

1 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
2 CHICO AS FOLLOWS:

- 3 1. With regard to DA Amendment No. 6, this Council, in exercising its independent judgment,
4 finds as summarized in the Preamble.
- 5 2. That DA Amendment No. 6, as set forth in Exhibit "T" hereto, is hereby approved.
- 6 3. On or after the effective date of this ordinance the City Manager is authorized and directed to
7 execute Amendment No. 6 of the Development Agreement on behalf of the City of Chico.
- 8 4. Within 10 days after DA Amendment No. 6 has been fully executed, the Clerk is authorized
9 and directed to cause it to be recorded in the Office of the Butte County Recorder.

10 THE FOREGOING ORDINANCE WAS ADOPTED at a meeting of the City Council of the
11 City of Chico held on **November 21, 2023** by the following vote:

12 AYES: **Bennett, Morgan, Tandon, van Overbeek, Winslow, Reynolds, Coolidge**

13 NOES: **None**

14 ABSENT: **None**

15 ABSTAINED: **None**

16 DISQUALIFIED: **None**

17 ATTEST:

APPROVED AS TO FORM:

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20 

21 Deborah R. Presson
22 City Clerk

Gloria V. Ramirez, Esq.
Gloria V. Ramirez, Esq. (Sep 26, 2023 11:20 PDT)
On Behalf of the _____, City Attorney*

*Pursuant to The Charter of
the City of Chico, Section 906(E)

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Exempt from payment of recording fees pursuant to §6103 and §27383 of the California Government Code.

After recording, return to:
City Manager
City of Chico
P. O. Box 3420
Chico, CA 95927-3420

Original DA Recorded 08/08/2007 See Serial No. 2007-0037817 Amendment #1 Recorded 08/24/2009 See Serial No. 2009-0030734 Amendment #2 Recorded 04/16/2010 See Serial No. 2010-0012310 Amendment #3 Recorded 11/18/2010 See Serial No. 2010-0040388 Amendment #4 Recorded 09/25/2014 See Serial No. 2014-0030606 Amendment #5 Recorded 06/11/17 See Serial No. 2017-0023599

DEVELOPMENT AGREEMENT

CITY OF CHICO/MERIAM PARK, LLC (DA 05-02)

THIS AMENDMENT NO. 6 TO DEVELOPMENT AGREEMENT (“Agreement”) is made this ____ day of _____, _____, between the CITY OF CHICO, a municipal corporation, (“the City”), and GONZALES DEVELOPMENT COMPANY, LLC, a California limited liability company, and all affiliated companies, and WEBB HOMES, A General Partnership, (collectively referred to as “Meriam”, individually referred to as “Specific Developer”), and any Successors and/or Assigns of Meriam, was made pursuant to the authority of Sections 65864 through 65869.5 of the California Government Code and Chapter 19.32 of the Chico Municipal Code.

The Agreement was recorded on August 8, 2007, as document 2007-0037817 of the Butte County Clerk-Recorder’s Office, and amended on August 24, 2009, pursuant to recorded document 2009-0030734 of the Butte County Clerk-Recorder’s Office, and further amended on April 16, 2010, pursuant to recorded document 2010-0012310 of the Butte County Clerk-Recorder’s Office, and further amended on November 18, 2010, pursuant to recorded document 2010-0040388 of the Butte County Clerk-Recorder’s Office, and further amended on September 25, 2014, pursuant to recorded document 2014-0030606 of the Butte County Clerk-Recorder’s Office, and lastly amended on June 11, 2017, pursuant to recorded document 2017-0023599 of the Butte County Clerk-Recorder’s Office.

