

**DUPLICATE**

**FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT WITH QUARRY FALLS, LLC FOR PUBLIC FACILITIES IN THE MISSION VALLEY COMMUNITY**

THIS FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT FOR THE QUARRY FALLS (CIVTTA) DEVELOPMENT PROJECT (First Amendment) is for the reimbursement of costs of land acquisition, design, construction, and funding for certain improvements identified in this Agreement, pursuant to the terms and conditions set forth herein. This First Amendment is made and entered into between the City of San Diego, a municipal corporation (City), and Quarry Falls, LLC, a California limited liability company (Subdivider). City and Subdivider when referenced herein collectively shall be referred to as Party or Parties. This First Amendment is entered into with reference to the following recitals:

**RECITALS**

A. City and Subdivider entered into the Reimbursement Agreement for the Quarry Falls (Civita) Development Project (Reimbursement Agreement) dated November 27, 2012.

B. On September 26, 2013, subsequent to the execution of the Reimbursement Agreement, the City adopted Ordinance No. 20299 requiring the payment of prevailing wages on City public works projects, as codified in San Diego Municipal Code Section 22.3019.

C. The Parties hereto desire to amend the Reimbursement Agreement to update certain preliminary cost estimates to account for the payment of prevailing wages, construction costs that have exceeded the Estimated Costs of the Reimbursement Agreement and for minor increases in total park acreages based on the Final Maps.

NOW THEREFORE, in consideration of the recitals and mutual obligations of the Parties, and for other good and valuable consideration, the City and Subdivider agree as follows:

1. Any term or word that is defined in the Reimbursement Agreement shall be deemed to have the same meaning when it is used in this First Amendment, except when the context expressly states otherwise.

2. Section 2.3 is amended by replacing Exhibits H-1 through H-4 referenced therein, with Exhibits H-1 through H-4 attached to this First Amendment.

3. Section 28.3.4 is amended to replace Chuck Todd with William Mayer.

William Mayer  
Quarry Falls, LLC  
Morehouse Drive, Suite 260 San Diego, CA 92121-4714  
Facsimile No.: (858) 546-3009

4. Section 28.3.5 is deleted in its entirety and replaced as follows:

DOCUMENT NO. 00-20975-1  
FILED JUL 31 2018  
OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

Ryan Waterman  
Brownstein Hyatt Farber Schreck, LLP 225 Broadway, Suite 1670  
San Diego, CA 92101  
Facsimile No.: (619) 239-4333

5. All other provisions of the Reimbursement Agreement shall remain in full force and effect, unless otherwise amended as set forth herein.

IN WITNESS WHEREOF, this First Amendment is signed by both Parties and is executed  
on August 15, 2018 (Effective Date).

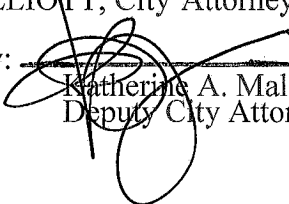
THE CITY OF SAN DIEGO,  
a municipal corporation

By: 

Name: David Graham

Title: DCCO

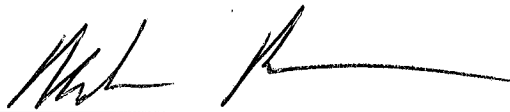
Approved as to form: MARA W.  
ELLIOTT, City Attorney

By:   
Katherine A. Malcolm  
Deputy City Attorney

QUARRY FALLS, LLC,  
a California limited liability company

By: Sudberry Properties/Entitlement, L.P.,  
a California limited partnership  
Its: Manager

By: Sudberry Development, Inc.,  
a California corporation,  
Its: General Partners

By: 

Mark Radelow  
Vice President

## Exhibit H-1

### Revised Preliminary Cost Estimate for Central Park 14.38 Acres (12.53 acres park and 1.85 acres park equivalency)

Design: 12% of Construction	\$3,100,000
<b>Construction (1) (2)</b>	<b>\$25,800,000</b>
Construction Contingency: 5% of Construction Costs	\$1,300,000
City Administration: 5% of Design/Construction Costs	\$1,400,000
Developer Administration: 5% of Design/Construction Costs	\$1,400,000
Land Acquisition: \$584,000/acre (3)	\$7,900,000
<b>Total</b>	<b>\$40,900,000</b>

