

CITY OF SAND CITY

RESOLUTION SC 20-09, 2020

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY DETERMINING SAND CITY MUNICIPAL CODE CHAPTER 17.68 PARKLAND DEDICATION AND IN-LIEU FEE REQUIREMENTS AND CREDITS FOR THE SOUTH OF TIOGA DEVELOPMENT PROJECT**

**WHEREAS**, Sand City Municipal Code (the “SCMC”) Chapter 17.68 for the City of Sand City (the “City”) specifies the requirements and terms of applying a parkland dedication and/or an in-lieu fee requirement upon residential projects that is applicable to the South of Tioga development project (hereinafter “Development”) proposed by DBO Development (hereinafter “Developer”) that includes a total of 356 residential dwelling units, between the Vesting Tentative Map’s (the “VTM”) identified Parcels R1 and R2, of which 52 of those residential units will be established as “affordable housing”; and

**WHEREAS**, the City Council, at its regularly scheduled Council Meeting of January 21, 2020, received City staff’s report/presentation and public testimony before deliberating about the various components of the Development and whether to apply Council’s discretion in considering those components as credit(s) to the parkland dedication and/or in-lieu fee requirement; and

**WHEREAS**, the following components of the Development are automatic credits towards the parkland dedication and/or in-lieu fee requirements in accordance with SCMC section 17.68030(C)(7): 1) a cumulative 8,442 square feet of public parkland easements as noted on the draft final plan currently under City review; 2) \$231,000 worth of improvements to public parklets along a future new street within the Development as illustrated on the Phase I public improvement plans currently under City review; and 3) the Developer’s stated \$150,000 estimated/budgeted cost to improve the public parkland easements within the Development; and

**WHEREAS**, in addition to the aforementioned automatic credits, the SCMC section 17.68.030(C)(11) provides the City with discretion to allow a credit against the amount of fee imposed for park dedications for the value of private open space within the development that is usable for active recreational uses; and

**WHEREAS**, City staff’s presentation and analysis proposed and supported the cumulative 33,768 square feet of outdoor recreational courtyards of both Parcels R1 and R2 that include recreational opportunities such as swimming pools, outdoor seating, BBQs, and the like, in addition to the aforementioned automatic credits of parkland easements and park improvement costs, all be considered as credits to the land dedication/in-lieu fee requirement; and

**WHEREAS**, at the January 21<sup>st</sup> Council meeting, the Developer made a presentation with request that, in addition to City staff’s recommendation, Parcel R2’s sky-deck and interior

clubhouse and gym, the outdoor recreational courtyard of the proposed hotel on Parcel H1, the public easement for the City' entry sign/posting board at the California Avenue and Tioga Avenue intersection, the cost of constructing the residential courtyard areas, the proposed 52 affordable housing units, and the intended habitat preserve area of the Development should all be considered credits toward the parkland dedication/in-lieu fee requirement; and

**WHEREAS**, SCMC Chapter 17.68 does not list affordable housing as a potential credit to the parkland fee and SCMC Section 17.68.030(B)(2) specifies that Habitat areas are not to be considered as parkland dedications; and

**WHEREAS**, upon receiving City staff's report/presentation and public testimony at the January 21<sup>st</sup> Council Meeting, the City Council deliberated and ultimately directed City staff to include Parcel R2's sky-deck and interior clubhouse and gym, the outdoor recreational courtyard of the proposed hotel on Parcel H1, the public easement for the City' entry sign/posting board at the California Avenue and Tioga Avenue intersection, and the cost of constructing the residential courtyard areas, in addition to City staff's recommended credits, as credit to the parkland dedication and in-lieu fee for the Development, but to not provide credit for the Development's affordable housing units and habitat preserve area.