WHEREAS, the parties now desire to make certain further amendments to the Development Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. Sections 1.4, 2.3, 2.7, 3.2, 3.3, 3.4, 3.5, 3.7, 3.9, 4.5, 7.12 and 7.14 of the Agreement is amended as follows:

SECTION 1.4 Project Description. The development of the Property pursuant to this Agreement consists of the certain aspects of the implementation of the Meriam Park Master Plan as described and depicted set forth in Exhibit "C" ("Master Plan") which provides for the development of the Property with a mixed-use development in compliance with the TND Regulations adopted by the City, which development will consist of a maximum of 3,200 residential units, a current anticipated buildout of 1,667 units (originally proposed to be a build-out scenario of approximately 2,300 residential units), a maximum of 205,000 square feet of retail space and a maximum of 980,000 square feet of commercial and civic development, approximately 29 acres of open space and park elements and related public infrastructure all as further described in the certified Environmental Impact Report for the Meriam Park Program EIR, and as set forth by the terms and conditions of this Agreement. In the event of any inconsistencies between the Project Description and this Agreement, the terms of this Agreement shall govern.

In addition to the development of the Property subject to this Agreement as described above, the Meriam Park project ("Project") includes a 4.29-acre site where the State of California constructed a 60,000 square-foot courthouse. While the courthouse site is not subject to this Agreement, traffic attributable to the courthouse shall be included in calculating Meriam Park's project-wide PM peak-hour trips for the purposes of tracking Roadway Improvement requirements pursuant to Section 3.2 of this Agreement.

SECTION 2.3 Project Approvals. Pursuant to the provisions of Section 19.32.060 of the Chico Municipal Code, it is the express intent of the parties that the development of the Property and the Project, be controlled, and is hereby authorized, by the adoption of this Agreement. The parties acknowledge that development of the Project and the implementation of this Agreement will require approval by the City of various applications and certain other actions by the City. The City hereby commits itself to take such actions required to permit the implementation of the Project. The City shall not impose any condition on the approval of any such entitlements, permits or other actions which changes the permitted development and use of the Property from that shown in the Project Description. The City agrees that it shall timely process the entitlement applications as submitted by Meriam or as may hereinafter be modified or any subsequent applications that Meriam may file. The parties agree that the City's approvals of such applications and any amendments that may from time to time be made to same, shall be consistent with this Agreement and the Project Description. Upon approval of such applications, Meriam's rights in each of those authorizations shall be further deemed to be vested.

SECTION 2.7 Processing Fees and Charges. Meriam shall pay those processing, development and impact fees and charges of every kind and nature imposed or required by the City or other entities covering the actual costs of the City as follows:

1. Meriam shall pay such fees for processing applications, tentative subdivision maps, final maps, building permits, encroachment permits or other ministerial permits, boundary line modifications, mergers, or abandonments as necessary to undertake the

project, and as are applicable to the specific application or permit at the time the application therefore is submitted.

2. Meriam shall pay such development impact fees applicable to development of the Project as are in effect at the time they are due. However, it is acknowledged that Meriam shall not be required to pay sewer trunkline fees because the Property is located within the Southeast Chico Sewer Assessment District (SECSAD), and has previously paid assessments for such improvements. Notwithstanding, should the City in the future determine a new trunkline improvement and Development Impact Fee (DIF) Program fee associated with it, to which the Project contributes an impact, the Project shall pay such new fee in accordance with the Chico Municipal Code.
3. Meriam shall receive a credit against the development impact fees imposed herein when such credit is applicable under the Chico Municipal Code and in the amounts as calculated pursuant to the Chico Municipal Code. Meriam shall receive credits against neighborhood park fees and greenway fees as set forth in sections 3.3 and 3.4 of this Agreement.
4. It is acknowledged that Meriam sold one parcel within the Project depicted on Exhibit "C" as the Master Plan, which is the 4.29-acre site referenced in Section 1.4, above, to the State of California for development of a courthouse. The City was unable to collect any of the City's development impact fees, including but not limited to street facility fees, applicable to the type of use constructed for the state's use, as such fees are generally calculated by the City. The Parties agree that the fees due for the Street Facility Improvement component of development impact fees attributable to construction of the courthouse are equivalent to those costs from City reimbursements due to Meriam for the Phase 8 construction of DIF street facilities as contemplated in this Agreement, as such the Parties' respective offsetting debts for the Street Facilities are settled. In brief, Parties agree these counter-obligations cancel one another out, requiring no further action in satisfaction of offsetting debts for the Street Facilities obligations.

SECTION 3.2 Roadway Improvements.

