



## Legislation Text

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File #: 20-068, Version: 1

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**RESOLUTION** of the City of San Leandro City Council Approving and Authorizing Execution of a Disposition and Development Agreement Between the City of San Leandro and Cal Coast Companies LLC, Inc.

**WHEREAS**, the City owns certain real property consisting of approximately seventy-five (75) acres located within the City limits in the Shoreline-Marina area (the “Property”); and

**WHEREAS**, the City and Cal Coast Companies LLC, Inc., a Delaware corporation doing business in California as Cal Coast Developer, Inc. (the “Developer”), entered into an Exclusive Negotiating Rights Agreement dated April 2, 2012 regarding development of the Property, as such agreement has been amended and extended (the “ENRA”); and

**WHEREAS**, the City desires to facilitate the development of the Shoreline-Marina area to create new housing units, lodging and restaurants, new facilities to foster economic growth, and new recreational opportunities for the public, as well as promoting the productive use of property and encouraging quality development and economic growth, thereby enhancing employment and recreation opportunities for residents and expanding the City’s tax base; and

**WHEREAS**, Developer desires to develop the Property with a multi-component development that includes the construction of between 200 and 215 detached single-family homes and attached townhomes; the redesign and reconstruction of an existing 9-hole golf course; the construction of a hotel with between 200 and 220 rooms, publicly accessible outdoor space, and an approximately 5,000 square foot restaurant; the construction of a market-rate multifamily residential development with approximately 285 rental units; the construction of an approximately 15,000 square foot restaurant and banquet facility; and the construction of an approximately 3,000 square foot single-story freestanding building shell to house a market or other neighborhood serving retail or service facility; and

**WHEREAS**, in connection with Developer’s development of the Property, the City desires to design and construct an approximately eight acre park, demolish certain improvements in the San Leandro Marina Harbor adjacent to the Property, reconstruct the Mulford-Marina Branch Library, and undertake other public improvements within and adjacent to the Property; and

**WHEREAS**, City staff and Developer negotiated the terms and conditions under which the City would transfer portions of the Property to the Developer, and the parties would develop the Property (the Developer’s and City’s development obligations are referred to herein as the “Project”), and to that end the parties jointly drafted a proposed Disposition and Development Agreement (the “DDA”), copies of which are provided to the City Council; and

**WHEREAS**, the DDA would provide that the City sell to the Developer the site for the

proposed single family homes and townhomes pursuant to a Purchase and Sale Agreement substantially in the form attached to the DDA, and would provide for the City to lease to Developer the sites of the hotel, multifamily housing complex, restaurant and market through separate Ground Leases for each of those components of the Project, substantially in the forms attached to the DDA, which would commence and close upon the satisfaction of certain conditions thereto; and

**WHEREAS**, the sales price for the City's sale to the Developer of the site of the single family homes and townhomes pursuant to the Purchase and Sale Agreement is not less than the fair market value of such real property, as determined by an Appraisal Report prepared by Carneghi-Nakasako & Associates; and

**WHEREAS**, the rent payable under the Ground Leases for the hotel, multifamily development, the restaurant, and market are established at not less than the fair rental value of such properties; and

**WHEREAS**, the City is not providing any economic development subsidies (as defined in Government Code Section 53083) to the Developer pursuant to the DDA, Purchase and Sale Agreement or the Ground Leases; and

**WHEREAS**, the sale and lease of the Property pursuant to the DDA, Purchase and Sale Agreement and Ground Leases are subject to the requirements of the Surplus Property Act, Government Code Section 54220, et seq., as it existed on December 31, 2019, because the ENRA between the City and the Developer was entered into prior to September 30, 2019, and the DDA requires that all conveyances of the Property must occur no later than December 31, 2022; and

**WHEREAS**, the continued use and development of the Property will provide substantial employment and property tax benefits, and contribute to the provision of needed infrastructure, recreational facilities, lodging, restaurants, retail and housing for area growth, thereby achieving the goals and objectives of the City; and

**WHEREAS**, the environmental effects of the proposed Project were analyzed in the San Leandro Shoreline Development Project Final Environmental Impact Report (SCH # 2013072011) (the "FEIR") certified by Resolution 2015-125, adopted by the City Council on July 20, 2015, and City has also adopted a mitigation monitoring and reporting program (the "MMRP") to ensure that those mitigation measures incorporated as part of, or imposed on, the Project are enforced and completed; and

**WHEREAS**, subsequent to certification of the FEIR, the Shoreline Development Concept Plan was updated as a result of feedback from the San Francisco Bay Conservation and Development Commission (BCDC) and changes in market conditions; and

**WHEREAS**, staff reviewed the proposed Project and analyzed it based upon the provisions in CEQA and Section 15162 of the CEQA Guidelines and completed an Addendum to the San Leandro Shoreline Development Project Final Environmental Impact Report (EIR), incorporated herein by reference; and

**WHEREAS**, the City Council adopted an addendum to the FEIR (the "Addendum") by its approval of Resolution **XXX** adopted by the City Council on February 24, 2020, finding that the environmental effects of the Project were sufficiently analyzed, the Project would not result in any

new significant impacts or substantially increase the severity of any significant impacts identified in the FEIR and that none of the circumstances described in CEQA or the CEQA Guidelines requiring preparation of a subsequent or supplemental EIR exist; and

**WHEREAS**, the City Council finds that the economic interests of the City's residents and the public health, safety and welfare will be best served by entering into the DDA.

**NOW THEREFORE** the City Council of the City of San Leandro **HEREBY RESOLVES** as follows:

1. The City Council finds that the foregoing Recitals are true, correct, and incorporated into this Resolution.
2. The City Council approves the transfer of the Property from the City to the Developer pursuant to the terms and conditions set forth in the DDA, the Purchase and Sale Agreement and the Ground Leases.
3. The City Council authorizes the City Manager (or designee), on behalf of the City, to execute the DDA, the Purchase and Sale Agreement, and the Ground Leases substantially in the forms attached to the DDA, and to make revisions and amendments to such documents, subject to the approval of the City Attorney, so long as such actions do not materially or substantially change the uses or construction permitted on the Property, or materially or substantially add to the costs incurred or to be incurred by the City as specified in the DDA, Purchase and Sale Agreement, or Ground Leases, or materially or substantially reduce the revenue earned or to be earned by City, and such amendments may include extensions of time to perform as specified in the Schedule of Performance.
4. The City Council authorizes the City Manager (or designee) to execute all grant deeds, easements, escrow documents and other instruments, and to take such other actions, as necessary to carry out the DDA, Purchase and Sale Agreement, Ground Leases, and this Resolution. The City Manager (or designee) shall have the authority to make approvals, issue interpretations, waive provisions, and make and execute further agreements on behalf of the City, so long as such actions do not materially or substantially change the uses or construction permitted on the Property, or materially or substantially add to the costs incurred or to be incurred by the City as specified in the DDA, Purchase and Sale Agreement, or Ground Leases, or materially or substantially reduce the revenue earned or to be earned by City.

The City Council finds and determines that the DDA is consistent with the Project as analyzed in the FEIR and Addendum, the environmental effects associated with the DDA have been analyzed in the Addendum in accordance with the requirements of CEQA and the CEQA Guidelines and no subsequent environmental impact report or additional environmental analysis is required in connection with the approval of the DDA or this Resolution, in that the City Council finds and determines that none of the conditions set forth in Public Resources Code Section 21166, State CEQA Guidelines Section 15162(a) have occurred.