



SUBJECT: PDAM-03

**APPLICANT/
OWNER:** Pleasanton Gateway, L. L. C. (Scott Trobbe).

PURPOSE: Application to extend the Development Agreement between the City and Pleasanton Gateway L.L.C., successor in interest to GHC Bernal Investors, L.L.C., for five years with a right to extend the term for an additional five years, regarding an eight-building office development totaling 745,000 square feet in the Bernal Property Specific Plan Area. (Note: Subsequent to noticing this item, the applicant has requested that the Development Agreement be extended for one seven year term.)

**GENERAL
PLAN:** Retail/Highway/Service Commercial/Business and Professional Offices; Bernal Property Specific Plan

ZONING: PUD - C (Planned Unit Development - Commercial)

LOCATION: Southeast Corner of Bernal Avenue and Valley Avenue, between Valley Avenue and I-680.

ATTACHMENTS:

1. Exhibit A, Draft Amendment to the Development Agreement for the Pleasanton Gateway, L.L.C..
2. Exhibit B, Original Development Agreement, dated September 27, 2000.
3. Exhibit C, Notated provisions of Development Agreement, as proposed to be amended.
4. Location Map
5. Public Notice Area Map.

I. BACKGROUND

The applicant proposes to amend discrete provisions of the existing development agreement for the approved office project on its 39.22-acre site in the Bernal Property Specific Plan area by extending the term of the development agreement for that parcel by seven years, until 2017. (The original noticing of this item specified a five year extension with an additional five year extension on request.)

In August 2000, the City Council approved the Bernal Property Specific Plan, PUD Development Plan, and a Pre-Annexation Development Agreement for the overall approximately 516 acre site. (At that time, most of the property was not within the City of Pleasanton; it has now been annexed. The agreement hereafter will be referred to as a "Development Agreement".)

Development Agreements. Development agreements are public/private contracts specifically authorized by 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 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, such as this 516 acre Bernal Property. Development agreements, therefore, encourage public and private investment, including the provision of public facilities that might not normally be required under a typical development plan review. Of particular interest to the City at the time that the Development Agreement was approved for the Bernal Property was the property owners' dedication to the City of 318 acres within the Bernal Property that would be used for City-owned public facilities and amenities intended to serve the general public, and to provide the ordered construction of public infrastructure such as streets, drainage facilities, open space areas and park facilities, and a fire station.

As consideration for these commitments, the Development Agreement vested in place for a period of ten years (2000 to 2010) the uses and development entitlements that were part of the Bernal Property Specific Plan and PUD Development Plan. For the applicant's particular site, this included an approval for eight office buildings totaling approximately 745,000 square feet on approximately 39.22 acres located at the southwest corner of Bernal Avenue and Valley Avenue, as that road has been extended. This property was sold to Pleasanton Gateway, the applicant, from the original developer, GHC Bernal Investors. Due to economic conditions, development of the Gateway project has not proceeded as originally anticipated, and hence the applicant seeks an extension of the Development Agreement as it relates to just their site.

