

**CITY MANAGER'S REPORT
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: **APPROVE IMPROVEMENTS TO CRYSTAL COVE PARK AND DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062**

RECOMMENDATION: **Adopt Resolution Accepting Improvements to Crystal Cove Park and Dedication of Crystal Cove Park Parcel from River Islands Development, LLC and Approve Subsequent Dedication of Crystal Cove Park Parcel to Reclamation District 2062**

SUMMARY:

The Third Amendment to the River Islands Development Agreement allowed River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) to own, operate and maintain Wet Parks (parks adjacent to water) within the River Islands project. However, the City needs to be allowed to take the property back if it is not adequately maintained. To accomplish this, staff is asking Council for approval to accept improvements to Crystal Cove Park and dedication of Crystal Cove Park from River Islands Development Company, LLC and subsequently dedicate Crystal Cove Park to RD 2062, with retaining right of reverter to allow the property to be re-conveyed to the City if it is not adequately maintained by RD 2062.

BACKGROUND:

Crystal Cove Park is located within the East Village District of River Islands as described in the West Lathrop Specific Plan and River Islands Urban Design Concept. It is depicted on the attached location map (Attachment "B"). Crystal Cove Park is described as "Parcel B" within the Final Map of River Islands Tract 3832.

On October 7, 2013, Lathrop City Council approved the Third Amendment to the 2003 Amended and Restated Development Agreement by and between City of Lathrop and Califia, LLC (Third Amendment to the DA). That Third Amendment to the DA allowed River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) to own, operate and maintain Wet Parks (parks adjacent to water), provided the maintenance would comply with or exceed then-existing, adopted City standards. The plan is for RD 2062 to own the land, and for RIPFA to maintain Crystal Cove Park with funds collected from River Islands' homes via a RIPFA Community Facilities District. However, Crystal Cove would remain a City park, and the City would operate programs and establish hours of operation.

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To protect the City from liability, the City and RD 2062 entered into an indemnity Agreement dated September 30, 2013 as required in the Third Amendment to the DA.

To clarify maintenance responsibilities, the City and RIPFA entered into a Maintenance Agreement on September 30, 2013 to assign maintenance responsibility to RIPFA for public facilities, including Wet Parks. This Maintenance Agreement referenced existing adopted City maintenance standards. This Maintenance Agreement also confirmed formation by RIPFA of a Community Facilities District 2013-01 to fund the obligations undertaken pursuant to that Maintenance Agreement. Section 1.2, "Failure to Perform" of the Maintenance Agreement detailed City's right to maintain the Public Facilities, the City's responsibility to notify RIPFA of the specific deficiencies and the actions required to be taken by RIPFA, and provided RIPFA thirty (30) days within which to commence, and thereafter diligently correct, remedy or cure the deficiency.

The City desires to acquire a right of reverter, or the right to take the Crystal Cove Park property back if it is not adequately maintained by RIPFA. The process is for the park land to be dedicated to the City, who will then dedicate it to RD 2062, but include the right to take the property back if it is not adequately maintained.

River Islands Development, LLC (RID) dedicated real property (Crystal Cove Park) to the City to be used solely for recreational purposes, specifically as a public park, in compliance with entitlements and approvals associated with "Parcel B" within the Final Map of River Islands Tract 3832, and all other applicable law, for the benefit of residents of the City of Lathrop, County of San Joaquin, State of California.

The City of Lathrop will subsequently deed Crystal Cove Park to Reclamation District 2062 (Attachment C), retaining a right of reverter in the event the park is not adequately maintained. There is no intent for the City to hold title to the property for any length of time.

Construction of Crystal Cove Park was guaranteed in the Subdivision Improvement Agreement approved by Council for Tract 3832. Performance and Labor/Materials Bonds were provided to the City to guarantee completion of these improvements, and will be released by the City upon acceptance of the improvements. A maintenance bond is not required because the park is being dedicated to RD 2062.

