

## Folsom City Council Staff Report

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| <b>MEETING DATE:</b>   | 9/14/2021  |
| <b>AGENDA SECTION:</b> | Consent Calendar   |
| <b>SUBJECT:</b>        | <p>UCD Health Sciences Campus Development Agreement Amendment – Northwest corner of East Bidwell Street and Street B (PN 21-153)</p> <p>i. Ordinance No. 1316 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus Project (Second Reading and Adoption)</p> |
| <b>FROM:</b>           | Community Development Department   |

**RECOMMENDATION / CITY COUNCIL ACTION**

Move to adopt Ordinance No. 1316 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus Project.

**BACKGROUND / ISSUE**

On August 4, 2021, the Planning Commission held a public hearing to consider the UCD Health Sciences Campus Development Agreement Amendment project. Planning Commission discussion and comments were focused primarily on the City’s role and involvement in future approvals and public participation in the review process for the UCD Health Sciences Campus project. With respect to future approvals, the Commission was particularly interested in whether the City should have a more active role in reviewing the architecture and design of a potential hotel on the project site given that this use may not be perceived as a health or medical-related use. The applicant indicated that the hotel, which is integral to the medical campus, is intended to serve patients as well as family and friends who are visiting/assisting patients in the health science campus facilities on a short or long-

term basis (similar to hotels that currently serve the UCD campuses in Davis and in Sacramento). The applicant also stated that the State has a robust design review process and that they are committed to adhering to existing design guidelines established for the Folsom Plan Area with respect to the hotel design.

In relation to future approvals, the Commission also expressed concern regarding proposed language in the Development Agreement Amendment relative to future freeway-oriented signs on the project site. The Development Agreement Amendment states that any freestanding, freeway-oriented sign within 75 feet of the freeway will be subject to City approval. The applicant's intent in including this language in the Amendment was to accommodate potential future signage for the current landowner within a 75-foot-wide signage easement area adjacent to U.S. Highway 50. The Commission did not believe that it was appropriate to limit City review of future freestanding freeway-oriented signs to a distance of 75 feet from U.S. Highway 50, and that the City should have review authority for all proposed freestanding freeway-oriented signs on the entire project site. As a result, the Commission recommended that the language in the Development Agreement Amendment relative to signage be modified as follows:

- (6) Signage – Any freestanding, freeway-oriented sign ~~within 75 feet of the freeway~~ will be subject to City approval.

The applicant is agreeable to this modification.

The Commission also expressed an interest in knowing what type of opportunities would be available for public participation in the CEQA review process. In addition, the Commission wanted to verify that the public would have the opportunity to review and comment on the overall design of the UCD Health Sciences Campus project. In response to these comments, the applicant indicated that both the City and the public would be provided the opportunity to provide comments and feedback on both the CEQA review process and the overall project design through public meetings under the applicant's land use authority. Ultimately, the Commission voted 5-1-1 to recommend to the City Council approval of the Development Agreement Amendment.

On August 24, 2021, the City Council reviewed a proposal from the University of California, Davis for approval of a Development Agreement Amendment (Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and the Regents of the University of California) associated with the UCD Health Sciences Campus Project. The City Council expressed their full support for the Development Agreement Amendment and voted (5-0-0-0) to introduce and conduct the first reading of Ordinance No. 1316 (An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus project). No changes have been made to the ordinance since the first reading.

The applicant is requesting approval of a Development Agreement Amendment to the First Amended and Restated Tier 1 Development Agreement to incorporate in the definition of “entitlements” the previous approvals by the City for the project including a Parcel Map, a Planned Development Permit, and the Folsom Ranch Commercial Design Guidelines. The Development Agreement Amendment is also intended to recognize and memorialize that as a State agency, the applicant is permitted to exercise its land use authority as a lead agency for development of the subject property under the California Constitution, subject to the applicant’s promise and commitment to subject itself to the City’s Zoning Code and the Folsom Plan Area Specific Plan, except as otherwise specified in the Development Agreement Amendment. In addition, the Development Agreement Amendment requires the applicant to pay all development impact fees, connection fees, and mitigation fees for development of the subject property as required by Section 2.2.4 of the Restated Development Agreement.

### **POLICY / RULE**

As set forth in the State Planning and Zoning Law, approval of, or amendments to, a Development Agreement is a legislative act which requires approval by the City Council following review and recommendation by the Planning Commission.

### **ANALYSIS**

The applicant provided a project narrative in which they describe the goals and objectives associated with development of a health sciences campus on the subject property and the rationale for entering into a Development Agreement Amendment with the City. In terms of goals and objectives the applicant indicates that development of a health sciences campus on the subject property would serve a number of purposes including expanding the UCD health services and patient access in Folsom, replacing existing UCD health care services in existing facilities in Folsom where leases are set to expire, and securing a prime location in Folsom that exudes wellness, community, convenience, and excellence.

