



## Legislation Text

---

**File #:** 20-143, **Version:** 1

---

Staff Report for a City of San Leandro City Council Resolution to Rescind City Council Resolution No. 2020-020, and to Approve and Authorize the City Manager to Execute a Disposition and Development Agreement, including authorization to enter into Leases and a Purchase and Sale Agreement, between the City of San Leandro and Cal Coast Companies LLC Inc. to facilitate the future development of approximately 75 acres of the San Leandro Shoreline area as part of a public-private partnership proposed to result in up to 485 housing units, a 220-room hotel with attached restaurant, a 15,000 square foot two-story restaurant/banquet facility, a 3,000 square foot market/café, a redesigned nine-hole golf course, a new Mulford-Marina Branch library building, a nine-acre community park, and related site improvements; Assessor's Parcel Numbers: 080G 0900 001 08, 080G 0900 004 01, 079A 0475 009 04, 079A 0590 001 05, 079A 0590 001 07, 079A 0590 002 00, 079A 0590 003 00, and 079A 0590 004 00.

**Summary Title:** Adopting a Resolution to Rescind City Council Resolution No. 2020-020 and to Approve and Authorize the City Manager to Execute a Disposition and Development Agreement (DDA) that includes a Purchase and Sale agreement with Cal Coast Companies LLC Inc. to facilitate the future development of the Shoreline area.

### SUMMARY AND RECOMMENDATIONS

On February 24, 2020, the City of San Leandro City Council adopted:

- 1) a Resolution approving the Addendum to the Shoreline Development Project EIR (SCH # 2013072011), General Plan Text Amendment, and General Plan Map Amendment;
- 2) an Ordinance approving the Zoning Map Amendment; and
- 3) a Resolution approving and authorizing execution of a Disposition and Development Agreement by and Between the City of San Leandro and Cal Coast Companies LLC, Inc.

Resolution No. 2020-20 approved the Disposition and Development Agreement (the "DDA") between the City and Cal Coast Companies LLC, Inc. (the "Developer"), and it authorized the City Manager to execute the DDA, and the Purchase and Sale Agreement and Ground Leases in the forms attached to the DDA, subject to the condition that the Developer submit to the City Manager on or before 5:00 p.m. on March 25, 2020 a signed copy of a letter of intent between Developer and the Building & Construction Trades Council of Alameda County ("Building Trades Council") to enter into a Project Labor Agreement (the "LOI").

After the approval of Resolution No. 2020-020, the Developer and the Building Trades Council's representative began working on agreement terms for the LOI.

The Developer and the authorized representative for the Building Trades Council informed the City Manager on March 25, 2020 that they had reached agreement in principle on the LOI, but were unable to provide a signed copy of the LOI on that date due to the unavailability of legal counsel to formalize and complete agreed-upon updates to the LOI in an immediate fashion. The updates to the LOI were eventually completed, and the authorized representatives of the Developer and Building Trades Council signed the LOI on March 27, 2020. A fully executed agreement was received by the City Manager on March 30, 2020.

Notwithstanding the Developer's failure to meet the condition in Resolution No. 2020-020, the City Manager and staff still believe that the project as recommended is in the best interests of the City. Therefore, staff recommends that the City Council approve a new resolution that will rescind Resolution No. 2020-020. The new resolution will state that the City Council finds that the condition was not met. The new resolution will acknowledge that the City Manager received a fully executed LOI on March 30, 2020. Finally, the new resolution will approve and re-authorize all of the actions described in Resolution No. 2020-020, including the execution of a Disposition and Development Agreement (DDA) by and between the City of San Leandro and Cal Coast Companies LLC, Inc..

## **BACKGROUND**

The Monarch Bay Shoreline area is bounded by Marina Blvd to the north, the San Francisco Bay to the west and Fairway Drive to the south. The proposed amendments would affect approximately 75-acres of City-owned property. In October 2008, the City entered into an Exclusive Negotiating Rights Agreement (ENRA) with Cal-Coast to negotiate agreements to redevelop the City's Shoreline area. From 2008 to 2015, Cal-Coast worked with City staff and various resident advisory committees to develop a Conceptual Master Plan for the Shoreline area that would meet the following stated objectives:

- Provide complementary amenities to City of San Leandro residents and visitors;
- Connect the amenities with current Shoreline uses;
- Recognize the development value of a desirable regional location and how private development can fund public amenities and services;
- Address logical phasing of development;
- Require little or no City investment; and
- Result in a self-supporting Shoreline project area.

