

Materials Submitted

by Applicant

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San Juan Oaks, LLC, is formally requesting an amendment to their Development Agreement with San Benito County, in strict accordance with the Agreement unanimously approved by the Board of Supervisors at their November 20, 2018 meeting (see attached).

The County of San Benito, San Juan Oaks, LLC, and Pulte Home Corporation entered into a Development Agreement (DA), effective December 3, 2015. The DA included several areas of public benefit for the County, including a Community Benefit Fee (CBF) of \$5,559,000, to be paid in increments over the first three Final Maps of the project. In exchange, San Juan Oaks, LLC received a seven-and-a-half year "lock" (Fee Vesting Time Period) on certain impact fees at their December 3, 2015 amounts.

Implementation of the San Juan Oaks project has been delayed because Pulte Home pulled out of the project and is no longer an Owner under the DA. San Juan Oaks anticipates contracting with a replacement Owner developer in the near future. San Juan Oaks is seeking to amend the DA to account for the delay by extending the Fee Vesting Time Period while assuring that the County will receive the CBF in a timely manner and compensating the County for the Fee Vesting Time Period Extension.

The attached redline DA shows the amendments requested by San Juan Oaks and the additional consideration received by the County of San Benito, as per the approved November 20, 2018 Agreement referenced above and summarized here:

1. The Fee Vesting Time Period is extended for seven-and-a half years (plus six months) from the first residential building permit being issued.
2. The CBF is increased by \$500,000 to \$6,059,000, and is paid in full with the first residential building permit; and must be paid in full no later than March 31, 2021, regardless of when the first residential building permit is issued.
3. San Juan Oaks' offer of dedication of a Public Safety Facility Site shall remain open and shall not terminate fifteen (15) years following the offer.
4. Pulte Home Corporation is removed from the DA, and provision is made for another Owner developer to be inserted.

As part of the approval process for the San Juan Oaks project, and the DA negotiations with the County, Pulte Home contracted with Gruen, Gruen and Associates to prepare a financial analysis to confirm the revenue neutrality of the project. San Benito County had a peer review of the Gruen and Gruen analysis and the project's revenue neutrality was confirmed and acknowledged by the County in the DA (paragraph 3.12 (a)).

In fact, as the peer reviewed Gruen and Gruen analysis concludes, the project performs far better than "revenue neutral." At full build-out, the project results in a net financial benefit to San Benito County's General Fund of over one million dollars per year. This does not include the overall economic benefit to the community at large from the spending power of the active adult community residents, which is estimated to generate approximately \$40 million per year in economic output. It also does not include the \$3.4 million per year that goes to local school districts', even though the active adult community has no impact on the schools. Or the temporary and permanent jobs create by the project. The Gruen and Gruen study is attached.

In addition to the above, any analysis of the impact to the County of the extension of the Fee Vesting Time Period should include a present value analysis that recognizes the benefit of the County receiving \$6 million dollars cash "up front" versus receiving the full impact fees over the many year build-out of the project. A present value analysis is attached. And consider this — the \$6 million dollar cash up front payment by San Juan Oaks is the equivalent of paying the full current residential traffic impact fee for 438 units, fully 40% of the total residential build-out of the project ($\$6,059,000 / \$13,816 = 438$). . This payment must be paid in full with the first residential building permit or March 31, 2021, which ever comes first. This payment provides the County with a significant "insurance policy" if the project and permits are subsequently delayed. The County will have already collected, up front, the equivalent of 5 years of traffic impact fees (at approximately 90 permits per year).

Also attached is a hard copy of a power point presentation that outlines the many benefits of the project, including the financial benefits as referenced above, the 1,240 acres of open space, the farmland preserved, to the provision of much needed housing for the 55+ year old population, etc. All of these factors should be taken into account when analyzing San Juan Oaks request to extend the Fee Vesting Time Period.

San Juan Oaks Present Value Calculation

Assumptions

90 permits per year; 12-year build-out for the 1,084 homes

San Juan Oaks pays the residential traffic impact fee lock amount (\$5,130) for the first eight years and then the full amount (\$13,816) for years 9-12.

San Juan Oaks pays the full Community Benefit Fee amount (\$6,059,000) with the first residential building permit

Investment return on fees received by the County is 2%

Traffic Impact Fee Lock Calculation

Year 1	\$6,059,000	Community Benefit Fee
	\$ 461,000	90 permits at \$5,130 each
Total	\$6,520,700	
Year 2	\$6,651,114	Year 1 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$7,112,814	
Year 3	\$7,255,070	Year 2 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$7,716,770	
Year 4	\$7,871,105	Year 3 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$8,332,805	
Year 5	\$8,499,461	Year 4 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$8,961,161	
Year 6	\$9,140,385	Year 5 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$9,602,085	
Year 7	\$9,794,126	Year 6 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	10,255,826	

Year 8	\$10,460,943	Year 7 total plus 2%
	\$ 461,700	90 permits at \$5,130 each
Total	\$10,922,643	
Year 9	\$11,141,096	Year 8 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$12,384,536	
Year 10	\$12,636,226	Year 9 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$13,875,666	
Year 11	\$14,153,180	Year 10 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$15,396,620	
Year 12	\$15,704,552	Year 11 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$16,947,992	

San Juan Oaks Present Value Calculation

Assumptions

90 permits per year; 12-year build-out for the 1,084 homes

San Juan Oaks pays the full residential traffic impact fee (\$13,816) for each permit.

