



**Planning Commission
Staff Report**

October 9, 2013
Item 5.a.

- SUBJECT:** P13-2191
- APPLICANT:** Hacienda Owners Association
- PROPERTY OWNERS:** Kaiser Permanente, Oracle, Pleasanton Paper/Unisource, Roche Molecular, SafeAmerica Credit Union, Walmart, WP Carey (Shaklee), and 1st United Services Credit Union.
- PURPOSE:** Application for a modification to the Development Agreements for several properties in Hacienda Phase I and Phase II to extend the Development Agreements by five-years from 2013 to 2018.
- GENERAL PLAN:** Business Park (Industrial/Commercial and Offices) and Mixed Use.
- ZONING:** PUD-I/C-O (Planned Unit Development-Industrial/Commercial-Office) and PUD-MU (Planned Unit Development-Mixed Use) Districts.
- LOCATION:** 5901 and 6001 Gibraltar Drive, 4225 and 4300 Hacienda Drive, 5800 and 5805 Owens Drive, 4501 Rosewood Drive, and 4747 Willow Road.
- EXHIBIT:**
- A. Draft Amendment to the Development Agreements for Hacienda Phase I and Phase II, October 9, 2013.
 - B. Third Amendment to the Phase I and Phase II Development Agreements.
 - C. Hacienda Phase I Development Agreement between the City of Pleasanton and Callahan-Pentz Properties, dated December 30, 1983.
 - D. Hacienda Phase II Development Agreement between the City of Pleasanton and the Prudential Insurance Company of America, dated April 22, 1986.
 - E. Location and Notification Map.
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I. BACKGROUND

Proposal

The applicant, Hacienda Owners Association, proposes to amend the development agreement for Hacienda Phase I and Phase II by extending the term of these agreements by five years until December 31, 2018. The applicant's proposal would be the sixth amendment to the previously approved Development Agreements.

Background

On December 30, 1983, the City of Pleasanton executed the first Development Agreement between the City and Callahan-Pentz Properties, the original developer of the first phase of the Hacienda Business Park (referred to now as Hacienda Phase I). On April 22, 1986, the City of Pleasanton executed the second Development Agreement between the City and the Prudential Insurance Company of America on the second phase of the Hacienda Business Park (referred to now as Hacienda Phase II).

As consideration for the City's approval of the Hacienda Business Park (PUD-81-30, Ordinance 1109 and PUD-85-08, Ordinance 1247) development, Callahan-Pentz Properties and the Prudential Insurance Company of America constructed or participated in funding the construction of infrastructure including the freeway interchanges at I-580/Hacienda Drive, Hopyard Road, and Santa Rita Road, channel improvements to the Arroyos within the business park and downstream from the business park, public streets and utilities, first phase of the City's Traffic Operations Center (TOC), etc., that benefitted the community. (The Arroyo improvements alone lowered the flood elevations of a number of single-family properties thereby removing their requirement for flood insurance.)

Hacienda Development Agreements

The first Development Agreements for Phase I and Phase II were approved for a period of 25 years, which was the projected time to build out Hacienda. The City Council then approved two amendments to the Development Agreements for Phase I and Phase II that extended the expiration date of the Development Agreements to December 31, 2008.

The City Council approved a third amendment to the Development Agreements that extended their expiration date to December 31, 2013. The third amendment only applied to the following sites: BRE Properties, Inc., Kaiser Permanente (former Oracle), Oracle, Pleasanton Paper/Unisource, Roche Molecular, SafeAmerica Credit Union, Walmart, WP Carey (Shaklee), and 1st United Services Credit Union as these were the only sites with approved projects that would benefit from the extension of the Development Agreements. The fourth and fifth amendments to the Development Agreements covered the two high density residential/multi-use developments on the BRE properties with a December 31, 2018, expiration date, for the BRE properties only.

II. SITE AND SURROUNDING AREA

The eight sites in Hacienda Phase I and Phase II covered by this proposal include 1) Kaiser Permanente, 2) Oracle, 3) Pleasanton Paper/Unisource, 4) Roche Molecular, 5) SafeAmerica Credit Union, 6) Walmart, 7) WP Carey/Shaklee, and 8) 1st United Services Credit Union. The subject properties are shown in Figure 1, below.



Figure 1: The Eight Hacienda Sites and Surrounding Land Uses

The Hacienda Phase I and Phase II properties surrounding these sites are developed with a variety of uses including Thomas Hart Middle School (Pleasanton Unified School District), apartments, townhomes, single-family homes, office, hotel, restaurant, and retail uses. In addition to these uses, the City Council has approved multi-use commercial/high density residential developments on the BRE Properties and the California Center sites and a high density residential development on the Anton Hacienda site (aka Neuron). (These developments are indicated by the stars in Figure 1.)

III. PROJECT DESCRIPTION

The proposed amendment to the Development Agreements would grant a five-year extension to December 31, 2018, for the sites listed in Table 1, below.

