



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute the Fee Credit Agreement Amendment for Transit Area Specific Plan Public Facilities and Public Improvements at the 1425 S. Milpitas Blvd Project by Pulte Homes Corporation and approve the budget appropriation of \$242,000 from TASP to a non-departmental operating budget.
Category:	Consent Calendar-Community Development
Meeting Date:	4/20/2021
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Approve and authorize the City Manager to Execute the Fee Credit Agreement Amendment for Transit Area Specific Plan Public Facilities and Public Improvements at the 1425 S. Milpitas Blvd Project by Pulte Homes Corporation, and approve the budget appropriation of \$242,000 from TASP to a non-departmental operating budget.

Background:

On September 30, 2014 the City Council approved the public improvement plans and the Subdivision Improvement Agreement ("Agreement") for the Milpitas Station Project located at 1401 South Milpitas Boulevard by Milpitas Station (San Jose), L.L.P., a Delaware limited liability partnership ("Developer") within the Transit Area Specific Plan (TASP) Area.

On July 8, 2015 an Assignment of Subdivision Improvement Agreement ("Transfer Agreement") was entered into between the Milpitas Station LLLP and Pulte Homes Corporation, a Michigan corporation. The Transfer Agreement between Milpitas Station and Pulte Homes reassigned the requirements and obligations of the City Subdivision Improvement Agreement to Pulte Homes Corporation (Developer).

Projects within the TASP area are required to pay TASP Development Impact Fees (TASP Fee) to be used for the design and construction of public facilities and improvements within the TASP area. At the request of City, Pulte Homes reconstructed additional curb, gutter, and roadway pavement adjacent to the Union Pacific Railroad (UPRR) crossing as required to complete required road widening and rail crossing signal improvements. Staff needed to move quickly and authorize the work in order to meet UPRR's schedule and resolve the traffic light issues at Garden Street and South Milpitas Boulevard, which were a high priority for the community.

This additional work was outside the scope of what Pulte was originally required to construct. The actual cost of the additional curb, gutter and roadway pavement work constructed is \$242,000, and it is recommended that Pulte Homes Corporation be reimbursed for the cost of these improvements from TASP. A Fee Credit Agreement Amendment is proposed to allow for the reimbursement against the TASP Fee paid by the Developer for construction of public facilities and improvements, and the Fee Credit Agreement Amendment has been reviewed by the City Attorney as to form.

Analysis:

Staff recommends the City Council approve and authorize the City Manager to execute the Fee Credit Agreement Amendment for the construction of the TASP public improvements. The Developer will be reimbursed for the actual cost to construct the new public improvements, which is estimated not to exceed \$242,000.

Fiscal Impact:

The fee reimbursement for the public improvements would be funded by TASP Fees. The actual amount of the reimbursement will be based upon the actual cost for design and construction of the improvements. The maximum reimbursement amount is not to exceed \$242,000. A budget appropriation of \$242,000 from TASP into the non-departmental operating budget will be required.

California Environmental Quality Act:

The project is exempt under Section 15301 (Existing Facilities) of the CEQA Guidelines.

Recommendation:

Approve and authorize the City Manager to execute the Fee Credit Agreement Amendment with Pulte Homes Corporation for reimbursement of the actual cost of new public improvements to be constructed on South Milpitas Boulevard, and approved the budget appropriation of \$242,000 from TASP to a non-departmental operating budget.

Attachments:

1. Fee Credit Agreement Amendment
2. Fee Credit Agreement (Milpitas Station)
3. Budget Appropriation