

RESOLUTION NO. 2010-37

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE MAYOR TO EXECUTE A LETTER AGREEMENT BETWEEN
THE CITY OF ELK GROVE AND TAYLOR MORRISON OF CALIFORNIA, LLC
REGARDING PARK OBLIGATIONS FOR LAGUNA RIDGE VILLAGES 7 AND 9 IN
THE GROVE SUBDIVISION**

WHEREAS, Taylor Morrison of California, LLC (the "Applicant") filed a letter request to add Villages 7 and 9 to their application with the City of Elk Grove ("City") for a Development Agreement for Villages 5, 6, and 8 in The Grove subdivision, hereinafter is referenced as the "Project"; and

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, 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 the Applicant 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 Taylor Morrison of California, LLC regarding parks obligations for Villages 7 and 9 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 February 2010



SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



SUSAN J. BLACKSTON, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

EXHIBIT A



8401 LAGUNA PALMS WAY • ELK GROVE, CALIFORNIA 95758
TEL: 916.683.7111 • FAX: 916.691.3175 • www.elkgrovecity.org

January 12, 2010

Taylor Morrison of California, LLC
1180 Iron Point Road, Suite 100
Folsom, CA 95360
Attn: Jay Pawlek

Re: Letter Agreement Between the City of Elk Grove and Taylor Morrison Regarding Park Obligations for Laguna Ridge, The Grove Villages 7 and 9 (the Subject Property)

Dear Mr. Pawlek:

The City of Elk Grove ("City") has considered the request of Taylor Morrison of California, LLC ("Taylor Morrison") to adopt an interim measure for addressing Taylor Morrison's 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 Taylor Morrison to continue building and selling homes with The Grove, Villages 7 and 9 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 Taylor Morrison 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.
- B. In the meantime, the City would like to allow Taylor Morrison to continue constructing and selling homes within the Subject Property, subject to depositing sufficient funds with the City to cover Taylor Morrison's obligations to fund parks within the Laguna Ridge Specific Plan.
- C. The City has reviewed the tables prepared by EPS (attached hereto as Exhibit "B"), which analyze the per unit cost of completing the parks planned for the Laguna Ridge Specific Plan. Based upon the EPS analysis, the City is willing to accept a cash deposit of \$15,510.00 per unit (approximately 1.5 times the amount calculated by EPS) to cover the estimated per unit cost of satisfying Taylor Morrison's park obligations for the remaining units to be constructed on the Subject Property.

NOW, THEREFORE, the City and Taylor Morrison hereby agree as follows:

1. Taylor Morrison 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 Taylor Morrison does not have a park voucher, Taylor Morrison 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 Taylor Morrison's Park Obligations for the Subject Property (collectively, the "Park Deposit").

3. In the event that the City establishes an in lieu fee that may be used to satisfy Taylor Morrison's Park Obligations, the Park Deposit (including all interest thereon) shall be used to pay the in lieu fee. Any unused funds, including accrued interest, shall be returned to Taylor Morrison.

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

6. This Letter Agreement was reviewed and approved by the Elk Grove City Council at its regularly noticed meeting of February 24, 2010.

SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


APPROVED AS TO FORM:

SUSAN J. BLACKSTON, CITY CLERK

SUSAN COCHRAN, CITY ATTORNEY

APPROVED AND AGREED:

TAYLOR MORRISON OF CALIFORNIA, LLC

By 

Kenneth Dar Ahrens
Division President

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2010-37

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

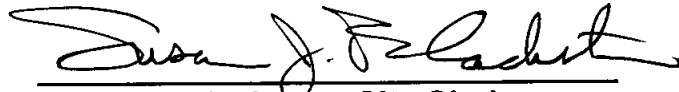
I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on February 24, 2010 by the following vote:

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

NOES: COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None



Susan J. Blackston, City Clerk
City of Elk Grove, California