

5

**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

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December 22, 1987

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DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

**Budget and Finance Committee
Sacramento, California**

Honorable Members in Session:

SUBJECT: Natomas Oaks Park - Transfer of Fee Credits

SUMMARY

This report provides information on the dedication of the Natomas Oaks community park site. This report recommends that City Council, by resolution, allow the use of excess park dedication credits toward other fees and charges related to development in South Natomas by the developer, Lee Sammis Company.

BACKGROUND INFORMATION

The undeveloped Natomas Oaks park site is located at the intersection of Garden Highway and Gateway Oaks Drive, just west of Highway 5. This approximately 11.2 acre community park will serve the high-density Natomas Oaks residential subdivision. Approximately half of this site contains one of the few remaining stands of original upland terrace oak forest, with trees ranging from 100-300 years old. The western half of this site contains open space, with several large trees located in the southwest corner of the site.

Natomas Oaks Park was acquired through Quimby-required parkland dedication. The Quimby Act enables the City to require parkland dedication or in-lieu fees from developers to provide for open space and recreation in residential subdivisions. In addition, the Quimby Act requires that the dedication or fees collected within a community be expended for park development to serve that community.

Inasmuch as the trees on the Natomas Oaks park site may restrict the way in which development occurs, therefore affecting land values, the Planning Department made an analysis of the site. They have concluded that with appropriate mitigation; i.e. reforestation, the building envelopes created for a residential subdivision on this site would have significantly more value than other residential areas devoid of trees. In addition, an appraisal conducted by David E. Lane, M.A.I. in 1980 concluded that the trees and the opportunity to build cluster homes increased the value of this site.

On July 24, 1980, the Natomas Oaks park site was appraised by David E. Lane at \$682,500 or \$61,554 per acre. This appraisal was based on purchase price of land in the immediate area. Acreage cost per acre of land in the immediate vicinity has been \$231,947 since 1983 (Exhibit A). On September 20, 1983, the City credited Angelo Tsakopoulos and Angelo Tsakopoulos Developments, Inc. for its 4.817 acres Natomas Oaks dedication, with a total calculated dollar value of approximately \$290,949 (City Agreement No. 83042). On June 24, 1980, Gateway Center Associates acquired Morrison Homes Corporation's interest in the other 6.437 acres that comprise the Natomas Oaks park site. In-lieu fee credit for the dedication by Gateway was calculated at \$396,277. On October 8, 1983, Gateway, together with Tsakopoulos, dedicated this park site to the City. The acreage dedicated by Gateway, however, was not formally deeded to the City at that time.

At the time of the dedication by Gateway, it was projected that the residential subdivisions in South Natomas would in fact require more than the \$396,277 (6.437 acres) for compliance with the Quimby Act. Subsequently, most of the residential subdivision areas have been rezoned to commercial uses which are exempt from Quimby fees. Currently, the only Gateway owned subdivision within the South Natomas area, Willow Creek, requires a dedication of only 2.464 acres, thus leaving a balance of 3.973 acres or an in-lieu fee credit of \$244,556.47. (Exhibit B provides a map of these areas.) Gateway now desires to apply this credit toward Facilities Benefit Assessment District fees or any other fees or charges required for the Willow Creek parcel map. An agreement is necessary for this arrangement.

FINANCIAL DATA

The current parkland dedication of 6.437 acres of the Natomas Oaks community park site by Gateway Center Associates has a total value of \$396,227. Only 2.464 acres are currently required, leaving a balance of in-lieu fee credit in the amount of \$244,556.47. This amount is to be applied toward any Benefit Assessment District fees or other fees and charges related to the Willow Creek parcel map.

RECOMMENDATION

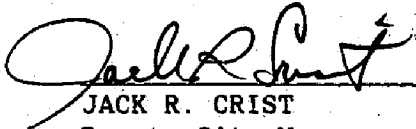
This report recommends that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, this report recommends that City Council, by resolution, authorize the City Manager to enter into an agreement between Gateway Center Associates, Willow Creek

Associates and the City, in order to allow application of in-lieu Quimby fee credits toward Benefit Assessment District fees relating to the Willow Creek parcel map.

Respectfully submitted,

for - G. Eiling Luzzo
ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



JACK R. CRIST
Deputy City Manager

RPT:hw
Attachment.

January 26, 1988
District 1

RESOLUTION No.

Adopted by The Sacramento City Council on date of

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO
AN AGREEMENT BETWEEN GATEWAY CENTER ASSOCIATES,
WILLOW CREEK ASSOCIATES AND THE CITY TO ALLOW
APPLICATION OF IN-LIEU QUIMBY FEE CREDITS
RELATING TO WILLOW CREEK PARCEL MAP**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

**That the City Manager is hereby authorized to enter into an agreement
between Gateway Center Associates, Willow Creek Associates and the City, in
order to allow application of in-lieu Quimby fee credits toward Benefit
Assessment District fees relating to the Willow Creek parcel map.**

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A

SOUTH NATOMAS COMPARATIVE SALES

TRANSACTION	DATE	ZONING	ACRES	PRICE	COST/ACRE
Park El Camino	Feb 83	Unzoned	20.39	\$4,000,000	\$196,175
Angelo to KCS	Feb 83	BP	52	\$12,360,000	\$237,692
Commonwealth to State Comp	May 83	BP	4.16	\$2,178,000	\$523,558
Angelo to Brupe	1984	Multi Family	33	\$3,350,000	\$101,515
KCS to Giannoni	Mar 84	BP	5.61	\$2,775,000	\$494,652
Sammis to Giannoni I	Oct 84	BP	4.24	\$1,775,000	\$418,632
Ose to McCuen and Steele	Nov 84	BP & Res	178	\$35,000,000	\$196,629
Sammis to Sac Savings	Dec 84	BP	5	\$2,475,000	\$495,000
Commonwealth to Giannoni II	Mar 85	BP	3.86	\$2,350,000	\$608,808
Sammis to Giannoni III	Mar 85	BP	6.5	\$3,450,000	\$530,769
McCuen and Steele to KCS	Apr 85	Commercial	10.48	\$2,282,000	\$217,748
Sammis to KOVR	Aug 85	BP	5.74	\$1,000,000	\$174,216
Sammis to Nielson	Feb 86	MRD	27.6	\$7,213,536	\$261,360
Sammis to Nelson Rogers	Apr 86	BP	2.72	\$947,866	\$348,480
Nielson to Dewante	Fall 86	MRD	1.7	\$630,000	\$370,588
KCS to Vanir	Jul 87	BP	6	\$2,550,000	\$425,000
Sammis to Sac Savings	Jul 87	BP	4	\$1,716,000	\$429,000
TOTALS			371	\$86,052,402	
AVERAGE SELLING PRICE PER ACRE					\$231,947

EXHIBIT B

Approximate Area
of Re-zone

Willow Creek Area

Natomas Oaks Park Site

