



Item No: 1
Meeting Date: Feb. 11, 2014

To: Planning Commission

Date: February 6, 2014

Authorized By: Ronald Munekawa
Chief of Planning

By: Ronald Munekawa, Chief of Planning
(650) 522-7203 / Fax: (650) 522-7201
rmunekawa@cityofsanmateo.org

**Subject: PA 14-008 Station Park Green Development Agreement Annual Review
1700 S. Delaware St. (APN 035-200-180,060)**

RECOMMENDATION

That the Planning Commission

Adopt Planning Commission Resolution No. 2014-1 (Exhibit A) Finding that ARJAX Railroad Associates II LLC has complied in good faith with the terms of the Station Park Green Development Agreement for the review period of January 18, 2013 to January 17, 2014.

BACKGROUND

Development Agreement Annual Review

The Station Park Green Development Agreement was adopted by the City Council on January 18, 2011 and became effective on February 24, 2011 (Attachment #2). The Development Agreement and Government Code section 65865.1 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 with the terms of the Agreement.

Project Site Description

The project site consists of an approximately 12 acre parcel located at the northwest corner of South Delaware Street and Concar Drive. The project site is the current location of the K-Mart and Michael's Arts and Crafts retail buildings. These buildings have a substantial amount of adjacent surface parking and minimal landscaping. The project site also includes the Shell service station located at the corner of Delaware Street and Concar Drive. The property has a land use designation and zoning of Transit Oriented Development (TOD).

Approved Specific Plan and Design Guidelines

On January 18, 2011 the City Council, in addition to the Development Agreement, approved a Specific Plan and Design Guidelines that include the demolition of the existing buildings on the project site and construction of a mix of residential, office, retail and park uses. A Negative Declaration was also certified to address the project's potential environmental impacts.

The project program includes three potential development options of approximately 599 residential units, 10,000 to 45,000 square feet of office uses, 25,000 to 60,000 square feet of retail uses including the incorporation of a new 22,000 square foot Michael's retail store. The project will include up to 90 below-market rate units in accordance with the 15 percent below market rate requirement for the City of San Mateo. The project also proposes an approximately one-acre park and a network of parks and pedestrian pathways for a total of approximately 2 acres of open space.

ANNUAL REVIEW OF DEVELOPMENT AGREEMENT

The Station Park Green Owner (ARJAX Railroad Associates II LLC) 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. This information (Attachment #1) was submitted to the City in January 2014 for the period of the third year of the Development Agreement (January 18, 2013 – January 17, 2014). A matrix has been prepared summarizing the public benefits and their timing and includes 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 or is working toward completing all the applicable requirements of the Development Agreement for the review period of January 18, 2013 to January 17, 2014 consisting of:

- A surface easement for the purposes of a Class I bike facility and landscaping along the southeasterly frontage of the Property with Concar Drive in substantial conformity with the plan attached as part of Exhibit C of the Development Agreement has been prepared, accepted by the City Council, and recorded.
- The owner made the payment of \$100,000 to fund the City for (iii) pedestrian and bicycle improvements in the immediate area. This payment was made in August 2011. These funds collected have been applied to the design and implementation of the Delaware Street Bike Lane and Streetscape Improvement Project adopted by the City Council. (DA Article 3 A (c.))
- The owner made the payment of \$100,000 to fund the City for (iii) pedestrian and bicycle improvements in the immediate area. This payment was made in August 2012. These funds collected have been applied to the design and implementation of the Delaware Street Bike Lane and Streetscape Improvement Project adopted by the City Council. (DA Article 3 A (c.))

The Delaware Street Bike Lane and Streetscape Improvement Project was completed in the summer of 2013.

PROJECT STATUS

During the period of this annual review, the applicant has continued working on implementation of the project. At this time, a Site Development Permit for public improvements and Site Plan and Architectural Review (SPAR) for the design of buildings and all private improvements remain to be processed through the City for approval. There remain seven years of the Development Agreement's ten year term.

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 8, Section (C) of the Development Agreement Resolution and Government Code Section 65865.1. A Resolution (Exhibit A) was prepared for adoption to formally find that ARJAX Railroad Associates II LLC has complied in good faith with the terms of the Station Park Green Development Agreement for the third review period of January 18, 2013 to January 17, 2014.

ENVIRONMENTAL REVIEW

In accordance with CEQA Guidelines section 15378, this development agreement review is not a project subject to CEQA in that it will not have a significant effect on the environment.

NOTICE PROVIDED

In accordance with Government Code section 65090, notice of this hearing was published in the Examiner newspaper 10 days before this public hearing. In accordance with the City's Municipal Code noticing requirements, this hearing was noticed to the following parties ten days in advance of tonight's meeting:

- Property owners, residential tenants and business tenants within 1,000 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 interested parties list which includes interested individuals who contacted the City and requested to be added to the project notification list (via email).

EXHIBITS

- A. Resolution No. 2014-1

ATTACHMENTS

1. Request from ARJAX for Station Park Green Development Agreement Annual Review and Development Agreement Matrix
2. Station Park Green Development Agreement

CC Gabrielle Whelan, Assistant City Attorney
Shawn Mason, City Attorney
Rory Walsh, Interim Community Development Director
Larry Patterson, Interim City Manager
Ray Towne, Interim Director of Public Works
Susanna Chan, Deputy Public Works Director
Gary Heap, Senior Engineer
Alan Talansky, EBL&S

CC (Website link to AR and attachments via Email)

Interested Parties (if email address was provided)