



Legislation Text

File #: 19-291, **Version:** 1

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Staff Report for a Resolution Approving the Second Amendment to the Exclusive Negotiating Rights Agreement by and between Cal-Coast Companies LLC and the City of San Leandro Relating to Development of the San Leandro Marina-Shoreline Project

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt a Resolution that approves a Second Amendment to the Exclusive Negotiating Rights Agreement (ENRA) with Cal-Coast Companies LLC (Cal-Coast) for development of the San Leandro Marina-Shoreline Project.

BACKGROUND

The Shoreline Development is a comprehensive master plan for the northern portion of the San Leandro Shoreline, which will implement a vision to create a regional destination that connects the community with the Bay and provides enhanced recreational and community amenities. The proposal includes a 200-220 room hotel, as two restaurants, a banquet facility, a 285 unit apartment complex, a small market, and up to 215 single family residences and town houses. Construction of a new park is proposed to include a pedestrian promenade, expanded Bay Trail path and bike lanes, a boat launch area, and opportunities for public art and environmental education. Construction of a new 2,500 square foot Mulford-Marina Branch Library is also planned as a part of the project.

In October 2008, following a Request for Proposal process, the City entered into a three-year Exclusive Negotiating Rights Agreement (ENRA) with Cal-Coast for the development of an approximately 75-acre opportunity site at the City's Shoreline. This original agreement expired in 2011. The current ENRA was established on April 2, 2012 and included a three-year term with the ability to extend twice for an additional 18 months for a total of up to six years. On April 2, 2018, a First Amendment to the ENRA was approved, which extended the term for an additional 14 months, to June 2, 2019.

The current ENRA provides a framework for development of the San Leandro Marina-Shoreline Project and addresses specifics regarding project scope, developer and city responsibilities, phasing, and cost sharing. During the term of this agreement, the City and Cal-Coast have worked to prepare plans, studies, and financial analysis in order to fine-tune the scope of the project and negotiate terms and conditions for its development. Based on public input, negotiations, staff analysis, Bay Conservation and Development Commission (BCDC) review, and CEQA environmental analysis to date, the scope of the project has evolved and changed to better meet the needs of the community.

During the course of the negotiating agreement, a number of steps have been taken to further development of the project, including:

- Numerous public meetings with the Shoreline Development Citizens Advisory Committee (CAC) and other groups

- Certification of the Shoreline Development Project Environmental Impact Report
- General Plan Map Amendment and Rezoning for future development of the Shoreline Development Project
- Review by the San Francisco Bay Conservation and Development Commission (BCDC)
- Updates to project elements and details based upon various factors, including feasibility and market analysis, environmental review, and BCDC review
- Response to, and successful conclusion of, lawsuit filed by the Coalition for the San Leandro Shoreline
- Negotiation of terms for public-private Development Agreement
- Planning and funding of public improvements associated with project, including construction of a new Mulford-Marina Branch Library, harbor basin decommissioning and redevelopment, and Marina Boulevard streetscape

Since the granting of the First Extension of the ENRA on April 2, 2018, the following actions have been taken, with documents undergoing multiple rounds of drafts and discussions between the City and Cal-Coast:

- Appraisal to obtain the market value of a portion of the executive (9-hole) golf course land for proposed sale for the development of housing
- Draft Development Agreement
- Draft Purchase and Sale Agreement
- Draft Lease Documents, which will be utilized for the Hotel, Multifamily Housing, Restaurant, and Market elements
- Draft Golf Course Design
- Feedback regarding proposed Park plan from City staff, meetings with BCDC to establish approval process going forward
- Pre-application meeting with City staff to review zoning entitlements process and applicable development regulations
- Initiation of process for Zoning Applications, including General Plan Map Amendment and Zoning Map Amendment
- Initiation of process for EIR Addendum

Analysis

In order to allow for completion of final agreement documents and associated zoning and CEQA approvals, an amendment to the ENRA is required at this time. The amendment incorporates a change to the term length of the agreement and an update to the timeline. As the project is large and complex with input required from various different parties, including the developer, numerous city staff, and outside agencies, setting an exact timeline is difficult. All parties have been working diligently over the past year to develop complex documents that address business, legal, and practical matters necessary to ensure the best possible project for the community. The dates

included in the timeline are targets that the group is working towards, but may not be exact.

