

ITEM 4.11

CITY MANAGER'S REPORT SEPTEMBER 12, 2022 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE AMENDMENT NO. 1 TO THE PUBLIC INFRASTRUCTURE CREDIT AND REIMBURSEMENT AGREEMENT RELATING TO THE CENTRAL LATHROP SPECIFIC PLAN AREA

RECOMMENDATION: Adopt Resolution Approving Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement with Saybrook Fund Investors, LLC and Lathrop Land Acquisition, LLC relating to the Central Lathrop Specific Plan Area

SUMMARY:

The City of Lathrop adopted the Central Lathrop Specific Plan (CLSP) in 2004. The City has been working with Saybrook Fund Investors, LLC and Lathrop Land Acquisition LLC (collectively referred to as "Saybrook") to complete infrastructure improvements which will be eligible for credit or reimbursement.

On July 11, 2022, City Council adopted the West/Central Transportation and Central Lathrop Specific Plan Capital Facility Fee Update Studies to incorporate infrastructure constructed by Saybrook, including traffic signals, parks, storm drain improvements and a water tank. Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement ("Agreement") provides the mechanism for the City to reimburse Saybrook for the cost of these improvements.

Staff recommends that Council adopt a resolution approving Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement with Saybrook Fund Investors, LLC and Lathrop Land Acquisition, LLC relating to the CLSP area.

BACKGROUND:

The City of Lathrop adopted the Central Lathrop Specific Plan (CLSP) in 2004. The City prepared and certified an Environment Impact Report (EIR) for the project and adopted a Mitigation Monitoring Program. The City also approved a Development Agreement (DA) with Richland Planned Communities ("Richland") in 2004. The DA establishes development rights and governs the relationship between the City and Richland. In 2011, Richland relinquished its rights under the DA pursuant to a settlement agreement. In 2016, the City approved the assignment of the DA to Saybrook along with an amendment. The proposed Amendment No. 1 is consistent with the DA assignment to Saybrook and does not substantially alter the rights and obligations previously agreed to.

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SEPTEMBER 12, 2022 CITY COUNCIL REGULAR MEETING
APPROVE AMENDMENT NO. 1 TO THE PUBLIC INFRASTRUCTURE CREDIT
AND REIMBURSEMENT AGREEMENT RELATING TO THE CLSP AREA

On July 11, 2022, City Council adopted the West/Central Transportation and Central Lathrop Specific Plan Capital Facility Fee Update Studies to incorporate infrastructure constructed by Saybrook including traffic signals, parks, storm drain improvements and a water tank. Amendment No. 1 to the Agreement provides the mechanism for the City to reimburse Saybrook for the cost of these improvements.

The City imposes impact fees upon new development in the CLSP area that benefit from the infrastructure improvements constructed by Saybrook. A schedule of CLSP impact fees applicable to any project in the CLSP area is included as Exhibit B of Attachment B. The proposed Amendment No. 1 will help ensure timely collection and payment of reimbursements to Saybrook prior to the issuance of a building permit.

REASON FOR RECOMMENDATION:

Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement will provide an updated accounting of the constructed improvements and the mechanism for which the fees are collected and reimbursed to Saybrook.

FISCAL IMPACT:

There is no fiscal impact to the City. All staff time associated with the preparation of the agreement has been paid by Saybrook.

ATTACHMENTS:

- A. Resolution Approving Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement with Saybrook CLSP, LLC and Lathrop Land Acquisition, LLC relating to the Central Lathrop Specific Plan Area
- B. Amendment No. 1 - Public Infrastructure Credit and Reimbursement Agreement Saybrook Fund Investors, LLC and Lathrop Land Acquisition, LLC

CITY MANAGER'S REPORT
SEPTEMBER 12, 2022 CITY COUNCIL REGULAR MEETING
APPROVE AMENDMENT NO. 1 TO THE PUBLIC INFRASTRUCTURE CREDIT
AND REIMBURSEMENT AGREEMENT RELATING TO THE CLSP AREA

APPROVALS:



Brad Taylor
City Engineer

9/1/2022

Date



Cari James
Finance Director

9/6/2022

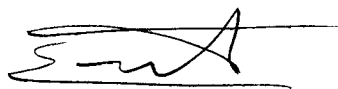
Date



Michael King
Assistant City Manager

8.31.2022

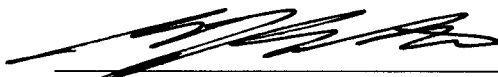
Date



Salvador Navarrete
City Attorney

9-1-2022

Date



Stephen J. Salvatore
City Manager

9.6.22

Date

RESOLUTION NO. 22 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING AMENDMENT NO. 1 TO THE PUBLIC INFRASTRUCTURE CREDIT AND REIMBURSEMENT AGREEMENT WITH SAYBROOK FUND INVESTORS, LLC AND LATHROP LAND ACQUISITION, LLC RELATING TO THE CENTRAL LATHROP SPECIFIC PLAN AREA

