



Planning Commission Staff Report

June 24, 2009
Item 6.c.

- SUBJECT:** Development Agreement for the Staples Ranch Project
- APPLICANT/
PROPERTY OWNER:** Alameda County Surplus Property Authority (ACSPA)
- GENERAL PLAN:** *City of Pleasanton General Plan*—Mixed Density Residential (two to eight dwelling units per gross acre) and High Density Residential (greater than eight dwelling units per gross acre); Parks and Recreation; and Retail/Highway/Service Commercial, Business and Professional Offices
- Alameda County General Plan*—Mixed-Use/Business Park
- SPECIFIC PLAN:** Stoneridge Drive Specific Plan, as amended
- ZONING:** *Alameda County* – Agriculture (Most of the property is currently located in unincorporated Alameda County.)
- City of Pleasanton* – Pre-zoning for the property is PUD-C (Planned Unit Development – Commercial), PUD – High Density Residential/ Commercial (PUD-HDR/C), and PUD – Park (PUD-P)
- That portion that is within the City (1.5 acres) is zoned PUD - Commercial, PUD – High Density Residential/Commercial, and PUD – Medium Density Residential.
- LOCATION:** The project site is located at the southwest corner of the I-580 and El Charro Road intersection.
- ATTACHMENTS:** 1. Exhibit A, Draft Development Agreement
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BACKGROUND

State law authorizes a city to enter into an agreement with a property owner for property that is proposed to be developed in order to establish the rules and procedures that will govern the property's development. Unlike conditions of approval for a project that must have a reasonable nexus, the terms and conditions of a development agreement are simply those that the city and the property owner may agree upon, generally to the benefit of both the city and the property owner. That is, the city may be able to attain for the community improvements or contributions that are unrelated to the project itself. In exchange, the property owner gets the benefit of a vested entitlement and, during the term of the agreement (unless otherwise indicated in the agreement), the City's rules, regulations, policies, and ordinances that are in effect at the time the agreement is executed are the rules, regulations, etc. that will apply to the project for the life of the project. Due to the complexity of the Staples Ranch project, for example, different developers are developing separate sites, and due to the length of time it may take to develop the entire site, the ACSPA requested a development agreement for this project. City staff negotiated the terms and conditions of such an agreement and it is attached.

Similar to Planned Unit Development (PUD) development plans, a development agreement is considered a legislative act (and hence subject to referendum). The Planning Commission is being asked to make a recommendation to the City Council whether to approve a development agreement for this project.

Staff has also been reviewing the PUD application from San Jose Arena Management for the proposed ice skating facility and improvements to the Staples Ranch Community Park and anticipates a separate development agreement for those improvements.

DISCUSSION

The obligations of the ACSPA and the developers are set forth in Article 3. Under that Article, the ACSPA will dedicate to the City the Community Park Site (at no cost) and will transfer to the City the Neighborhood Park Site (the Neighborhood Park Site, however, will be purchased). [In turn, the Community Park Site will largely be developed by the San Jose Arena Management under a ground lease that is being separately negotiated. The Neighborhood Park Site – which will house the storm detention basin – will be improved primarily by Continuing Life Communities (CLC) via an agreement that is also being separately negotiated.]

Section 3.06 obligates the ACSPA to construct the Stoneridge Drive Extension Improvements, defined as a four-lane divided public right-of-way from its current terminus at Trevor Parkway to El Charro Road, with turn lanes and two, two-lane bridges across the Arroyo Mocho (see Recital G). Section 3.08 obligates the ACSPA to pay to the City one million dollars for the City's construction of off-site traffic improvements to address off-site effects of the extension of Stoneridge Drive (e.g., the

traffic lights at Trevor Parkway, Newton Way, and Guzman Way). Section 3.09 sets forth ACSPA's obligation concerning the San Joaquin Spearscale, and Section 3.10 requires the ACSPA to fund public art.

