

MAYOR: LUPE ALVAREZ
MAYOR PRO TEM: VIRGINIA PONCE
COUNCIL MEMBER: JOHN SABEDRA
COUNCIL MEMBER: JOHN LIZALDE
COUNCIL MEMBER: ARISTON JULIAN

CITY ADMINISTRATOR: CAROLYN COOPER
CITY ATTORNEY: DAVID FLEISHMAN
CITY CLERK: BRENDA HOFF
CITY TREASURER: PETRONA AMIDO

AGENDA

GUADALUPE CITY COUNCIL
and
GUADALUPE UNION SCHOOL DISTRICT

Special Joint Meeting

Wednesday, March 19, 2008

Special Session 5:30 p.m.

City Hall, Council Chambers
918 Obispo Street, Guadalupe, CA 93434

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's office, (805) 356-3891. Notification of at least 72 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

*If you wish to speak concerning any item on the agenda, please complete the Request to Speak form that is provided at the rear of the Council Chambers prior to the completion of the staff report and hand the form to the City Clerk. **Note:** Staff Reports are available for inspection at the office of the City Administrator, City Hall, 918 Obispo Street, Guadalupe, California during regular business hours, 8:00 a.m. to 12:00 pm. and 1:00 p.m. to 5:00 p.m., Monday through Friday; telephone (805) 356-3891.*

1. **CALL TO ORDER.** Mayor Lupe Alvarez.
2. **ROLL CALL.** Council Members John Sabedra, Virginia Ponce, John Lizalde, Ariston Julian and Mayor Lupe Alvarez.
3. **PLEDGE OF ALLEGIANCE.**

4. **COMMUNITY PARTICIPATION FORUM.**

Each person will be limited to a discussion of 3 minutes. Pursuant to provisions of the Brown Act, no action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. City Council may direct Staff to investigate and/or schedule certain matters for consideration at a future City

5. **REVISED DJ FARMS SPECIFIC PLAN – (ACREAGE FOR SCHOOL / PARK SITE AND JOINT USES BETWEEN CITY AND DISTRICT).** That the City Council consider the Revised DJ Farms Specific Plan Agreement and discuss Specific Plan and number of acres to be reserved for school site / park site.

- a. Written Staff Report. (John Rickenbach)
- b. City Council discussion and consideration.
- c. It is Recommended that the City Council consider the Revised DJ Farms Specific Plan and discuss number of acres to be reserved for school site / park site.

6. **ADJOURNMENT.**

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Special Meeting Agenda was posted at the City Hall display case, the Water Department, the City Clerk's office and RaboBank not less than 24 hours prior to the meeting. Dated this 18th day of March, 2008.

By: 

Carolyn Galloway Cooper,
Deputy City Clerk

REPORT TO THE CITY COUNCIL
March 19, 2008

151
Prepared By:
John Rickenbach, City Planner

OW
Approved By:
Carolyn Galloway-Cooper

SUBJECT: Revised DJ Farms Specific Plan

School-related issues regarding the Revised DJ Farms Specific Plan (APN 113-080-018 and 113-080-024)

EXECUTIVE SUMMARY:

The Revised DJ Farms Specific Plan application includes a request to the City of Guadalupe to revise the existing adopted DJ Farms Specific Plan, which guides future development within a 209-acre portion of the City of Guadalupe, on land located at the southeastern corner of State Route 1 and State Route 166. The Revised Specific Plan would accommodate up to 980 primary residential dwellings, up to 126 secondary residential dwellings, as well as a commercial component, public facilities, a school site, and open space.

This hearing is intended to provide an update regarding the status of the School Mitigation Agreement between the Guadalupe Union School District, City and DJ Farms applicant. It is also intended to provide an update of the status of a possible new middle school within the DJ Farms Specific Plan area, and possible joint uses of the school site between the District and City.

A status report on these topics was previously provided in a joint City/District meeting of November 14, 2007. Since that time, no action has been taken by the City toward project approval. However, the project applicant has updated some aspects of the proposed Revised Specific Plan to address City staff, Planning Commission and City Council concerns, and presented these changes to the City Council for consideration on February 12, 2008. The City Council provided additional feedback for the applicant at that time, but took no other action. However, none of these changes, nor the Council's feedback, directly addressed issues related to possible school improvements. However, there may be indirect ramifications, since there will likely be a reduction in the development potential of the site as a result of these changes.