- Extension of the term of the agreement for up to six additional months to December 3, 2019
- Update of the project timeline, to include the following *targeted* dates:
 - Updated Zoning Applications - Planning Fall 2019
 - Including General Plan and Zoning Map Amendments
 - EIR Addendum - Fall 2019
 - Development Agreement (DA), and associated documents, including Ground Leases and Purchase and Sale Agreement
 - Land Lease Negotiations Market & Feasibility Studies ongoing
 - Appraisal Parameters Established complete
 - Appraisal of Excess Golf Course Land complete
 - Golf Course & Park Design and Cost Estimates ongoing
 - Development Agreement Substantially Complete July 2019
 - Purchase & Sale Agreement Substantially Complete July 2019
 - Lease Agreements Substantially Complete July 2019
 - Scope of Development & Schedule of Performance August 2019
 - Public Improvement Agreement August 2019
 - Development Agmt. & Associated Documents Approval. Oct. 2019
 - Zoning Applications - Development
 - May include Planned Development, Conditional Use Permits, Site Plan Review, and Variances, as applicable
 - Community Meetings As needed
 - Park Design & Infrastructure Planning Fall 2019
 - Designs Submitted (Design Development) Fall 2019
 - Planning Commission & City Council Work Session If needed
 - Planning Commission & City Council Public Hearing Winter 2020
 - Permitting
 - Meeting with Agencies On-going
 - BCDC Design Review Board Approval Following DA Approval
 - BCDC Application Approved Following Entitlements
 - Construction Drawings Submitted (Grading) Winter 2020
 - Ground Break/Demo & Grading Spring 2020
 - Construction Summer 2020

Previous Actions

- On September 26, 2016, and October 9, 2017, project updates were provided to the City Council, providing information on current project scope and process, BCDC review, and next steps.
- On July 20, 2015, the City Council adopted a resolution amending the General Plan Land Use Designation for Approximately 12 Acres of the San Leandro Shoreline Development Project.
- On July 20, 2015, the City Council adopted a resolution certifying the Environmental Impact Report, and associated documents under CEQA, for the San Leandro Shoreline Development Project.
- On April 2, 2012, the City Council adopted a resolution approving an amendment to the ENA with Cal Coast for development of the Marina-Shoreline Area.
- On October 4, 2010 the City Council approved a Consultant Services Agreement with ESA for preparation of a Harbor Basin Alternative Study.
- On November 10, 2008 the City Council ratified the appointment of 33 individuals as Shoreline Development Citizens Advisory Committee Members.
- On October 20, 2008 the City Council adopted a resolution approving the original ENA with Cal Coast.
- At the October 15, 2007 City Council meeting, Council approved the RFQ for a Master Developer for the Marina-Shoreline Area.

Environmental Review

On July 20, 2015, the City Council adopted a resolution certifying the Environmental Impact Report (EIR), Adopting Mitigation Findings, Findings Concerning Alternatives, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program Under CEQA for the San Leandro Shoreline Development Project (PLN2013-00040). An Addendum to the EIR based upon updated project scope is being prepared for review and approval.

Legal Analysis

The amendment to the ENRA has been reviewed and approved as to form by the City Attorney's Office.

Fiscal Impacts

The allocation of the cost of project plans and studies, fiscal analysis, and agreements and other legal and technical documents is outlined in the negotiating agreement. The City's share of costs, which includes legal review, consulting, studies, appraisals, and public meetings, is to be allocated from budgeted funds in the City's Capital Improvement Budget. The impact of the development of the project on the City's General Fund revenue and expenditures is being evaluated and will be presented to the City Council in the future.

Budget Authority

The FY 2018-19 Capital Improvements Budget includes funding for legal and consulting costs associated with review and preparation of Shoreline project documents which are the responsibility of the City.

ATTACHMENTS

Attachment(s) to Staff Report

- None

Attachment(s) to Resolution

- Second Amendment to Exclusive Negotiating Rights Agreement

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