

RESOLUTION NO. 2009-116

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE ENTERING INTO A LETTER AGREEMENT BETWEEN THE CITY OF ELK GROVE AND TAYLOR MORRISON REGARDING PARK OBLIGATIONS FOR LAGUNA RIDGE VILLAGES 5, 6, AND 8 IN THE GROVE SUBDIVISION

WHEREAS, Taylor Morrison (the "Applicant") filed an 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 Taylor Morrison to perform the terms of the DA and ensures the City's continued efforts towards providing parks in Laguna Ridge.

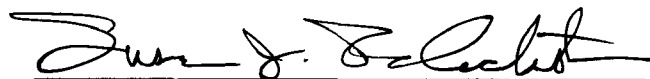
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the Mayor to enter into the letter agreement with Taylor Morrison regarding parks obligations for Villages 5, 6, and 8 in The Grove subdivision included as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 10th day of June 2009.



PATRICK HUME, MAYOR of the
CITY OF ELK GROVE

ATTEST:



SUSAN J. BLACKSTON, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

DRAFT

May 28, 2009

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 Villages 5, 6 and 8 (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 Villages 5, 6 and 8 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 June 10, 2009.

APPROVED AND AGREED:

TAYLOR MORRISON OF CALIFORNIA, LLC

CITY OF ELK GROVE

By _____
Name: Kenneth Dar Ahrens
Title: Division President

By: _____
Name: Patrick Hume
Title: Mayor

ATTEST:

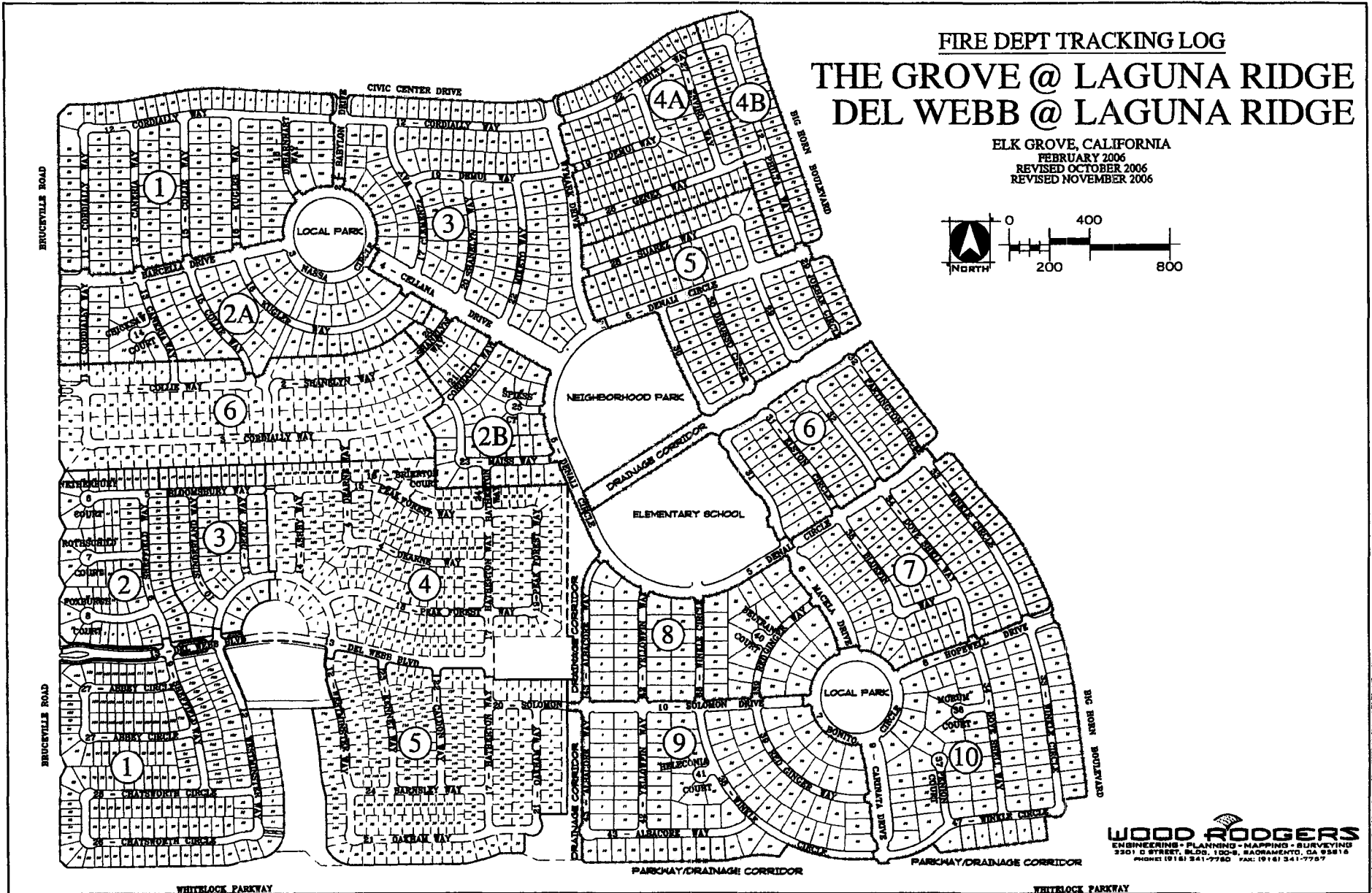
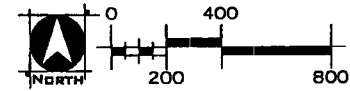
Name: Susan J. Blackston
Title: City Clerk

