

CITY OF PERRIS

MINUTES: Special City Council Work Session
Date of Meeting: 06 March 2003
Time of Meeting: 5:00 p.m.
Place of Meeting: City Council Chambers-City Hall

1. CALL TO ORDER:

The Honorable Mayor Busch opened the Special City Council Work Session to order.

5:00 p.m. Called to Order

2. ROLL CALL:

Council Members Present: Yarbrough, Landers, Motte, Rogers, Busch

All Present

Staff Members Present: Assistant City Manager Apodaca, City Attorney Dunn, Community Development Director Gutierrez, City Engineer Motlagh, and City Clerk Rey.

3. PUBLIC COMMENT: None

4. WORK SESSION:

A. Discussion on the proposed Development Agreement Amendment with KB Home.

Community Development Director Gutierrez presented a matrix, which explained some of the terms which were placed on the table for consideration in the development agreement. A plaque representation of the Specific Plan was on exhibition to facilitate location of improvement schedule. Staff was available to answer any questions.

Community Development Director Gutierrez's Introduction

Mr. Mounts, KB Home, presentation included terms for the amendment/revised infrastructure phasing for the May Ranch Project. The existing May Ranch Specific Plan, which was approved with the amendment in May of 2002, was a composite of current phasing of the project. The two major issues were Rider Street and the parks within the project. The current specific plan tentative map conditions for parks were the linear park through EMWD's aqueduct, which was approved for passive park activities; and scheduled to be completed by the end of Phase III. The fifteen-acre sports/active use park was completed as part of Phase I.

KB Home, Mr. Mounts' Presentation

In regards to the circulation of the project, Mr. Mounts indicated where Evans Road and May Ranch Park Way were completed. He gave the proposed acceleration of street improvements.

- 1) Rider Street from Evans to Bradley Road would be improved with full width prior to the two-hundred fiftieth dwelling unit in Phase III;
- 2) Rider Street from Bradley to Ramona Expressway would be accelerated to Phase IV area into the four-hundredth dwelling unit. Barratt American was to complete the north half of Evans, which upgraded Ramona Expressway to four lanes. \$800,000 was contributed to improve Rider Street across the Perris Valley Storm Drain over to Perris Boulevard;
- 3) Contribution of \$800,000 to the City for underground utilities, which KB was conditioned for; if it was determined that it was a City project there would be a benefit to the City in terms of cost savings of 34% in tax. The money would be paid upon receipt of certificate of occupancy of the first house for Phase III;
- 4) An agreement was signed with Barratt to construct, full width, Morgan Street and Bradley Road to their project boundary;
- 5) Certificate of occupancy within Tract 29994 or Barratt's completion of the facility.

KB Home was conditioned to improve the MWD Aqueduct area for a linear/passive park (14 acres). There were questions as to whether or not the park could be implemented given considerations and issues with MWD, and ongoing maintenance responsibilities. KB Home would like to bring closure to the issue and provide the same facilities. KB Home was obligated to transfer the financial obligation elsewhere, if the developer was unable to implement the linear park.

6) It was proposed to skip the MWD area and transfer the facility/financial obligation to the twelve-acre detention basin, which would be the same concept as the linear park (similar to Metz Park). The proposed linear park would be left natural land for walking/trail area; it would not be fenced off and there would be no landscaping. The problem was that MWD did not want any improvement within their area.

7) The fifteen acre community park: the park was phased over the next three phases of the project and would be completed over the next ten years, depending on the absorption assumptions made. KB Home obligated them to provide the park by the two hundred fiftieth dwelling units within Phase IV. Some issues were the lowering of the Perris Valley Storm Drain to be relieved of the drainage situation; the area was in a floodway/plain; and the filing of paperwork with FEMA to encroach within the area.

The current sales were in Phase III; and over the next six months about 145 building permits would be pulled. Within a year, construction would be at the two hundred fiftieth units; and within three years Phase IV would almost be completed. The project consisted of 3320 dwelling units and 600 were built in Phase I. In regards to the cost of underground utilities; KB Home would offer what the engineering plans were based on.

In regards to underground utilities and City's cost savings of 34% in tax, City Engineer Motlagh said SCE would question the project and determine the money was the developer's. Then the City would be required to pay the full amount. SCE checked and reviewed all requests from cities.

*City Engineer Motlagh's
Comments Re: Cost
Savings of 34%
Underground Utilities*

Most of the issues presented would eventually be made because they were demands and conditioned improvements, etc. There was a lot of development activity and issues that would be addressed. I have not been able to evaluate the up front improvements for recommendation or comment.

