



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
March 6, 2007

Honorable Mayor and
Members of the City Council

**Title: Swainson's Hawk Park Capital Improvement Program and
Reimbursement/Credit Agreement**

Location/Council District: South of Del Paso Road & west of El Centro Road/ Council
District 1

Recommendation: Adopt a **Resolution:** 1) approving the Reimbursement/Credit Agreement for Swainson's Hawk Park, CIP LW68; 2) establishing a new Capital Improvement Program project, CIP LW68, for associated City costs for the development of Swainson's Hawk Park; 3) accepting an Unconditional, Standby Letter of Credit in the amount of \$2,024,526.00 pursuant to Reimbursement/Credit Agreement from K. Hovnanian Forecast Homes Northern, Inc.; and 4) appropriating \$311,377 from the Park Development Impact Fee Fund (PIF), Fund 791, Planning Area 10 to Swainson's Hawk Park, CIP LW68.

Contact: J.P. Tindell, Interim Planning & Development Manager, 808-1955

Presenters: Not applicable

Department: Parks and Recreation

Division: Park Planning, Design & Development

Organization No: 4727

Description/Analysis

Issue: Staff is recommending that Council approve entering into a Reimbursement/Credit Agreement similar to other turn-key park agreements that have been approved by Council in North Natomas.

Swainson's Hawk Park will be a 5.72-acre park located south of Del Paso Road and west of El Centro Road in North Natomas. The park will be built as a turn-key project by K. Hovnanian Forecast Homes Northern, Inc.

A summary of the Swainson's Hawk Park project history is included as Attachment 1 (page 5) and a location map as Attachment 2 (page 6).

Policy Considerations: As stated in City Council Resolution No. 2006-444 Section 10.3, City Council approval is required to establish CIP projects.

Providing parks and recreation facilities is consistent with the City's strategic plan to enhance livability in Sacramento's neighborhoods by expanding park, recreation, and trail facilities throughout the City.

Committee/Commission Action: The Swainson's Hawk Park name and Master Plan (Attachment 3, page 7) were reviewed by the Parks and Recreation Commission (PRC) on January 4, 2007. The PRC supported the Swainson's Hawk Park Master Plan and name.

Environmental Considerations: On October 25, 2005, the City Council approved a Negative Declaration and adopted the Mitigation Monitoring Plan for the development of Natomas Central Project (P04-173), Resolution No. 2005-774. Swainson's Hawk Park project components were evaluated within the Negative Declaration for the Natomas Central Project. Therefore, the Master Plan that staff is recommending to be approved on March 6, 2007 in a separate Council report, 1) approving the Park name "Swainson's Hawk Park" and 2) approving the Swainson's Hawk Master Plan, will not result in impacts over and above what was previously evaluated.

Section 15162 of the California Environmental Quality Act (CEQA) Guidelines provides that an additional Negative Declaration need not be prepared unless substantial changes are proposed in the project, substantial changes occur with respect to the project circumstances, or new information of substantial importance to the project becomes known or available. As none of the conditions listed above relating to Section 15162 exist, additional environmental review is not required.

Rationale for Recommendation: The park development agreement will be a turn-key agreement using the Unconditional, Irrevocable Stand-By Letter of Credit. Staff is asking Council to approve the Reimbursement/Credit Agreement Relating to the Design and Construction of Park Improvements in North Natomas for Swainson's Hawk Park, the acceptance of cash, and the transfer of funds. On September 2, 2002 Council approved Resolution No. 2002-591 authorizing the City Manager to issue park development fee credits upon the provision of Unconditional, Irrevocable Standby Letters of Credit. A separate report,

Swainson's Hawk Park Name and Master Plan, is being presented to City Council on March 6, 2007 to accept the park name and master plan.

Sacramento City Code 18.44.110 states the City Council may establish guidelines and procedures regarding credits and reimbursements of Park Development Impact Fees.