There is no payment of the Community Benefit Fee

Investment return on fees received by the County is 2%

Traffic Impact Fee Lock Calculation

Year 1	\$1,243,440	90 permits at \$13,816 each
Total	\$1,243,440	
Year 2	\$1,268,308	Year 1 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$2,511,748	
Year 3	\$2,561,983	Year 2 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$3,805,423	
Year 4	\$3,881,532	Year 3 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$5,124,972	
Year 5	\$5,227,471	Year 4 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$6,470,911	
Year 6	\$6,600,329	Year 5 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$7,843,769	
Year 7	\$8,000,645	Year 6 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$9,244,085	

Year 8	\$9,428,967	Year 7 total plus 2%
	\$1,243,440	90 permits at \$13,816 each
Total	\$10,672,407	

Year 9	\$10,885,855	Year 8 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$12,129,295	

Year 10	\$12,371,881	Year 9 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$13,615,321	

Year 11	\$13,887,627	Year 10 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$15,131,067	

Year 12	\$15,433,688	Year 11 total plus 2%
	\$ 1,243,440	90 permits at \$13,816 each
Total	\$16,677,128	



San Juan Oaks

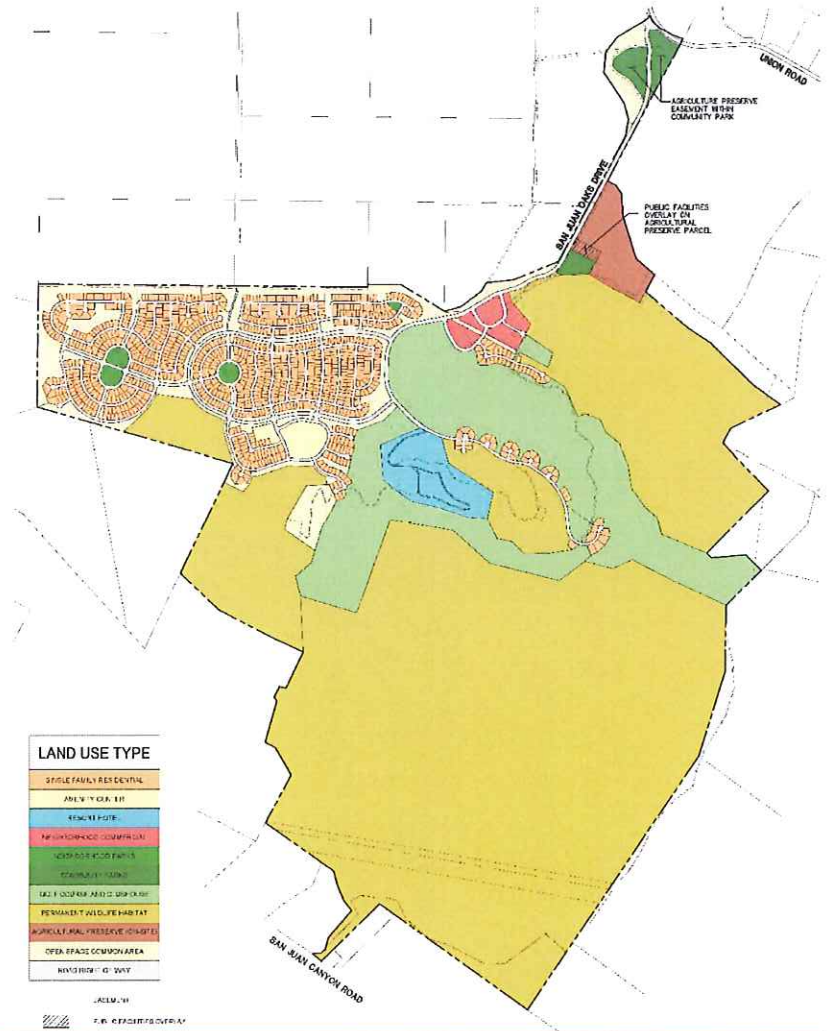
Specific Plan



Prepared for
Pulte Home Corporation
San Juan Oaks, LLC

Kimley»Horn

Site Plan



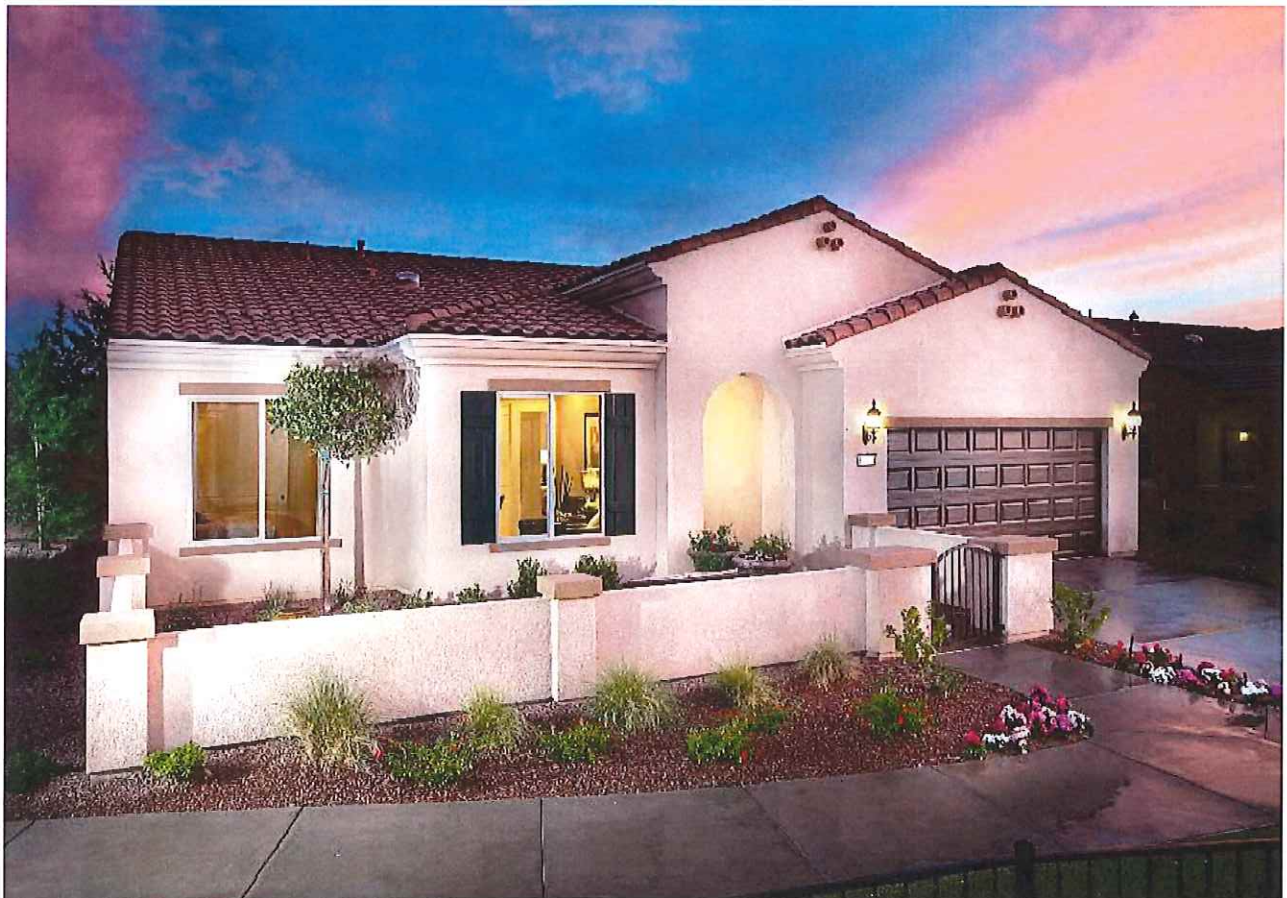
SAN JUAN OAKS SPECIFIC PLAN

Site Plan Detail



S A N J U A N O A K S S P E C I F I C P L A N

Active Adult



S A N J U A N O A K S S P E C I F I C P L A N

Amenity Center



S A N J U A N O A K S S P E C I F I C P L A N

Market Rate



S A N J U A N O A K S S P E C I F I C P L A N

Resort



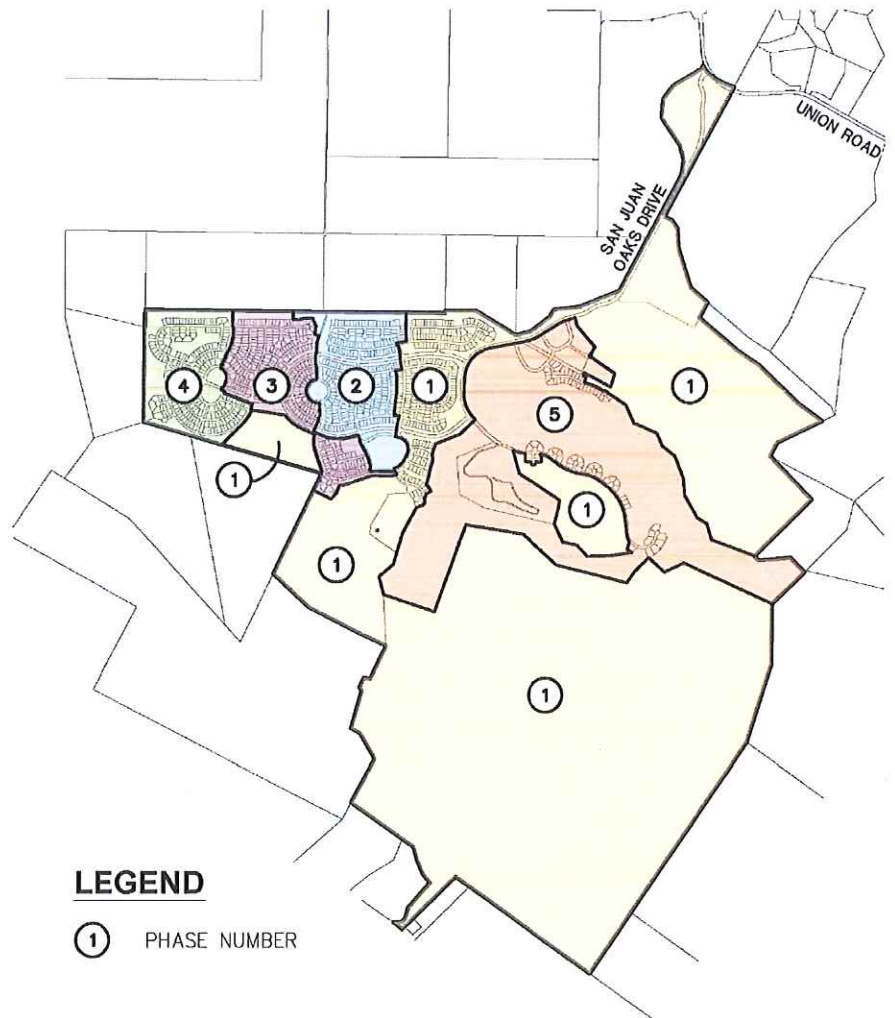
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Commercial