REASON FOR RECOMMENDATION:

The attached Resolution (Attachment "A") would authorize staff to accept the improvements to Crystal Cove Park and accept dedication of Crystal Cove Park parcel from River Islands Development, LLC to the City of Lathrop.

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FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF
CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062**

That Resolution would also authorize staff to subsequently dedicate Crystal Cove Park to Reclamation District 2062 for their ownership, while retaining a right of reverter.

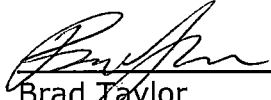
FISCAL IMPACT:

There is no budget impact to the City. All City costs are covered by development fees. Maintenance and operation costs for Crystal Cove Park are funded by RIPFA for maintenance Community Facilities District 2013-01.

ATTACHMENTS:

- A. Resolution Accepting Improvements to Crystal Cove Park and Dedication of Crystal Cove Park Parcel from River Islands Development, LLC and Approve Subsequent Dedication of Crystal Cove Park Parcel to Reclamation District 2062
- B. Location Exhibit Map
- C. Deed of Crystal Cove Park from City of Lathrop to Reclamation District 2062

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APPROVE DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS
DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO
RECLAMATION DISTRICT 2062
APPROVALS:



Brad Taylor
Associate Engineer

1-31-19

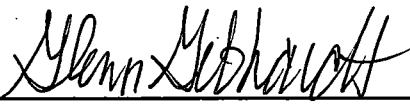
Date



Michael King
Assistant Public Works Director

1-31-19

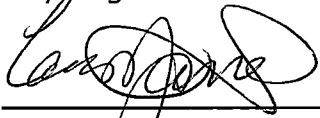
Date



Glenn Gebhardt
City Engineer

2-6-19

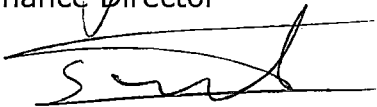
Date



Cari James
Finance Director

2/4/19

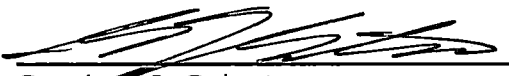
Date



Salvador Navarrete
City Attorney

2-6-19

Date



Stephen J. Salvatore
City Manager

2-2-19

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ACCEPTING IMPROVEMENTS TO CRYSTAL COVE PARK AND
DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS
DEVELOPMENT, LLC AND APPROVE SUBSEQUENT DEDICATION OF
CRYSTAL COVE PARK PARCEL TO RECLAMATION DISTRICT 2062**

WHEREAS, on August 1st, 2016, the City Council approved the Final Map of Tract 3832 for a residential development that is consistent with the West Lathrop Specific Plan (WLSP) and the River Islands Urban Design Concept (UDC); and

WHEREAS, Crystal Cove Park, is part of the East Village District of River Islands as described in the UDC, and is covered by the Final Map of Tract 3832, located on the west side of the San Joaquin River, north of Union Pacific Railroad; and

WHEREAS, on October 7, 2013, Lathrop City Council approved the Third Amendment to the 2003 Amended and Restated Development Agreement by and between City of Lathrop and Califia, LLC (Third Amendment); and

WHEREAS, the Third Amendment revised Section 5.02.03(d) "Ownership and Operation of Public Facilities" of that Development Agreement, to recognize that River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) would own, operate and maintain Wet Parks (as defined therein), provided the maintenance shall comply with or exceed then-existing, adopted City standards, with the understanding that the City may operate programs and establish hours of operation at Wet Parks; and

WHEREAS, it was decided that RD 2062 would own the property, and RIPFA would perform the maintenance for them so, the City and RIPFA entered into a Maintenance Agreement on September 30, 2013 to assign RIPFA maintenance responsibility for certain public facilities, including Wet Parks, and that Maintenance Agreement attached and referenced existing adopted City maintenance standards; and

WHEREAS, the Maintenance Agreement also confirmed formation by RIPFA of a Community Facilities District 2013-01 to fund the obligations undertaken pursuant to that Maintenance Agreement, and Section 1.2, "Failure to Perform", detailed City's right to maintain the Public Facilities and of the City's responsibility to notify RIPFA of the specific deficiencies and the actions required to be taken by RIPFA, and provided RIPFA thirty (30) days within which to commence, and thereafter diligently correct, remedy or cure the deficiency; and