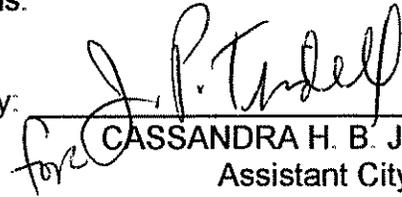
Financial Considerations: The City will accept an Unconditional, Irrevocable Standby Letter of Credit in the amount of \$2,024,526 from K. Hovnanian Forecast Homes Northern, Inc. as security to design and develop this park. This includes \$311,777 to the City for city administrative and project management costs. The developer has already paid approximately \$1,000,000 in Park Development Impact Fee (PIF) fees when they pulled their building permits in this Planning Area. The transfer of \$311,777 from PIF, Fund 791, Planning Area 10, will be used to establish a new Capital Improvement Program project (CIP LW68) for the associated City costs for the development of Swainson's Hawk Park

The Neighborhood Park Maintenance Community Facilities District (CFD) was established to reduce reliance on the general fund for neighborhood park maintenance and to preserve the level of maintenance in the parks system. The CFD pays for a portion of the maintenance costs for neighborhood parks. The amount of funding in the CFD depends upon the year the homes in that neighborhood were built and annexed to the CFD; maintenance of parks built before 2002 and all community parks, regional parks, open space, trails and buffer areas are not covered by the CFD.

