



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Enter into an Agreement with the Irvine Company for Construction of a Tot Lot at Swegles Park and Adopt a Finding of Categorical Exemption Under CEQA Guideline 15303.

BACKGROUND

On August 13, 2012, the Planning Commission approved a planning application submitted by the Irvine Company for 955 Stewart Drive. The application was for a Special Development Permit for 186 residential rental units, vesting tentative map and mitigated negative declaration. The project had a number of conditions of approval including the possible dedication and improvement of approximately 0.62 acres of property for public park purposes. The proposed park land did not meet the City standard for soil contamination so it could not be accepted for use as a city park. Without land dedication, the project was required to pay a total park-in-lieu fee of \$3,018,864.82. On September 23, 2013, the 0.62 acre parcel originally planned for park purposes was approved by the Planning Commission for an additional 16 residential units. The additional 16 units required park fees of \$367,889.64. Irvine's final requirement for park fees as part of their development at 955 Stewart was \$3,386,754.46.

Swegles Park is located immediately north of the Irvine Company project at 545 Santa Real Avenue and was constructed in 2013 by the developer of the northerly property. The developer, WL Homes LLC, provided for land dedication and constructed the park improvements at no cost to the City. However, per the City's Park Design Guidelines, Swegles Park, a "Mini Park", should include a tot lot, and the City understood that additional improvements for Swegles Park would be funded and constructed at a later time.

EXISTING POLICY

General Plan Goal CC-11 - Provide a wide range of recreation programming.

ENVIRONMENTAL REVIEW

The project is exempt from CEQA -New Construction/Conversion of Small Structures (CEQA Guideline 15303).

DISCUSSION

During the entitlement process for the additional 16 residential units, the Irvine Company approached the City to explore the option of constructing a tot lot at the recently constructed Swegles Park. The Irvine Company has worked with staff to propose construction of the tot lot as a credit for part of their project park fees. To date, Irvine has paid all of their park fees, excluding \$400,000 that could be used towards construction of the tot lot.

Staff worked with representatives from the Irvine Company to develop a conceptual plan (Attachment 1) and cost estimate for the proposed tot lot. The design includes a play structure, swing set, sand box and trellis. As part of the proposal agreement, Irvine will receive credit for construction costs and permit fees but will fund the design and management of the project at no cost to the City. Additional key elements of the Agreement (Attachment 2) include:

- Irvine Company will require its contractor to pay prevailing wage to construct the project.
- A copy of the winning bid must be provided to the City for review.
- The maximum allowable credit for construction and permit fees is \$375,000.
- The tot lot must be completed within nine months of execution of the agreement.

Construction of the tot lot in partnership with the Irvine Company will allow a near term cost effective process to deliver the project. The tot lot will provide immediate benefits for residents in the area and serve as an amenity by providing park and open space benefits for future occupants at the Irvine development.

Parks and Recreation Commission Review and Recommendation

The Parks and Recreation Commission (PRC) reviewed a draft of this report at their March 12, 2014 meeting and voted unanimously to support staff recommendation of Alternative No. 1 which directs the City Manager to enter into an agreement with the Irvine Company for construction of a tot lot at Swegles Park. The PRC expressed support for the agreement and discussed it as a good option to help deliver a needed improvement.

FISCAL IMPACT

Park dedication fees are deposited into the City's Park Dedication Fund and used to construct park related improvements. Projects are evaluated every other year as part of the City's project budget process. Earmarking funds for this project removes those funds from the regular prioritization and evaluation process. Since the funds are only a small percentage of park fees the City collects, staff does not anticipate this will affect the planning and budgeting of other park projects.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

The PRC held a public hearing on a draft Report to Council at its March 12, 2014 meeting (Attachment 3).

ALTERNATIVES

1. Direct the City Manager to enter into an agreement with the Irvine Company for construction of a tot lot at Swegles Park.
2. Direct Staff to not pursue an agreement and collect any outstanding park fees from the Irvine Company.

COMMISSION/STAFF RECOMMENDATION

Alternative No.1: Direct the City Manager to enter into an agreement with the Irvine Company for construction of a tot lot at Swegles Park.

Since the developer is funding the design and project management at their own cost and are committed to construct the project within nine months, this agreement will allow construction of the tot lot as required by the City's Park Design Guidelines at a lower cost and faster schedule than if completed as a City project.

Prepared by: Manuel Pineda Assistant Director of Public Works

Reviewed by: Kent Steffens, Director, Public Works

Approved by: Robert A. Walker, Interim City Manager

ATTACHMENTS

1. Conceptual Plan
2. Agreement
3. Excerpt of Draft Parks and Recreation Commission Meeting Minutes of March 12, 2014.