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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Discussion Tables

Taylor-Morrison Homes LRSP Park Development Agreement

The Economics of Land Use



Prepared for:

Taylor-Morrison Homes

Prepared by:

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.
2150 River Plaza Drive, Suite 400
Sacramento, CA 95833-3883
916 649 8010 tel
916 649 2070 fax*

*Berkeley
Sacramento
Denver*

www.epsys.com

May 21, 2009

EPS #19480

DRAFT

Table 1
Taylor-Morrison LRSP Technical Support
Phase I/II Park Development Agreement
Remaining Neighborhood, Local, and Community Park Obligations

Item	Scenario 1 - Oasis Community Park Persons Served Allocation			Scenario 2 - Oasis Community Park Acreage Allocation		
	Cost	Cost per EDU	Total Taylor- Morrison Cost	Cost	Cost per EDU	Total Taylor- Morrison Cost
<i>Formula</i>	<i>A</i>	<i>B = A / 1,809 EDUs [1]</i>	<i>C = B * 109 units [2]</i>	<i>D</i>	<i>E = D / 1,809 EDUs [1]</i>	<i>G = F * 109 units [2]</i>
Remaining Neighborhood and Local Parks [3]						
Horseshoe	\$4,817,700	\$2,663	\$290,234	\$4,817,700	\$2,663	\$290,234
Island	\$1,661,400	\$918	\$100,088	\$1,661,400	\$918	\$100,088
Total Remaining Neighborhood and Local Parks	\$6,479,100	\$3,581	\$390,322	\$6,479,100	\$3,581	\$390,322
Oasis Community Park	\$12,226,131	\$6,757	\$736,541	\$11,551,777	\$6,385	\$695,916
Total Neighborhood, Local, and Community Parks	\$18,705,231	\$10,338	\$1,126,863	\$18,030,877	\$9,965	\$1,086,237

"neighborhood"

Source: City of Elk Grove and EPS.

[1] According to terms of R&B Development Agreement. See Table 4 for detail.

[2] Taylor-Morrison owns 234 lots covered under R&B Phase I/II DA. Permits for 125 units have been released based on park facilities already constructed, resulting in 109 units remaining that must fulfill park improvement obligations for the City to release additional permits under the term of the development agreement.

