



## Staff Report

**TO:** City Council  
**FROM:** John Pinkney, City Attorney  
**DATE:** September 7, 2021  
**SUBJECT:** Fairway Canyon Park Agreement with SDC Fairway Canyon, LLC, LB/L – Suncal Oak Valley LLC, and Meritage Homes of California, Inc.

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### Background and Analysis:

City staff with the assistance of legal counsel has negotiated the attached Fairway Canyon Park Agreement ("Agreement") between the City, SDC Fairway Canyon, LLC, ("Developer") and Meritage Homes of California, Inc. ("Meritage"), regarding parks and park fees.

The City entered into a development agreement with the Developer's predecessor, LB/L – Suncal Oak Valley LLC, dated November 18, 2003, which was amended by Administrative Amendment No. 1 to the Development Agreement on June 15, 2020.

As provided in the development agreement, Developer has completed Trevino Park, Palmer Park, Nicklaus Park and Mickelson Park. The acceptance of Mickelson Park remains outstanding and is expected to be presented to the City Council for consideration in the near future. The park within Planning Area 21B ("PA 21B Park") is yet to be completed by the Developer.

PA 21B is an undeveloped portion of the Fairway Canyon development. Meritage Homes has acquired the tract and is in the early stages of the tract mapping process. The property is generally located north of Oak Valley Parkway at the extension of Tukwet Canyon Parkway.

The Agreement acknowledges that the value of the land dedicated or to be dedicated by Developer and Meritage is \$7,180,250 and the total value of the improvements for the Completed Parks (including Mickelson Park) exceeds \$8,558,000.

The Agreement provides that the Developer will offer to dedicate PA 21B Park to the City subject to City Council acceptance, that it has paid prevailing wages and that it will warrant Mickelson and PA 21B Park for one year.

As City staff has determined that the Developer has met its obligations under the development agreement for the dedication and improvement of parks, the Agreement provides that the City shall issue refunds of the following park fees: DR Horton \$199,326.34 (38 Units) and Woodside \$319,971.23 (61 Units).

**Fiscal Impact:**

The estimated cost to prepare this report is \$1,000.

**Recommended Action:**

Approve Fairway Canyon Park Agreement with SDC Fairway Canyon, LLC, LB/L  
– Suncal Oak Valley LLC and Meritage Homes of California, Inc.

**Attachments:**

A. Agreement