In reviewing the original Restated Development Agreement, the applicant noted that the Agreement appears to overlap with respect to the typical land use entitlement authority granted to the University of California. The applicant states that the Development Agreement, as a recorded deed encumbrance, extends beyond typical master developer obligations and includes design and plan review provisions and would remain enforceable even during ownership by the University of California. The applicant comments that carrying these development agreement requirements forward would essentially duplicate the public agency review and entitlement processes by requiring duplicative review and consideration by both the City of Folsom and by the University of California. Thus, the applicant is requesting to amend the Development Agreement to allow it to exercise its own land use review and entitlement authority with respect to the subject property. The following is a list of Development Agreement Amendment benefits provided by the applicant:

- **Remove Duplicate Entitlement Process:** The proposed action would remove duplication in the entitlement process for the property helping to avoid development delays and inefficiencies.
- **Standard University of California Ownership:** The proposed action would ensure the land ownership and entitlement process would be standard for the Board of Regents of the University of California. The University commits to comply with the City's Zoning Code and the Folsom Plan Area Specific Plan, and intends to work collaboratively with the City of Folsom to maintain consistency of planning goals, infrastructure construction and maintenance and pursuit of overall community goals for the City of Folsom.
- **Avoid Contradictory/Overlapping Requirements:** The amendment would provide long-term certainty to the Regents while still maintaining a strong public engagement process for the local and University communities. The University planning process is robust, thorough and complete with extensive consideration of serving the public need, exceptional design details and high-quality architecture, advanced sustainability measures, and careful compliance with public contracting and labor agreements.
- **Establish Public Clarity:** The amendment would ensure that the University is identified as the responsible public agency for entitlements, design review and other matters.
- **Demonstrate Public Efficiency:** The amendment would demonstrate two public agencies working collaboratively and efficiently in furtherance of public service goals and kickstarting the construction that has been planned at the parcel.

In evaluating the proposed Development Agreement Amendment, staff determined that there are significant benefits to the City and the region associated with development of the new Health Science Campus within the Folsom Plan Area. In addition, staff determined that there are a number of unique characteristics associated with buildout of the UCD Health Science Campus. Listed below are the public benefits and unique characteristics associated the UCD Health Campus project:

- Development of the UCD Health Science Campus will occur over a long period of time, with a phased timeline for construction and potential adjustments to physical structures as medical delivery systems change over time.
- The California Office of Statewide Health Planning and Development ("OSHPD") is required to approve the medical office building, the micro hospital building, and the ambulatory surgery center designs which may result in required changes to the design of the Medical Center buildings and related structures.
- The UCD Health Sciences Campus will generate significant employment and other economic benefits to the City.

- The UCD Health Science Campus will provide needed expansion of access to health care services for the City and other jurisdictions in the region.
- A significant capital investment is required for the UCD Health Sciences Campus buildings and related structures; and
- The status of applicant as a not-for-profit public benefit corporation.

City staff is supportive of the Development Agreement Amendment as modified by the Planning Commission at its August 4, 2021 meeting.

### **FINANCIAL IMPACT**

No financial impact is anticipated with approval of the Development Agreement Amendment associated with the UCD Health Sciences Campus Project as the project will not result in any change in the total amount of commercial square footage or residential unit count within the Folsom Plan Area.

### **ENVIRONMENTAL REVIEW**

The City, as the lead agency under the California Environmental Quality Act, previously approved an Addendum to the FPASP EIR/EIS for the subject property. The City has determined that the adoption of this Amendment No. 2 to the First Amended and Restated Development Agreement Amendment relative to the Folsom South Specific Plan involves no new impacts not considered in the FPASP EIR/EIS and the Parcels 61 and 77 Addendum to the FPASP EIR/EIS. Since the Addendum was approved, none of the events described in Public Resources Code section 21166 or CEQA Guidelines section 15162 (e.g. substantial changes to the project) have occurred. Further environmental review is not required.

### **ATTACHMENTS**

1. Ordinance No. 1316 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus Project (Second Reading and Adoption)
2. Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus Project

Submitted,

A handwritten signature in blue ink, appearing to read "Pam Johns", with a long horizontal flourish extending to the right.

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PAM JOHNS  
Community Development Director

## Attachment 1

Ordinance No. 1316 – An Uncodified Ordinance of the City  
of Folsom Approving Amendment No. 2 to the First  
Amended and Restated Tier 1 Development Agreement  
between the City of Folsom and the Regents of the University  
of California relative to the  
UCD Health Sciences Campus Project  
(Second Reading and Adoption)

**ORDINANCE NO. 1316**

**AN UNCODIFIED ORDINANCE OF THE CITY OF FOLSOM APPROVING  
AMENDMENT NO. 2 TO THE FIRST AMENDED AND RESTATED TIER 1  
DEVELOPMENT AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE  
REGENTS OF THE UNIVERSITY OF CALIFORNIA RELATIVE TO THE UCD  
HEALTH SCIENCES CAMPUS PROJECT**

**WHEREAS**, a Final Environmental Impact Report/Environmental Impact Statement for the Folsom Plan Area Specific Plan was prepared and certified by the City Council on June 11, 2011, and the Sacramento Local Agency Formation Commission approved the City's annexation of the Folsom Plan Area on January 18, 2012; and