Table 1: Subject Properties

Property (Hacienda Site No.)	Address¹	Development Type Approved Floor Area²
Kaiser Permanente² (Site 57)	5800 Owens Drive	Administrative Offices 468,284 sq. ft.
Oracle² (Site 56C)	5805 Owens Drive	Administrative Offices 524,808 sq. ft.
Pleasanton Paper/Unisource (Site 10B)	4225 Hacienda Drive	Warehouse Distribution 389,660 sq. ft.
Roche Molecular² (Site 6)	4300 Hacienda Drive	Research and Development 355,361 sq. ft.
SafeAmerica Credit Union (Site 5F)	6001 Gibraltar Drive	Credit Union/Financial 25,642 sq. ft.
Wal-Mart (Site 58A)	4501 Rosewood Drive	Department Store 126,634 sq. ft.
WP Carey (Shaklee) (Site 7F)	4747 Willow Road	Research and Development 264,153 sq. ft.
1st United Services Credit Union (Site 35A)	5901 Gibraltar Drive	Credit Union/Financial 20,916 sq. ft.
Total Floor Area		2,175,458 sq. ft.

¹ One address is used for multiple-building developments.

² Approved floor area for these developments/properties does not include the garage structure.

The Development Agreements would preserve the Hacienda PUD regulations and conditions that were in place for these sites when the properties received their PUD Design Review approvals.

Development agreements are public/private contracts specifically authorized by California State law with the purpose of providing to property owners more certainty about the entitlements and exactions that will apply to their property. This is achieved by the Development Agreement setting forth the rights and responsibilities between the City and the property owner/developer. Development agreements are primarily utilized on large, master planned developments that will be constructed in a phased manner over a relatively long period of time. They, therefore, encourage public and private investment, including the provision of public facilities that could not normally be required under a typical development plan review.

The development agreement statute requires that the Planning Commission find the proposed extension to the Development Agreements consistent with the General Plan and provide a recommendation to the City Council.

IV. ANALYSIS

The proposed amendment to the third amendment to the Phase I and Phase II Development Agreements are attached as Exhibit A and Exhibit B, respectively. Exhibit C is the original Phase I Development Agreement between the City of Pleasanton and Callahan-Pentz Properties, dated December 30, 1983, and Exhibit D is the original Phase II Development Agreement between the City of Pleasanton and the Prudential Insurance Company of America, dated April 22, 1986.

The third amendment is scheduled to expire on December 31, 2013. The extension would extend the expiration date of the previous amendment to December 31, 2018 consistent with the term on the BRE properties. The terms, conditions, and understandings of the previous Development Agreements for these sites when they received their PUD Design Review approvals would remain in full force and effect. New projects in Hacienda would pay City and regional traffic impact fees as required by City Traffic Engineer. Each new project will be evaluated for its anticipated water use and corresponding increase in the required sewer capacity.

The Planning Commission has previously requested an edited copy of development agreements, ordinances, etc., to show the additions and deletions. Since the proposal only changes the expiration date from December 31, 2013 to December 31, 2018, staff has not provided an edited copy of the previous development agreement.

V. ENVIRONMENTAL ASSESSMENT

The traffic resulting from these sites in Hacienda was addressed in the Final EIR for the City's 2005-2025 General Plan, and again in the Housing Element Supplemental EIR, confirming the conclusions of the original analysis. On January 4, 2012, the City Council certified a Supplemental Environmental Impact Report (SEIR) and adopted the California Environmental Quality Act (CEQA) Findings and a Statement of Overriding Considerations for the Housing Element update and Climate Action Plan General Plan Amendments and Rezonings. This SEIR was a supplement to the EIR prepared for the Pleasanton 2005-2025 General Plan which was certified in July 2009. These eight sites were considered and assumed to be completed in these CEQA documents, and, therefore, these previous CEQA analyses adequately evaluate the potential impacts of this extension.

VI. PUBLIC NOTICE

Notice was mailed to all property owners within a 1,000-foot radius of the eight sites covered by this application and to all property owners within Hacienda Phase I and Phase II. Exhibit E is a copy of the noticing area. Staff has not received any verbal or written communications from the noticed property owners as of the writing of the staff report. Any public comments or concerns will be forwarded to the Planning Commission.

VII. CONCLUSION

This extension will enable these Hacienda Phase I and Phase II properties to proceed with their development. This extension would not alter or modify the obligations and responsibilities described in the original Development Agreement as they apply to them. Staff supports the request for the extensions and recommends that the Planning Commission provide a positive recommendation to the City Council.

VIII. STAFF RECOMMENDATION

Staff recommends that the Planning Commission adopt a resolution recommending that (1) the City Council find that the General Plan EIR and Supplemental EIR (and associated findings and Statement of Overriding Considerations) provide adequate CEQA analysis for the extension; and (2) the City Council approve this extension of the Development Agreement as set forth in Exhibit A.

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