Item 4 attach 2

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TOWN OF LOOMIS

The Village at Loomis, LLC
P.O. Box 1200
Loomis, CA 95650

April 5, 2018

Sean Rabe
Town Manager
Town of Loomis
3665 Taylor Road
Loomis, CA 95650

RE: Village at Loomis

Dear Sean:

The purpose of this letter is to request that the Town proceed with processing our application as amended by the changes presented to the Town Planning Commission on Jan 10, 2018, as described in a subsequent document title Proposed Project Modifications dated January 16, 2018 (attached hereto). We appreciate the Planning Commission making specific additional comments and recommended changes relative to minimum lots sizes and set backs at its meeting of March 14, 2018. However, we cannot accommodate suggested changes which further reduce the number of lots, for reasons described, below.

The application was originally submitted in July 2014, and there have been significant changes made to the project description as we proceeded through the process. First, the project was revised to incorporate the Town's new Circulation Element Update. These revisions included the Town's planned extension of Webb Street to Horseshoe Bar Road/Library Drive and a roundabout at this new intersection. These Circulation Element improvements are not required by the project but were included at the Town's request to support the implementation of its circulation improvements. These improvements, plus the construction of Doc Barnes Drive with signals at Horseshoe Bar Road and King Road (General Plan improvements) and a signal at Taylor Road/Webb Street, cost approximately $14,000,000. The development agreement that has been negotiated between the developer and the Town obligates the developer to construct all of these improvements at the project's expense, except for a Town contribution of approximately $194,000, which is the amount the Town currently has set aside for the construction of Doc Barnes Drive.

We presented additional significant changes to the project description on Jan 10, 2018, including the introduction of a Civic Park, additional pedestrian connection to the Raley's Center at Doc Barnes Drive and the elimination of eight Village Residential lots. Following the modifications made to the plan in January, we completed a third-party analysis of the project's economic feasibility associated with the development of this property, including the circulation improvements identified in the development agreement. This analysis, as prepared by EPS dated February 23, 2018, was submitted to and reviewed by the Town. This analysis concluded the project, including all of the development agreement improvements, is barely financially viable with the project consisting of the current 286 single-family lots.

We have evaluated the comments made by the Planning Commission on March 14, 2018, and determined their recommended minimum lot sizes for the Village Residential and Village Green Court districts would cause an approximate elimination of 35 residential lots in the project, resulting in a significant revenue loss of approximately $3.5 million. EPS has evaluated the project's financial feasibility based upon this reduced lot assumption and the development agreement circulation improvements and concludes the project is not feasible. The EPS review is attached.

Accordingly, we cannot make further lot reductions. (Note: the project has eliminated 17 lots from the 303 lots in the July 2014 application). The project economics cannot support a reduction in revenue without a corresponding reduction in cost obligations. We have evaluated the Town's improvements under its Circulation Element Update and do not see how we could reduce those costs to offset the reduction of revenues from a reduction of 35 lots.

Our project, as revised based upon the Town's planned circulation improvements and community and Planning Commission comments, is far superior to what existing zoning would allow for, and we believe with the changes made to the project, specifically as of January 10th of this year, that the proposed project deserves the support of Town staff and the Planning Commission to move the project on to the Town Council for their review and action. We therefore request that all information necessary to support a decision by the Planning Commission be submitted to them and available to the public such that a recommendation of support by the Planning Commission can be achieved at their next regular meeting on April 25, 2018.

Sincerely,

Aidan Barry

Todd Lowell

enclosure

MEMORANDUM

To: Derek Spalding, The True Life Companies

From: Jamie Gomes and Mark Polhemus

Subject: Village at Loomis Updated Financial Feasibility Evaluation; EPS #172132

Date: April 5, 2018

Per your request, EPS completed an initial, preliminary review of revisions to the project's land use plan that could result from possible land use recommendations from the Town of Loomis (Town) Planning Commission. Specifically, the potential Planning Commission recommendations are estimated to reduce the number of Village Residential lots by 30 and the Village Green Court lots by 5. Based on EPS's initial review of the updated information, it appears that most of the financial feasibility indicators move into the red "categorization." These updated financial feasibility metrics indicate the project appears to be financially infeasible under the reduced entitlement. As you have requested, EPS will completely integrate the updated information into an updated EPS memorandum within the next week. Please let me know if you have any questions related to the initial review and determination.

The Economics of Land Use

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