WHEREAS, the City of Lathrop adopted the Central Lathrop Specific Plan (CLSP) in 2004; and

WHEREAS, in 2004 and approved a Development Agreement (DA) with Richland Planned Communities ("Richland"), the DA establishes development rights and governs the relationship between the City and Richland; and

WHEREAS, in 2011 Richland relinquished its rights under the DA pursuant to a settlement agreement; and

WHEREAS, in 2016 the City approved the assignment of the DA to Saybrook CLSP, LLC and Lathrop Land Acquisition LLC ("Saybrook") along with an amendment; and

WHEREAS, the City has been working with Saybrook to complete infrastructure improvements which will be eligible for credit or reimbursement; and

WHEREAS, Amendment No. 1 for the Public Infrastructure Credit and Reimbursement Agreement will provide a simple and current statement of credits and reimbursements and provide detail as to the mechanisms for the application of credits and payment of reimbursements to Saybrook as the project moves forward; and

WHEREAS, on July 11, 2022, City Council adopted the West/Central Transportation and Central Lathrop Specific Plan Capital Facility Fee Update Studies to incorporate infrastructure constructed by Saybrook including traffic signals, parks, storm drain improvements and a water tank; and

WHEREAS, there is no fiscal impact to the City, all staff time associated with the preparation of the agreement has been paid by Saybrook; and

WHEREAS, staff recommends that Council approve Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement with Saybrook Fund Investors, LLC and Lathrop Land Acquisition, LLC relating to the CLSP area.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the Amendment No. 1 to the Public Infrastructure Credit and Reimbursement Agreement with Saybrook Fund Investors, LLC and Lathrop Land Acquisition, LLC relating to the Central Lathrop Specific Plan Area.

The foregoing resolution was passed and adopted this 12th day of September 2022, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

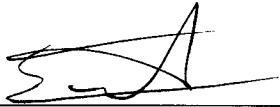
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

FIRST AMENDMENT TO PUBLIC INFRASTRUCTURE CREDIT AND REIMBURSEMENT AGREEMENT RELATING TO THE CENTRAL LATHROP SPECIFIC PLAN AREA

This First Amendment to Public Infrastructure Credit and Reimbursement Agreement Relating to the Central Lathrop Specific Plan Area ("**First Amendment**"), is made and entered into this ___ day of _____ 2022 ("**Effective Date**") by and between the City of Lathrop, a municipal corporation of the State of California ("**City**"), Saybrook CLSP, LLC, a Delaware limited liability company ("**Saybrook CLSP**"), and Lathrop Land Acquisition, LLC, a Delaware limited liability company ("**Lathrop Land**") (Saybrook CLSP and Lathrop Land are collectively referenced herein as "**Developer**"). City and Developer may be collectively referred to herein as the "**Parties**" or individually as a "**Party**".

RECITALS

A. Parties entered into Public Infrastructure Credit and Reimbursement Agreement Relating to the Central Lathrop Specific Plan Area (the "**Agreement**") on March 9, 2020.

B. Developer deposited with the City \$180,000.00 on November 24, 2019 to meet conditions of approval relating to traffic signal at Golden Valley Parkway and Spartan Way in order to record Tracts 3808, 3809, 3810, 3811, and 3812 small lot final maps.

C. City accepted the improvements of Phase 1A Neighborhood Park through the adoption of Resolution 20-4757 on July 13, 2020. Developer paid \$1,611,737.00 to construct the improvements.

D. City accepted the improvements of Central Lathrop Specific Plan Water Tank, Booster Pump Station, and Stanford Crossing Improvements through the adoption of Resolution 21-4896 on June 14, 2021. Developer paid \$6,895,930.70 to construct the improvements.

E. City accepted the improvements of Watershed 2 and Watershed 4 through the adoption of Resolution 21-4939 on August 9, 2021. Developer paid \$3,162,643.00 to construct the improvements.

F. City accepted the improvements of Traffic Signal at Golden Valley Parkway and Stanford Crossing through the adoption of Resolution 21-4974 on October 11, 2021. Developer paid \$448,366.00 to construct the improvements.

G. City accepted the improvements of Phase 1B Neighborhood Park through the adoption of Resolution 22-5025 on February 14, 2022. Developer paid \$1,710,449.60 to construct the improvements.

H. Parties wish to amend Exhibit D of the Agreement to include amounts recoverable as identified in the corresponding CFF studies referenced. The revised Exhibit D contains facilities that have been completed by the Developer and accepted by the City since the Agreement was executed.

