



## Legislation Text

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**File #:** 15-308, **Version:** 1

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General Plan Conformance Finding Concerning the Acquisition of the Property Located at 777 Alvarado Street (APN: 075-0155-009-00). The acquisition of this property allows the City to maintain it in the future for uses compatible with the City's Downtown Transit-Oriented Development (TOD) Strategy.

### **SUMMARY AND RECOMMENDATION**

In December 2014, the City Council approved authorized the City Manager to acquire 777 Alvarado Street, which lies within a key development opportunity site under the City's Downtown TOD Strategy. Staff recommends that the Planning Commission find that the proposed acquisition of property on 777 Alvarado Street is consistent with the San Leandro General Plan.

### **BACKGROUND AND DISCUSSION**

In July 2000, the City of San Leandro's Redevelopment Agency (Agency) entered into a Disposition and Development Agreement with Creekside Association for the Agency owned properties at San Leandro Boulevard and Davis Street, now home of the Creekside Office Plaza. The original project envisioned an environmental education center on one of the parcels to be operated by Friends of San Leandro Creek. During the negotiation process, the office park development expanded to include all available parcels. The Developer was required, as part of the Disposition and Development Agreement with the Agency, to construct and maintain a creek walk as part of the project. An alternative site, 777 Alvarado Street (the Site) was identified for the environmental education center.

On May 1, 2001, Friends of San Leandro Creek entered into a Lease Agreement with the Oliver Partnership for the Site (the Lease). The Lease included a guarantee from the City of San Leandro and the Redevelopment Agency for performance of the tenant.

On March 5, 2001, the Agency adopted a resolution whereby the City guaranteed the Friends of San Leandro Creek lease the Site. Funding for the Lease was provided by the Creekside Plaza developer who placed \$250,000 in a fund to pay for the Lease. It was originally envisioned that when this funding was depleted in 2013, either Alameda County or the Agency would purchase the Site for Friends of San Leandro Creek.

In 2008-09 Friends of San Leandro Creek, working in conjunction with Alameda County Flood Control, were negotiating with the Oliver Partnership to purchase the Site for \$550,000 to be paid by Alameda County. The purchase never finalized and the vision for the Site as an environmental education center did not materialize.

When the dissolution of the Agency began in February 2012, the Lease Guarantee was placed on the semi-annual Recognized Obligations Payment Schedule (ROPS).

In May 2012, with the knowledge that the \$250,000 set aside to pay the Lease was approaching depletion, Friends of San Leandro Creek's Chairperson and City staff met with Mr. Steve Oliver to discuss the possibility of terminating the Lease or having the Oliver Partnership donate the land to Friends of San Leandro Creek.

On May 17, 2013, the State Department of Finance objected to the Lease Guarantee on the ROPS based on a determination that the Agency was not the sole guarantor because the City was also a guarantor. Combined with Friends of San Leandro Creek's inability to pay the Lease, this determination made the Lease a responsibility of the City. The City has been paying the Lease out of the General Fund since early 2014. As of March 2014, the projected remaining cost of the Lease over the next nine years is approximately \$300,000.

The Site is envisioned in the Downtown Transit Oriented Development (TOD) Strategy as part of a future residential development on the former World Savings parcels on Alvarado currently owned by Wells Fargo. Density of 65 - 100 units per acre is envisioned and the Site, along with the fire training facility, could provide a linear park along the creek, similar to the linear park in the Cherrywood subdivision to the north. Based on the cost of the remaining Lease and the future value of the property, staff pursued the process of property acquisition.

In December 2014, the City Council authorized the City Manager to purchase the Site and approved an appropriation of \$300,000 for acquisition. The sale is currently in escrow.

## **LOCATION & LAND USE DESIGNATIONS**

Attachment A provides an aerial view of the property and the surrounding vicinity. Attachment B is the General Plan and Land Use Map of the subject property. The primary land use designation for the subject property, and adjacent property to the east, is "Public/Institutional (PI)". The site is surrounded on the north, west and south by residential uses. Cherrywood subdivision, consisting of primarily detached single family units with some two family units (duets), to the north and Camellia Court, composed of detached single family homes, to the west both have "Low-Medium Density Residential (RLM) land use designations. The area immediately south has a land use classification of "High Density Residential (RH)," and is generally vacant; though it also has a "grandfathered" industrial use. To the east is a defunct railroad line and "grandfathered" light industrial and residential building that have the "Corridor Mixed Use (MUC) land use designation. Further south of the subject site is FH Daily Chevrolet ("General Commercial" or "GC" land use) and the Wells Fargo office building and parking lot ("Office" land use).

The PI designation is used for "public schools, libraries, post offices...and other public or institutional buildings" as well as "major utility properties or facilities, including the BART Stations". The zoning designation for the site is "Industrial Park (IP) District".

## **REQUIRED PLANNING COMMISSION ACTION**

Under Government Code Section 65402, the Planning Commission must find that the proposed acquisition of property by the City is in conformance with the General Plan. There is a strong policy direction in the General Plan to support the acquisition of this site which is highlighted in the policy narrative on pages 3-55 and 3-57 (as shown in the goals below) of the San Leandro General Plan:

#### **6.01 DOWNTOWN PLAN**

In accordance with the adopted...Downtown San Leandro Transit Oriented Development Strategy, ensure that new Downtown Development is attractive and creates an image conducive to revitalization.

#### **6.05 PEDESTRIAN-FRIENDLY ENVIRONMENT**

Provide public and private improvements that create a safe, friendly, and pleasurable environment for pedestrians.

### **ENVIRONMENTAL REVIEW**

This matter is categorically exempt from the California Environmental Quality Act (CEQA) Article 19. Categorical Exemptions Section 15301, Class 1. The proposal to acquire this property involves no change in existing use. The City, or future buyer of the site, will conduct a separate environmental review process at such time in the future when a formal development proposal is prepared in accordance with the City's Downtown TOD Strategy.

### **PUBLIC OUTREACH**

This item was noticed by posting of the Planning Commission meeting agenda.

### **ATTACHMENTS**

Attachment A- Aerial Photograph  
Attachment B-General Plan Land Use Map