



## SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 8.1e

**Meeting Date:** August 16, 2012

**Subject:** Northwest Land Park Development Project MOU

- ☐ Information Item Only
- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

**Division:** Board of Education.

**Recommendation:** Approve Memorandum of Understanding with the Northwest Land Park LLC (NWLP).

**Background/Rationale:**

Northwest Land Park LLC proposes to construct a residential/mixed-use community on approximately 31.7 acres within the Land Park Community Plan Area of the City of Sacramento. The development is located adjacent to Jedediah Smith Elementary School and Arthur A. Benjamin Health Professions High School.

The District currently owns a vacant two and a half acre parcel of land adjoining the elementary school site. The developer is interested in partnering with the District to develop the vacant parcel as Jedediah Farms which would be built as a model for green technology, sustainability, recycling, and safety and partnerships with the public sector, the private sector and the local community. Jedediah Farms would provide education to both students and the community in green technology, environmental protection, agriculture, health and nutrition.

A letter of intent between the District and NWLP was presented and discussed at the August 4, 2011 Board Meeting. The Memorandum of Understanding between the District and NWLP is now being presented for consideration and approval.

**Financial Considerations:**

The proposed Northwest Land Park Development project would generate approximately \$ \$2,952,152.00 in new developer fees based on the current developer fee rate of \$3.20 per square foot.

**Documents Attached:**

1. Executive Summary
2. Memorandum of Understanding (proposed)

**Estimated Time of Presentation:** N/A

**Submitted by:** Jim Dobson, Director II

**Approved by:** Jonathan P. Raymond, Superintendent

# Board of Education Executive Summary

## Board of Education

Northwest Land Park Development Project

August 16, 2012



### I. Overview/History of Department or Program

Northwest Land Park LLC (NWLP) proposes to construct a residential/mixed-use community on approximately 31.7 acres within the Land Park Community Plan Area of the City of Sacramento. The development is located adjacent to Jedediah Smith Elementary School and Arthur A. Benjamin Health Professions High School.

The District currently owns a vacant two and a half acre parcel of land adjoining the elementary school site. The developer is interested in partnering with the District to develop the vacant parcel as Jedediah Farms which would be built as a model for green technology, sustainability, recycling, and safety and partnerships with the public sector, the private sector and the local community. Jedediah Farms would provide education to both students and the community in green technology, environmental protection, agriculture, health and nutrition.

### II. Driving Governance:

Board Policy 1000 states: "The long-term success of the greater Sacramento community is dependent upon the establishment and maintenance of strong, healthy and vibrant neighborhoods. The City and school districts can foster this endeavor by working together to provide a necessary component of a strong community - a "neighborhood place" or "center" where the goals of children, youth, families, and community can come together. Schools as "neighborhood places" or "centers" can strengthen a community's sense of identity, coherence and consensus".

Board Policy 1400 states: "The Governing Board recognizes that agencies at all levels of government share its concern and responsibility for the welfare, health and safety of youth. The Board and District staff shall take every opportunity to work cooperatively with these agencies for the benefit of our students. The Superintendent or designee shall initiate and maintain good working relationships with representatives of these agencies in order to help our schools and students make use of the resources which governmental agencies can provide.

The District may enter into agreements with other agencies which involve the exchange of funds or reciprocal services. Such agreements shall be approved by the Board and executed in writing."

Board Policy 7211 states: "In order to finance the construction or reconstruction of school facilities needed to accommodate students coming from new development, the Governing Board may establish, levy and collect developer fees on residential, commercial and industrial construction within the District, subject to restrictions specified by law and administrative regulation".

# Board of Education Executive Summary

## Board of Education

Northwest Land Park Development Project

August 16, 2012



- Operational Expectations 7 – Asset Protection
- Operational Expectations 13 – Facilities
- BP 3511 – Grimes-Kennedy Green and Grid Neutral Model Schools Policy Initiative

### III. Budget:

The proposed Northwest Land Park Development project would generate approximately \$2,952,152 in new developer fees based on the current developer fee rate of \$3.20 per square foot.

### IV. Goals, Objectives and Measures:

- To improve the lives of SCUSD students who live in the attendance boundaries of Jedediah Smith Elementary School and Arthur A. Benjamin High School through the revitalization of the community where the students live.
- To improve the existing school facilities through the use of grant funds and developer fees.
- To enhance joint-use opportunities at Jedediah Smith and Health Professions High School.

### V. Major Initiatives:

This is a major development (see Overview above) by NWLP which requires coordination between NWLP, as the developer, the District, the City of Sacramento and other public agencies.

### VI. Results:

Improvement and enhancement of educational uses and neighborhood-serving community space as described in the Memorandum of Understanding.

