



CITY COUNCIL STAFF REPORT

MEETING DATE: **October 23, 2023**

ITEM TITLE: **Adopt Ordinance 1602 Approving a Development Agreement with the
Sobrato Family Foundation, for the 841 Old County Road Project.**

RECOMMENDATION:

The Planning and Transportation Commission and staff recommend that the City Council adopt Ordinance 1602 approving a development agreement with the Sobrato Family Foundation for the 841 Old County Road Project ("Project").

FISCAL IMPLICATIONS:

The Applicant has paid the appropriate application fees and provided deposit funds to pay for expenses related to the environmental review and other reports and analyses associated with the Project. The Project will be required to pay building permit fees and City impact fees. City impact fees total over \$12.9 million and include commercial linkage (affordable housing), childcare, sewer, and traffic fees. The proposed development agreement includes community benefits, which are valued at \$7.69 million.

The proposed development will also benefit the City with increased property tax, increased sales tax revenue, and new job creation. The estimated increased revenue to the City is \$13.6 million over 20 years.

BACKGROUND:

The Planning and Transportation Commission, at its June 7, 2023 meeting, conducted a public hearing and adopted Resolution PTC2023-11 recommending that the City Council adopt the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program and adopted Resolution PTC2023-12 recommending that the City Council adopt the Ordinance to zone the site Planned Development (PD) Zoning, approve the associated Planned Development Plan, and adopt the Ordinance approving the development agreement. The Planning and Transportation Commission also approved the Design Review, Tentative Parcel Map, Transportation Demand Management Plan, and Grading and Dirt Haul Certificate subject to the approval of the Planned Development zoning.

The City Council heard the item at its August 28, 2023 meeting and continued the public hearing, requesting that the developer expand its community benefits offer. At its October 9, 2023 meeting, the City Council conducted the public hearing and adopted Resolution 2023-125 approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan, introduced Ordinance 1601 to rezone the site from Heavy Industrial (IH) to Planned Development Zoning and approving the Planned Development Plan and introduced Ordinance 1602 approving the

development agreement as revised at the meeting.

ANALYSIS:

The development agreement includes construction of a new bike and pedestrian path along Bransten Road with landscape improvements, a community serving café with patio space, public access to a central landscaped courtyard, ability for community groups and non-profit organizations to reserve the central courtyard six times per year, four parking spaces for retail/cafe customer use, and 46 parking spaces available to the public on nights and weekends, including 2 EV charging stalls. At the October 9, 2023 City Council meeting, the developer also agreed to pre-plumb the development with purple pipe for future recycled water connection, provide an additional three parking spaces for guests visiting the courtyard, and include a booking system for community reservations. The community benefits also include monetary contributions to the City's Downtown Improvement Fund, Community Improvement & Recreation Fund, and Green Energy Sustainability Fund, totaling \$6,296,600 in monetary contributions to the City. The total community benefits are valued at \$7,690,000 as outlined below.

841 Old County Road Community Benefits.

Downtown Improvement funds	\$2,796,600
Community Improvement & Recreation Fund	\$3,000,000
Green Energy Sustainability	\$500,000
Café (credit)	\$555,000
Bike/Pedestrian path (credit)	\$148,400
Public Parking (credit)	\$690,000
TOTAL	\$7,690,000

The development agreement is for a 10-year term and includes vesting of City laws and impact fee provisions.

The City Council, at its October 9, 2023 meeting, introduced Ordinance 1602 approving the development agreement with the following amendments to:

- add three additional public parking spaces during business hours, for a total of seven spaces, to be available for public visiting the cafe and/or courtyard space;
- pre-plumb the development with purple pipe for future recycled water connection; and
- include a booking system for community reservations of the courtyard space.

Environmental Review.

The City Council adopted Resolution 2023-125 approving the Mitigated Negative Declaration and Mitigation Monitoring Plan prepared in accordance with CEQA guidelines. With implementation of the mitigation measures, the project will not result in a significant impact to the environment.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Adopt Ordinance 1602 approving a Development Agreement with the Sobrato Family Foundation for the 841 Old County Road Project; or
2. Do not adopt the Ordinance; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Ordinance 1602 with Exhibit A – Findings
Exhibit B to Ordinance – Development Agreement
2. Development Agreement Redlined Pages to Show Updates Since Ordinance 1st Reading