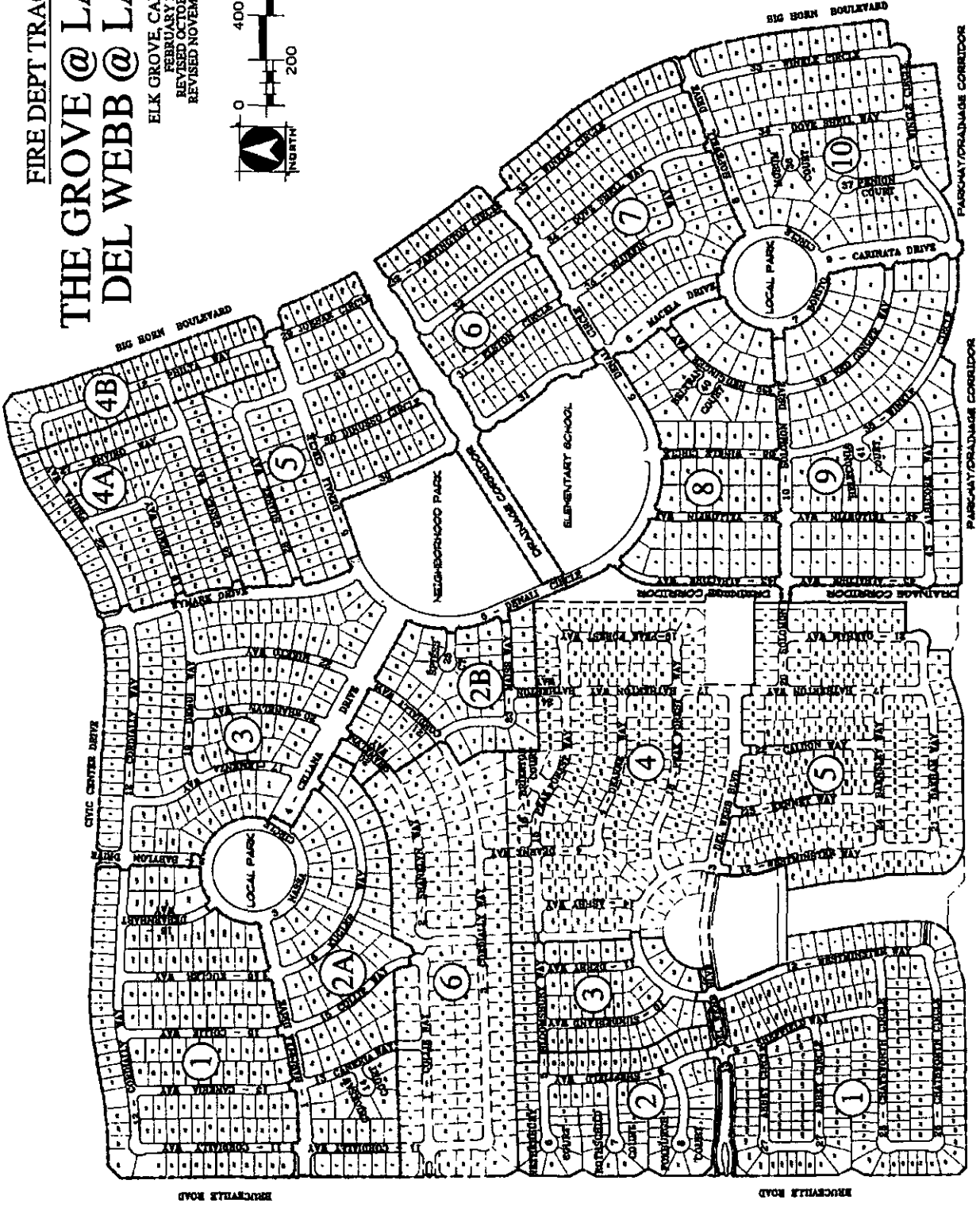
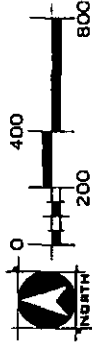
By: _____
Name: Steven M. Detrick
Title: Mayor

ATTEST:

Name: Jason Lindgren
Title: City Clerk

FIRE DEPT TRACKING LOG THE GROVE @ LAGUNA RIDGE DEL WEBB @ LAGUNA RIDGE

ELK GROVE, CALIFORNIA
FEBRUARY 2006
REVISED OCTOBER 2006
REVISED NOVEMBER 2006



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WILLOW PARKWAY

WILLOW PARKWAY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2011-165**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on August 24, 2011 by the following vote:

AYES : COUNCILMEMBERS: *Detrick, Cooper, Davis, Hume, Scherman*

NOES: COUNCILMEMBERS: *None*

ABSTAIN : COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*


**Jason Lindgren, City Clerk
City of Elk Grove, California**