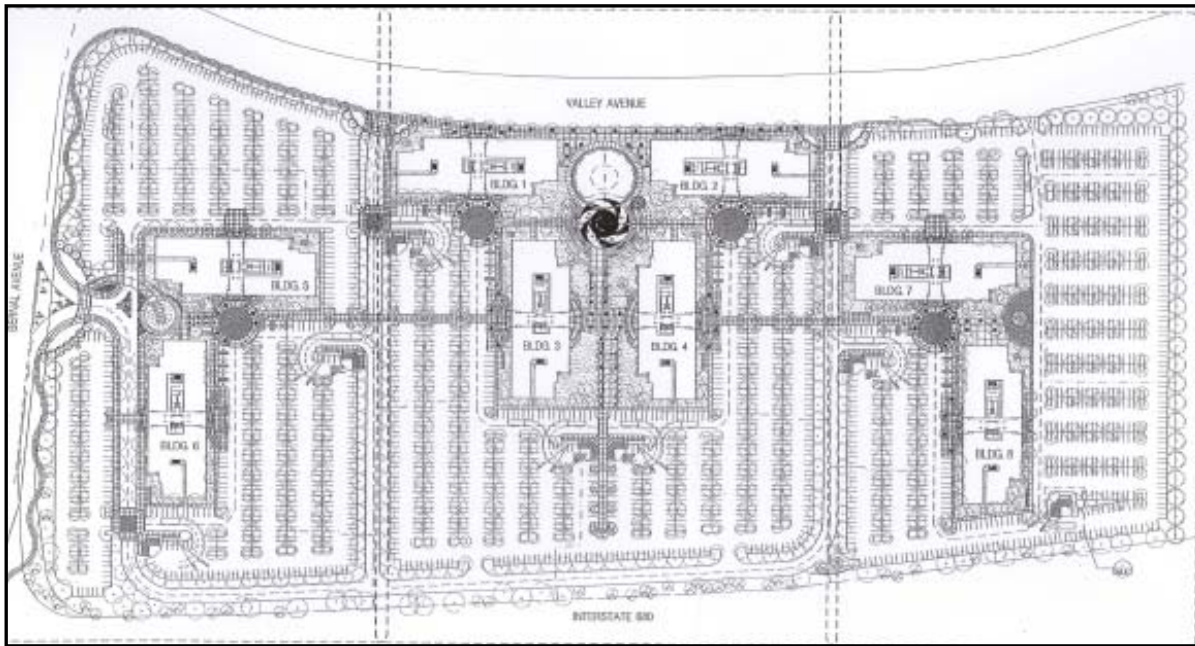
II. SITE AND SURROUNDING AREA

The Pleasanton Gateway property is a flat, vacant site with its primary frontage and orientation towards Bernal Avenue and Valley Avenue. Surrounding land uses are described in the table below:

Direction	Land Use
North	Office and commercial uses
East	Self-serve gasoline station with convenience market and carwash, vacant land, apartments, public park, and small-lot single-family homes.
South	Bernal Property community park site and bio-retention ponds.
West	I-680 and the Bernal Avenue off-ramp.

III. PROJECT DESCRIPTION

The applicant requests that the Development Agreement be extended from September 27, 2010 to September 27, 2017, as to its 39.22 acre parcel. The site plan of the approved office development now covered by the Development Agreement is shown below.



The proposed extension of the Development Agreement would only extend entitlements for the existing office development approval for this site, and would have no impact on the City's discretion in reviewing any different proposed development plan for this site. The development agreement statute requires that a public hearing on an application for a development agreement be held by the Planning Commission (Government Code §65867 and §65868) and that the City Council make a finding regarding the consistency of the

proposed amendment, the seven year extension, with the General Plan and Bernal Property Specific Plan. [Government Code §65867.5(b)]

IV. ANALYSIS

Because the current Development Agreement will expire on September 27, 2010, the applicant requests a seven-year extension of the Development Agreement to September 27, 2017. Exhibit A is the draft Amendment to the Development Agreement and will apply only to the 39.22-acre Pleasanton Gateway property. With the extension, the development rights and responsibilities described in the original Development Agreement, Exhibit B, will remain in effect as to the Pleasanton Gateway property during the extended period of time. While the applicant has requested an extension of seven years, the final policy decision about the total length of the extension rests with the City Council.

The proposed amendment, and the Pleasanton Gateway project, is consistent with the 2005 – 2025 General Plan Land Use Map, in that the Pleasanton Gateway office project is consistent with the map designation of Retail/Highway/Service Commercial/Business and Professional Offices. Further, it is consistent with the description of this land use (on pp. 2-24 of the General Plan:

“Floor Area Ratios (FARs) are not to exceed 60 percent, except for hotels or motels which should not exceed 70 percent and for projects within the Downtown Specific Plan area which should not exceed 300 percent. Certain uses, such as warehouses, where employee density and traffic generation are minimal, may be allowed with higher FARs provided they meet the requirements of the Zoning Ordinance as well as all other City requirements.”

The proposed FAR of the Pleasanton Gateway office project is 44 percent.