1. All street improvements internal to the Meriam Park development shall be constructed by Meriam in conjunction with the development of each phase as required by each applicable regulating plan.
2. Certain improvements to segments of East 20th Street, Bruce Road and Notre Dame Boulevard adjacent to the Meriam Park development area shall also be constructed by Meriam as set forth below and illustrated on Exhibit "D" Meriam Park Roadway Improvements and Traffic Warrants.

Exhibit "D" consists of a table which identifies each segment of roadway improvement and the corresponding Meriam Park peak hour traffic warrant which triggers the construction of each segment. The table references the "Meriam Park 2009 Traffic Analysis" report prepared by the City of Chico's traffic consultant Whitlock & Weinberger Transportation, Inc., dated December 22, 2009. The second page of Exhibit "D" illustrates the location of the roadway segments.

To ensure timely improvement of roadway segments identified in Exhibit "D", Meriam shall provide an updated traffic analysis in conjunction with each subdivision improvement plan submittal to support the level of roadway improvement proposed within the subdivision improvement plans under consideration. The updated traffic analysis shall include existing and projected Meriam Park traffic levels affecting each segment identified in Exhibit "D", as determined necessary by the City, and shall set forth a time line for constructing roadway improvements for which traffic warrants have or will be met, in coordination with build out of specific subdivision phases.

Proper coordination of roadway improvements and project build out shall be assessed as part of the annual review set forth by Section 5 of this agreement. If the City finds during the annual review that Meriam has made unacceptable progress toward improving one or more identified segments for which traffic warrants have been met, then the City shall withhold issuance of any further building permits in Meriam Park until the needed roadway improvements are completed or substantially underway.

3. It is acknowledged that Meriam will be entitled to reimbursement for a portion of the costs of the installation of the improvements described above which are identified in the project listing of the City's DIF Study. These DIF Program Street Facilities are those facilities constructed within and adjacent to Meriam Park, which provide community-wide benefits and not solely benefit the Meriam Park project. These improvements currently include, but are not limited in the future, to the installation of a traffic signal at the intersection of E. 20th Street and Notre Dame Boulevard, the widening of E. 20th Street, the widening of Notre Dame Boulevard and the widening of Bruce Road, and the Notre Dame Boulevard extension over Little Chico Creek. All such reimbursement shall be made pursuant to a reimbursement agreement as provided in the Chico Municipal Code, or by establishment of street facility impact fee credits for up to 50 percent of the total reimbursement amount of DIF improvements for use toward subsequent development within Meriam Park.
4. Roadway improvements may be financed through a community facilities district or other appropriate financing mechanism, as approved by the City.
5. In the event that any of the improvements listed above are constructed by another party prior to the time Meriam's obligations for such construction arise, Meriam shall pay reimbursement fees as a benefitted property pursuant to Section 3.84 of the Chico

Municipal Code, in addition to payment of the applicable street facility fees during the development of the Project.

6. Improvements to City street facilities which are identified in the Meriam Park Program EIR as streets upon which traffic from the Project will have a cumulative impact and which are included in the list of projects for which the City collects street improvement facility fees shall be programmed in the City's Capital Improvement Plan for construction as determined by the City.
7. Meriam shall work cooperatively with the Butte County Association of Governments (BCAG) regarding public transportation facilities and bus routes within the Meriam Park Project.

SECTION 3.3 Parks and Greens. Parks and greens will be provided throughout the Project, in accordance with the TND Regulations. These parks and greens will be developed concurrently with the development of the subdivision in which they are located, and each individual park or green will be completed prior to issuance of any certificate of occupancy that would result in occupancy on more than 50% of the parcels that are both within 900 feet of that park or green and more than 900 feet from any other completed park or green in the Project. Parks and Greens are conceptually illustrated in Exhibit "E" ("Neighborhood Parks Illustrative Exhibit"), and shall meet the criteria set forth below.