Development of parks creates an ongoing cost for park maintenance and utilities are based on the size of the park. The annual maintenance cost for this 5.72-acre park is approximately \$8,200 per acre or \$46,904. CFD #3 will provide the funding for maintenance. Developer shall maintain the Park Improvements at Developer's expense during the one (1)-year warranty period. Thereafter, City shall be responsible for all Park maintenance.

Emerging Small Business Development (ESBD): The selection of Landscape Architect consultants and contractors for this project will follow City of Sacramento established guidelines for inclusion on ESBD firms.

Respectfully Submitted by:


CASSANDRA H. B. JENNINGS
Assistant City Manager

Recommendation Approved:


RAY KERRIDGE
City Manager

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Attachment 1

Background Information:

Swainson's Hawk Park is a neighborhood park located in the Natomas Central approved Planned Unit Development (PUD) which consists of low, medium, and high density residential, an active adult community, a lake/detention basin, a private recreation center, parks, a school site, a fire station, and open space on approximately 398 acres between El Centro Road and Del Paso Road.

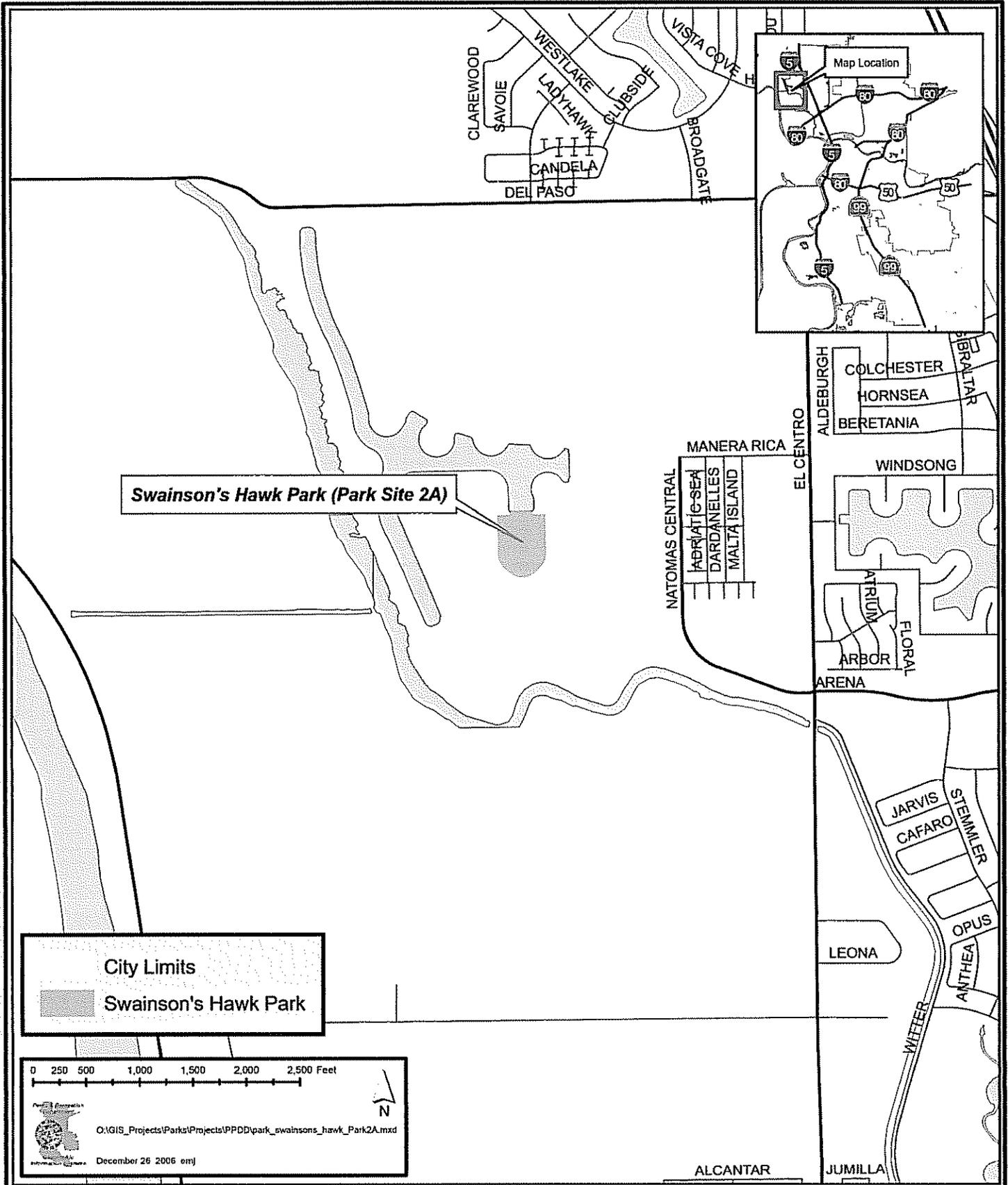
The proposed Swainson's Hawk Park is a 5.72-acre neighborhood park located south of Del Paso Road and west of El Centro Road in North Natomas. The park will be built as a turn-key park developed by K. Hovnanian Forecast Homes Northern, Inc.