WHEREAS, the City also needs to retain the right to force RD 2062 to re-convey Crystal Cove Park to the City in the event RIPFA the agency does not remedy or cure the specific maintenance deficiencies identified; and

WHEREAS, the City and RD 2062 entered into an indemnity Agreement dated September 30, 2013 as required in the Third Amendment to the DA; and

WHEREAS, River Islands Development, LLC (RID) has agreed to deed real property (Crystal Cove Park) to City to be used solely for recreational purposes, specifically as a public park, in compliance with entitlements and approvals associated with the Final Map of Tract 3832, and all other applicable law, for the benefit of residents of the City of Lathrop, County of San Joaquin, State of California; and

WHEREAS, the City of Lathrop is willing to subsequently deed Crystal Cove Park to Reclamation District 2062 to be used solely for recreational purposes, specifically as a public park, while including two conditions: 1) RD 2062 shall re-convey the property to the City of Lathrop if the City makes a determination that pursuant to Government Code Section 66477.5 the same public purpose for which the property was dedicated does not exist, or the property or any portion thereof is not needed as a public park, and 2) RD 2062 shall re-convey the property to the City of Lathrop if the City makes a determination that pursuant to Section 1.2 of the Maintenance Agreement, "Failure to Perform", RIPFA fails to commence within thirty (30) days, and thereafter diligently correct, remedy or cure the specific maintenance deficiency identified by the City in writing; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Lathrop that the improvements to Crystal Cove Park are hereby accepted, and dedication of the 3.1-acre Crystal Cove Park Parcel from River Islands Development, LLC is hereby accepted;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the subsequent dedication by the City of the 3.1-acre Crystal Cove Park Parcel to Reclamation District 2062, is also approved and is intended to be recorded immediately after acceptance of the Crystal Cove Park Parcel to the City.

The foregoing resolution was passed and adopted this 11th day of February 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