- (1) Construction costs include Rough Grading which is defined as, "Net rough grading cost means a pro-rata share of cost paid by Developer to rough grade the entire subdivision, less any savings realized by Developer in balancing the cut and fill soil of the subdivision site). Park Amenities, Half- width Street Improvements, and Utilities are also major components included in cost of construction.
- (2) Park Amenities, per the Quarry Falls General Development Plan, may include but not limited to: active and passive recreation elements such as basketball courts, a community garden, a fitness course, children's playgrounds, turf amphitheater, picnic areas with tables and barbecues, sitting areas, gazebo, several comfort stations, pathways and trails, splash pad, an interpretive signage network along the bio-swales, Grand Steps/Rose Garden along the east boundary, game play area, a mining relic area, overlook plazas, lighting, irrigation, and landscaping.
- (3) 12.53 acres to be conveyed to the City is 100% reimbursable; park equivalency acreage (1.85) acres) to remain in private ownership covered by Recreation Easement is 50% reimbursable.

#### Final Map Quarry Fall, (Civita) Civita Park No. 15999

Lot M	0.063
Lot L	1.301
Lot I	0.138
Lot J	0.137
Lot H	0.138
Lot A	2.348
Lot D	1.180
Lot F	6.232
Lot G	0.995

Total to be conveyed to City = 12.53 acres

Lot E (Recreation Easement) 1.85 acres

**Total for Central Park =14.38 Acres**

## Exhibit H-2

### Revised Preliminary Cost Estimate for Creekside Park 1.37 Acres

Design: 12% of Construction	\$368,000
<b>Construction (1) (2)</b>	<b>\$3,100,000</b>
Construction Contingency: 5% of Construction Costs	\$307,000
City Administration: 5% of Design/Construction Costs	\$700,000
Developer Administration: 5% of Design/Construction Costs	\$172,000
Land Acquisition: \$584,000/acre (3)	\$400,000
Project Contingency (10%)	\$500,000
<b>Total (4)</b>	<b>\$5,547,000</b>

- (1) Construction costs include Rough Grading which is defined as, "Net rough grading cost means a pro-rata share of cost paid by Developer to rough grade the entire subdivision, less any savings realized by Developer in balancing the cut and fill soil of the subdivision site). Park Amenities, Half-width Street Improvements, and Utilities are also major components included in cost of construction.
- (2) Park Amenities, per the Quarry Falls General Development Plan, may include but not limited to: active and passive recreation elements such as children's playgrounds, turf amphitheater, picnic areas with tables and barbecues, sitting areas, gazebo, comfort station, pathways and trails, an interpretive signage network along the bio-swales, lawn play area, lighting, irrigation, and landscaping.
- (3) Park equivalency acreage (1.37 acres) to remain in private ownership covered by Recreation Easement is 50% reimbursable. Final Map Quarry Falls, (Civita) Unit B&C: Lot E - .75 acre and Lot B - .62 acre.
- (4) In accordance with Section 4.6 of the Park Development Agreement for the Quarry Falls (Civita) Development Project, the total estimated cost may be increased in an amount not to exceed ten percent (10%).

