



East 14th & Callan Mixed Use Project

PURCHASE & SALE AGREEMENT

City Council – February 16, 2016




Overview

- City Council Goals
- Background and Planning Foundations
- Sales and Selection Process
- Development Team Introduction



City Council Goals

- Place San Leandro on a firm foundation for long-term **fiscal sustainability**
 - Advance projects and programs promoting sustainable **economic development**
 - Support and implement programs, activities and strengthen communication that enhances the **quality of life** and wellness, celebrates the arts and diversity and promotes **civic pride**.
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Downtown TOD Strategy

- Adopted in 2007
- Net Study Area Development
 - Residential: 3,430 new units
 - Retail: 120,800 square feet
 - Office: 718,200 square feet
- Related Efforts
 - Zoning Code Amendments
 - General Plan Amendments
 - Environmental Impact Report
 - Downtown Design Guidelines

TOD Implementation

Completed or Underway

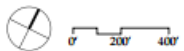
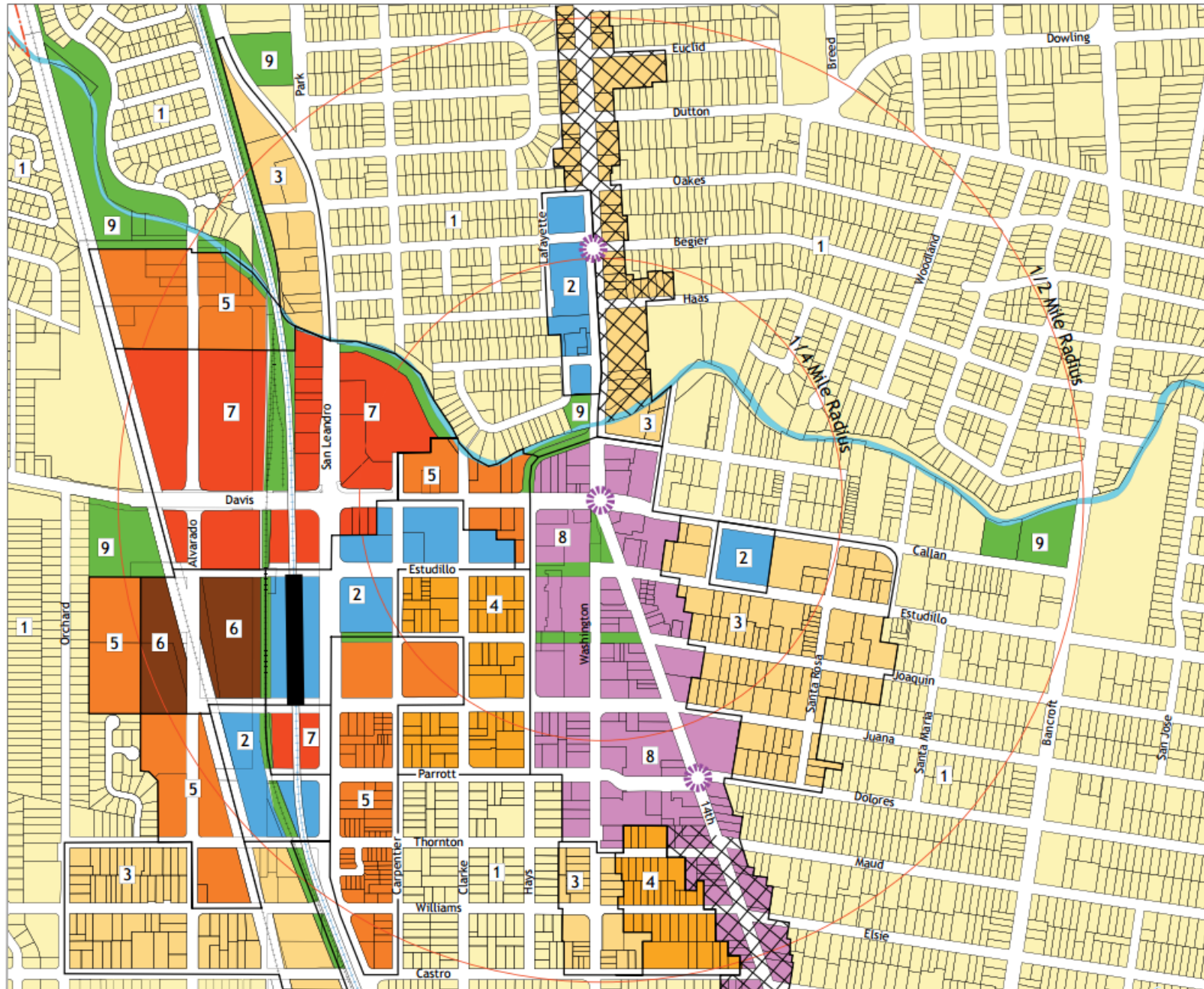
- Creekside Plaza
- Downtown Light and Pedestrian Improvements
- New Downtown Parking Garage
- San Leandro Boulevard Streetscape
- The Village
- Marea Alta
- San Leandro Tech Campus
- Downtown Parking Study