S A N J U A N O A K S S P E C I F I C P L A N

Phasing



LEGEND

① PHASE NUMBER

S A N J U A N O A K S S P E C I F I C P L A N

Mobility & Circulation



SAN JUAN OAKS SPECIFIC PLAN

Mobility & Circulation

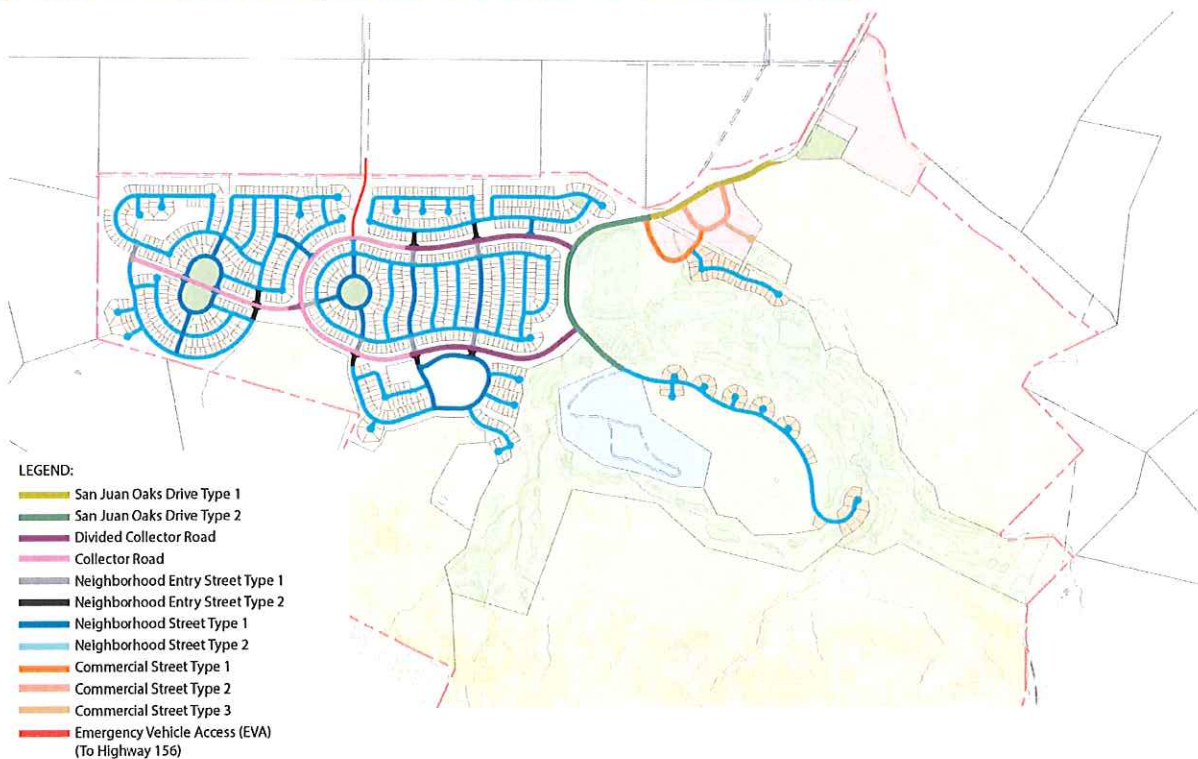
Bike trails will be built on both sides of San Juan Oaks Drive.



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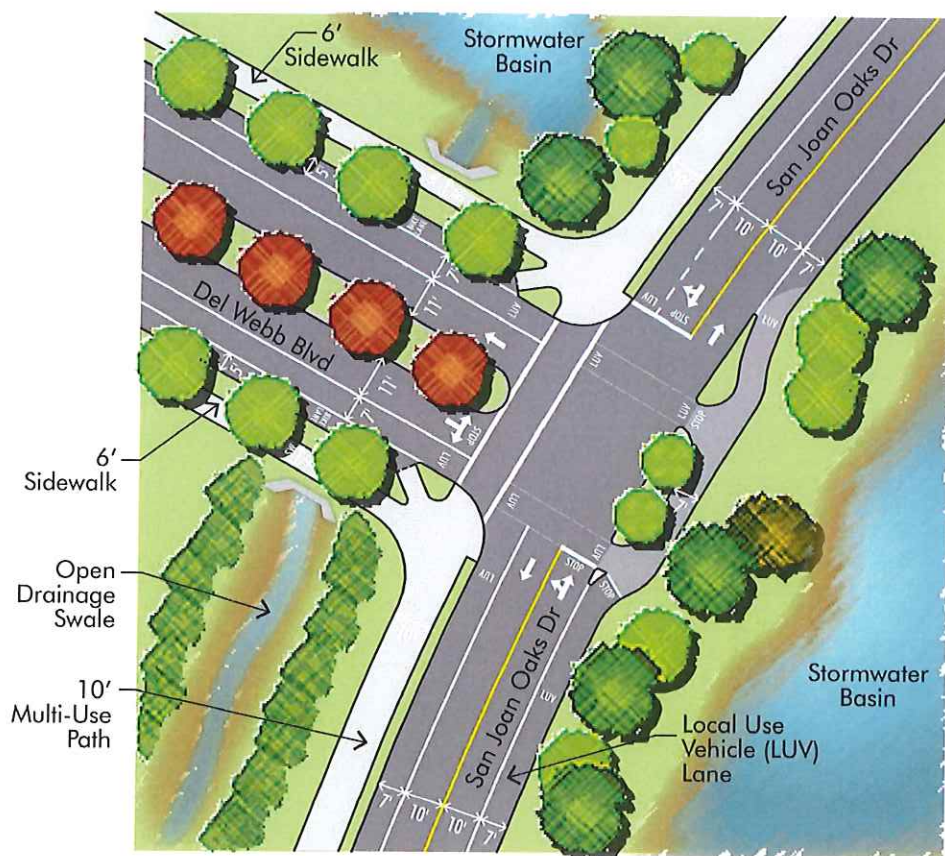
Mobility & Circulation