**WHEREAS**, pursuant to the authority in Sections 65864 through 65869.5 of the Government Code, the City Council, following a duly notified public hearing on June 28, 2011, approved the Tier 1 Development Agreement relative to the Folsom South Specific Plan (Tier 1 DA) for the development of the Folsom Plan Area by adopting Ordinance No. 1149 on July 12, 2011; and

**WHEREAS**, the City Council, following a duly noticed public hearing on May 27, 2014, approved a request to amend the Tier 1 DA to the development of the Westland/Eagle Project by approving a First Amended and Restated Tier 1 Development Agreement (ARDA) between the City and the developer of the Westland/Eagle Project, Eagle Commercial Partners, LLC, by adopting Ordinance No. 1204 on June 10, 2014; and

**WHEREAS**, the City Council, following a duly noticed public hearing on September 22, 2015, approved a request to amend the ARDA to the development of the Westland/Eagle Project by approving Amendment No. 1 to ARDA between the City and the developer of the Westland/Eagle Project, Eagle Commercial Partners, LLC, by adopting Ordinance No. 1237 on October 13, 2015; and

**WHEREAS**, the proposed UCD Health Sciences Campus Project consists of the development of an approximately 400,000-square-foot medical campus on a 34.5-acre site located at the northeast corner of the intersection of East Bidwell Street and Street B within the Folsom Plan Area; and

**WHEREAS**, the City and the landowner/developer of the UCD Health Sciences Campus Project desire to further amend the ARDA in order to provide greater certainty and clarity to matters that are common, necessary and essential for the development of the project; and



**WHEREAS**, the Planning Commission, at its regular meeting on August 4, 2021, considered Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and the Regents of the University of California relative to the UCD Health Sciences Campus project at a duly noticed public hearing as prescribed by law, and recommended that the City Council approve said Amendment No. 2; and

**WHEREAS**, all notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

**NOW, THEREFORE**, the City Council of the City of Folsom hereby does ordain as follows:

### **SECTION 1 FINDINGS**

- A. The above recitals are true and correct and incorporated herein by reference.
- B. The Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and the Regents of the University of California is consistent with the objectives, policies, general land uses and programs specified in the City's General Plan and the Folsom Plan Area Specific Plan.
- C. The Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement is in conformity with public convenience, general welfare, and good land use practices.
- D. The Amendment No. 2 will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole.
- E. The Amendment No. 2 will not adversely affect the orderly development of property or the preservation of property values.
- F. The Amendment No. 2 has been prepared in accordance with, and is consistent with, Government Code Sections 65864 through 65869.5, and City Council Resolution No. 2370.
- G. All notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.
- H. The Amendment No. 2 is consistent with the Environmental Impact Report/Environmental Impact Statement for the Folsom Plan Area Specific Plan certified by the City Council on June 11, 2011 and the 2021 Parcels 61 and 77 Addendum, which are

incorporated herein by reference. None of the events in Sections 15162 and 15163 of the CEQA Guidelines exists which warrant the preparation of a subsequent EIR or supplemental EIR.

**SECTION 2 APPROVAL OF AMENDMENT TO DEVELOPMENT AGREEMENT**

The Mayor is hereby authorized and directed to execute the Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and the Regents of the University of California on behalf of the City after the effective date of this Ordinance.

**SECTION 3 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

**SECTION 4 EFFECTIVE DATE**

This Ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This Ordinance was introduced and the title thereof read at the regular meeting of the City Council on August 24, 2021 and the second reading occurred at the regular meeting of the City Council on September 14, 2021.

On a motion by Council Member \_\_\_\_\_ seconded by Council Member \_\_\_\_\_, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 14th day of September 2021, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

## Attachment 2

Amendment No. 2 to the First Amended and Restated Tier 1  
Development Agreement between the City of Folsom and the  
Regents of the University of California relative to the  
UCD Health Sciences Campus Project

FOR THE BENEFIT OF THE CITY OF FOLSOM  
PURSUANT TO GOVERNMENT CODE §6103

RECORDING REQUESTED BY CITY CLERK

WHEN RECORDED MAIL TO:

City Clerk  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**AMENDMENT NO. 2 TO**  
**FIRST AMENDED AND RESTATED TIER 1 DEVELOPMENT**  
**AGREEMENT**  
**RELATIVE TO FOLSOM SOUTH SPECIFIC PLAN**  
**(UNIVERSITY OF CALIFORNIA, DAVIS)**

**AMENDMENT NO. 2 TO  
FIRST AMENDED AND RESTATED TIER 1 DEVELOPMENT AGREEMENT  
RELATIVE TO FOLSOM SOUTH SPECIFIC PLAN  
(UNIVERSITY OF CALIFORNIA, DAVIS)**

This Amendment No. 2 to First Amended and Restated Development Agreement (“Amendment No. 2”) is entered into this \_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Folsom (“City”) and The Regents of the University of California, a California corporation on behalf of its Davis Campus (“Landowner”) pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California. All capitalized terms used herein and not otherwise defined herein shall mean and refer to those terms as defined in Section 1.3 of the Restated Development Agreement and Amendment No. 1 to the Restated Development Agreement, described below between the Predecessor in Interest to Landowner and the City.