Coming Soon

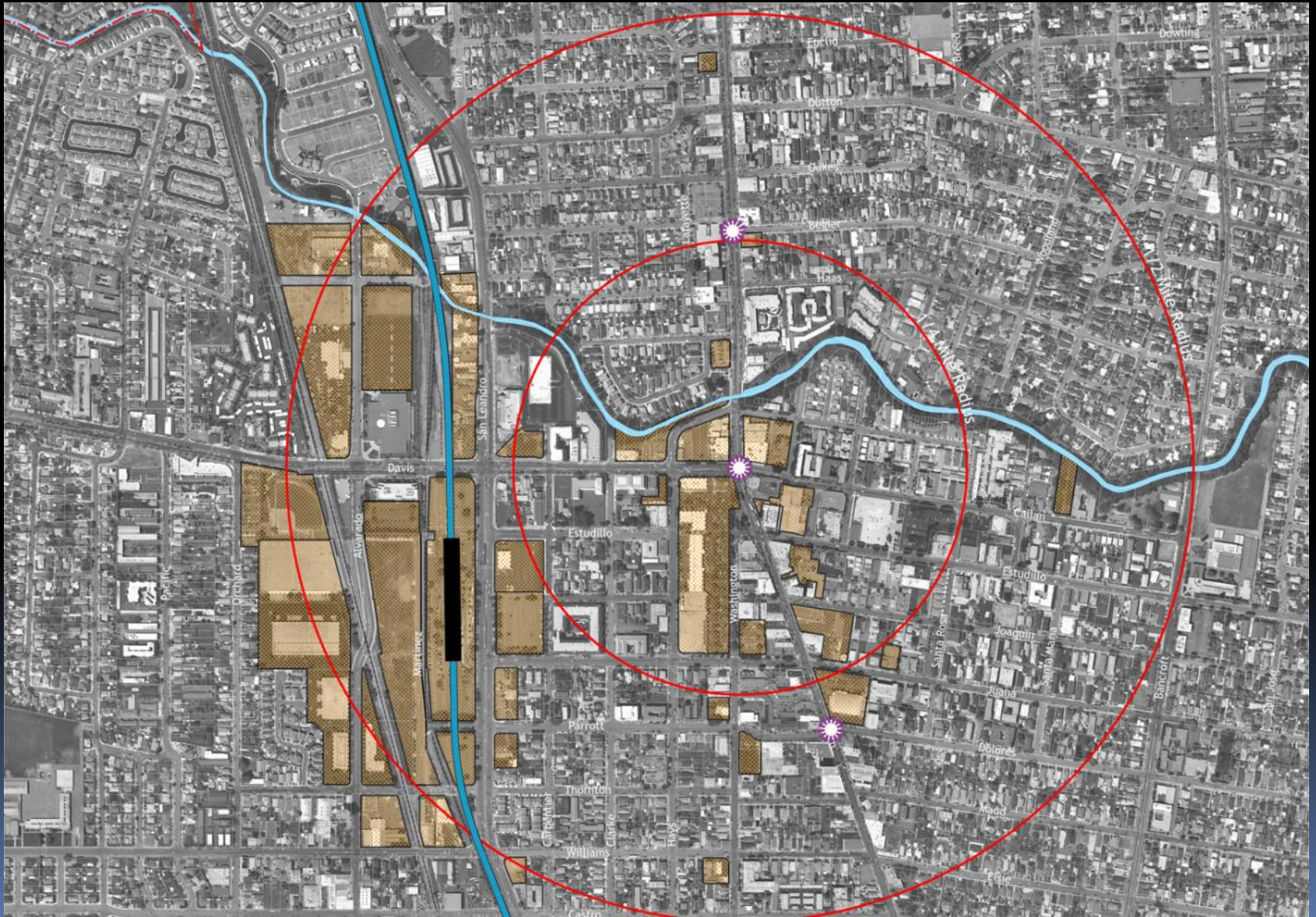
- CVS site at East 14th and Callan
- Infill Housing Projects
- Town Hall Square Site