The Swainson's Hawk Park master plan includes a tot-lot and adventure play areas, meandering walkways throughout the park, shade structures, informal skate board area, horseshoe court, group picnic area, bocce court, open turf/bantam soccer area, and a lake promenade with a sculpture as the focal point.

The park is expected to open in 2008. The developer will be required to maintain this park for one year after the completion of the park at which point maintenance will be under the City's jurisdiction.



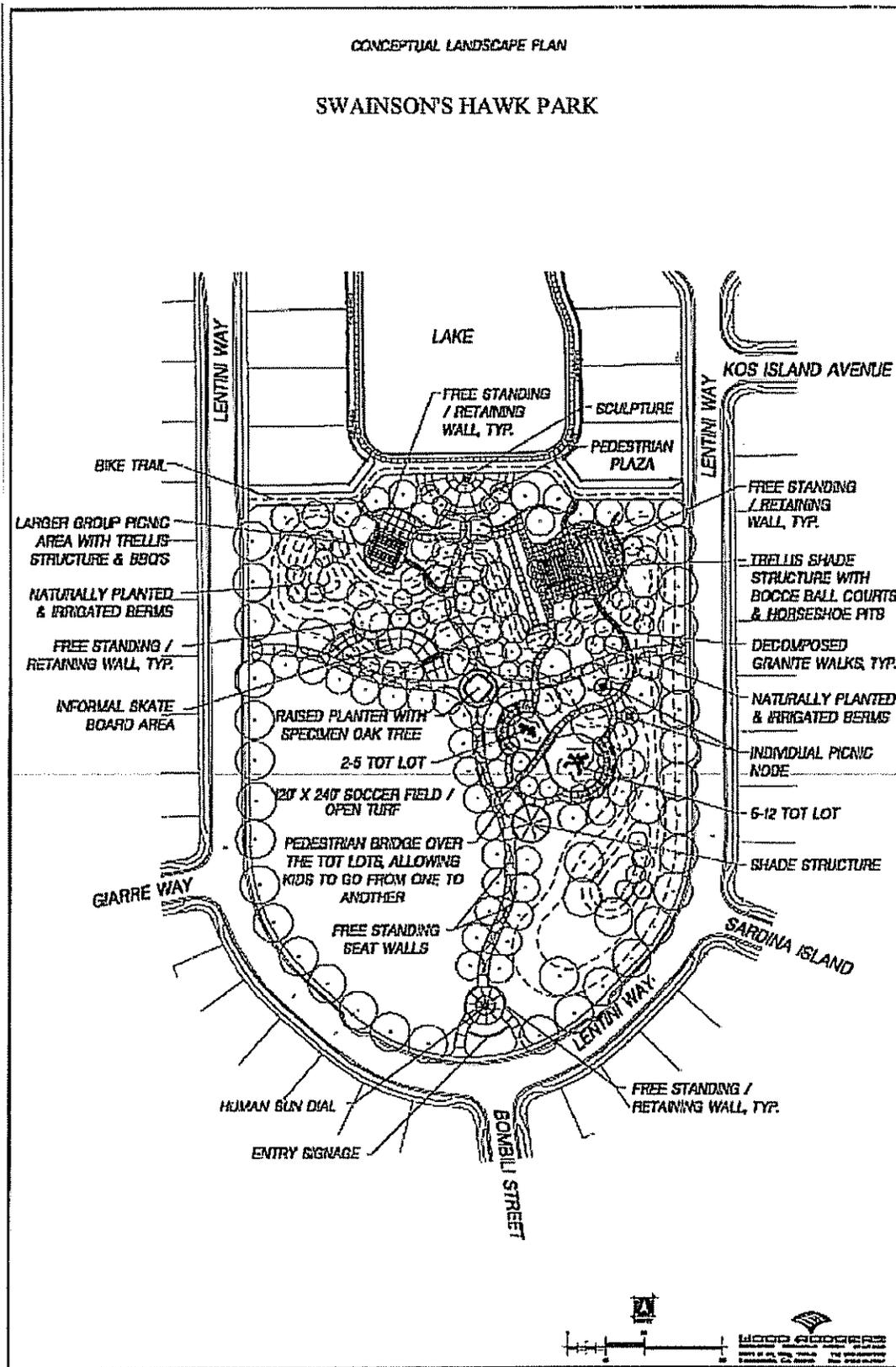
City of Sacramento Department of Parks and Recreation Swainson's Hawk Park (Site 2A)



City Limits
Swainson's Hawk Park

0 250 500 1,000 1,500 2,000 2,500 Feet

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RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

March 6, 2007

**ESTABLISHING SWAINSON'S HAWK PARK CAPITAL IMPROVEMENT PROGRAM
AND APPROVING THE REIMBURSEMENT/CREDIT AGREEMENT**

BACKGROUND

- A. Swainson's Hawk Park is a 5.72-acre community park located south of Del Paso Road and west of El Centro Road in North Natomas.
- B. The park will be built as a "turn-key" park developed by K. Hovnanian Forecast Homes Northern, Inc.
- C. On September 3, 2002 Council approved Resolution No. 2002-591 authorizing the City Manager to issue park development fee credits upon the provision of unconditional, irrevocable standby letters of credit.
- D. K. Hovnanian Forecast Homes Northern, Inc. desires to receive fee credits for constructing Swainson's Hawk Park and will provide the City with an unconditional, irrevocable stand-by letter of credit.
- E. The City Council approved Resolution No. 2005-774 approving the Negative Declaration and approving the Mitigation Monitoring Plan for the Natomas Central Project (PO4-173).
- F. The City Council is asked to approve the Swainson's Hawk Park name and Master Plan on March 6, 2007 in a separate report.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The Reimbursement/Credit Agreement is approved for Swainson's Hawk Park, CIP LW68.
- Section 2. A new Capital Improvement Program project, CIP LW68, is established for associated City costs for the development of Swainson's Hawk Park.
- Section 3. Developer will provide an Unconditional, Irrevocable Standby Letter of Credit in the amount of \$2,024,526.00 in favor of the City in lieu of prepaid Park Development Fees.
- Section 4. That \$311,777 is appropriated from Park Development Impact Fee Fund (PIF), Fund 791, Planning Area 10 to Swainson's Hawk Park, CIP LW68.