**RECITALS**

A. Restated Development Agreement and Amendments Thereto. The City and Landowner’s predecessor in interest Eagle Commercial Partners, LLC (referred to herein as the “Predecessor in Interest”) previously entered into that certain First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Landowner Relative to the Folsom South Specific Plan, recorded on July 15, 2014, in the Official Records of the County Recorder of Sacramento County in Book 20140715, Page 0517 (the “Restated Development Agreement”). Section 1.5 of the Restated Development Agreement allows the Restated Development Agreement to be amended from time to time by mutual written consent of the parties. On November 12, 2015, Eagle Commercial Partners, LLC and the City entered into Amendment No. 1 to First Amended and Restated Tier 1 Development Agreement Relative to the Folsom South Specific Plan, recorded on January 29, 2016, in the Official Records of the County Recorder of Sacramento County in Book 0160129, Page No. 0385 (“Amendment No. 1”). The Restated Development Agreement and Amendment No. 1 are collectively referred to herein as the “Development Agreement.”

B. Pending Conveyance of Property to Landowner and Assignment of Development Agreement. Predecessor in Interest is in the process of conveying the Property identified by legal description on **Exhibit A-1** and depicted on **Exhibit A-2** (“Property”) to its affiliate, Enclave at Folsom Ranch, LLC (“Predecessor Affiliate”), who will in turn convey the Property to Landowner in or around [September       ], 2021. Predecessor in Interest will enter into an Assignment and Assumption Agreement Relative to The Folsom South Specific Plan Amended and Restated Tier 1 Development Agreement with Predecessor Affiliate, pursuant to a form approved and required by the City (“Assignment and Assumption Agreement”). Concurrent with its anticipated conveyance of the Property to Landowner, Predecessor Affiliate will enter into an Assignment and Assumption Agreement with Landowner to transfer all rights, title, interest, burdens and obligations of the Predecessor in Interest under the Development Agreement with respect to the Property to Landowner. Said Assignment

and Assumption Agreement will be recorded in the Official Records of the County Recorder of Sacramento County.

C. Effect of Amendment No. 2 Subject to Conveyance of Property to Landowner and Assignment of Development Agreement. This Amendment No. 2 is subject to, and will take effect only upon, the transfer and conveyance of legal title to Property from Predecessor Affiliate to Landowner. Notwithstanding any provision to the contrary, this Amendment No. 2 will automatically terminate without further action by City or Landowner if Landowner does not obtain legal title to Property on or prior to December 31, 2021 as evidenced by a deed signed by Predecessor Affiliate on or prior to that date.

D. Prior City Approvals Relative to the Property. The Property is identified as "Lot 1" of "Parcel 61" on a Parcel Map approved by the City Planning Commission on June 16, 2021 (PN 21-043). Lot 1 is one of four parcels created by the subdivision of the property identified as Parcel 61 in the Specific Plan. The Final Parcel Map including Lot 1 was filed for record on \_\_\_\_\_, 2021 in Book \_\_\_\_\_, Page \_\_\_\_\_ of Parcel Maps, Sacramento County. Concurrent with the approval of the subdivision of Parcel 61 on June 16, 2021, the Planning Commission also approved an Addendum to the Final EIR for the Folsom Plan Area Specific Plan, a Planned Development Permit that reduced the minimum parcel size for Regional Commercial from 60-acres to 0.25 acre, and the Folsom Ranch Commercial Design Guidelines to guide commercial and office design and development.

E. Purpose of Amendment; Findings Related to Health Sciences Campus. Landowner is processing Subsequent Entitlements for the Development of the Property for comprehensive health, educational, research and public service uses (as further defined in Section 1.3 of this Amendment No. 2 and hereafter the "Health Sciences Campus"). Landowner has requested that the Prior City Approvals of the Parcel Map, Planned Development Permit, and Folsom Ranch Commercial Design Guidelines be included in the definition of Entitlements in the Development Agreement. As a public trust corporation known as The Regents of the University of California, Landowner further requests to be permitted to exercise its land use authority as lead agency for Development of the Property under Section 9 of Article IX of the California Constitution, subject to Landowner's promise and commitment to subject itself to the City's land use and zoning ordinances, including the City's Building and Zoning Codes, except as otherwise specified in this Amendment No. 2. The City Council has determined that the development of the Health Sciences Campus on the Property presents significant benefits to the City and the region.

F. Property. The subject of this Amendment No. 2 is the Development of the Property, as defined in Section 1.3. Landowner has an equitable interest in the Property and intends to become legal owner of the Property and shall be bound by this Amendment No. 2 and the Development Agreement.

G. Hearings. On August 4, 2021, the City Planning Commission, designated as the planning agency for purposes of development agreement review pursuant to Government Code section 65867, in a duly noticed and conducted public hearing, considered this Amendment No. 2 and recommended that the City Council approve this Amendment No. 2 to the Development Agreement. On August 24, 2021, the City Council, in a duly noticed and conducted public hearing, conducted the first reading of Ordinance No. 1316 and approved this Amendment No. 2, and thereafter conducted the second reading of Ordinance No. 1316 at a duly noticed regular meeting of the City Council on [September 14, 2021 and adopted the Ordinance approving this Amendment No. 2.