### VII. Lessons Learned/Next Steps:

- Board approval/ratification of a Memorandum of Understanding with Northwest Land Park LLC.
- Board approval/ratification of a Memorandum of Understanding with other public agencies, as necessary, with the City of Sacramento and the Housing Authority of the City of Sacramento to participate in the Choice Neighborhoods Initiative Application and Planning Grant.
- Research and secure additional funding sources from the Sacramento Municipal Utility District (SMUD), the Department of Housing and Urban Development, and other agencies.

## **MEMORANDUM OF UNDERSTANDING**

### **NORTHWEST LAND PARK PROJECT - JEDEDIAH FARMS, NEIGHBORHOOD CENTER AND OPEN SPACE PLAN**

This Memorandum of Understanding (“MOU”) is entered into as of August 16, 2012, by and between Northwest Land Park LLC (“NWLP”) a California limited liability company, the City of Sacramento, a municipal corporation (“City”) and Sacramento City Unified School District, a public school district (“District”) (collectively, the “Parties”).

#### **RECITALS**

A. WHEREAS, NWLP proposes to construct a residential/mixed-use community on approximately 31.7 acres within the Land Park Community Plan Area of the City of Sacramento (“Development”). The Development is located adjacent to the District’s Jedediah Smith Elementary School (“Elementary School”) located at 401 McClatchy Way and adjacent to the District’s Arthur A. Benjamin Health Professions High School (“High School”) located at 451 McClatchy Way (“Elementary School” and “High School” are referred to collectively as “Schools”).

B. WHEREAS, the Development plan includes a new 4.32 acre neighborhood park adjacent to the High School and Elementary School, with retention of an existing 11,000 square foot wholesale produce building at the park to be refurbished (adaptive reuse) as a neighborhood center (“Neighborhood Center”), and a multi-use trail to extend from the neighborhood park into the School property to allow for public access to Jedediah Farms, along with design of the neighborhood park to be integrated with the adjacent open space areas on the School sites to connect and integrate the Development and both Schools and to the surrounding areas and neighborhoods (collectively the “Open Space Plan”).

C. WHEREAS, the District is authorized by State statute to levy school impact or developer fees on residential and commercial/industrial development for the purpose of funding the construction or reconstruction of school facilities. Impact fee revenues cannot be used to cover operation and maintenance costs. The District’s developer fee rates effective as of the date of this Agreement are \$3.20 per square foot, and are subject to annual adjustment consistent with statutory authority.

D. WHEREAS, NWLP will be subject to the developer fees in connection with its proposed Development, as the Development will generate new students in the District and, in particular, will likely impact the Elementary School. The total developer fees for the proposed Development are currently estimated to be \$2,952,152.00, based

upon the anticipated number of new residents and the corresponding student generation rate (amount to be adjusted per actual permits issued).

E. WHEREAS, the Elementary School is located adjacent to the public housing communities of Marina Vista and Alder Grove and the 751 housing units in these communities serve as the main feeder communities for the Elementary School.

F. WHEREAS, the Elementary School is in Program Improvement at this time, and is one of the more significantly underperforming schools out of the District's 54 elementary schools.

G. WHEREAS, NWLP is interested in supporting the District in its efforts to provide locally grown, healthy foods to school cafeterias and to promote healthy eating in the District's curriculum and practice.

H. WHEREAS, NWLP and the City are interested in partnering with the District to create an educational, sustainable garden on the District-owned vacant two and a half-acre parcel adjoining the Elementary School campus ("Jedediah Farms"). Jedediah Farms would be built as a model for green technology, sustainability, recycling, and safety and partnerships with the public sector, the private sector and the local community. Jedediah Farms would provide education to both students and the community in green technology, environmental protection, agriculture, health and nutrition.

I. WHEREAS, Jedediah Farms and open space areas in the Development will seek to showcase best practices for an urban farm and community gardens. The Development plan anticipates exploring development of greenhouses and open gardens, including fruit trees along walkways in the Development; possibly reserved gardens for adjacent School students and community members; energy efficient structures, clean energy generation, fresh water capture systems and grey water recycling to provide a venue for various educational programming such as urban farming, conservation, gardening and health/nutrition.

J. WHEREAS, Jedediah Farms and the Open Space Plan are anticipated to create a positive relationship between the community and the Schools, and are anticipated to increase School attendance, bring a sense of pride to the students and the community, and improve the education and nutrition of the students and their communities.

K. WHEREAS, the District recognizes the value of improving the Elementary School as a model educational facility, including using "green" and sustainable renovation and facility systems, building positive connections to the surrounding neighborhood, and creating the highest quality learning environment. The District would like to work with NWLP and the City to localize the developer fee funding generated by

NWLP to construct the Jedediah Farms improvements to the Elementary School and the Open Space Plan within the District's property.

