
Traffic Mitigation Agreement – Fair Share Payment

TRAFFIC MITIGATION AGREEMENT

FAIR SHARE PAYMENT

THIS AGREEMENT is entered into and effective this ____ day of _____, 2011, by and between the State of California, acting by and through its Department of Transportation, hereinafter referred to as “Department,” and Vista Canyon Ranch, LLC, hereinafter referred to as “Owner,” and collectively referred to as the “Parties” without regard for number or gender.

RECITALS

- A. WHEREAS, Owner is proposing to develop approximately 185 acres located in the Santa Clarita Valley, with 1,117 dwelling units (96 single-family and 1,021 condominium units), and up to 950,000 square feet of commercial and professional office, retail, theater, restaurant, and hotel uses within four planning areas, hereinafter referred to as the “Project.” The Project also includes a Metrolink and Bus Transfer Station, and a water reclamation plant. The Project will be constructed on a piece of real property, hereinafter referred to as the “Property,” which is more particularly described in Exhibit “A,” attached hereto and incorporated herein by this reference; and
- B. WHEREAS, as part of the environmental review process for this Project, a Traffic Impact Study (TIS) was prepared and the TIS has determined that the Project would result in significant impacts within the meaning of the California Environmental Quality Act (CEQA) to one segment of State Route (SR) 14 within the Santa Clarita Valley under cumulative (2030) conditions, hereinafter referred to as “Impacts”. The segment significantly impacted by the Project is southbound (SB) and northbound (NB) SR 14 north of Sand Canyon Road (Impacted Segment).; and
- C. WHEREAS, the TIS also identified specific mitigation measures to reduce the significant impacts from the Project, including that Owner would pay to Department a pro rata share (equivalent to the Project’s percentage of future vehicle trips on said Impacted Segment) of the total anticipated costs for design and implementation of future improvements on SR 14, which could include one additional mixed flow travel lane in each direction. Said pro rata share has been determined by the TIS to be 3.8% for the NB and SB segment of SR

14 north of Sand Canyon Road, which is equal to a contribution of \$874,000, hereinafter referred to as "Funds."¹

D. WHEREAS, Owner now desires to reduce the Project's impacts to SR 14 by paying Funds to Department.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Owner agrees to pay to Department the Funds in four equal payments of \$218,500 as follows:
 - a. First payment – due upon issuance of the 250th building permit.
 - b. Second payment – due upon issuance of the 500th building permit.
 - c. Third payment – due upon issuance of the 750th building permit.
 - d. Fourth payment – due upon issuance of the 1,000th building permit.

The Funds represent Owner's pro rata share of the anticipated total costs of constructing an improvement that would reduce the Project's impacts to the Impacted Segments.

2. Department hereby acknowledges that Owner's entry into this Agreement constitutes Owner's good faith to satisfy its mitigation obligation to Department for any/all impacts to Department facilities relating to the Project and, therefore, Department agrees to consult with Owner prior to submitting any public correspondence to Owner relating to the Project. Department further acknowledges that upon payment in full of Funds by Owner, Owner will have satisfied its mitigation obligation to Department in full for all impacts to Department facilities relating to the Project.
3. Said Funds shall remain in the State Highway Account until such time as the balance of other funds necessary to design or implement an improvement that would reduce Project impacts to the Impacted Segments is available.
4. Department agrees that the Funds paid by Owner pursuant to the terms of this Agreement shall be used solely for the purpose of instituting an improvement that would reduce the Project's impacts to the Impacted Segments.
5. In the event the Funds are not expended on an improvement that would reduce the Project's impacts to the Impacted Segments by Department on or before five years from the date the City of Santa Clarita approves the Project,

¹ The Project's contribution amount was calculated by multiplying the estimated cost of the potential improvement (\$10-million) by the length of the impacted segment (2.3 miles) by the Project's pro rata share (3.8%).

Department shall return to Owner, within sixty (60) days of receipt of Owner's written request, all the unexpended Funds.

- 6. All obligations of Department under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority, and the allocation of resources by the California Transportation Commission.
- 7. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement that shall be binding on all of the Parties, notwithstanding that all of the Parties are not a signatory to the original or the same counterpart.
- 8. This Agreement shall expire when Department has expended all of the Funds, or when the Funds are returned to Owner, in whole or in part, pursuant to Article 5 of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as set forth below.

CALIFORNIA DEPARTMENT OF TRANSPORTATION (Department)

By: _____
Designated District Official

VISTA CANYON RANCH, LLC, a California limited liability company (Owner)

By: JSJ PARTNERS, LLC,
a California limited liability company, its Manager

By: JSB Development, Inc.,
a California corporation, Member

By:

James S. Backer, President

By: Valencia Realty Partners, LLC,
a California limited liability company, Member

By:

Stephen F. Valenziano, Manager

Approved as to Form and Procedure

Attorney, State of California
Department of Transportation