H. Environmental Review. On June 16, 2021, the Planning Commission considered the Environmental Checklist and Addendum (the "Addendum") to the Folsom Plan Area Specific Plan EIR/EIS for the Property. All applicable mitigation measures to reduce environmental impacts to less than significant have been incorporated into the Parcel Map, the Planned Development Permit, and the Folsom Ranch Commercial Design Guidelines as reflected by the findings adopted by the Planning Commission in connection with the aforementioned approvals, including the City Council's consideration, adoption of findings, and approval of this Amendment No. 2.

I. No New Impacts Associated with Approval of Amendment. The City Council has determined that the adoption of this Amendment No. 2 involves no new impacts not considered in the Specific Plan EIR, the Previous Environmental Analyses listed in Section I, "Introduction and Background" of the Addendum, and the Addendum; therefore, no further environmental documents relating to the adoption of this Amendment No. 2 are required.

J. Consistency with General Plan and Specific Plan. Having duly examined and considered this Amendment No. 2, the City finds and declares that this Amendment No. 2 is consistent with the General Plan and the Specific Plan.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties agree to hereby amend the Development Agreement as follows:

### **AMENDMENTS**

1. **Incorporation of Recitals.** The Recitals above are true and correct and constitute enforceable provisions of this Amendment No. 2.

2. **Definition and Section 1.5.3 – Subsequent Entitlements.** The term "Subsequent Entitlements" in the Definitions Section of the Development Agreement and also referenced in Section 1.5.3 of the Development Agreement is amended to include the following:

- a. The Parcel Map approved by the Planning Commission on June 16, 2021.
- b. The Planned Development Permit approved by the Planning Commission on June 16, 2021.
- c. The Folsom Ranch Commercial Design Guidelines approved by the Planning Commission on June 16, 2021.
- d. This Amendment No. 2 approved by the Folsom City Council on [September 14, 2021.

3. **Section 1.3 – Definitions.** The following Definitions are added:

“Adopting Ordinance” means Ordinance No. 1316, dated [September 14, 2021, approving this Amendment No.2.

“Addendum” means the Environmental Checklist and Addendum dated May 28, 2021.

“Design Guidelines” means the Folsom Ranch Commercial Design Guidelines approved by the City Planning Commission.

“Effective Date” means the date which is the later of (i) thirty (30) calendar days after the date of the Ordinance approving this Amendment No. 2, or (ii) the date title to the Property vests in Landowner.

“Environmental Analysis” means the Addendum and the Previous Environmental Analyses listed in Section I, “Introduction and Background” of the Addendum.

“Landowner” means The Regents of the University of California, a California corporation on behalf of its Davis Campus.

“Planned Development Permit” means the Planned Development Permit approved by the Planning Commission in connection with its approval of the Parcel Map.

“Health Sciences Campus” means the buildings and related structures, improvements and facilities developed on the Property to support the health, education, research and public service missions of Landowner.

“Predecessor in Interest” shall mean the prior owner of the Property and party to the Restated Development Agreement and Amendment No. 1, i.e., Eagle Commercial Partners, LLC.



“Predecessor Affiliate” shall mean the affiliate of Predecessor in Interest, Enclave at Folsom Ranch, LLC.

“Project” means development of the Property consistent with the Development Agreement and the Subsequent Entitlements.

“Property” means the land identified by legal description on **Exhibit A-1** and depicted on **Exhibit A-2**.

“Subsequent Entitlements” shall have the amended definition set forth in paragraph 2, subsections (a)-(d), inclusive, of this Amendment No. 2.

“Vested Rights” means the rights to Develop the Property consistent with the terms and provisions of the Restated Development Agreement, Amendment No. 1, this Amendment No. 2 and the provisions of the Subsequent Entitlements.

4. **Section 1.4.1 – Commencement, Extension, Expiration.** This Amendment No. 2 shall become operative on the Effective Date and continue through the Term of the Development Agreement. Landowner may request an additional extension pursuant to Section 1.4.1 of the Development Agreement.

5. **Section 1.6 –Changes to the City’s Inclusionary Housing Ordinance.** Section 1.6 of the Development Agreement is hereby revised to read as follows: “The City has amended the Inclusionary Housing Ordinance (i.e., Folsom Municipal Code Chapter 17.104) by Ordinance No. 1243, to eliminate Second Dwelling Units (also referred to as “granny flats”) as an alternative means of meeting the City’s inclusionary housing requirements. Landowner hereby acknowledges and agrees that there is no vested right to use Second Dwelling Units as an alternative means for meeting the City’s inclusionary housing requirements and that this alternative shall not be available to Landowner from and after the date of Ordinance No. 1243. Landowner further acknowledges that the State adopted amendments to Section 65850 of the California Government Code (specifically Section 65850(g)), effective January 1, 2018, to allow for the implementation of inclusionary housing requirements in residential rental units, upon adoption of an ordinance by the City. The Landowner is not currently contemplating any residential rental projects within the Property; however, in the event the City amends its Inclusionary Housing Ordinance with respect to rental housing pursuant to Section 65850(g), Landowner (or a successor in interest) agrees that the Property shall be subject to said City Ordinance, as amended, should any residential rental project be proposed within the Property. Other than the elimination of the “granny flat” option and the possible future application of an inclusionary housing requirement on residential rental properties (upon the conditions stated herein), the Parties agree that all other alternatives for meeting the City’s inclusionary housing requirements remain vested to the full extent provided for in the Development Agreement.”