There have been ongoing discussions between the School District and project applicant since the November 14, 2007 meeting. The status of these discussions is summarized in a March 13 letter from the School District (attached). In short, the key points are that 1) a possible update of the existing Mitigation Agreement is still under discussion; 2) a possible concept to construct a new elementary school within the DJ Farms Specific Plan area and upgrade McKenzie Junior High School was considered infeasible by the School District; and 3) the DJ Farms applicant has not agreed to the District's proposed financing structure for the development of a new middle school on the site.

Until these issues are resolved, the School District has asked the City Council not to approve the DJ Farms project.

The adopted Specific Plan as currently written provides the following direction with regard to addressing impacts related to schools:

- Mitigation to be addressed through existing 1997 Mitigation Agreement, which includes:
 - Applicant to pay fees required by the State of California;
 - Applicant to dedicate a 12.5-acre site within the Specific Plan area to the School District
 - School District to pursue available funding mechanisms to offset cost of building school facilities

RECOMMENDATION:

- 1) Receive a presentation from Staff and School District
 - 2) Discussion
 - 3) Provide Direction to Staff
 - 4) Continue item to future date
-



Guadalupe Union School District

P.O. Box 788, Guadalupe, CA 93434-0788 • 805-343-2114 • Fax: 805-343-6155

Hugo E. Lara
District Superintendent

March 13, 2008

Board of Trustees
Guadalupe Union School District
4465 Ninth Street
Guadalupe, CA 93434-0788

City Council
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

BOARD OF TRUSTEES

David Rodriguez
Diana Arriola
Olivia Alvarez
Anna Marie Santillan Michaud
MaryLou Sabedra-Cuello

Re: Status of Negotiations Concerning D.J. Farms New Middle School Project

Dear Members of the School Board and City Council:

The purpose of this letter is to provide the Board of Trustees and the City Council with an update on the progress of negotiations concerning the funding of new school facilities to serve the D.J. Farms Project and the proposed new middle school within the Project (the "Middle School"), and on the potential for the joint use of such future Middle School by the District and the City.

Mitigation Agreement Negotiations

The School District's team has been teleconferencing regularly with the developers of the D.J. Farms Project (the "Developers") to negotiate an agreement regarding financing of the new middle school to be constructed within the D.J. Farms Project (the "Mitigation Agreement").

Our proposed structure for financing the acquisition, development and construction of the Middle School consists of three parts. First, the District expects to receive the majority of the revenue from State funding. Second, the District is asking the Developers to contribute to an Educational Enhancement Fund on a per dwelling unit basis. This Educational Enhancement component is included as a provision of the Mitigation Agreement, currently in draft form. Finally, the District is proposing that the Developers make a voluntary contribution of the value of 12.5 acres of the site acquisition costs to a nonprofit foundation. We anticipate that the District and the Developers will enter into a separate agreement outlining the terms and conditions relating to the site acquisition costs and voluntary contribution to the nonprofit foundation. These funds would also be available to finance the education needs of District students.

Prior to a conference call between the District and the Developers on December 11, 2007, our office sent a draft of the Mitigation Agreement to all parties to review. During the December call, we answered the Developers' questions about the Mitigation Agreement and took note of requested edits.

During our next conference call on January 10, 2008, we were able to more fully explain and discuss the draft Mitigation Agreement which included the edits requested by the Developers at the previous conference call. As a possible solution to the funding issue, the Developers suggested that the District consider upgrading the current McKenzie Junior High School ("McKenzie JHS") and building a new elementary school instead of a brand new middle school within the D.J. Farms Project. The District took the Developers' suggestion under advisement and promised to respond by the next conference call.

Our next conference call was on February 15, 2008. The District explained to the Developers that their proposal to upgrade McKenzie JHS was not a feasible solution for the following reasons:

1. Additional land would first need to be acquired in order to expand the current middle school to meet current California Department of Education ("CDE") standards. The current McKenzie JHS would need an additional seven (7) to eight (8) acres. The land adjacent to McKenzie JHS is currently in agricultural production, and its use may be limited by the Williamson Act.
2. Expanding the current middle school and building a brand new elementary school would trigger a new CDE site review and selection process, including Department of Toxic Substances Control review and environmental review under the California Environmental Quality Act. Both the new school to be built within D.J. Farms and the additional acreage needed to expand the current McKenzie JHS would be subject to the CDE school site approval process. These additional approvals would dramatically delay the construction of adequate school facilities to accommodate the students generated from the D.J. Farms Project.
3. In order to expand McKenzie JHS, the District would need to secure funds to acquire the additional seven (7) to eight (8) acres. Further complicating matters, the Office of Public School Construction ("OPSC") does not provide funds to school districts for new construction to be used for the modernization of existing facilities.
4. The District has already invested a substantial amount of time and money with respect to the construction of a new Middle School within the D.J. Farms Project. The District has spent money for schematic plans, tests, appraisals, etc.