In regards to the Rider improvements, Community Development Director Gutierrez asked if they were in coordination with the improvements made by Barratt on Rider. If there was a way and ability to coordinate between the two developers, it would be preferable to complete at the same time.

*Community Development
Director Gutierrez 's
Query Re: Coordination of
Improvements – Rider
Street*

In response, Mr. Mounts indicated they had not been in the position to coordinate Rider. City Engineer Motlagh pointed out that in regards to timing referred to Exhibit B2 which indicated that Rider Street to Ramona Expressway was to be completed by the developer at half-width and after four-hundred unit occupancy for Tract 20773. Tract 20773 had not been filed and those improvements could take up to five years. This was a long time to wait, therefore, to show the urgency, willingness to improve Rider the schedule would need to move forward.

*KB Home, Mr. Mounts'
Response & Comments Re:
Rider Street Improvements*

Mr. Mounts indicated that Tract 20773 would be submitted on the first of April.

*KB Home, Mr. Mounts'
Comment Re: Tract 20773*

In terms of the park, Community Development Director Gutierrez said the developer was to transfer the existing language for the current development agreement regarding the dollar amount per square foot for total amount of improvements from the lineal park to the park further south. Therefore, the level of improvement would be achieved with the same amount of money. If the City requested and looked for a design that allowed more than what was currently agreed upon, the additional cost would fall to the City. The \$1.50 per square foot was passive and was primarily turf.

*Community Development
Director Gutierrez 's
Comments Re: Lineal Park*

As part of the design of the detention basin, Mr. Mounts said there were many details and the basins were turf.

*KB Home, Mr. Mounts'
Comment Re: Detention
Basins*

Interim City Manager Apodaca asked if the \$7 million mentioned was the cost of the acceleration or cost of improvements and asked the proposed value of moving them forward. Those improvements would had been completed eventually.

*Interim City Manager
Apodaca's Query Re: \$7
Million – Related Cost*

Mr. Mounts confirmed that the \$7 million was the cost of improvements that were accelerated. A cash flow analysis had not been completed.

KB Home, Mr. Mounts' Response

Councilmember Rogers asked the City Engineer what portion of the \$800,000 towards Rider was directed for Rider improvements.

Councilmember Rogers Query Re: Rider's Portion of \$800,000

In response, City Engineer Motlagh said the monies negotiated was to concentrate on Evans Road west towards Perris Valley Channel; included was the channel crossing and all the way to Perris Boulevard. The improvements to the east required new monies or developer commitment.

City Engineer Motlagh's Response

Mayor Busch asked if the detention basin proposed would meet the capacity of Metz Park.

Mayor Busch's Query Re: Detention Basin

In reply, Mr. Mounts said the size was there and KB Home's desire was for it to remain a neighborhood facility and a compliment to the sports park. It would be a passive park. He did not know if it included a backstop. The proposed linear park entailed a third party, MWD; and they indicated they would only deal with City staff.

KB Home, Mr. Mounts' Response

Community Development Director Gutierrez said there was language that spelled out that the lineal park was designed with turf and a gravel trail. MWD was hesitant to install improvements and allow developers to receive credits. If park credits were given and MWD had to tear out the improvements then they would not replace them and the credits would be for none.

Community Development Director Gutierrez's Comment Re: Lineal Park

Mayor Pro Tem Motte suggested that Council make the Chaparral Project the minimum; in order to waive the TUMF the City should ask for \$3,000 deposited into a recreation account (Field of Dreams); and deposit \$500 into the General Fund. The City had fees that could be utilized for the improvement of Rider.

Mayor Pro Tem Motte's Comments Re: Deposit of Fees for Recreational Facilities

Councilmember Landers did not understand why a Council meeting was held because this project was not ready for Council discussion. There were too many 'ifs' and questions. The City Engineer had not met with the developer and staff has not had their proper meetings in regards to the project.

Councilmember Landers' Comment Re: Project not Ready for Discussion

Councilmember Rogers commented that Rider Street should be improved in one phase to ensure coordination with the school and acceleration of KB's improvements. Working out the details were essential components.

Councilmember Rogers' Comments Re: Rider Street Improvements

Councilmember Yarbrough commented that was some of the reasons for the City's negotiation with Barratt was to accelerate the improvements on Rider were based on what had occurred. The developer should be able to coordinate Rider with the utilities, schools and other developers. The linear park should be maximized and accelerate the fifteen acre park. The linear park was an integral link from the Ramona Expressway and Barratt's trail that would link into the park. Perhaps there was money to put towards the sports complex.

*Councilmember
Yarbrough's Comments
Re: Acceleration of Parks
& Rider Street*

Mr. Mounts said the City had \$392,000 for the park, which KB gave instead of the amendment to the half-acre lot process two years ago. There was a fund set aside for the lights and stands.