### Exhibit H-3

## Revised Preliminary Cost Estimate for Franklin Ridge Pocket Park 0.20 Acre

Design: 12% of Construction	\$62,000
<b>Construction (1) (2)</b>	<b>\$500,000</b>
Construction Contingency: 5% of Construction Costs	\$51,000
City Administration: 5% of Design/Construction Costs	\$115,000
Developer Administration: 5% of Design/Construction Costs	\$29,000
Land Acquisition: \$584,000/acre (3)	\$117,000
Project Contingency (10%)	\$89,000
<b>Total (4)</b>	<b>\$963,000</b>

- (1) Construction costs include Rough Grading which is defined as, "Net rough grading cost means a pro-rata share of cost paid by Developer to rough grade the entire subdivision, less any savings realized by Developer in balancing the cut and fill soil of the subdivision site). Park Amenities, Half-width Street Improvements, and Utilities are also major components included in cost of construction.
- (2) Park Amenities, per the Quarry Falls General Development Plan, may include but not limited to: passive recreation elements such as picnic areas, sitting areas, ½ court multi-purpose courts, pathways and lawn area, lighting, irrigation, and landscaping.
- (3) 0.20 acre to be conveyed to the City is 100% reimbursable. Final Map Quarry Falls, (Civita) Unit H&I: Lot L – 0.20 acre.
- (4) In accordance with Section 4.6 of the Park Development Agreement for the Quarry Falls (Civita) Development Project, the total estimated cost may be increased in an amount not to exceed ten percent (10%).

## Exhibit H-4

### Preliminary Cost Estimate for Phyllis Place Park 1.33 Acres

Design: 12% of Construction	\$195,000
<b>Construction: (1) (2)</b>	<b>\$1,600,000</b>
Construction Contingency: 5% of Construction Costs	\$163,000
City Administration: 5% of Design/Construction Costs	\$365,000
Developer Administration: 5% of Design/Construction Costs	\$91,000
Land Acquisition: \$584,000/acre (3)	\$800,000
Project Contingency: (10%)	\$322,000
Phyllis Place Park Subtotal:	\$3,536,000
<b>Total: Mission Valley Pro Rata Share (4) (5)</b>	<b>\$2,200,000</b>

- (1) Construction costs include Rough Grading which is defined as, "Net rough grading cost means a pro-rata share of cost paid by Developer to rough grade the entire subdivision, less any savings realized by Developer in balancing the cut and fill soil of the subdivision site). Park Amenities, Half- width Street Improvements, and Utilities are also major components included in cost of construction.
- (2) Park Amenities, per the Quarry Falls General Development Plan, may include but not limited to: passive recreation elements such as children's play area, picnic tables and overlooks, sitting areas, pathways and trails, turf area lighting, irrigation, and landscaping.
- (3) 1.33 acres to be conveyed to the City is 100% reimbursable. Vesting Tentative Map: Lot P31 – 1.33 acres.
- (4) Phyllis Place Park is located in Serra Mesa Community. Due to its location it will be physically and financing shared by Serra Mesa (38%) and Mission Valley (62%) Community based on population percentages.
- (5) In accordance with Section 4.6 of the Park Development Agreement for the Quarry Falls (Civita) Development Project, the total estimated cost may be increased in an amount not to exceed ten percent (10%).

ORDINANCE NUMBER O- 20975 (NEW SERIES)

DATE OF FINAL PASSAGE AUG 03 2018

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING FIRST AMENDMENTS TO A REIMBURSEMENT AGREEMENT AND A PARK DEVELOPMENT AGREEMENT FOR QUARRY FALLS (CIVITA) DEVELOPMENT PROJECT IN THE MISSION VALLEY COMMUNITY.

WHEREAS, on November 27, 2012, the City and Quarry Falls, LLC, a California limited liability company (Developer), entered into that certain Reimbursement Agreement No. 00-20219 and that certain Park Development Agreement No. 00-20220 (collectively, Agreements) for the Quarry Falls (Civita) Development Project (Project); and

WHEREAS, on September 26, 2013, after the City and Developer signed the Agreements, the Council adopted Ordinance O-20299 requiring the payment of prevailing wages on City public works projects, as codified in San Diego Municipal Code section 22.3019; and

WHEREAS, the original estimated cost of the Project was \$36,523,195; and

WHEREAS, due to the increase in construction costs and the payment of prevailing wages Developer is now requesting an amount not to exceed \$49,610,000 and additional minor revisions to the Agreements; and

WHEREAS, to reflect those revisions, the City and Developer have negotiated the terms of the proposed First Amendment to Reimbursement Agreement and the proposed First Amendment to Park Development Agreement, copies of which are included in the backup materials accompanying this Ordinance;

WHEREAS, the revisions will extend the term of the Agreements beyond five years; and



WHEREAS, under Charter section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by Ordinance approved by a two-thirds majority vote of the Council; NOW, THEREFORE,

BE IT ORDAINED, by the City Council of the City of San Diego, as follows:

Section 1. The First Amendment to Reimbursement Agreement is approved.