6. **Section 2.1 – Permitted Uses.** The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings and

related structures and setbacks shall be consistent with the Specific Plan and the City's Zoning Code, as applicable, except as specifically provided for in this Amendment No. 2.

7. **Section 2.2 - Vested Rights.** The City agrees that, except as otherwise provided in and as may be amended in accordance with the Exceptions to Vested Rights set forth in Section 2.2.3 of the Development Agreement the City is granting, and grants herewith, Vested Rights to Development for the Term of this Amendment No. 2 in accordance with the terms and conditions set forth herein. The City acknowledges that the rights vested by the Development Agreement include the land uses and approximate acreages for the Property as shown and described in **Exhibits A-1 and A-2** attached hereto, or as such land uses and approximate acreages may be amended by those Specific Plan Amendments referenced in Section 1.5.3 of the Development Agreement. Nothing in this Amendment No. 2 shall impair or affect the rights of Landowner under a vesting tentative map or the City's rights to condition such maps. (Govt. Code Sec. 66498.1, et seq.)

Such uses shall be developed in accordance with the Subsequent Entitlements, as the Subsequent Entitlements are described in Section 1.5.3 of this Amendment No. 2 and as approved by the City on the Effective Date.

**Section 2.2.1 – 2.2.8.** No changes, except for the modification of two items in Section 2.2.4 and the addition of Section 2.2.9 as an Exception to Vested Rights, as follows:

**Section 2.2.4 – City Fees and New Plan Area Fees, Including Cost Increases.** Notwithstanding any other provision in the Development Agreement, as amended hereby, Landowner and the City agree that, so long as the Property is developed consistent with the standards in Section 3.9.3 and operated by the Landowner to fulfill its health, educational, research and public service mission consistent with Section 9 of Article IX of the California Constitution, (a) the fees included in Subparagraph (6) of Section 2.2.4 shall not apply to the Property except for matters Landowner requests the City to process, review, or approve; and (b) the fees included in Subparagraph (8) of Section 2.2.4 shall not apply to the Property for a period of fifteen (15) years following the Effective Date. Except as otherwise expressly provided in this Amendment, Landowner acknowledges and agrees to pay the fees enumerated in Section 2.2.4.

**Section 2.2.9 – Class 1 Bicycle Path.** Landowner acknowledges that it is responsible for rough grading and installation of any necessary retaining wall at its sole cost and expense to accommodate the Class 1 Bicycle Path on the northern portion of the Property as shown in Figure 7.32 of the Specific Plan. Grading for the proposed Class 1 Bicycle Path and the construction of any necessary retaining walls shall commence at the time of the initial construction of the first building on the Property.

8. **Section 3.5 – EIR Mitigation Measures.** Notwithstanding any other provision in the Development Agreement, as amended hereby, as and when Landowner elects to Develop the Property, or any portion of the Property, Landowner shall be perform necessary environmental review and analysis under CEQA. Where consistent with the CEQA Guidelines, the Landowner shall incorporate applicable mitigation measures or their equivalent from the currently certified City CEQA document for the Folsom Plan Area. Landowner shall provide to City a summary document demonstrating compliance with this requirement.

9. **Additions to Development Agreement.** The following Sections are also added to the Development Agreement as follows:

a. **Section 3.9.3 – Landowner Land Use Authority.** Landowner has land use authority and exercises discretionary approval for Development of the Property pursuant to Section 9 of Article IX of the California Constitution, however, Landowner promises and commits that the Development of the Property will be consistent with the City's Zoning Code and the Specific Plan, and further reaffirms Landowner's obligation and commitment to pay the applicable development, connection, and mitigation fees for development of the Property as required by Sections 2.2.4 and 3.1 of the Development Agreement, as amended. Based on the foregoing and notwithstanding any conflicting requirements of the Development Agreement, the Specific Plan or the City's Zoning Code, City agrees that, as long as the development standards for Development of the Property do not exceed the standards specified below, Landowner shall not be required to seek City discretionary approval for Development of the Property:

- (1) Setback – 10 feet between buildings for every story.
- (2) Height – Height limits of (i) 80 feet for Office uses, (ii) 100 feet for Lodging uses and (iii) 120 feet for Medical Services/Hospital uses. The foregoing height limits shall include all architectural features, mechanical equipment, parapets, etc.
- (3) Floor to Area Ratio (FAR) – maximum 0.55.
- (4) Parking – Subject to Specific Plan requirements (including bicycle parking) or a City-approved alternate or City-approved shared use parking plan and implementing agreements.<sup>1</sup>

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<sup>1</sup> Landowner may provide City with a shared use parking agreement committing two or more nearby parcels to provide sufficient parking to meet expected needs for weekend and weekday peak uses. Any available street parking would not be included in the calculation. The shared use agreement would require approval from the City of Folsom Community Development Director prior to implementation. The Landowner expects to have substantial excess parking during weekends and could potentially assist with overall parking needs within the planned development. Any shared use agreement must include a reversionary clause to meet City of Folsom parking standards upon termination of the agreement.