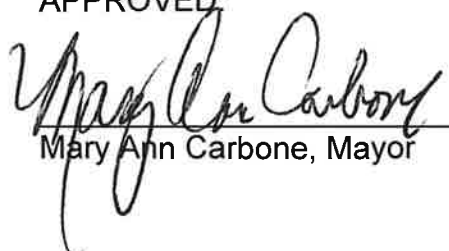
**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City that the parkland dedication and/or in-lieu fee requirement for the South of Tioga development project be credited for the open courtyards of residential Parcels R1 and R2, the sky-deck and enclosed clubhouse/gym of Parcel R2, the hotel open courtyard on Parcel H1, the public easement for entry sign and posting board at the California and Tioga Avenue intersection, provided that the aforementioned areas and design of open space and recreational areas in the final land entitlement permits issued by the City for Parcels R1 and R2 are in substantial conformance to those areas presented to the City Council by the Developer at the January 21, 2020 Council meeting as referenced in Table 1 and 2 of Exhibit A of this resolution and the actual cost of improving the courtyards of Parcels R1 and R2; but to not consider the affordable housing or the habitat areas as a credit.

**PASSED AND ADOPTED** by the Sand City Council on this 4<sup>th</sup> day of February, 2020 by the following vote:

AYES: Council Member Blackwelder, Hawthorne, Sofer, Carbone  
NOES: None  
ABSENT: None  
ABSTAIN: Council Member Cruz

ATTEST:

  
\_\_\_\_\_  
Linda K. Scholink, City Clerk

APPROVED:  
  
\_\_\_\_\_  
Mary Ann Carbone, Mayor

**RESOLUTION EXHIBIT A**  
**SC 20-09 (2020)**

**O R O S C O**

January 27, 2020

Mr. Aaron Blair  
City of Sand City – City Manager  
City Hall - 1 Sylvan Park  
Sand City, CA 93955  
Tel: (831) 394-3054  
Email: [Aaron@SandCityCA.org](mailto:Aaron@SandCityCA.org)

Re: West End South of Tioga – Quimby Act In-Lie Fee

Dear Aaron,

Per the City Council's direction from the January 21, 2020 meeting on the application of the Quimby Act (park dedication / in-lieu fee) requirement towards the South of Tioga project, DBO Development No. 30, LLC's understanding is as follows:

**Determining Land Value:**

- The City Council agreed with the Staff Report to use the recent street appraisals average cost per square foot of \$31.95/s.f to determine the land value.

**Determining Required Open Space / In-lieu Fee:**

- The City Council agreed with the Staff Report that the required open space / in-lieu fee calculation to be as follows:
  - 356 DUs x 2.27 person per DU = 808 persons
  - 808 persons x 130 s.f. per person = 105,040 s.f. of required park land<sup>1</sup> (or)
  - 105,040 s.f. x \$31.95 per s.f. = \$3,356,028 in-lieu fee value<sup>1</sup>

<sup>1</sup> While the VTM entitles the South of Tioga project to a maximum of 356 dwelling units between the R1 and R2 parcels, the actual number of dwelling units maybe be less depending on final developer plans. Therefore, it shall be noted that the final Quimby Act (park in-lieu) fee shall be based on the actual number of dwelling units per the parcel specific City approved Conditional Use Permit (CUP) and construction document plans at time of building permit issuance.

**Calculating Credits:**

- The City Council used their discretion and agreed credits towards the Quimby Act (park in-lieu) fee shall include but not be limited to the following:
  - On-site and Off-site recreational areas / amenities areas consisting of:
    - R1/R2 Park Easement Areas
    - H1 / H2 Hotel Parcels Open Courtyard Area
    - R1 Multi-family Parcel Courtyard Area
    - R2 Multi-family Parcel Areas Consisting of:
      - Bldg 1 - Outdoor area south of the 1st floor clubhouse