5. Finally, if the plans for construction of a new Middle School within the D.J. Farms Project are abandoned, the community and the City of Guadalupe would most likely be extremely disappointed and unhappy. Furthermore, OPSC may scrutinize future District projects, including the expansion of McKenzie JHS and the construction a new elementary school within the D.J. Farms Project, more closely.

During the February call, the Developers also updated the District team on the status of the approval process of the Revised Specific Plan by the City Council. The City Council apparently rejected the Developers' high density units. Consequently, the Developers advised the District's team that the Developers predict they will only be able to construct 700 to 725 dwelling units as opposed to the 900 dwelling units they expected, although we have heard that the City Council is willing to consider a maximum of 800 units. The Developers are apparently now working on a new design to present to the City Council.

There were a few remaining items that were discussed during this last conference call. First, the District team stated that the appraisal of the site was moving forward and that a draft would be circulated shortly. In addition, the architect expected in the near future to have a more definite estimate of costs. Unfortunately, at this time the Developers indicated that they are unable to agree to our proposed financing structure for the acquisition, development and construction of the new Middle School. At our next conference call the parties plan to discuss how the revised plans for D.J. Farms, reducing the number of residential units, will affect the revenue to be derived from the Project and the number of students generated by the Project along with the estimated costs of constructing the new Middle School and the appraisal of the site.

As explained above, the District has been diligent in its communications and efforts to negotiate the Mitigation Agreement with the Developers. We have actively participated in numerous teleconference calls with the Developers and responded in writing to the Developers' alternative proposal for middle school facilities. On the other hand, the Developers have not presented any rebuttal evidence to our response to their proposal. Furthermore, the Developers have been only willing to contribute an extra one dollar per square foot, based on the original mitigation agreement, towards closing the funding gap. This leaves the District well short of the funds needed to build basic yet adequate middle school facilities for the community. The District continues to be willing to meet and negotiate with the Developers to come to a mutually agreeable solution with respect to funding the construction of a new Middle School, but we seek the support of the Board and City Council staff in moving this process forward.

In summary, our goal is to continue to work cooperatively with the Developers to reach an agreement as soon as possible with respect to funding of the new Middle School and the Mitigation Agreement. We strongly urge the City Council to *not* approve the D.J. Farms Project until both the District's and the City's needs are met. We appreciate and desire the continued

Board of Trustees
City Council
March 13, 2008
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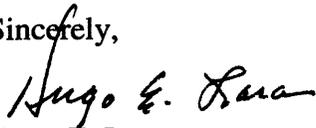
support and assistance of the Board and City Council throughout this process. We will continue to keep the Board and City Council updated on our progress with the Developers.

The Joint Use Of The New Middle School

On a separate matter, the District understands that the City Council would like the District to submit proposals for community-based joint use projects to be located at the Middle School. The District is enthusiastic about developing such projects with the City Council. We would anticipate that such use would allow for appropriate and balanced levels of school use and City use.