- (5) Traffic Circulation – No vehicular exit to or from E. Bidwell Street between US50 and Alder Creek Parkway without the approval and consent of both the California Department of Transportation and the City.
- (6) Signage – Any freestanding, freeway oriented sign will be subject to City approval.
- (7) Landscaping – Provide City-approved landscaping and ongoing maintenance within the 25-foot wide landscape corridor easement once Class 1 Bicycle Path is constructed by the City.
- (8) Heliport – Requires approval by the City and other applicable Authorities Having Jurisdiction.
- (9) Landscaping – Minimum of 20 percent of Property must be landscaped; minimum may include Class 1 Bicycle Path landscaping
- (10) Water use shall not exceed amount contemplated for the Property in the Specific Plan.
- (11) Building Code – University of California Facilities Manual, Volume 3, Chapter 4 shall apply <https://www.ucop.edu/construction-services/facilities-manual/volume-3/vol-3-chapter-4.html#intro>
- (12) The Property is part of Parcel 61, which has approved 302,481 square feet of Regional Commercial, 270,072 square feet of General Commercial, and 196,745 square feet of Industrial/Office Park. Landowner shall coordinate with owner(s) of the rest of Parcel 61 so that the aforementioned limitation for the entire Parcel 61 shall not be exceeded with the Development of the Property.

Further review and approval by the City Planning Commission prior to construction of any permanent building shall be required should Landowner need to deviate from the aforementioned development standards. Excluding those associated with infrastructure to be dedicated to the City, all permits and inspections for Landowner's buildings, improvements and facilities shall be provided by Landowner as the Authority Having Jurisdiction (AHJ) or other applicable State authority including, without limitation, the Office of Statewide Health Planning and Development.

10. **Section 4.10 – Commencement of Construction and Term of Planned Development Permit.** In light of the extended Term of this Amendment No. 2, the City agrees that the provisions of Folsom Municipal Code section 17.38.110 related to expiration, revocation or abandonment of a Planned Development Permit shall have no effect, and that the term of the Planned Development Permit is equal to the Term of this Amendment No. 2.

11. **Effect of Amendment.** This Amendment No. 2 amends, but does not replace or supersede, the Development Agreement. In the event of any conflict, the language of this Amendment No. 2 shall be controlling in all events or circumstances. Except as modified hereby, all other terms and provisions of the Development Agreement and shall remain in full force and effect.

12. **Section 7.8 – Notices.** All notices required by the Development Agreement or this Amendment No. 2 as such requirements relate to the Property or the Subsequent Entitlements, or the enabling legislation or the procedure adopted pursuant to Government Code section 65865 shall be as provided for in Section 7.5 of the Development Agreement, with the substitution for Landowner as follows:

The Regents of the University of California  
University of California, Davis  
225 Cousteau Place  
Davis, CA 95618  
Attention: Executive Director, Real Estate Services

With copies to:

The Regents of the University of California  
1111 Franklin Street, 6<sup>th</sup> Floor  
Oakland, California 94607  
Attention: Director, Real Estate

13. **Form of Amendment – Execution in Counterparts.** This Amendment No. 2 is executed in duplicate originals, each of which is deemed to be an original, and may be executed in counterparts.

IN WITNESS WHEREOF, the City of Folsom has authorized the execution of this Amendment No. 2 in duplicate by its Mayor and attested to by the City Clerk under the authority of Ordinance No. 1316 adopted by the City Council on the 14th day of September, 2021.

**CITY:**

**CITY OF FOLSOM**  
**a municipal corporation**

\_\_\_\_\_  
Michael Kozlowski, Mayor

**LANDOWNER:**

**The Regents of the University**  
**of California, a California corporation**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Elaine Andersen, City Manager

**UC LEGAL APPROVED AS TO FORM:**

\_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Steven Wang, City Attorney

**ATTEST:**

\_\_\_\_\_  
Christa Freemantle, City Clerk  
[Notary Pages to be Added]

## **EXHIBIT LIST**

- A-1** Legal Description of the Property
- A-2** Depiction of Parcel 1 on Map
- B** Conceptual Site Plan

EXHIBIT A-1  
LEGAL DESCRIPTION OF PROPERTY

THE FOLLOWING LEGAL DESCRIPTION IS FOR PROFORMA PURPOSES ONLY, AND IS NOT TO BE UTILIZED IN A RECORDED DOCUMENT UNTIL THE PARCEL MAP CONFIRMING SAID DESCRIPTION HAS BEEN RECORDED:

The land described herein is situated in the State of California, County of Sacramento, City of Folsom, described as follows:

Lot 1 as shown on that certain map entitled "Vesting Tentative Parcel Map, Parcels 61 & 77" filed for record in the office of the Recorder of the County of Sacramento, City of Folsom, State of California on TBD, in Book TBD of Parcel Maps, at Page TBD, Sacramento County Records.