L. WHEREAS, use of NWLP park fees paid to City to improve District's property for development of Jedediah Farms is contingent on District conveying to City a recreation easement over that portion of the School property and an agreement between the District and the City to allow for public use of Jedediah Farms during non-School hours.

M. WHEREAS, NWLP acknowledges that it is statutorily obligated to pay school impact/developer fees in connection with its proposed Development; and the District acknowledges that it is statutorily authorized to utilize these fees for capital projects as it deems appropriate within the District.

N. WHEREAS, Chapter 16.64 of the City Code implements California Government Code section 6477, which is commonly known as the Quimby Act. The statute provides that "[t]he land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision." (Gov. Code, § 6477, subd. (a)(3).) The City Code further provides that "[f]ees collected pursuant to this chapter shall be used and expended solely for the acquisition, improvement, and expansion of the public parks, playgrounds and recreational facilities reasonably related to serve the needs of the residents of the proposed subdivision." (City of Sacramento Code, Section 16.64.060.)

O. WHEREAS, NWLP acknowledges that it is statutorily obligated to dedicate land or pay Quimby fees in connection with its proposed Development; and the City acknowledges that it is statutorily authorized to utilize Quimby fees for acquiring new parkland or developing new or rehabilitating existing recreational facilities, public parks or playgrounds.

P. WHEREAS, Chapter 18.44 of the City Code implements California Government Code section 66000 *et seq.* Government Code section 66000 *et seq.* allows a municipality to create a development fee for any purpose as long as the municipality explains the purpose and justifies the nexus. (See, e.g., Gov. Code, § 66001.) The City has created the Park Development Impact Fee (PIF) for this purpose.

Q. WHEREAS, Chapter 18.44 of the City Code provides that the City may use the PIF fees for several purposes including the development of neighborhood- or community-serving "park facilities" or to refund/credit developers for "park facilities" they construct. (City Code, §§ 18.44.020, 18.44.110, 18.44.160.) Chapter 18.44 defines "park facilities" as "parks and recreation facilities to be designed, constructed and installed to meet the needs of and address the impacts caused by the additional persons residing or employed on property as a result of new development, which improvements,

infrastructure, and facilities are described in the nexus study, and the costs of the design, construction and installation of which are to be financed by the park development impact fee program.” (City Code, § 18.44.010.)

R. WHEREAS, NWLP acknowledges that it is obligated to construct park improvements or pay PIF fees in connection with its proposed Development; and the City acknowledges that it is authorized to utilize PIF fees for developing park and recreational facilities.

S. WHEREAS, NWLP and the City entered into a Development Agreement for Northwest Land Park (“Development Agreement”) dated September 28, 2011. The Development Agreement governs construction and implementation of the Development and includes commitments by City as to priority of expenditure of the Quimby and PIF funds paid by NWLP.

### **AGREEMENT**

NOW, THEREFORE, the Parties mutually agree as follows:

1. The above recitals are true and are incorporated by reference.
2. By and through this MOU, NWLP agrees it shall:
  - a. Present to the District and City, on or before December 31, 2012, draft master plan(s) for Jedediah Farms and the Open Space Plan. Final review and approval of the master plan(s) shall be pursuant to the terms of the Development Agreement and agreement between the District and the City.
  - b. Pay its statutorily mandated school impact developer fees to the District in connection with the Development.
  - c. Enter into a Credit/Reimbursement Agreement with the City and a construction agreement with the District whereby NWLP shall construct Jedediah Farms on District property and City shall grant credits against NWLP’s Quimby obligation for the value of the easement conveyed from the District to the City and a credit against its PIF obligation for the costs of construction based on the approved budget for Jedediah Farms development as set forth in the Credit/Reimbursement Agreement.



d. As part of the Development plan and private recreational facilities, and pursuant to the terms of the Development Agreement, NWLP will construct a bicycle and pedestrian trail (“Setzer Run”) along with a path through the neighborhood park that connects the Development to pedestrian and bicycle trails on 5th Street, as well as from the western portions of the Development site to connect to a future public trail to Miller Park, which provides access to the Sacramento River and the Docks Promenade.

e. Renovate the approximately 11,000 square foot bow-truss warehouse building located within the neighborhood park site to ensure the building shell is structurally sound, free of hazardous materials, compliant with current code standards as of the date of transfer of ownership, and appropriately weatherized in accordance with the Development entitlements, the Development Agreement and the transfer agreement. The building shall be dedicated to the City for use as a Neighborhood Center. The City will work cooperatively with the District if it desires to obtain rights to use the Neighborhood Center to provide educational or enrichment programs.