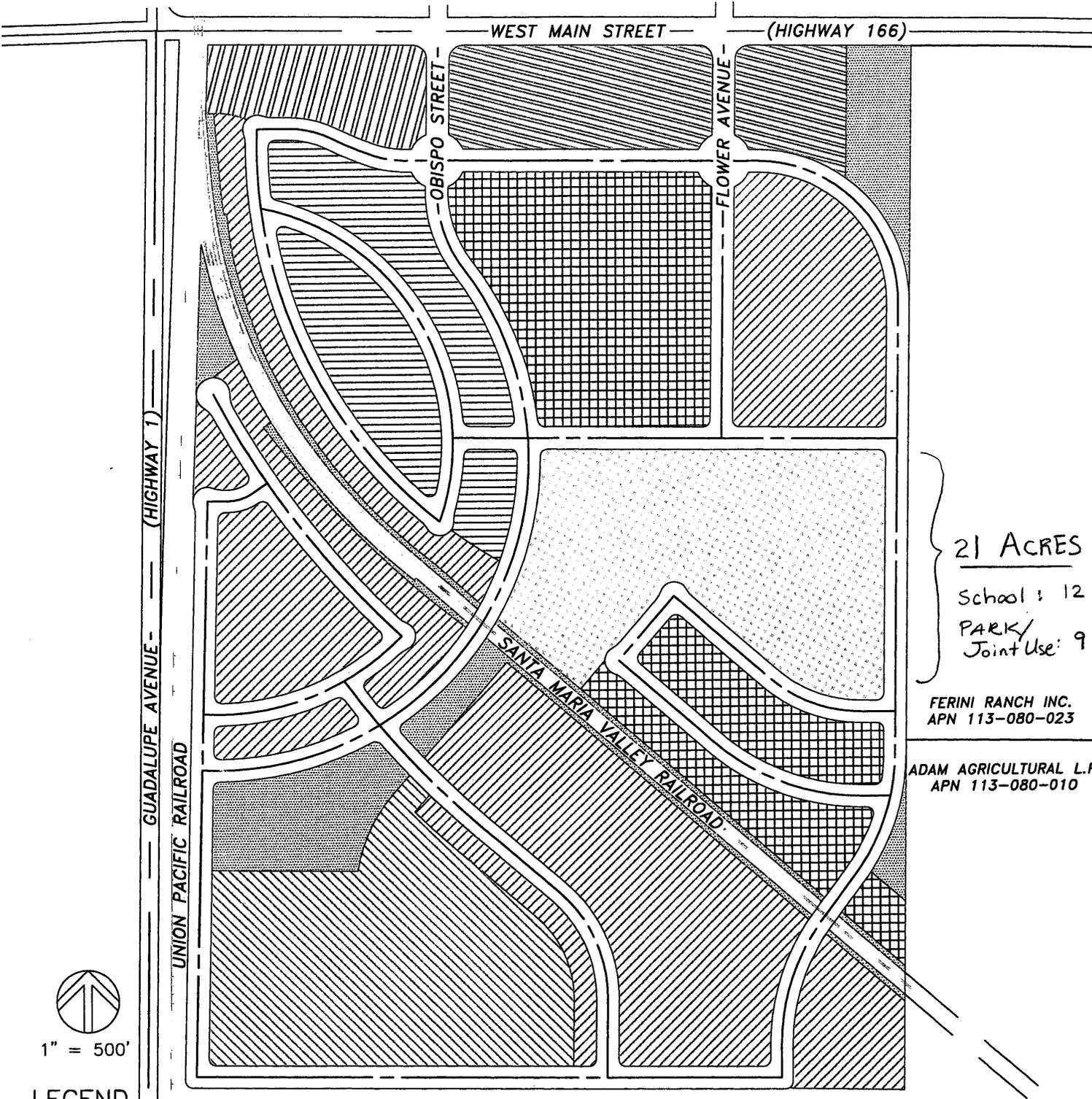
Please do not hesitate to contact me with any questions or comments regarding this matter.

Sincerely,



Hugo E. Lara
District Superintendent

cc: Eric Smith
Anthony Palazzo
Mark Kelton
Craig Smith
Addison Covert
Stacy Toledo