APN: 072-3190-030-0000 (a portion)



## EXHIBIT A-2 DEPICTION OF PARCEL 1 ON RECORDED PARCEL MAP

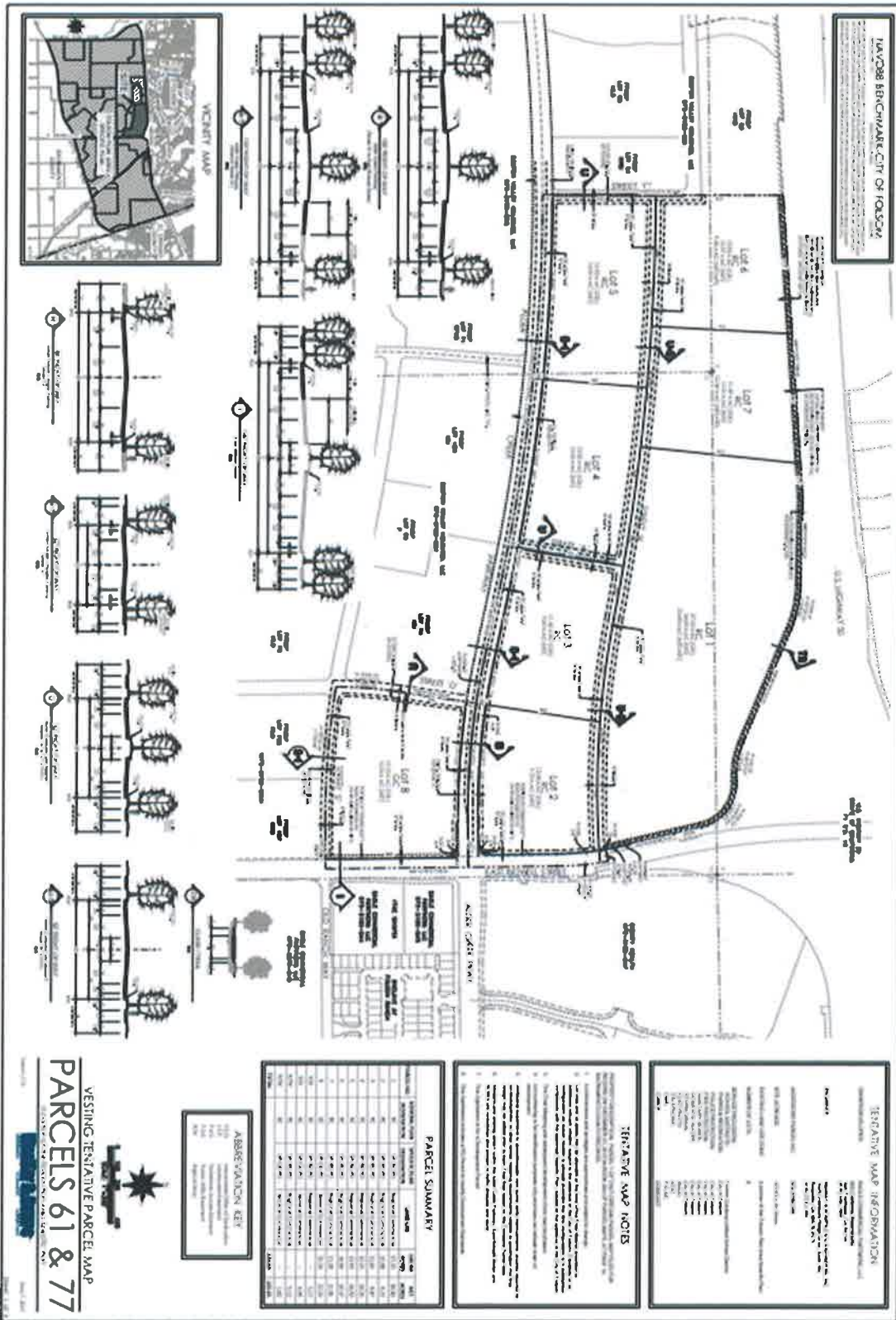


EXHIBIT B  
CONCEPTUAL SITE PLAN



| Building                              | Building (SQ)  | Program (SQ)   | Site (SQ)   | Building Level | Building Height (ft) |
|---------------------------------------|----------------|----------------|-------------|----------------|----------------------|
| Medical Office Building               | 110,000        | 24,200         | 7           | 24             | 43.75                |
| Ambulatory Surgery Center (ASC)       | 110,000        | 29,400         | 11          | 24             | 43.75                |
| Micro Hospital (2 Bed)                | 40,000         | 23,000         | 13          | 24             | 43.75                |
| Central Utility Plant                 | 10,000         | 10,000         | 4           | 7              | 47                   |
| Hotel (100 Room)                      | 60,000         | 33,000         | 9           | 24             | 43.75                |
| Parking & Circulation                 | N/A            | N/A            | 14.3        | N/A            | N/A                  |
| Landscaping/Outdoor Spaces/Recreation | N/A            | N/A            | 15.4        | N/A            | N/A                  |
| <b>TOTAL</b>                          | <b>490,000</b> | <b>149,600</b> | <b>56.5</b> | <b>-</b>       | <b>-</b>             |

Note: All future programming is speculative