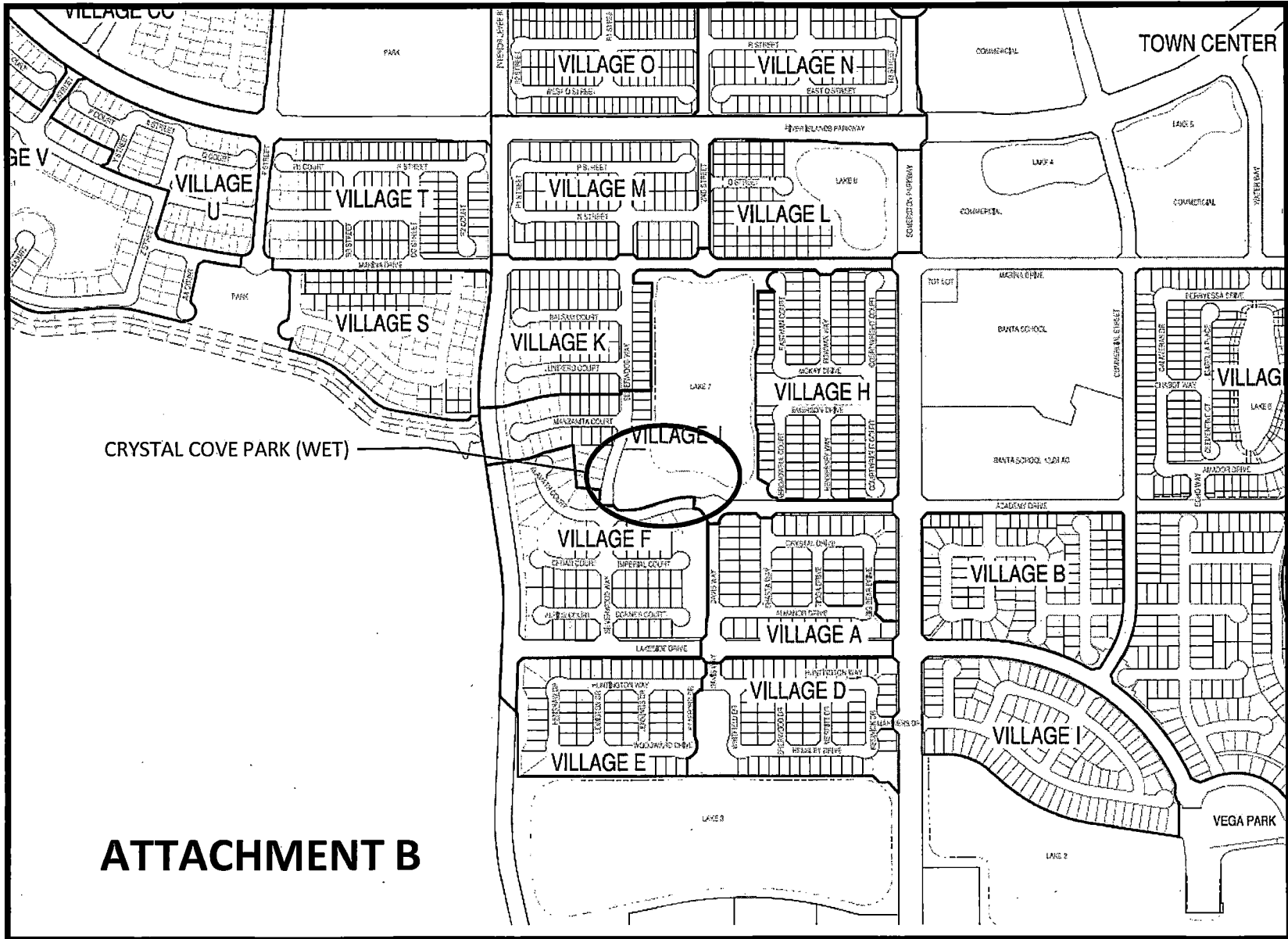
APPROVED AS TO FORM:

ATTEST:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney



CRYSTAL COVE PARK (WET)

ATTACHMENT B

RECORDING REQUESTED

BY: Old Republic Title

Company

Order No.: APN:

When Recorded Mail Document and Tax Statements to: SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

Islands Reclamation District
No. 2062
73 W. Stewart Road
Lathrop, CA 95330

Grant Deed

The undersigned grantor(s)
declare(s): Documentary
Transfer Tax is
() computed on full value of property conveyed, or
() computed on full value less of liens and encumbrances
remaining at time of sale. () Unincorporated area: (X) City of
Lathrop

FOR A VALUABLE CONSIDERATION, receipt of which is hereby
acknowledged, City of Lathrop, a municipal corporation

hereby GRANT(S) to
Island Reclamation District No. 2062,

that property in the City of Lathrop, San Joaquin County, State of California,
described as follows: "Parcel B" within the River Islands Final Map of Tract
3832.

The City of Lathrop deeds Crystal Cove Park to Island Reclamation District 2062
to be used solely for recreational purposes, specifically as a public park, while
including two conditions: 1) RD 2062 shall re-convey the property to the City of
Lathrop if the City makes a determination that pursuant to Government Code
Section 66477.5 the same public purpose for which the property was dedicated
does not exist, or the property or any portion thereof is not needed as a public
park, and 2) RD 2062 shall re-convey the property to the City of Lathrop if the
City makes a determination that pursuant to Section 1.2 of the Maintenance
Agreement, "Failure to Perform", RIPFA fails to commence within thirty (30)
days, and thereafter diligently correct, remedy or cure the specific maintenance
deficiency identified by the City in writing.

Date: _____

The City of Lathrop,
a municipal subdivision of the State of California

By: _____
Name
Its:

State of _____

County of _____

On _____ before me, _____
, a Notary Public, personally appeared _____
, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and
official seal.

Signature _____

Name _____
(typed or printed)

(Area reserved for official notarial seal)