Streets within the community will be private and maintained by the community with no cost to the County.



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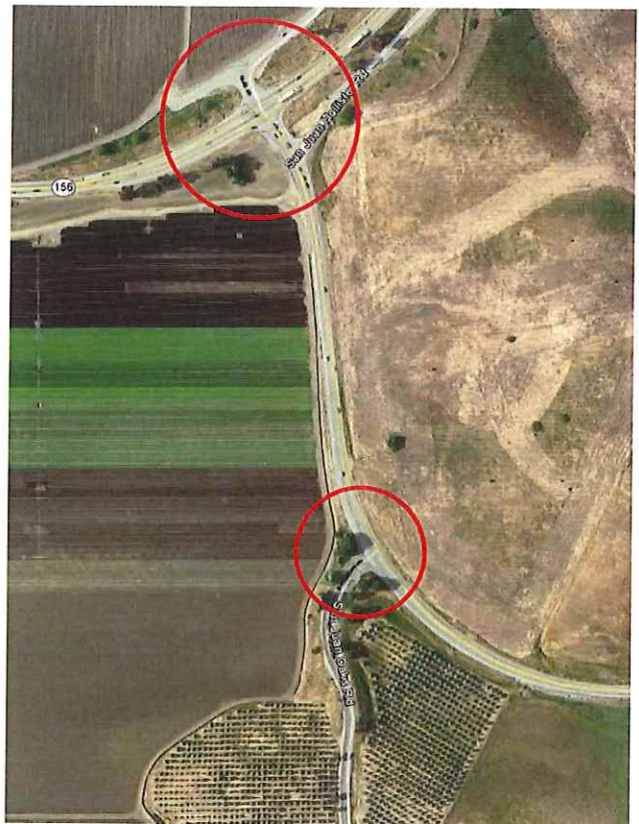
Dell Webb Blvd. / San Juan Oaks Dr.



S A N J U A N O A K S S P E C I F I C P L A N

Roadway Improvements

- A new traffic light will be built at SJO Drive and Union.
- Improvements at Union Road / Highway 156 intersection will be coordinated with Caltrans.



Roadway Improvements

Traffic Impact Analysis

- Utilized the County, City and Caltrans standards and requirements
- Senior housing trips are less and different than typical single family housing
- San Juan Oaks will significant contribute financially and improve the local road network