1. Each of the two neighborhood parks will contain turf areas for play, benches, pathways, drinking fountains, and other facilities for unstructured recreation activities. The City acknowledges the requirement that Meriam construct a neighborhood park has been partially fulfilled with partial construction to date along the Little Chico Creek Greenway (shown as Neighborhood Park "A" on Exhibit "E") on the south side of the Greenway adjacent to Little Chico Creek Elementary School, which contains an active play area, a small sports field and picnic area. The remaining improvements for Park A shall be completed prior to August 31, 2024. A second neighborhood park (shown as Neighborhood Park "B" on Exhibit "E") shall also be built and completed prior to issuance of any certificate of occupancy that would result in occupancy of more than 50% of the parcels that are both on the north side of Little Chico Creek and within 900 feet of that park. The combined acreage of Park A and Park B shall be not less than six gross acres. All land necessary for parks will be dedicated to the City free of cost or credit offset.
2. Greens shall be a minimum of 0.25 acres in net size and include minimum dimensions measured at right angles, back of walk to back of walk. Greens with four or more sides shall provide a primary dimension of at least 150 feet and maintain a secondary dimension of at least 40 feet (measured at the narrowest point along the primary dimension). Triangular shaped greens shall provide two minimum dimensions of 150 feet.

In acknowledgment of different Specific Developers developing within Meriam, each Specific Developer shall provide and construct one or more greens within those specific phases of the Project under their respective ownership, as set forth on Exhibit "F".

The City shall reimburse the Specific Developer within Meriam for, the cost connected to the land dedication and construction of parks and greens by Meriam, except the lands dedicated for Parks A and B shall not be subject to reimbursement. All such reimbursements shall be made pursuant to a reimbursement agreement as provided in the Chico Municipal Code.

In the event that a residential property lies outside the 900-foot radius of any particular park or green, then the units constructed shall count toward the 50% occupancy trigger for the nearest park completion discussed above.

Meriam shall submit the design for Parks A and B to the City for review and approval by the Community Development Director prior to construction.

SECTION 3.4 Greenway and Greenway Improvements. Meriam shall design and construct a bike path along the north side of Little Chico Creek, as depicted in Exhibit "E." The bike path shall be completed prior to the completion of the Bruce Road Improvement Project from Humboldt Road to E. 20th Street.

It is acknowledged that Meriam is entitled to, and has used a portion of, a credit against greenway fees in the amount of \$157,087 based on the original dedication of the greenway land by Enloe, as set forth in the development agreement between Enloe Hospital and the City of Chico, dated February 25, 1997. The City shall also reimburse to Meriam, or give a credit for, as applicable, the costs connected with the construction of the greenway improvements required by this section.

SECTION 3.5 Repealed.

SECTION 3.7 Affordable Housing. The original affordable housing requirement in this Agreement was based on Meriam providing 15% affordable units using the "likely development scenario" from the EIR for an assumed build out of 2,300 residential units (or 345 affordable units). The current Meriam Park Master Plan anticipates a total of 1,667 residential units in Meriam Park. At all times, Meriam shall be required to adhere to the 15% affordable housing threshold at the Meriam Park development project. To maintain using a 15% provision of affordable housing within Meriam Park, this Section requires Meriam to provide a minimum of 250 affordable units. To date, ninety (90) units of affordable housing have been constructed for very low income households in the Parkside Terrace apartment complex. The North Creek Crossings project under construction in 2023 will provide an additional 160 affordable units, for a grand total of 250 affordable requirement provided within the Meriam Park development.

It is hereby acknowledged by the parties that Gonzales Development Company, LLC (“Gonzales Development Co.”) and Webb Homes, A General Partnership (“Webb Homes”), have entered into a private agreement whereby Gonzales Development Co. assumed any obligation of Webb Homes to provide affordable units within Meriam Park.

Upon the completion of 160 affordable units within the North Creek Crossings project, the requirement for the provision of affordable housing within Meriam Park as contemplated by this Agreement shall be considered fulfilled. However, should any of the Specific Developers construct more than the currently anticipated number of units on the remaining residential parcels, as listed on Exhibit F, then that Specific Developer shall (1) provide additional affordable units on that site or another Meriam Park parcel under the control of the Specific Developer which constructed the additional unit(s), or (2) reduce the number of anticipated units on another Meriam Park parcel under their control, such that the total number of affordable units in Meriam Park does not fall below the 15% affordable housing requirement threshold. Should a Specific Developer elect to reduce units on one of the sites under their control pursuant to the second option provided in this paragraph above, that Specific Developer shall notify the City in writing and the City Manager or his or her designee, shall report this information to the Chico City Council as part of the Annual Review pursuant to Section 5.1 of this Agreement.