*KB Home, Mr. Mounts'
Comment Re: Park Funds*

Mayor Busch suggested that KB Home assemble their project and present to staff.

*Mayor Busch's Comments
Re: KB Home Presentation
of Project*

City Engineer Motlagh informed Mr. Mounts that parks could be built within the floodway and floodplain as long as there were no major obstructions that changed the water surface elevation. You can not build homes or structures within the floodway.

*City Engineer Motlagh's
Comment Re: Floodway*

Interim City Manager Apodaca asked if construction schedule acceleration was satisfactory to the engineer and if it was adequate to present to Council or should the concept for deposit of fees be considered.

*Interim City Manager
Apodaca's Query Re:
Construction Schedule
Acceleration/Fee Concept*

It was Council's consensus for the developer to meet with Park & Recreation Sub-Committee at 3:00 p.m. on Monday March 10th.

*Park & Recreation Sub-
Committee Meeting*

Mayor called for a break before discussion of Item B.

6:15 p.m. to 7:10 p.m.

B. Discussion on the Transportation Uniform Mitigation Fee (TUMF).

Community Development Director Gutierrez introduced the TUMF Draft Ordinance. The intended schedule was to advertise for the first reading on March 11th; make sure all development agreements meet all the requirements to ensure they were locked in; request that the March 11th meeting be continued to March 13th, which would provide a separate meeting for discussion of the TUMF; and schedule the second reading to occur no later than March 31st. The schedule would allow the City to meet the period of June 1st. The ordinance was similar to the ordinance utilized by the County and adopted by the participating cities.

*Community Development
Director Gutierrez's
Introduction*

The document was basic; it indicated that Council reviewed the NEXUS Study, which was a required exhibit for the ordinance.

Definitions were included in regards to type of development, commercial, industrial, and low-income residential housing. The fees were addressed; exemptions allowed; credits; procedures on how the TUMF would be levied and collected; and an appeal process. The City would collect money and submit a quarterly report to WRCOG. The other item associated was when development was discussed with the developers an agreement was entered into required knowledge of staff. Staff would be administrative time/cost, which would fall within the Building Division, Planning and City Engineer.

*Con't. Community
Development Director
Gutierrez's Introduction*

City Attorney Dunn indicated that other cities were not implementing an administrative fee; they were just adopting the model ordinance. The changes that were specific to jurisdictions were when you defined type of zoning.

*City Attorney Dunn's
Comment Re: TUMF
Ordinance/Administrative
Fee*

Councilmember Landers said the money came back into your zone with fair share to cities.

*Councilmember Landers'
Comment Re: TUMF Fees
& Zone*

In regards to monies for street improvements, Interim City Manager Apodaca commented that according to the TUMF process the City would receive a value of improvements for Perris related streets up to \$159 million over a period of twenty years. Based on the City's growth rate over a period of five years the City should collect \$16 million (\$2,100+ per unit for street improvements).

*Interim City Manager
Apodaca's Comment Re:
Street Improvement Value*

The City had the option to drop out of the TUMF Program or not sign up and buy into the program at a later date with the required payment of the difference.

Discussion ensued on the following: Cities Capital/Infrastructure Fee would be affected by the TUMF because you can not charge a developer the fee for the same street. The developer would be credited. Cap fees would require adjustment. The City's Capital Improvement Fee was \$5,335 per unit and was broken into five components and one was streets. The City's Measure A funds was \$900,000 annually and would remain in affect until year 2009. Measure A Funds were not utilized for capital improvements. If the City did not adopt the TUMF, Ordinance our City officials could not sit on any committees. Every permit pulled from June 1st to next year that was not subject to the TUMF Fee, and you wanted then to join the TUMF that City would be required to pay the fees for every permit pulled. WRCOG will review the fees of the TUMF Ordinance every five years and revisions would be implemented appropriately.

*General Discussion-
TUMF Ordinance*

Councilmember Rogers commented that she inquired of Mr. Bishop on the City implementing an administration fee. Mr. Bishop indicated the City could implement a fee. The County received an administration fee of 1%.

*Councilmember Rogers
Comment Re: 1%
Administration Fee*

In response, City Attorney Dunn said in order to implement the percentage from another category would have to be dropped to implement the 1%. The issue would require clarification from Mr. Bishop as to where the 1% would derive from.

*City Attorney Dunn's
Response*

5. **ADJOURNMENT:** By unanimous consent the City Council Work Session was adjourned at 7:55 p.m.

*7:55 p.m. City Council
Work Session Adjourned*

Respectfully Submitted

Margaret Rey, City Clerk