f. Upon developing the open air market along Festival Street as set out in the Development plan, NWLP shall provide vendor space to the District, at no cost to the District, for the District’s sale of food to the public. Such vendor space shall not exceed 400 square feet.

g. Provide or cause to provide Broadband fiber to the Elementary School and High School under the following terms and conditions:

- (i) To a single point at the High School facility and a separate single point (if needed) at the Elementary School facility as mutually determined by NWLP and the District.
- (ii) The connection points addressed in subdivision (i) above shall be provided concurrently with the development of the Phase 3 portion of the Development.
- (iii) The physical infrastructure facilities for Broadband Fiber to be provide or caused to be provided at no cost to the District. After installation, the District shall be solely responsible for third party access and usage charges, if any.

h. Pay to the City the statutorily required Quimby Fees. The City shall utilize such Quimby Fees as set forth in the Development Agreement.

i. Pay to the City the PIF fees, consistent with the requirements set forth in Section 18.44 of the City Code. The City shall utilize such PIF fees as set forth in the Development Agreement.

3. By and through this MOU, the District agrees it shall:

a. Utilize all of the Development's school impact developer fees as follows: first toward improving the Elementary School as a model educational facility, including using "green" and sustainable renovation and facility systems, building positive connections to the surrounding neighborhood, creating the highest quality learning environment; and second to install appropriate security features to allow for joint use of the Elementary School and High School.

b. Subject to the Civic Center Act as set forth in the California Education Code, work with NWLP and the City to develop appropriate joint use or other agreements for non-School related daytime use by the public and maintenance of Jedediah Farms, along with other outdoor areas, parking facilities, offer District programs at the Neighborhood Center, and use of certain on-site school facilities including, but not limited to, computer labs, gymnasiums, multi-purpose rooms, and theaters, as may be applicable to programs operated by City or by the Development's homeowner's association.

c. Work with the City and NWLP to facilitate construction of Jedediah Farms on District property.

d. Ensure that all proceeds from food sales from the vendor space provided by NWLP at the Open Air Market shall be for the sole benefit of the Elementary School and High School subject to approval of the Board of Education and legal requirements imposed on the District.

e. Provide easements to NWLP as necessary to allow access for installation and ongoing maintenance of Broadband fiber to a single point at the High School facility and a separate single point (if needed) at the Elementary School facility.

f. Endeavor to establish and implement a "greening" plan for the Elementary School.

4. By and through the Development Agreement, the City acknowledges that it shall:

a. Enter into a Credit/Reimbursement Agreement with NWLP whereby NWLP shall construct Jedediah Farms as a turnkey project.

b. Accept NWLP's dedication to the City of the Neighborhood Center, after NWLP has completed renovations to the building envelope of the approximately

11,000 square foot bow-truss warehouse building located within the Development to ensure the building is structurally sound, free of hazardous materials, and appropriately weatherized.

5. By and through this MOU, the City agrees that it will:

a. Subject to the Civic Center Act as set forth in the California Education Code, work with the District to develop appropriate joint use or other agreements for non-School related daytime use by the public and maintenance of Jedediah Farms, along with other outdoor areas, parking facilities and certain on-site school facilities including, but not limited to, computer labs, gymnasiums, multi-purpose rooms, and theaters, as may be applicable to programs operated by City or by the Development's homeowner's association.

b. Work with the District to develop appropriate joint use or other agreements for School related use of the Neighborhood Center, as may be applicable to programs operated by District.

c. Work with the District to plan the design of the neighborhood park as a larger open space area that encompasses a portion of the School property, and grant NWLP credits against its Quimby obligation for the value of the easement conveyed from the District to the City and its PIF obligation for the costs of construction of the improvements on District's property undertaken by NWLP based on the approved budget.

6. By and through this MOU, NWLP and the District agree to work cooperatively to:

a. Attempt to secure grants from Sacramento Municipal Utility District, and to explore other available grant programs and funding mechanisms to the extent practicable, for "greening" the Elementary School, building and operating Jedediah Farms, and furnishing and programming/operating the Resource Center.

b. Work with the Housing Authority and other stakeholders to reinstate before and after school programs for the neighborhood residents on the Elementary School site.

c. Participate in the transformation plan under the Choice Neighborhoods Grant application to be submitted to the Department of Housing and Urban Development regarding planning for a revitalization of the entire 160+/-acre neighborhood surrounding the Elementary School and High School.

7. This MOU may be executed in one or more counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized officers to be effective as of the date of final execution.

Date: Northwest Land Park LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: City of Sacramento

By \_\_\_\_\_  
James L. Combs,  
Director, Parks and Recreation Department

ATTEST:

By \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_  
Deputy City Attorney

Date: Sacramento City Unified School District

By: \_\_\_\_\_  
Its: \_\_\_\_\_