SECTION 3.9 Transportation Management Association & Parking Benefit District.

A Parking and Transportation Management Association (the “Association”) has been created for the Project. The Association has as its members all owners of Property designated CORE. The purpose of the Association shall be to implement mitigation measures TRAF-1a, TRAF-1b and TRAF 8a and 8b as set forth in the certified Meriam Park Program EIR.

The Association shall be responsible for developing a parking and transportation management plan which ensures parking supplies within the CORE meet demand and to administer programs necessary to fulfill that duty. The Association shall have the power to impose assessment against its members as necessary to implement such programs. Upon request by the City, the Association shall report no more than annually to the City to document compliance with the mitigation measures referenced above, which report shall be reviewed during the annual review of this Agreement.

SECTION 4.5 Public Infrastructure Investments. Following the commencement of construction in the Core area of the Project, the City will consider whether there are potential infrastructure projects within the Project which could be eligible for public funding and for which such funds are available. Such infrastructure projects could include such things as the Notre Dame Bridge over Little Chico Creek, the completion of the Bruce Road widening, and the like.

SECTION 7.12 Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the City and Meriam, or Meriam’s assigns and successors.

Notice shall be effective on the date delivered in person, or the date when such notice is mailed to the address of the receiving party indicated below:

Notice to the City: City of Chico
Attention: City Manager
P. O. Box 3420
Chico, CA 95927

Notice to Meriam: Gonzales Development Company, LLC
P.O. Box 7063
Chico, CA 95927

Webb Homes, A General Partnership
121 Yellowstone Drive
Chico, CA 95973

SECTION 7.14 Exhibit "F" is hereby added to the Development Agreement, as set forth in Exhibit "F" attached hereto.

IN WITNESS THEREOF, the parties have duly signed this Amendment as of the date first written above.

Gonzales Development Company
A California Limited Liability Corporation

WEBB HOMES, A General Partnership, By
Gregory L. Webb, Inc.
A California Corporation, General Partner

_____*
By: Dan Gonzales
Managing Member

_____*
By: Greg Webb
President

CITY OF CHICO,
A Municipal Corporation

APPROVED AS TO FORM AND CONTENT:

_____*
By: Mark Sorensen, City Manager^{##}

_____, City Attorney^{**}

^{##} Pursuant to Council Action on _____

^{**} Pursuant to Chico Charter sec. 906.D

Approved pursuant to City of Chico City
Council Ordinance No. _____
Adopted _____

* Signatures to be acknowledged.

EXHIBIT "F"

SPECIFIC DEVELOPERS				
Undeveloped Residential Properties in Meriam Park				
Current Assessor's Parcel No.	Ownership	Area (Acres)	Remaining Residential Units	Remaining Parks/Greens Acreage
002-180-199	WEBB HOMES	24	350	0.9
002-180-228	MP NORTHFORK LLC PARK B GREENS	44	387	2.28 2.94
002-180-230	MP BUNGALOW COMMONS	14	117**	0.27
002-690-035	The MP BLOCKS LLC	3.85	96	0
002-690-036	The MP BLOCKS LLC	3.22	76	0
002-690-034	GONZALES FAMILY RESIDENTIAL LLC	0.37	12	0
002-690-037	GONZALES FAMILY RESIDENTIAL LLC	1.12	16	0
002-710-007	GONZALES DEVELOPMENT CO LLC	0.12	3	0
			Existing Units	610
Total Anticipated Residential Units in Meriam Park				1,667

** Remaining units for which construction has not started as of 09/21/2023.

Note: All of the parcels listed above, with the exception of 002-180-199 (Webb Homes), are owned by Gonzales Development Company, LLC, or its affiliated companies.