



CITY COUNCIL QUARRY SUBCOMMITTEE AGENDA REPORT

To: City Council Quarry Subcommittee
Meeting Date: March 24, 2025
From: Jeremy Dennis, City Manager
Subject: Overview of potential Development Agreement for Quarry Redevelopment

Background

The City Council has formed a subcommittee to review and make recommendations on a potential development agreement accompanying a redevelopment of the Guadalupe Quarry.

The City is reviewing an application from Orchard Properties for a commercial redevelopment of the Quarry site. The application/project is scheduled to be reviewed by the Planning Commission later this year. Planning Commission will make a recommendation to the City Council.


The property owner/developer has requested that the project have a development agreement, and City staff supports such a request. The Development Agreement, along with the project itself, is subject to Planning Commission review and recommendation. The City Council then considers the Commission's recommendation as to the project and the development agreement.

Attached are four documents to assist the subcommittee in its discussion and deliberations:

- This cover memo
- Attorney memo describing the legal status of Development Agreements
- Past community benefits that the City of Brisbane has negotiated through other development agreements

Recommendation

Review the attached material and discuss options.



Jeremy Dennis, City Manager

Development Agreements – legal description drafted by Michael Roush

Under state law (Government Code, section 65864 and following), a city may enter into a development agreement with a property owner to develop property. In essence, the law allows a city to freeze zoning and other land use regulations applicable to specific property for a specified period of time to guarantee that the property owner/developer will not be affected by changes in development standards and fees. Unless the agreement provides otherwise, the city's fees, rules, regulations, and other official policies governing the permitted uses of land, density, design, improvements, and construction standards shall be those in force at the time the agreement is executed. (The legislature's rationale being that providing these assurances to the developer strengthens the public planning process, encourages private participation in comprehensive planning, and reduces the economic cost of development.)

The particulars of the statute include requirements that the agreement (i) may be approved only after a public hearing (both by the Planning Commission and City Council), (ii) must be consistent with the city's general plan and any specific plan, (iii) have a provision permitting annual review by the city and termination for noncompliance and (iv) have a statement that approval of the agreement is subject to referendum.

By the agreement's locking in permitted uses of property, density, design and other standards, the developer obtains certainty that the project may be built without concern that such standards will be changed so as to preclude development of the property. In exchange, however, for that certainty, the developer agrees to provide benefits to the city which are not related to the conditions of approval or mitigation measures that are the "nexus" related to the development of the property.

Typically, a development agreement would have a detailed description of the project, a construction schedule, a listing of project fees, exactions and mitigation measures, the effect the agreement on city laws and regulations, a listing of amenities/benefits being provided to the City, and the boilerplate provisions such as the term, amendments, default, transfers and assignments, periodic review, etc.

Development agreements are discretionary, subject to CEQA, and often are part of a land use approval package that would include a final EIR, a land use project, and the development agreement.

Community Benefits previously negotiated by the City of Brisbane

This list is not exhaustive but gives a flavor of the type of items that could be negotiated depending on community needs and desire.

Sierra Point

- Energy Conservation Requirements beyond currently adopted reach code (this was part of the community benefits negotiations in the Development Agreement (DA) for the Shore project). Healthpeak Properties & Phase 3 projects had requirements beyond the code requirements in place at that time.
- Engineering standards for water and sewer systems are unique to the site. Roadway improvements could also be part of this depending on the needs. This was part of the DA for the Opus property that was ultimately built by Phase 3.
- Park improvement funds were negotiated in DA amendments for both Sierra Point projects. In addition, Opus negotiated ending their lease on Parcel R returning it to the city for a future park.

Northeast Ridge (Late 80's early 90's)

- Funding 800k for community swimming pool (ultimate cost of pool was \$ 2.2m)
- Building of Mission Blue Center to city specifications as a multi-purpose community center
- Other funds for fire suppression and city services

Revised agreement (late 2000's)

- \$4m for Habitat conservation fund
- Increased fee from property owners (roughly 800% increase)
- \$37k per new unit for city building funds, used for the community library project (approximately \$3,2m)