

M E M O R A N D U M
CITY OF CHINO
DEVELOPMENT SERVICES DEPARTMENT

COUNCIL MEETING DATE: MAY 22, 2019

TO: MATTHEW C. BALLANTYNE, CITY MANAGER

FROM: NICHOLAS S. LIGUORI, AICP, DEVELOPMENT SERVICES DIRECTOR

SUBJECT: FINAL ACCEPTANCE OF PARK IMPROVEMENTS AT THE PRESERVE - KB HOMES COASTAL, INC..

RECOMMENDATION

1) Accept Park Improvements for Meridian Park in The Preserve for Tract Map No. 17055 and Master Site Approval 05-05 as complete; 2) authorize City staff to perform necessary repair services to Meridian Park for a not-to-exceed amount of \$20,000; and 3) authorize the City Manager to execute the necessary documents on behalf of the City.

FISCAL IMPACT

Sufficient funds are included in the Fiscal Year 2018-19 Operating Budget to reimburse KB Coastal, Inc. in the amount of \$2,217,103 per the terms of Reimbursement Agreement No. 2013-184. Additionally, the cost for the required park repairs is estimated to be \$20,000, which will be completely off-set by CFD 2006-3 surplus funds. There are sufficient funds available for this purpose.

Revenue:

Expenditure: 3408300-43640

Transfer In:

Transfer Out:

BACKGROUND

On September 19, 2005, the Planning Commission approved Tentative Tract Map No. 17055 and Master Site Approval 05-05 authorizing Brehm Communities (Brehm) to develop approximately 177 single-family homes in the Preserve, generally located west of West Preserve Loop, between Bickmore and Pine Avenues. The Preserve Conceptual Parks and Schools Plan indicated that a neighborhood park would be located at the northwest corner of Pine Avenue and West Preserve Loop. As a Condition of Approval, Brehm was required to construct this public park within its project boundaries, consistent with the Plan. This park was larger than the required park obligation for Brehm per Title 18 of the Chino Municipal Code.

In 2009, Brehm filed for bankruptcy and the project was subsequently sold to KB Homes Coastal, Inc. (KB). As part of the sale, KB assumed Brehm's Conditions of Approval for the development to construct the park. Consequently, on February 5, 2013, the City Council approved a Reimbursement Agreement with KB in the amount of \$2,217,103 for the price paid by KB to purchase the park land in the Preserve from Brehm, and the estimated cost to construct the additional park acreage above their Title 18 requirements.

ISSUES/ANALYSIS

Construction for Meridian Park was completed many years ago, but like several other developer-constructed public facilities in The Preserve, was never accepted by the City. The City has performed its final inspection, and generally has found that the park improvements are complete. However, there are several items of repair and reconfiguration that are necessary to be performed before all of the improvements meet City standards. Part of the reason for this is that the Park has been in continual use for many years, and so wear and tear of facilities has occurred. Staff is proposing that the cost of these items can be covered by the existing budget in Community Facilities District 2006-3, which was formed for the Brehm Communities project.

Additionally, the area known as West Meridian Park, was designed to serve dual purposes of both an open space amenity and a detention basin. Staff has found that while it was constructed according to approved plans, the open space function is compromised substantially during wet weather years, and the facility is not accessible to all potential users. Staff will work with the Preserve Master Maintenance Corporation to secure and remove the amenities at the site.

KB submitted its construction cost documentation to City staff for review and approval, which is now on-file at the City. In accordance with the project's Conditions of Approval, the developer provided documentation that KB has entered into an agreement with the Preserve Master Maintenance Corporation for the maintenance of the park and all common landscape and utility maintenance. Therefore, upon the final acceptance of the park improvements by the City Council, staff will release to KB a reimbursement in the amount of \$2,217,103.

It should be noted, the park improvements outlined in this report are specific to the reimbursement agreement with the City and KB and completely outside of the in-tract public improvements that are still pending completion, which were constructed by Brehm. Staff is working with KB to rectify the remaining punch-list items for Tract Map No. 17055, which will be brought back to the City Council at a later date for final acceptance.

Attachment: KB Homes Coastal, Inc. Reimbursement Agreement