



Agenda Report

Fullerton City Council

MEETING DATE: MAY 7, 2019

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: HUGO CURIEL, DIRECTOR OF PARKS AND RECREATION
ALICE LOYA, PARKS AND RECREATION MANAGER

SUBJECT: WEST COYOTE HILLS UPDATE

SUMMARY

Update on the acquisition of open space and implementation of public benefits in West Coyote Hills.

RECOMMENDATION

Receive and file.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement/s:

- Infrastructure and City Assets.

FISCAL IMPACT

No fiscal impact. The agreed upon price to acquire neighborhoods one and three in the West Coyote Hills is \$18.7 million. The City has been awarded sufficient grant funding from the State and private agencies to purchase both neighborhoods.

DISCUSSION

The City has been actively pursuing the purchase of both neighborhoods one and three from Chevron / Pacific Coast Homes (Chevron / PCH) since the approval of the Vesting Tentative Tract Map (VTTM) for the development of West Coyote Hills in 2015. The goal of the acquisition is to acquire an optimum amount of open space where 359 species can thrive and two million residents living within ten miles can enjoy the last remaining contiguous natural open space in north Orange County.

Neighborhoods one and three are located on the eastern portion of the 510-acre property owned by Chevron / PCH and approved for a housing development. Neighborhood one, 10.4 acres, and neighborhood three, 13.7 acres, are adjacent to the City owned 72.3-acre Robert Ward Nature Preserve and surrounded by an additional 120.8-acres of open space that is already approved to be deeded over to the City by Chevron / PCH. With the purchase of neighborhoods one and three, the City will own all of the open space in West Coyote Hills, from Euclid Street to Gilbert Street, totaling 217.2 acres.

In addition to the 217.2 acres of open space between Euclid Street and Gilbert Street, the City will receive an additional 180.6 acres of open space surrounding the neighborhoods west of Gilbert Street. The total amount of open space acquired by the City and open to the public, including the 72.3-acre Ward Preserve, will be 397.8 acres. The open space will have recreational trails, vista points and an interpretive nature center. Chevron / PCH is required to remediate the natural habitat for the City.

Following the approval of the VTTM, staff began pursuing grant opportunities to raise the funding required to purchase neighborhoods one and three. Funding received to date totals \$26.25 million: \$2 million from the Rivers and Mountains Conservancy, \$1 million from the State's Natural Resources Agency, \$500,000 from the State's Parks Department, \$4.8 million from Proposition 68, \$2.81 million from the State Department of Fish and Wildlife Services, \$140,000 from the Warne Family Foundation and \$15 million from the State budget trailer bill secured for the City's use by Assemblywoman Sharon Quirk-Silva. With these amounts, the City has raised sufficient funding to purchase neighborhoods one and three.

The lawsuit from the Friends of Coyote Hills, Center for Biological Diversity and Friends of Harbors, Beaches, and Parks (together, "Friends") that delayed the development project and the use of the remaining 397 acres as open space with recreational trail amenities, recently ended when the California Supreme Court denied the Friends appeal of an Appeal Court verdict which supported a Superior Court decision in favor of the City. In December 2018, the State Court of Appeal affirmed the trial court's judgement allowing the City and Chevron / PCH to continue with the West Coyote Hills development project. On April 8, 2019, the City received confirmation that the original lawsuit filed in 2010 by PCH against the City, case number 30-2010-00401519-CU-WM-CJC, was dismissed.

The next steps related to acquisition are to complete an update on the appraisal for neighborhoods one and three, required by the State funding agencies, and to complete a Purchase and Sale Agreement. The updated appraisal as required by the State agencies is almost finalized and the City is working to ensure that the State Coastal Conservancy, which has administrative control of the \$15 million of State Funds, will complete their process to release the funds to the City. The Purchase and Sale Agreement, which is largely spelled out in the VTTM, is expected to go before City Council within two months and the final draft will be the subject of a Staff meeting before the second week of May.

Chevron / PCH and the City are working to finalize the design of the initial trails within the Robert Ward Nature Preserve. The construction of the initial trails will be the first improvements made in the West Coyote Hills development project. The timeline for the initial trails are set forth within the VTTM and based on the agreed upon Final Approval date, which was triggered by the Supreme Court action, and is agreed to be March 1,

2019. Accordingly, PCH and the City will draft a license agreement allowing PCH to enter the Ward Preserve to construct the initial trail improvements, as defined in the VTTM, and to be completed before May 1, 2020.

Several additional steps, payments or milestones are also set forth in the VTTM. This includes a payment from PCH of \$270,000 to the Laguna Lake Capital Improvement Fund due by the end of this fiscal year, submittal of concept design plans for the interpretive center before the end of this fiscal year and for the City and property owner to reach agreement on the concept design plans before November, 2019. Payment of \$220,000 in Park Development Fees on the first, second and third anniversary of the Final Approval Date, donation of two heavy duty “quad runner” all-terrain vehicles and a two-quad trailer to the Police Department for security patrols of the trails prior to the completion of the Initial Trail Improvements and donation of all-terrain vehicle, radio, steel trailer and trail maintenance vehicle with blade accessories for Public Works prior to the completion of the Initial Trail Improvements. Previously, the City was dedicated the 1.4 acres of property for City Fire Station #6 and prior to any work requiring a Section 404 permit (clean water permit) the property owner will donate a Type III brush fire engine (in progress).

The remediation action plan which provides the revegetation, preservation and enhancement of the natural habitat within the 397.8 acres of open space areas that will be dedicated to the City, including the City-owned Robert Ward Preserve and neighborhoods one and three, will commence once the plan is approved by the US Fish and Wildlife Services. Other issues such as the Water Quality Management Plan, Standard Urban Stormwater Mitigation Plan and related environmental plans are all contingent on ultimate phasing plans.

SUMMARY

Based on the approved Vesting Tentative Tract Map, approximately 64% of the Chevron / PCH portion of West Coyote Hills will be preserved as open space / conservation area. Including the City-owned Robert E. Ward Nature Preserve, the forthcoming implementation of the VTTM will see 78% of the West Coyote Hills area as open space and conservation area. Central to this is the purchase of neighborhoods one and three which, together with the Ward Nature Preserve, will keep the entire area between Euclid Street and Gilbert Street as open space. Set forth in Condition M, Public Benefits, Section 5, of the VTTM, mentions that the property owner is required to provide specific trail system related benefits such as a trail system, key vistas, interpretive center, long term maintenance of the trail improvements (through endowment funds), open space and interpretive center, as well as miscellaneous infrastructure improvements within the West Coyote Hills area. With the decision of the State Supreme Court, the City is working with Chevron / PCH to implement the public benefits and will see public access to the West Coyote Hills, through the initial trail improvements, by May 1, 2020.