In 2015, the City Council certified an Environmental Impact Report (EIR) and approved a General Plan Map Amendment and Zoning Map Amendment (PLN2012-00040) to lay the groundwork for the Shoreline Development Concept Plan.

In 2017, Cal-Coast modified the Shoreline Development Concept Plan based on feedback from the San Francisco Bay Conservation and Development Commission (BCDC) and evolving market conditions. Most notably, the office campus and conference center were eliminated, the number of planned residential units increased from 354 to 485, and the proposed buildings were relocated closer to Monarch Bay Drive to accommodate sea level rise, which frees up land on the waterfront for

a new nine-acre community park on Mulford Point. The updated Shoreline Development Concept Plan now includes a:

- 220-room hotel with attached restaurant;
- 15,000 square foot two-story restaurant/banquet facility;
- 485 housing units;
- 3,000 square foot market/café;
- 9-acre community park on Mulford Point;
- New Mulford-Marina Branch library;
- Redesigned nine-hole golf course; and
- Related site improvements, including publicly accessible trails, landscaped areas, access drives, and parking lots throughout the project area.

As a fundamental part of the project, the City will perform demolition within the Harbor Basin area in order to remove nonfunctional and dilapidated infrastructure and materials to ensure that the area is functional, safe, clean and environmentally sound. Such demolition will be performed in a manner and scope as approved by the City Council and applicable public agencies. Additionally, no changes to the existing Horatio's restaurant and Marina Inn are included in the proposal.

The proposed Disposition and Development Agreement and amendments to the General Plan and Zoning Map reflect the updated Shoreline Development Concept Plan and lay the groundwork for future planning approvals. These amendments will be followed by more precise development plans for Planning Commission and City Council consideration at subsequent public hearings. The proposed changes to the Concept Plan are necessary to make the project more resilient to projected sea level rise, to prioritize housing over office space, and to expand parkland along the waterfront on Mulford Point.

## Previous Actions

At its February 24, 2020 meeting, the City Council approved a General Plan Text Amendment, General Plan Map Amendment, and Zoning Map Amendment to reflect the updated Shoreline Development Concept Plan for approximately 75 acres of City-owned land at the San Leandro Shoreline as part of a public-private partnership with Cal-Coast Companies. The City Council also determined that the proposed project was adequately analyzed pursuant to the California Environmental Quality Act (CEQA) by the Addendum to the Certified Final Environmental Impact Report. Finally, the City Council, subject to the aforementioned condition, approved and authorized execution of a Disposition and Development Agreement between the City of San Leandro and Cal Coast Companies LLC, Inc, which includes authorization to enter into leases and a Purchase and Sale Agreement, and outlines key business terms, including the scope of development, schedule of performance, and the respective responsibilities of the City and the developer.

On February 6, 2020, the Planning Commission held a Public Hearing, at which it recommended that the City Council approve the General Plan Text Amendment, General Plan Map Amendment, and Zoning Map Amendment on a 5-1 vote (one absence). These meetings followed an extensive planning and public outreach process over the course of 12 years. The process included public meetings and outreach in 2019, as well as over 80 public meetings over the years. See the attached Staff Report from February 24, 2020 for further background on the project, planning process and

public outreach.

## **ATTACHMENTS**

### Attachments to Staff Report

Exhibit A - February 24, 2020 City Council meeting staff report for approval of General Plan Text and Map Amendments, Zoning Map Amendments, CEQA Addendum, and Disposition and Development Agreement, including attachments.

### Attachment to Resolution

Exhibit A - Resolution No. 2020-20, dated February 24, 2020, approving and authorizing execution of a Disposition and Development Agreement between the City of San Leandro and Cal Coast Companies LLC, Inc., with attachments including the Disposition and Development Agreement, Purchase and Sale Agreement, and Leases.

### PREPARED BY:

Katie Bowman, AICP, Economic Development Manager

3507024.1