Article 4 identifies the obligations of the City under the development agreement: to initiate annexing the property into Pleasanton; to protect the property owner's vested rights; to reserve water and sewer capacity for the project; and to construct certain improvements to the I-580/EI Charro interchange if the City of Livermore has not already done so.

Article 6 sets forth the vested rights of the ACSPA and the developers to develop the property. Generally, the rules, regulations, policies and ordinances – as well as fees – in effect when the development agreement is executed are the rules and fees that will apply to the project. Because the proposed development of the retail site is uncertain at this time, the rules and fees that will apply to development of that site will be those in effect when the PUD plan for that site is complete.

The intent of Article 6 is to protect the ACSPA and the developers of the project site from any changes to the land uses or other City laws – including subsequently adopted initiatives – that would prevent the project from being developed as currently approved. Although the development agreement expressly does not require any particular phase of the project to proceed before the other, it does not preclude the City from requiring that a particular developer phase its particular project as set forth in the conditions of approval. For example, the conditions of approval for the CLC project require the developer to build a berm along I-580 prior to occupancy of the units; Section 6.11 of the development agreement does not preclude that type of phasing.

The remainder of the agreement has provisions typical of development agreements – how project approvals may be amended, how rights and obligations of the agreement are assigned to third parties, what constitutes default under the agreement, etc.

STAFF RECOMMENDATION

Staff believes on balance that the development agreement provides sufficient benefits for the City and the community that it warrants approval. Most significantly, it results in the dedication of a 17-acre community park site and provides an opportunity for a variety of needed services for seniors, including assisted living and skilled nursing facilities. Accordingly, staff recommends that the Planning Commission find that the development agreement is consistent with the General Plan and the Stoneridge Drive Specific Plan as amended, and recommend to the City Council that the agreement be approved.



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June 24, 2009

VIA EMAIL

Planning Commission
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

**Re: Proposed Staples Ranch Project Development Agreement; Agenda Item 6.c,
Planning Commission Meeting of June 24, 2009**

Dear Chair Pearce and Members of the Planning Commission:

This office represents Vulcan Materials Company, Western Division ("Vulcan"), owner and operator of quarry lands and facilities located to the southeast of the Staples Ranch project site. We just recently received the agenda for tonight's Planning Commission meeting and learned that the Commission will be considering a draft development agreement ("DA") with the Alameda County Surplus Property Authority ("SPA") for the Staples Ranch project.

In order to ensure consistency and compliance with the Pre-Development and Cooperation Agreement, dated September 18, 2007, by and between the Cities of Pleasanton and Livermore, the SPA, Alameda County, and Vulcan ("Cooperation Agreement"), particularly sections 10.2(b) and 10.3(b) thereof, Vulcan requests the following changes be made to the final sentence of Section 12.04 of the DA (additions shown in **underlined bold text**; deletions shown in **~~bold strike-through text~~**):

As required by Section 10.2(b) of the Cooperation Agreement, SPA **and each Developer** shall provide each potential tenant or purchaser of any property in the Project Site from SPA **or such Developer** with the written disclosure statement attached hereto as Exhibit __-1. As required by Section 10.3(b) of the Cooperation **Agreement** **agreement**, SPA **and each Developer** shall attach the rider attached hereto as Exhibit __-2 to each deed from SPA **or such Developer** for any property in the Project Site.

We trust these changes will be acceptable to the City and the SPA. Please let us know if you have any questions regarding this matter.

Additionally, we would like to remind the City that we have a long-standing written request on file with the City for special notice for all matters and meetings relating to the Staples Ranch

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SUPPLEMENTAL MATERIAL
Provided to the Planning Commission
After Distribution of Packet

Date Distributed: 6/24/09

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project (see letter dated October 11, 2005), and Vulcan and this office would both greatly appreciate receiving such notices in advance of future meetings for this project.

Sincerely,

WENDEL, ROSEN, BLACK & DEAN LLP



Neal A. Parish

NAP/np

cc: Steven Bocian, Assistant City Manager
Robin Giffin, Associate Planner
Stuart Cook
Doug Reynolds
David L. Preiss, Esq.