- Bldg 1 - Pool / Courtyard Area
  - Bldg 1 - Clubhouse / Gym
  - Bldg 1 - Rooftop Skydeck
  - Bldg 2 – Courtyard
- On-site and Off-site recreational areas / amenities capital improvement costs shall include but not be limited to the following:
    - Parklet #1 Improvements
    - Parklet #2 Improvements
    - Parklet #3 Improvements
    - Parklet #4 Improvements
    - R1/R2 Park Easement Areas Improvements
    - H1 / H2 Hotel Parcels Open Courtyard Area Improvements
    - R1 Multi-family Parcel Courtyard Area Improvements
    - R2 Multi-family Parcel Areas Improvements Consisting of:
      - Bldg 1 - Outdoor area south of the 1st floor clubhouse Improvements
      - Bldg 1 - Pool / Courtyard Area Improvements
      - Bldg 1 - Clubhouse / Gym Improvements
      - Bldg 1 - Rooftop Skydeck Improvements
      - Bldg 2 – Courtyard Improvements
  - The 0.9 acre habitat preserve area was not approved nor counted towards the credit calculation.

Please refer to Table 1 – Off-Site & On-site Recreational Areas/Amenities Areas and Capital Improvement Costs for a detailed estimated summary reflecting the City Council approved credit calculation items. As demonstrated, DBO Development No. 30, LLC's combined areas and capital improvements far exceed the minimum City required Quimby Act (park in-lieu) fee. It shall be noted that both the City and DBO Development No. 30, LLC acknowledge that actual areas and capital improvement costs may vary due to refinement of the final improvement plans and fluctuations in market conditions impacting construction costs, however the final actual combined credit areas and costs shall not be less than the minimum required Quimby Act (park in-lieu) fee. DBO Development No. 30, LLC is only required to provide the land areas and capital improvements to achieve the required Quimby Act (park in-lieu) fee.

Please refer to Table 2 – In-lieu Fee Calculation summary reflecting DBO Development No. 30, LLC's combined provided land value and capital improvement costs of the recreational areas exceeds the total City required value of Quimby Act (park in-lieu fee).

Please refer to Exhibit A for master site off and on site recreational / amenities area and capital improvements diagram.

While a minor point based upon on the demonstration that the land areas and capital improvements exceed the City Quimby Act (park in-lieu fee) and therefore not additional fees will be due to the City by developer, DBO Development No. 30, LLC is requesting City of Sand

City Resolution SC18-58, 2018 (Vesting Tentative Map 18-01) Condition of Approval Section I. Fees, Item 2 Parkland or Fees be clarified to state "if Quimby Act in-lieu fees are required, the proportionate fee shall be paid by the respective developer prior to certificate of occupancy". DBO Development No. 30, LLC is only developing the master off-site improvements, not the specific parcel uses and respective improvements which trigger said fee.

Thank you for consideration. DBO Development No. 30, LLC is available to further discuss the Quimby Act with Staff and/or Council as appropriate. We look forward to advancing this very important project.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Nohr", with a long horizontal flourish extending to the right.

Matt Nohr

On behalf of DBO Development No. 30

CC: Don Orosco, DBO Development No. 30, LLC  
Charles Pooler, City of Sand City  
Vibeke Norgaard, City of Sand City  
Nadia Costa, Miller Starr Regalia