Roadway Improvements

Project Study Intersections & Distribution of Project Traffic



S A N J U A N O A K S S P E C I F I C P L A N

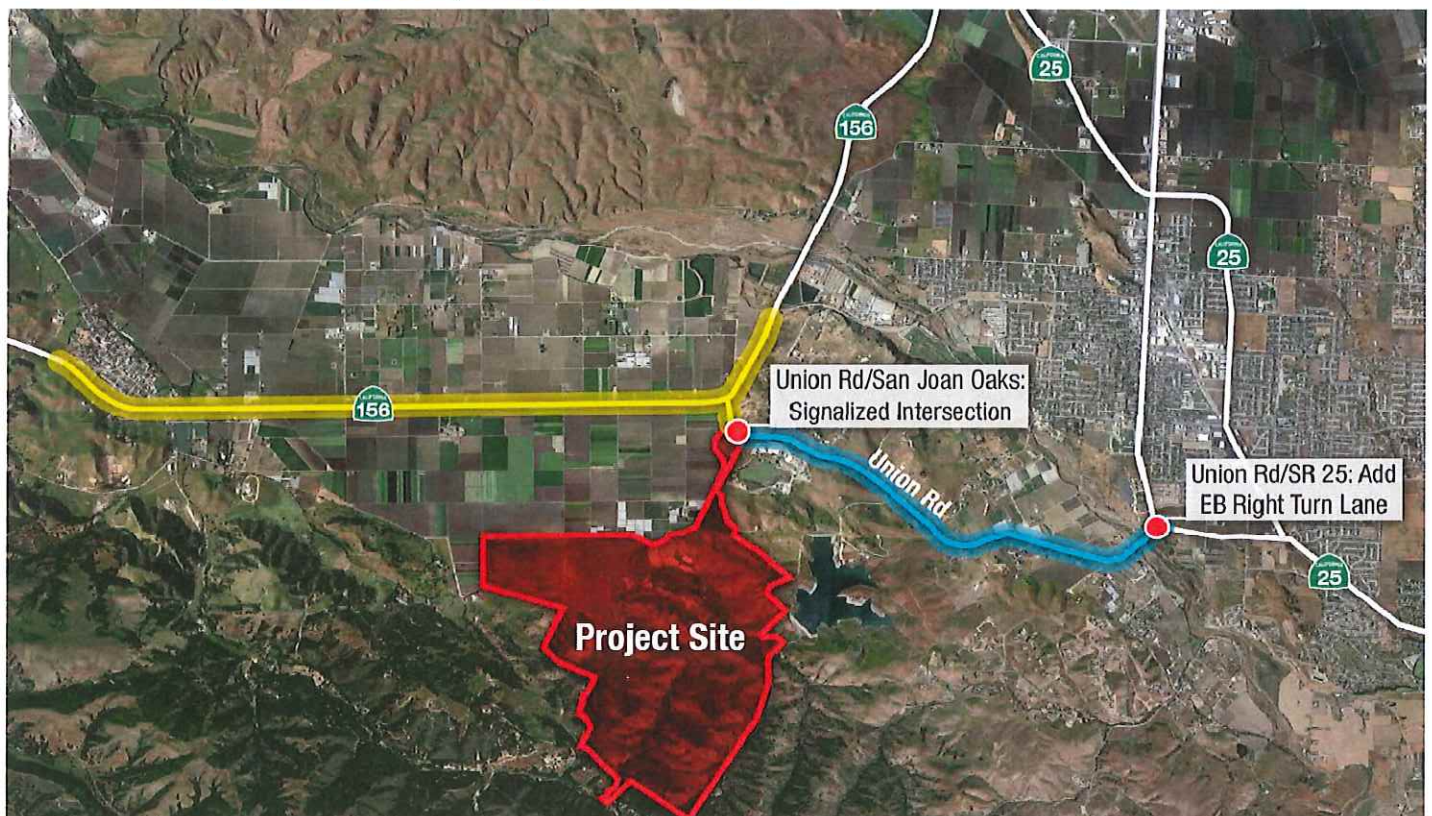
Roadway Improvements

Senior Adult Housing versus Single Family Housing Net Trips Generated

Land Use	Units	AM peak hour trips	PM peak hour trips
Senior Adult Housing with Neighborhood Commercial	1084 units	373	562
Single Family Housing with Neighborhood Commercial	1084 units	806	1085