I. Parties wish to amend Exhibit F of the Agreement to revise list of anticipated future facilities.

THEREFORE, City and Developer agree to amend the Agreement as follows:

AMENDMENT

1. Exhibit D. The attached “Exhibit D – (REVISED)” shall replace the Exhibit D in the original Agreement. “Exhibit D – (REVISED)” amends new reimbursable totals that incorporate further reimbursements; as originally identified for reimbursement in Exhibit D.

2. Exhibit F. The attached “Exhibit F – (REVISED)” shall replace the Exhibit F in the original Agreement to revise the anticipated future facilities.

IN WITNESS WHEREOF, the Parties have entered into this First Amendment effective upon City Council approval.

CITY:

CITY OF LATHROP, a California
municipal corporation

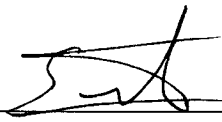
By: _____
Stephen J. Salvatore
City Manager

ATTEST:

City Clerk of and for the City of Lathrop,
State of California

By: _____
Teresa Vargas
City Clerk

APPROVED AS TO FORM:

By:  _____
Salvador Navarrete
City Attorney

DEVELOPER:

Saybrook CLSP, LLC, a Delaware limited
liability company

By: Saybrook Fund Investors, LLC
its Managing Member

By: _____
Jeffrey M. Wilson, Officer

Lathrop Land Acquisition, LLC, a
Delaware limited liability company

By: Saybrook Fund Investors, LLC
its Managing Member

By: _____
Jeffrey M. Wilson, Officer

Exhibit - D (REVISED)

As of September 12, 2022

Central Lathrop Specific Plan: Reimbursements

Fee Type	Saybrook Excess Land Dedication (reimburse to Saybrook)	Sewer/Recycled Water System (reimburse to Saybrook)	CLSP Entitlement Costs (reimburse to Saybrook)	CLSP Storm Drainage System Improvements--WS2 (reimburse to Saybrook)	CLSP Storm Drainage System Improvements--WS4 (reimburse to Saybrook)	Water Tank #1 (reimburse to Saybrook)	West/ Central Lathrop Transportation (reimburse to Saybrook)	CLSP Neighborhood Park (reimburse to Saybrook)
DA Reference/ Exhibits	(Non Saybrook Parcels) Exhibit D-3, Community Park Land (line 1) and Linear Park Land (line 2)	(Non Saybrook Parcels) Exhibit D-2--Pump Station & Force Main (line 1), Oversized Mains (line 2) & RW Mains (line 3)	(All CLSP Parcels) Exhibit D-3--Entitlement Costs (line 3)	(All WS2 Parcels) Exhibit D-3--Storm Drain System Improvements WS2 (line 5)	(All WS4 Parcels) Exhibit D-3--Storm Drain System Improvements WS4 (line 6)	(All CLSP Parcels) Development Agreement Section 7 05 2 5	(All CLSP Parcels) West/ Central Lathrop Transportation June 2022 CFF Study	(All CLSP Parcels) Development Agreement Section 7 06
Type/Created	CFF (January 2019)	CFF (June 2018)	City Planning Fee (June 2019)	CFF (June 2022)	CFF (June 2022)	CFF (June 2022)	CFF (June 2022)	CFF (January 2021)
Credit?	No	No	No	No	No	No	No	No
Total \$	\$ 4,521,397	\$ 10,482,195	\$ 3,611,656	\$ 9,737,508	\$ 8,080,006	\$ 5,071,773	\$ 628,366	\$ 3,322,187
Per?	Dwelling Unit	Dwelling Unit	Acre	Acre	Acre	Dwelling Unit	Dwelling Unit	Dwelling Unit
\$/unit	\$ 2,413	\$ 2,661	\$ 3,200	\$ 46,829	\$ 35,418	\$ 2,323	\$ 4,192	\$ 4,416
Source/Authority	Goodwin CFF 23 Jan 2019	Goodwin CFF 23 Jan 2019	Goodwin CFF 25 Jun 2019	Goodwin CFF 30 Jun 2022	Goodwin CFF 30 Jun 2022	Goodwin CFF 30 Jun 2022	Goodwin CFF 30 Jun 2022	Goodwin CFF 20 Jan 2021

Exhibit - F (REVISED)

As of: September 12, 2022

Future Credits and Reimbursements

Traffic Signals:	
Golden Valley Parkway and Locomotive Street	\$ 250,000
Spartan Way and Central Pacific Street	\$ 500,000
Golden Valley Parkway and Faber Drive	\$ 557,305
Phase 1C Neighborhood Park	\$ 1,742,285
Phase 1C Linear Park	\$ 2,526,000
Phase 1D Neighborhood Park	\$ 2,265,128
Phase II - SSJID Oversizing	\$ 2,162,234

Notes: 1.) Dollar amounts listed are estimates only; Actual dollar amount will be calculated once improvement is completed.

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