The project also implements the following General Plan Land Use Goal and Policy:

Goal 2: Achieve and maintain a complete, well-rounded community of desirable neighborhoods, a strong employment base, and a variety of community facilities.

The Pleasanton Gateway project will provide employment and office space which will round out the Bernal Property Specific Plan community which currently includes residential uses, a fire station, a community park and a small amount of retail development.

Policy 15: Encourage industrial, commercial, and office development which is compatible with environmental constraints in Pleasanton.

The environmental impacts of this project were considered as part of the previously certified Environmental Impact Report on the Bernal Property, and the project was found to be compatible with the environmental constraints in Pleasanton.

The proposed amendment is also consistent with the Bernal Property Specific Plan because the office development for this 39.22-acre site remains identical to the development use and intensity in the adopted Specific Plan (see Commercial/Office Policy 2; Phase 1 Commercial/Office Center Commercial Development Potential, p. 3-17) as this policy allows up to 750,000 square feet of building space in a mix of retail, commercial, office and community-serving uses.

The text of the Amendment to Development Agreement, Section 1, provides for the extension of the term of the Development Agreement for seven years, for the 39.22-acre parcel. With the proposed extension of the term for this discrete portion of the larger Bernal Property, the text of the proposed Amendment also clarifies that deadlines linked to the earlier term are similarly eliminated (Section 2). A typographical error is corrected (Section 4). And, the responsibility for remaining obligations of the multiple Bernal Property developers is clarified (Section 3, Exhibits B and C). Resolution of any issues regarding remaining obligations of the multiple Bernal Property developers is scheduled to be considered by the City Council on May 18, 2010.

The Planning Commission had requested an edited copy of the current development agreement showing the additions and deletions. The proposed Amendment is a stand-alone document addressing only the discrete issue of the extension of the term of the agreement for this 39.22 acre parcel of the larger 516 acre site, and the few minor issues described, above; and therefore City staff and the applicant did not undertake an update and amendment of the entire original Development Agreement (in part, because many provisions, such as annexation, construction of improvements, and dedication of property to the City, etc. have already been satisfied). Nevertheless, in response to the Planning Commission's request, staff has provided relevant pages of the original Development Agreement with sections notated to highlight the modifications by the proposed Amendment, attached as Exhibit C. The proposed Amendment to Development Agreement and the existing Development Agreement are attached as Exhibit A and Exhibit B, respectively.

V. PUBLIC NOTICE

Notice was mailed to all property owners and residents within a 1,000-foot radius of the Pleasanton Gateway site including all owners within the Bernal Property Specific Plan area. Staff has not received any verbal or written comments as of the writing of this staff report.

VI. ENVIRONMENTAL ASSESSMENT

The Bernal Property Specific Plan, PUD development plan, and Development Agreement are covered by the Final Environmental Impact Report, San Francisco Water Department Bernal Property, approved by the City Council on March 1999 in compliance with the California Environmental Quality Act (CEQA). As the physical environment has not significantly changed since that time, and the extension of the Development Agreement

does not modify the approved project, no further environmental document accompanies this extension.

VII. CONCLUSION

This requested extension of the Development Agreement will enable Pleasanton Gateway to proceed with its existing approved office development if it so desires when the economic climate improves. This extension would not alter or modify the obligations and responsibilities described in the original Development Agreement as they apply to this 39.22 acre property, which remain consistent with the Pleasanton General Plan and with the Bernal Property Specific Plan. Because of the current economic climate, the dedication of the 318 acre to the City, and the substantial amount of the public improvements and master development that have been constructed and are operating, staff supports the request for the extension of seven years given the economic climate and the size of the approved office project – with the City Council's discretion to determine total term of the extension – and suggests that the Planning Commission recommend that the City Council find that the proposed extension is consistent with the General Plan and Bernal Property Specific Plan.

VIII. STAFF RECOMMENDATION

Staff recommends that the Planning Commission adopt a resolution recommending that the City Council find that the Amendment to Development Agreement between the City and Pleasanton Gateway, as set forth in Exhibit A, is consistent with the General Plan and Bernal Property Specific Plan.

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