Roadway Improvements

Project Roadway Improvements



S A N J U A N O A K S S P E C I F I C P L A N

Olive Hill Park



S A N J U A N O A K S S P E C I F I C P L A N

Community Garden & Dog Park



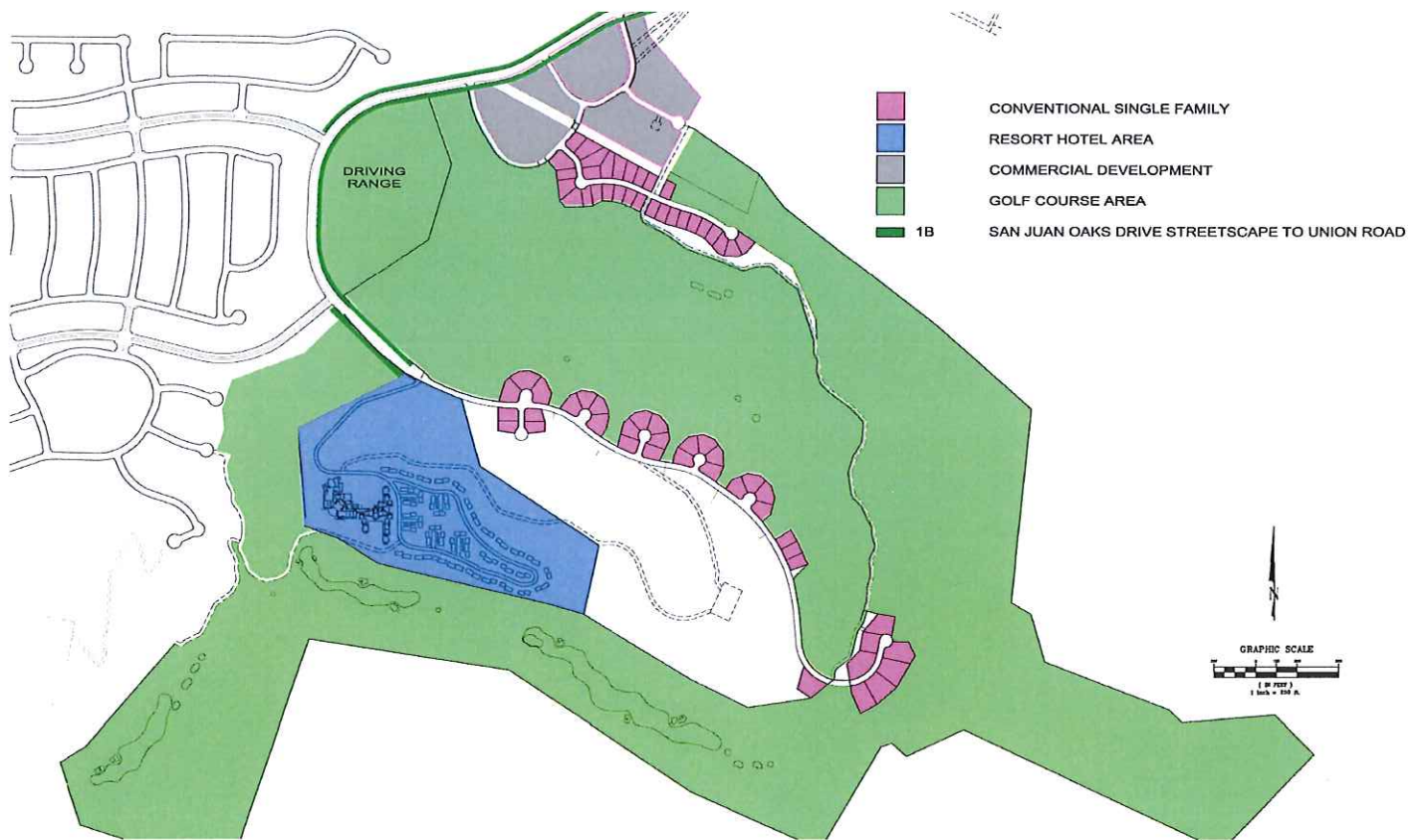
SAN JUAN OAKS SPECIFIC PLAN

Landscape Zones



SAN JUAN OAKS SPECIFIC PLAN

Landscape Zones



SAN JUAN OAKS SPECIFIC PLAN

Green Building Practices

- Required green building practices will encourage innovative and sustainable design and construction techniques.



Water Conservation

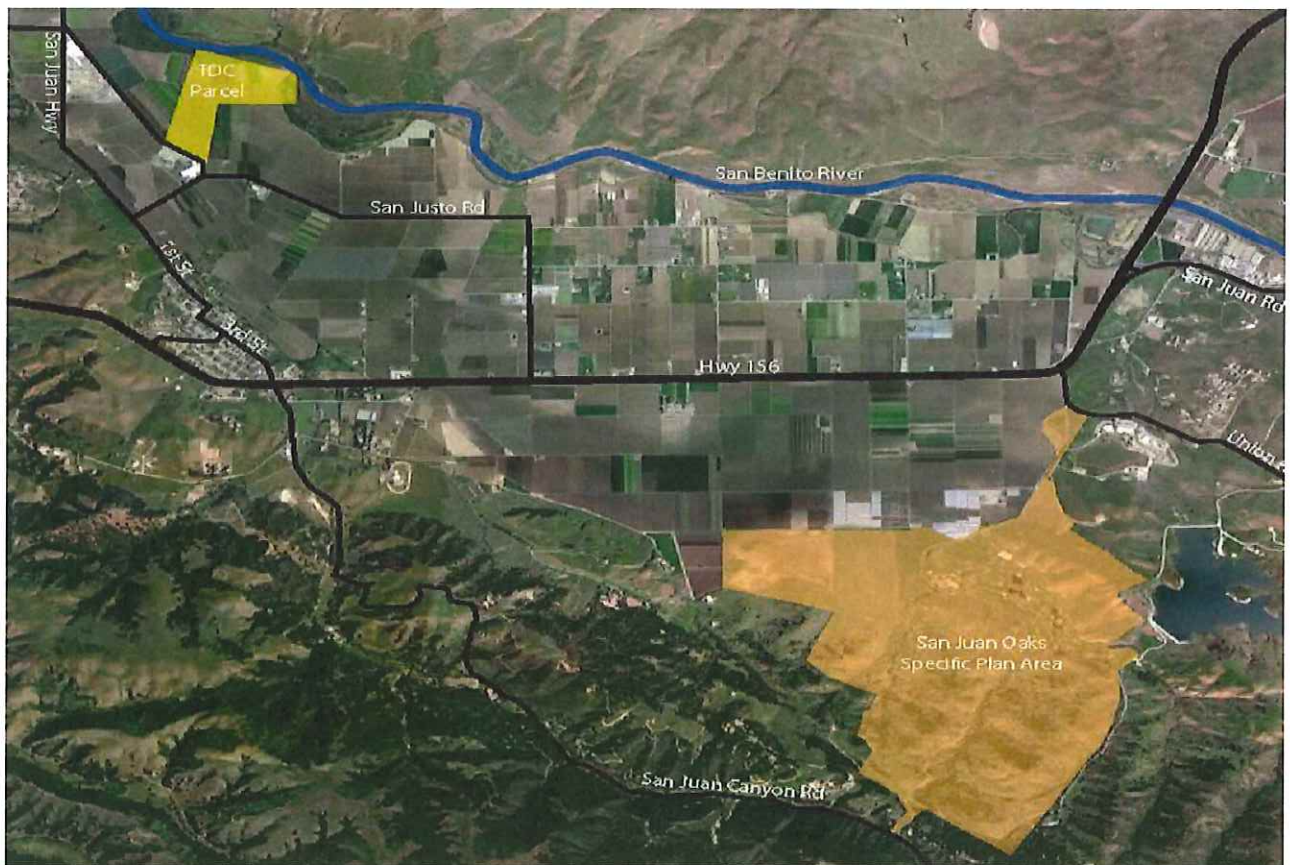
- High efficiency/low flow faucets and toilets
- Tankless water heaters
- Drip irrigation
- Drought tolerant plants
- Bioswales adjacent to parking areas



