



Legislation Text

File #: 21-335, **Version:** 1

Staff Report for a Resolution of the City of San Leandro City Council to Approve and Authorize the City Manager to Execute a Commercial Revitalization Agreement with WannaWin San Leandro, LLC and Authorizing the City Manager to Execute a Grant of Easement to Pacific Gas and Electric Company for Connecting Gas and Electric Facilities to the Property Located at 1495 East 14th Street Through City Owned Property Located at 1490 Washington Avenue (APN 077 0545 024 01)

SUMMARY AND RECOMMENDATIONS

Staff recommends approval of the resolution approving a Commercial Revitalization Agreement with WannaWin San Leandro, LLC and a Grant of Easement to Pacific Gas and Electric Company (PG&E), permitting the construction and maintenance of a conduit path and a service area interface site, including electrical transformer, in the City owned parking lot at 1490 Washington Avenue to allow PG&E to provide gas and electric service to the WannaWin development at 1495 E. 14th Street.

BACKGROUND

In 2019, WannaWin San Leandro, LLC. purchased the property at 1495 E. 14th Street, which was formerly occupied by Bay Bank. WannaWin is now working to renovate and modernize the building to include spaces for a restaurant and brewpub with indoor and outdoor dining. Over \$5 million of investment will be made into the building, including seismic retrofitting, new wiring, new tenant spaces, and an exterior remodel.

In order to renovate the property and serve new food and retail users, it is necessary to provide additional and upgraded power onsite. An electrical transformer must be installed to supply additional electricity to the property, and because the building at 1495 E. 14th Street covers the entire property, the transformer must be located on another adjacent property.

The City owns adjacent property at 1490 Washington Avenue which serves as a parking lot for the businesses in downtown shopping areas. WannaWin has explored potential locations within the public right of way for these connections but has found none. As such, WannaWin has requested to put a PG&E electric transformer in an existing landscape island in the parking lot and run their gas and electric conduits below grade and through the driveway to their building for service of those utilities. To do so, the City must grant an easement to PG&E for the placement of their utilities on City property.

The use of this easement shall be strictly limited to the construction and maintenance of a conduit path and service to an above-ground transformer located in a median island within the parking lot at 1490 Washington Avenue. Furthermore, the installation of any lines will be underground, with a service area interface and concrete pad installed above ground on City property.

An agreement has also been developed between the City of San Leandro and WannaWin to outline roles and responsibilities related to the easement and transformer. While not planned or anticipated at this time, the City will have the ability to terminate the utility easement if changes need to be made to the City owned parking lot in the future,. WannaWin will be responsible for the cost of removal of the transformer and associated facilities. In order to provide the property owner some assurance in their substantial investment under the proposed agreement, the City will not require that the transformer be relocated for at least 10 years, will provide WannaWin notice one hundred eighty (180) days ahead of providing PG&E a 180-day notice (for a total of one year notice period),and will work with WannaWin to find alternative locations as needed.

Analysis

Partnership with the property owner of 1495 E. 14th Street to provide an easement will help to facilitate an exciting project that will bring a number of benefits to downtown San Leandro, provide economic benefits to the City and its residents, and work towards community goals. Additionally, the City's risks are mitigated through an agreement with WannaWin outlining future responsibilities and costs.

The property at 1495 E. 14th Street has been vacant for over 12 years and Economic Development staff have worked with the previous and current property owners over the years to promote a positive development at the property for the community. Remodeling of this property works towards the goals of the Downtown Transit-Oriented Development Plan and represents a 'completion' of improved properties at the key downtown corner of Juana Avenue and E. 14th Street.

Activation of this corner helps to improve not only the business environment, but the pedestrian environment and aesthetics of the area. Interior and exterior improvements will also help to contribute to placemaking in the area, including outdoor improvements along East 14th Street and opening the rear of the building for an inviting indoor/outdoor space. Community benefits will include the installation of public art and upgrades to the shared public trash enclosure servicing the area.

The rehabilitation of 1495 E. 14th Street is expected to attract additional restaurants, office uses and retail businesses to locate in downtown San Leandro, which will help to strengthen the local economy and provide employment, sales and property tax benefits to the City. Two successful and high-volume tenants are proposed, including a brewpub, which will invite beer aficionados downtown and reinforce San Leandro's growing 'beer cluster.' As with other new or renovated developments, positive economic impacts of the project include notable increases in property and sales taxes.

Based on all of these positive impacts, partnership with Wannawin in the establishment of a Commercial Revitalization Agreement and Grant of Easement to support development of this project will advance the City Council's goals of establishing a firm foundation for long-term fiscal sustainability, and supporting projects and programs promoting sustainable economic development.

Current Agency Policies

The project and proposed agreements work towards City Council Goals, including:

- Place San Leandro on a firm foundation for long-term fiscal sustainability
- Advance projects and programs promoting sustainable economic development, including

transforming San Leandro into a center for innovation

Applicable General Plan Policies

The project and proposed agreements work towards various General Plan Goals, including:

- Policy ED-4.5 Downtown San Leandro. Continue efforts to transform Downtown into a successful, pedestrian-oriented, mixed-use district with services and amenities for workers, residents, and visitors. Downtown should be the gathering place for the city, providing restaurants, cafes, and a wide range of retail stores and services in a walkable setting
- Policy LU-6.12 Business Partnerships. Support public and private efforts to enhance and mark Downtown San Leandro. Encourage partnerships between the City, the Chamber of Commerce, the San Leandro Improvement Association, Downtown Association, and private entities (such as property owners, tenants, developers, etc.)
- Policy ED-2.4 Business Assistance. Maintain programs that provide a supportive environment for local businesses, including expedited permitting, incentives for renovating and improving buildings, site location assistance, land assembly, loans, and other business development incentives
- Policy ED-2.1 Business-Friendly City. Maintain a collaborative and supportive relationship between the City and the private sector that emphasizes the ease of doing business in San Leandro.

Legal Analysis

The Commercial Revitalization Agreement and Grant of Easement have been reviewed by the City Attorney and approved as to form.

Fiscal Impacts

Per the Commercial Revitalization Agreement, WannaWin San Leandro, LLC will be responsible for the costs of relocating the transformer, if required in the future.

ATTACHMENTS

Attachment to Staff Report

- 1495 E 14th St. - Proposed Concept & Select Architectural Plans

Attachments to Resolution

- Commercial Revitalization Agreement between the City of San Leandro and Wannawin San Leandro, LLC
- Grant of Easement between the City of San Leandro and PG&E

PREPARED BY: Nicole Castelino, Associate Engineer and Katie Bowman, Economic Development Manager