Figure 6: Land Use Framework

- Legend**
- 1 Residential Neighborhood
 - 2 Public/Institutional
 - 3 Multi-Use Infill
 - 4 TOD-Transition Mixed-Use
 - 5 TOD-Residential Mixed-Use
 - 6 TOD-BART Area Mixed-Use
 - 7 Office Mixed-Use
 - 8 Retail Mixed-Use
 - 9 Open Space
 - East 14th Street Study Areas
 - BART Track / Station
 - AC Transit Proposed BRT Station



Opportunity Sites



East 14th and Davis: 2007



TOD Vision: 5 years



TOD Vision: 10 years



TOD Vision: 20 years

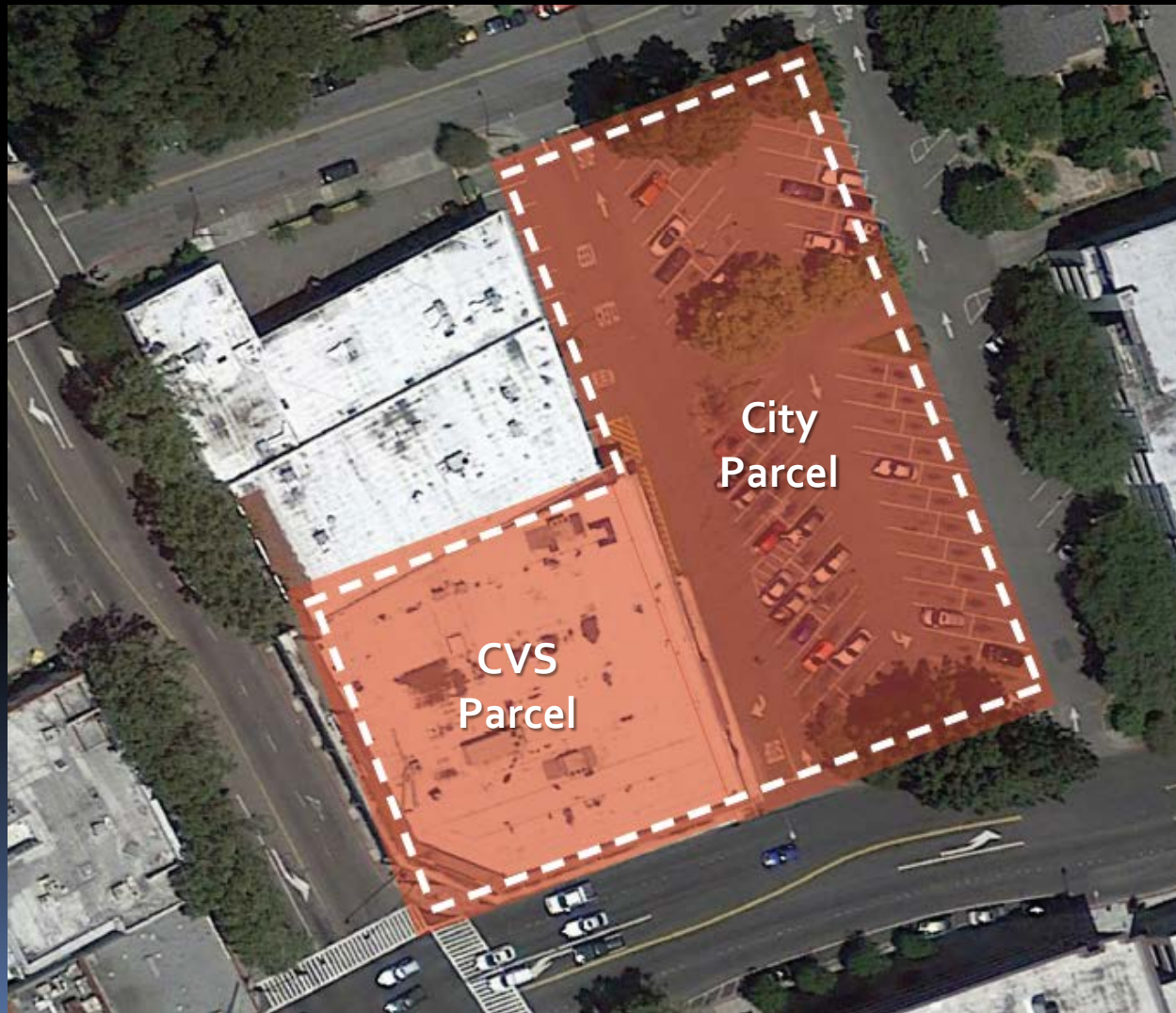


Creating the Opportunity Site

- Identified as a strategic opportunity in TOD Strategy
- CVS selected as anchor tenant for The Village in 2013
- CVS committed to partnering with the City on a Joint Sale of the adjacent properties



Combined Opportunity Site



Permitted Uses and Height

- **Mixed Use Residential:** Retail uses required on ground floor on parcels fronting on East 14th Street. Residential density of 35-75 units per acre.*
- **Retail Sales:** Tenants over 10,000 sq. ft. require a conditional use permit.
- **Office, Business and Professional**
- **Building heights between 24 and 75 feet**

* Pending General Plan update may allow greater density.

Sales and Outreach Process

- Early 2015: City and CVS jointly engaged broker to market size and manage outreach:
 - Direct contact to over 70 developers
- Call for Offers on July 1, 2015
 - Eight offers received
 - Four finalists were interviewed
- At City Council direction, staff initiated negotiations with Sansome Pacific on a Purchase and Sale agreement.



Developer Selection

The chosen developer, [Sansome Pacific](#), offers:

- Strong track record with retail and residential projects
- An ambitious vision for the retail component
- A track record of deals with desired tenants
- A top quality team, including architects and brokers
- Flexible plans for the adjacent parcel

Agreement Terms

- A purchase price of \$1,290,000 for the City parking lot;
- An initial deposit of \$50,000, refundable only until the close of a 60-day due diligence review period;
- A requirement to close escrow within 10 days after issuance of entitlements, but no later than June 30, 2017 unless the extensions are exercised;
- The option, at the buyer's discretion, of one six-month extension and two subsequent three month extensions;
- Additional deposit requirements of \$10,000 for the second and third extensions;
- A requirement that the property will be conveyed by Seller to Buyer in an "As Is" condition.



Next Steps

- Staff recommends approval of the resolution authorizing execution of the Purchase and Sale Agreement
- Sansome will execute parallel agreement with CVS
- Development team will accelerate:
 - Project design
 - Negotiations with adjacent property owner
 - Outreach to potential tenants
 - Community outreach process

The Development Team