| <b>Table 1 – Off-Site &amp; On-site Recreational Areas/Amenities Areas and Capital Improvement Costs</b>   |  |   |   |
|--|--|---|---|
| <b>Category Name</b>   | <b>Parcel / Description</b>  | <b>Area</b>                                     | <b>Capital Improvement Cost</b>   |
| <b>R1/R2 Park Easement Area</b>  |  |   |   |
|  | R1 Park Easement (park area at the knuckle of Morgan's Way straddling R1 & R2 parcels) | 2,860 s.f.                                      | \$75,000 (lump sum)   |
|  | R2 Park Easement (park area at the knuckle of Morgan's Way straddling R1 & R2 parcels) | 5,582 s.f.                                      | \$75,000 (lump sum)   |
|  | <b>Category Subtotal</b>   | <b>8,442 s.f.</b>                               | <b>\$150,000<sup>1</sup></b>  |
| <b>H1 / H2 Hotel Parcels</b>   |  |   |   |
|  | Open courtyard Area with swimming pool and spa feature                                 | 33,000 s.f.                                     | \$100/s.f. x 33,000 = \$3,300,000.00 plus \$225,000.00 for swimming pool and space feature = \$3,322,500.00 |
|  | <b>Category Subtotal</b>   | <b>33,000 s.f.</b>                              | <b>\$3,322,500.00<sup>1</sup></b>   |
| <b>R2 Multi-family Parcel</b>  |  |   |   |
|  | Bldg 1 – Outdoor area south of the 1st floor clubhouse                                 | 1,500 s.f.                                      | \$100/s.f. x 1,500 = \$150,000.00   |
|  | Bldg 1 – Open courtyard area Pool / Courtyard Area                                     | 11,500 s.f.                                     | \$100/s.f. x 11,500 = \$1,150,000.00 plus \$225,000.00 for swimming pool and space feature = \$1,375,000.00 |
|  | Bldg 1 – Clubhouse / Gym   | 6,350 s.f.                                      | \$300/s.f. x 6,350 = \$1,905,000.00   |
|  | Bldg 1 – Rooftop Skydeck   | 1,615 s.f.                                      | \$300/s.f. x 1,615 = \$484,500.00   |
|  | Bldg 2 – Courtyard   | 9,300 s.f.                                      | \$100/s.f. x 9,300 = \$930,000.00   |
|  | <b>Category Subtotal</b>   | <b>30,265 s.f.</b>                              | <b>\$4,844,500.00<sup>1</sup></b>   |
| <b>R1 Multi-family Parcel</b>  |  |   |   |
|  | Open courtyard Area with swimming pool and spa feature                                 | 11,468 s.f.                                     | \$100/s.f. x 11,468 = \$1,146,800.00 plus \$225,000.00 for swimming pool and space feature = \$1,371,800.00 |
|  | <b>Category Subtotal</b>   | <b>11,468 s.f.</b>                              | <b>\$1,371,800.00<sup>1</sup></b>   |
| <b>Parklets</b>  |  |   |   |
|  | Parklet #1   | (in R.O.W.)                                     | \$54,000.00   |
|  | Parklet #2   | (in R.O.W.)                                     | \$48,000.00   |
|  | Parklet #3   | (in R.O.W.)                                     | \$60,000.00   |
|  | Parklet #4   | (in R.O.W.)                                     | \$69,000.00   |
|  | <b>Category Subtotal</b>   | <b>0 s.f. (in R.O.W.)</b>                       | <b>\$231,000.00<sup>1</sup></b>   |
| <b>Total Area</b>  |  | <b>83,175 s.f.<sup>2</sup><br/>(1.90 acres)</b> | <b>\$9,919,800.00<sup>1</sup></b>   |
| <sup>1</sup> Reflects estimated construction cost. Final construction cost shall be determined based on final design and contractor bids.<br><sup>2</sup> Reflects current schematic design areas. |  |   |   |

**Table 2 –In-lieu Fee Calculation**

|   | 1  | 2                                     | 3  | 4  | 5   | 6  | 7   |
|---|--|---------------------------------------|--|--|---|--|---|
| Option  | Total Developer Provided Area<br><br>(Table 1) | Land Value<br><br>(agreed upon value) | Total Developer Provided Land Value<br><br>(A1 x A2) | Total Value of Developer Capital Improvs.<br><br>(Table 1) | Total Value of Developer In-lieu Fee<br><br>(A3 + A4) | Total City Required Value of In-lieu Fee | Difference<br><br>(A5-A6)   |
| A   | 83,175 s.f.                                    | \$31.95 / s.f.                        | \$2,593,541.25                                       | \$9,919,800.00   | \$12,513,341.25                                       | \$3,356,028                              | <b>\$9,157,313.25<sup>2</sup></b><br>(Developer exceeds required amount of in-lieu fee) |
| Total developer provided land value and capital improvements exceed |  |                                       |  |  |   |  |   |

Exhibit A Master Site Plan