[3] Excludes Constellation Park, which was constructed at a cost of \$1.2 million.

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Table 2
Taylor-Morrison LRSP Technical Support
Phase I/II Park Development Agreement
Oasis Park Cost Allocation - Pulte and Reynen & Bardis Development Agreement - Alternative 1

Scenario 1 - Oasis Community Park Persons Served Allocation
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Land Use	Assumption/ Formula	Pulte			Subtotal Pulte	Reynen & Bardis		Subtotal R&B	Total Pulte & R&B
		Single Family	Age Restricted	Multifamily		Single Family	Multifamily		
Total Units Subject to DA [1]	A	310	632	190	1,132	1,740	554	2,294	3,426
Persons per Unit [2]	B	3.15	1.80	2.10	N/A	3.15	2.10	N/A	N/A
Total Persons	$C = A * B$	977	1,138	399	2,513	5,481	1,163	6,644	9,158
Percent of Total Persons	$D = C / Total\ Persons$	11%	12%	4%	27%	60%	13%	73%	100%
Share of Oasis Park Costs	$E = D * \$16,850,400$	\$1,796,824	\$2,093,259	\$734,186	\$4,624,269	\$10,085,399	\$2,140,732	\$12,226,131	\$16,850,400

"comm_alloc1"

[1] Reflects number of units subject to Pulte and R&B Park Development Agreements, respectively.
[2] Persons per unit based on Goodwin Consulting Group March 31, 2009 analysis.

Table 3
Taylor-Morrison LRSP Technical Support
Phase VII Park Development Agreement
Oasis Park Cost Allocation - Pulte and Reynen & Bardis Development Agreement - Alternative 2

Scenario 2 - Oasis Community Park Acreage Allocation

Land Use	Assumption/ Formula	Pulte			Subtotal Pulte	Reynen & Bardis		Subtotal R&B	Total Pulte & R&B
		Single Family	Age Restricted	Multifamily		Single Family	Multifamily		
Total Acres Subject to DA [1]	A	55.7	98.0	9.5	163.2	326.6	29.2	355.8	519.0
Percent of Total Acres	$B = A / \text{Total Acres}$	11%	19%	2%	31%	63%	6%	69%	100%
Share of Oasis Park Costs	$E = D * \$16,850,400$	\$1,808,415	\$3,181,771	\$308,437	\$5,298,623	\$10,603,739	\$948,038	\$11,551,777	\$16,850,400

"comm_allc2"

[1] Reflects acres subject to Pulte and R&B Park Development Agreements, respectively.

Table 4
Taylor-Morrison LRSP Technical Support
Phase I/II Park Development Agreement
R&B and Pulte Land Uses Subject to Park Development Agreements

Land Use	Land Uses Subject to Park DA			
	Net Acres	Units	EDU Factor	Total EDU's
Reynen & Bardis				
Single Family (RD-4, 5, 7, 10)	326.6	1,740	1.00	1,740
Age-Restricted (RD-6)	0.0	0	0.57	0
Multifamily (RD-15, 20)	29.2	554	0.67	369
Subtotal Reynen & Bardis	355.8	2,294		2,109
<i>Less Vouchered Units</i>		(300)	1.00	(300)
Remaining Units		1,994		1,809
Pulte				
Single Family (RD-4, 5, 7, 10)	55.7	310	1.00	310
Age-Restricted (RD-6)	98.0	632	0.57	361
Multifamily (RD-15, 20)	9.5	190	0.67	127
Subtotal Pulte	163.2	1,132		798

"lus"

Source: City of Elk Grove.

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2009-116

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

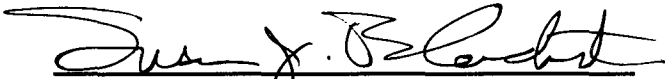
I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on June 10, 2009 by the following vote:

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

NOES: COUNCILMEMBERS: *None*

ABSTAIN : COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*


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