Section 2. The First Amendment to Park Development Agreement is approved.

Section 3. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the First Amendment to Reimbursement Agreement, a copy of which is on file in the Office of the City Clerk as Document No. OO- 20975-1.

Section 4. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the First Amendment to Park Development Agreement, a copy of which is on file in the Office of the City Clerk as Document No. OO- 20975-2

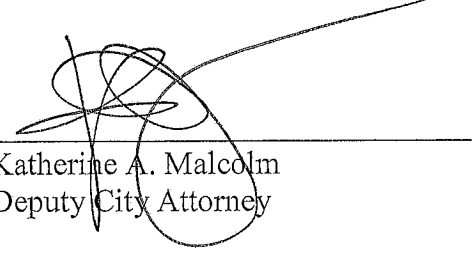
Section 5. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$49,610,000 from Fund No. 400135, Mission Valley Urban Community Development Impact Fee Fund, contingent upon adoption of the Annual Appropriation Ordinance for the applicable fiscal year and on certification by the Chief Financial Officer that funds necessary for expenditure are available.

Section 6. The Chief Financial Officer, upon advice from the administering department, is authorized to transfer excess funds, if any, to the appropriate reserves.

Section 7. A full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the City Council and the public prior to the day of its passage.

Section 8. This ordinance shall take effect and be in force on the thirtieth day from  
and after its passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By:   
Katherine A. Malcolm  
Deputy City Attorney

KAM:als  
06/21/18  
08/06/18 COR. COPY  
Or.Dept: Facilities Financing  
Doc. No.: 1779399\_2

I certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this  
meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor


Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

(NOTE: Please see attached memo and signature page.)

Office of  
The City Attorney  
City of San Diego

MEMORANDUM

**DATE:** August 6, 2018  
**TO:** Elizabeth Maland, City Clerk  
**FROM:** Katherine Anne Malcolm   
**SUBJECT:** Item #52 – Amendment No. 1 to Reimbursement Agreement and Park Development Agreement for the Quarry Falls (Civita) Development Project – Council Meeting of July 31, 2018

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We are submitting a corrected copy of Ordinance No. O-2018-140 to fix the typographical error made on Section 3 and Section 4, to read as follows:

Section 3. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the First Amendment to Reimbursement Agreement, a copy of which is on file in the Office of the City Clerk as Document No. RR OO- \_\_\_\_\_.

Section 4. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the First Amendment to Park Development Agreement, a copy of which is on file in the Office of the City Clerk as Document No. RR OO- \_\_\_\_\_.

KAM:als  
Doc. No.: 1808174

I certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of Jul 31 2018.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 8/3/18  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

JUL 31 2018

Passed by the Council of The City of San Diego on \_\_\_\_\_, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage AUG 03 2018

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By [Signature], Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on JUL 17 2018, and on AUG 03 2018.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By [Signature], Deputy

Office of the City Clerk, San Diego, California  
Ordinance Number O- 20975

Passed by the Council of The City of San Diego on July 31, 2018, by the following vote:

YEAS: BRY, ZAPF, WARD, COLE, KERSEY, SHERMAN, ALVAREZ, GÓMEZ.  
NAYS: NONE.  
NOT PRESENT: CATE.  
RECUSED: NONE.

AUTHENTICATED BY:

**KEVIN L. FAULCONER**

Mayor of The City of San Diego, California

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(Seal)

By: Matthew R. Hilario, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-20975 (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on July 17, 2018, and on August 3, 2018.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(SEAL)

By:  \_\_\_\_\_, Deputy