Utility and Service Systems

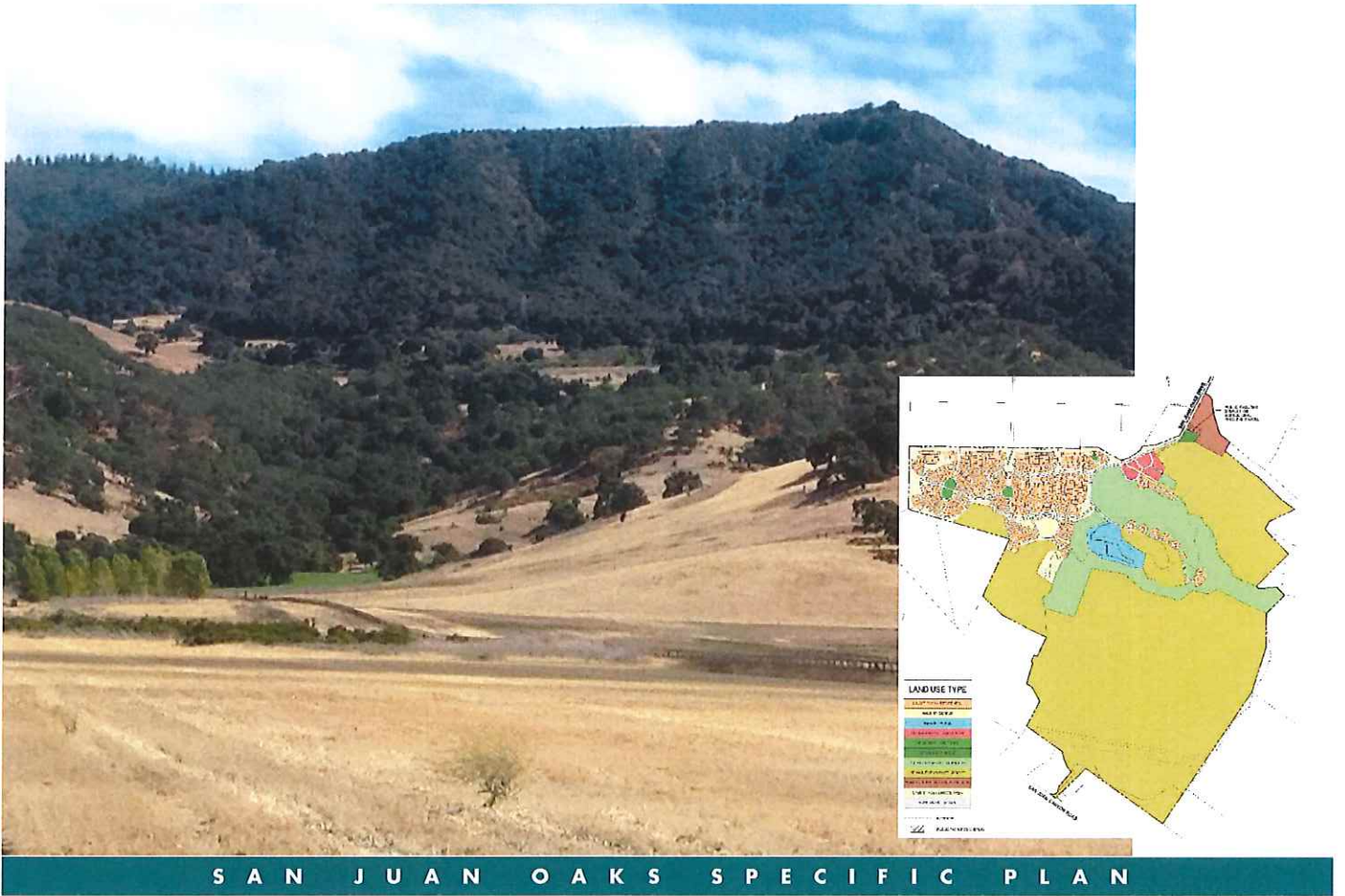
- Golden State Water Co. to provide all water and wastewater service.
- Del Webb to construct all required on-site and off-site infrastructure improvements.
- Adequate local groundwater supplies exist to serve the Project.
- Project meets or exceeds all State and County landscape and water conservation measures.
- Project utilizes existing regional wastewater treatment facilities.

Agricultural Land Preservation



S A N J U A N O A K S S P E C I F I C P L A N

Wildlife Preservation



Financial & Economic Benefits

Net General Fund Surplus at Buildout

Source	Annual Total	Annual per Housing Unit
Revenues	\$2,038,144	\$1,854.54
Costs	(\$945,088)	(\$859.95)
Net Surplus	\$1,093,055	\$994.59

Financial & Economic Benefits

- Development agreement provides \$5.5M to the County.
 - \$1.0 M paid on first phase final map
 - \$1.7 M for each of subsequent phase of Del Webb.
 - \$500,000 for market rate homes.
- Funds to be used by San Benito County at their discretion.
 - Uses could include affordable housing, street improvements, fire service, library, and County communications.

Financial & Economic Benefits

- Community Facilities District (CFD) will fund County public safety (\$200K/yr. at build out).
- \$52,800/yr. for public park maintenance.
- Funded by SJO residents.

Annual Financial & Economic Benefits

During Buildout (~ 5 years)

- Building, engineering and impact fees
 - San Benito County \$31 M
 - City of Hollister \$9 M
- 634 jobs and \$26.5 million in spending within the County.



S A N J U A N O A K S S P E C I F I C P L A N

Annual Financial & Economic Benefits

(After Buildout)

- General Fund Surplus
 - Residential: \$143,783
 - Commercial & Resort: \$1 M
- 80+ permanent jobs
- School Funding
 - \$2,840,000 Aromas-San Juan Unified
 - \$160,000 for San Benito County schools
 - \$400,000 to Gavilan College