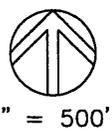


21 ACRES

School: 12
 PARK/
 Joint Use: 9

FERINI RANCH INC.
 APN 113-080-023

ADAM AGRICULTURAL L.F.
 APN 113-080-010



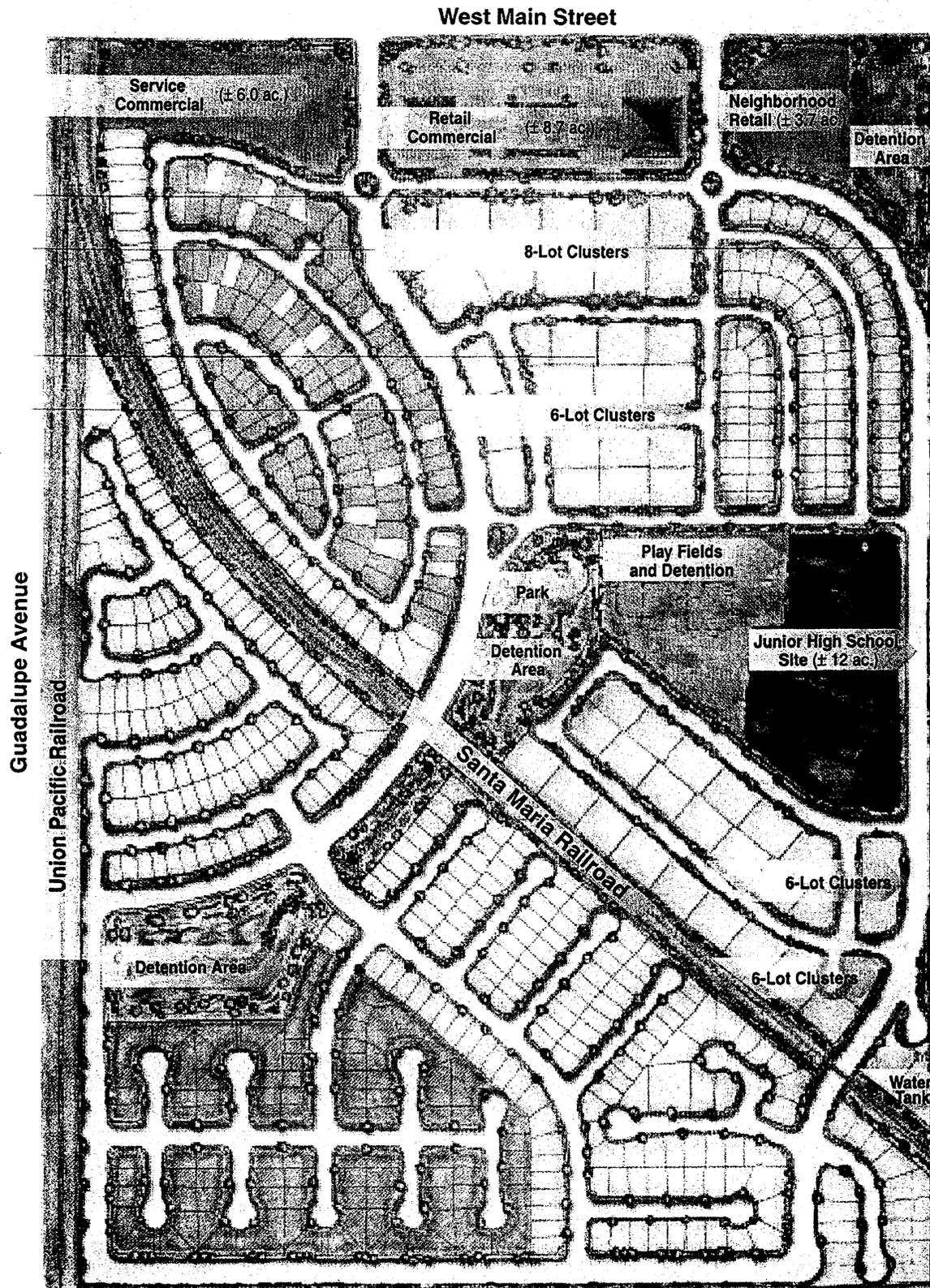
1" = 500'

LEGEND

<p>VERY LOW DENSITY RES. (VLDR-5) 5 D.U./ACRE 20.0 ACRES</p>	<p>MEDIUM DENSITY RES. (MDR-10) 10 D.U./ACRE 16.0 ACRES</p>	<p>NEIGHBORHOOD COMMERCIAL 12.0 ACRES</p>
<p>LOW DENSITY RES. (LDR-8) 8 D.U./ACRE 60.0 ACRES</p>	<p>RES. SMALL LOT (RSL-1) 13 D.U./ACRE 30.0 ACRES</p>	<p>COMMUNITY FACILITIES 21.0 ACRES</p>
	<p>SERVICE COMMERCIAL 6.0 ACRES</p>	<p>OPEN SPACE 14.0 ACRES</p>

DJ Farms

Revised Specific Plan



Statistical Summary

Total Units: 980 Total Lots: 902

Land Use	Lot Size	Units
Very Low	6,000 s.f.	97
Low	5,000 s.f.	395
Secondary Units	5,000 s.f.	78

Land Use	Lot Size	Units
Medium Low	4,500 s.f.	79
Medium (Clusters)	2,200-3,200 s.f.	331