



CITY OF SAN MATEO

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Administrative Report

Agenda Number: , Status: Old Business

File ID: 2019-304

TO: Planning Commission

FROM: Ronald Munekawa, Chief of Planning

PREPARED BY: Community Development Department, Planning Division

MEETING DATE: Tuesday, May 28, 2019

SUBJECT:

Bay Meadows Phase II Development Agreement Annual Review (Year 13), 2600 S. Delaware Street (PA-2019-019)

RECOMMENDATION

Adopt Planning Commission Resolution No. 2019-1 Finding that Bay Meadows Main Track Investors LLC has complied in good faith with the terms of the Bay Meadows Phase II Development Agreement for the review period of December 21, 2017 to December 20, 2018.

BACKGROUND

Project Description

The Bay Meadows Phase II Development Agreement was adopted by the City Council on November 7, 2005, dated November 21, 2005, and became effective on December 21, 2005. The Development Agreement requires the annual review of the Agreement and all actions taken pursuant to the Development Agreement. The Planning Commission is required to undertake this annual review and determine the good faith compliance by the Owner (Bay Meadows Main Track Investors, LLC), with the terms of the Agreement. This review is also required per City Council Resolution No. 120 (1990) Establishing Procedures and Requirements for the Consideration of Development Agreements.

Two changes to the Development Agreement have been approved since its adoption in 2005. The first change in 2008 was a Memorandum of Technical Corrections, dated July 21, 2008 and recorded on July 22, 2008. This memorandum corrected the clerical error in the name of the owner and confirmed the correct name of the Owner party to the agreement. It also corrected the effective date of the agreement, which had been incorrectly filled in after-the-fact. The second change was a Minor Modification to the Development Agreement, dated November 21, 2011 and recorded on March 26, 2012. This document revised the provisions related to the proposed interim Community Park improvements and clarified the specific dates for certain defined terms in the Development Agreement. The City and the Owner started extensive discussions about the exact design and type of interim improvements in the park in 2011, resulting in the City Council approval and recordation of the Minor Modification. The adopted changes are included with the full Development Agreement in Attachment 2.

ANNUAL REVIEW OF DEVELOPMENT AGREEMENT

The Bay Meadows Phase II Owner (Bay Meadows Main Track Investors, LLC) "Owner" is required to submit a letter and additional documentation demonstrating good faith compliance with the terms and conditions of the Development Agreement no less than 30 days nor no more than 60 days prior to the anniversary of the effective date of the Agreement. A detailed matrix table (Attachment 3 - Bay Meadows Phase II DA Annual

Review Matrix) was submitted to the City for the period of the thirteenth year of the Development Agreement (December 21, 2017 to December 20, 2018). The matrix, which is organized by timing, lists the following information:

- Development Agreement requirement and section number;
- Requirement trigger;
- Requirement status; and,
- Requirement due date.

This matrix demonstrates that the Owner has complied with all applicable requirements of the Development Agreement for the review period of December 21, 2017 to December 20, 2018. There were no specific items required during this period.

CONSTRUCTION STATUS

The Neighborhood Construction Update Quarterly Newsletter (October 2018) is included as Attachment 4 and provides information and photographs of the current construction status on the project site. Additional construction information is available on the project website at www.baymeadows.com and shown in the Bay Meadows Phase II Approved Program with Construction Information in Attachment 5.

A few highlights from this past year are as followed:

Retail/Active

- Lift Fitness, located on the ground floor of Station 4, opened in February 2018.
- Roam Burgers located in Town Square, opened in the fall of 2018.

Office

- Construction progressed on Station 2 and in late 2018 received Temporary Certificate of Occupancy.
- Cornish & Carey completed their tenant improvements and in July moved into their ground floor space in Station 3.
- Workday and Freshworks signed leases to occupy the other floors in Station 3.

Residential

- Sales of Victory Homes - the 24 single-family homes - sold out in 2018. Construction continued into the first quarter of 2019.
- The Bridge Affordable Housing project to construct 68 below market rate residential units was entitled in January 2018 and broke ground in 2019.

FINDING OF COMPLIANCE

The Development Agreement requires the Planning Commission to determine the good faith compliance by the Owner with the terms of the Development Agreement, in accordance with the provisions of the Development Agreement Article 6.3, Section 8 (a) of the Development Agreement Resolution and Government Code Section 65865.1. A Resolution was prepared for adoption to formally find that Bay Meadows Main Track Investors LLC has complied in good faith with the terms of the Bay Meadows Phase II Development Agreement for the review period of December 21, 2017 to December 20, 2018.

ENVIRONMENTAL DETERMINATION

In accordance with CEQA Guidelines section 15378(b)(5), this development agreement review is not a project subject to CEQA because it is an administrative action that will not impact the physical environment. The environmental impacts of the Bay Meadows project were previously analyzed in an environmental impact report.

NOTICE PROVIDED

In accordance with City Council Resolution No. 120 (1990) - Establishing Procedures and Requirements for the Consideration of Development Agreements, Government Code section 65090, 65091, and the City's Municipal Code noticing requirements, this hearing was published in the San Mateo Daily Journal and noticed to the following parties ten days in advance:

- Property owners, residential tenants and business tenants within 500 feet of the project site;
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects;
- The City's "Notify Me" email distribution list titled "Planning - Master Planning Notice List"; and,
- The interested parties list.

ATTACHMENTS

Att 1 - Resolution

Att 2 - Bay Meadows Phase II Development Agreement with Amendments

Att 3 - Bay Meadows Phase II Development Agreement Annual Review Matrix

Att 4 - Neighborhood Construction Update Quarterly Newsletter, October 2018

Att 5 - Bay Meadows Phase II Approved Program with Construction Information

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CC:

(AR and attachments (hardcopy) via USPS First Class Mail

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