ADMINISTRATIVE SERVICES

Council Meeting Date: September 9, 2008
Staff Report #: 08 - 127

Agenda Item #: F4

REGULAR BUSINESS: **Appointment of a City Council Subcommittee to Evaluate the Development Agreement for the Proposed Mixed-Use Office, Research and Development, Hotel, and Health Club Project Located at 101 to 155 Constitution Drive and 100 to 190 Independence Drive**

RECOMMENDATION

Staff recommends that the City Council appoint two of its members to a City Council Subcommittee to evaluate the development agreement for the proposed mixed-use office, research and development, hotel, and health club project located at 101 to 155 Constitution Drive and 100 to 190 Independence Drive.

BACKGROUND

The Bohannon Development Company submitted an application for a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Development Agreement, associated with a proposal for a mixed-use office, research and development, hotel, and health club development on nine properties addressed 100 to 190 Independence Drive and 101 to 155 Constitution Drive. The project has now progressed to the Fiscal and Economic Impact Analysis phase, for which Council approved a contract on April 22, 2008.

The next step in the development process is to assemble a team that will be responsible for meeting with the Bohannon Group to negotiate the Development Agreement. The Development Agreement would define the long-term land use intentions; specific terms and conditions for the development; and public benefits that would apply should the project be approved.

The proposed Development Agreement would be brought to the full Council as a draft for consideration along with the final EIR prior to final project approval.

ANALYSIS

Staff has established a negotiation team consisting of the City Manager, Interim Assistant City Manager, City Attorney, Business Development Manager and a representative from the Community Development Department to manage the day-to-day tasks associated with negotiating the development agreement. The Interim Assistant City Manager will serve as the main contact for the Bohannon Group, coordinate analysis by staff in preparation for Development Agreement meetings and coordinate follow up.

The two-member Council Subcommittee will meet with the Negotiation Team to provide general guidance on negotiations with the developer. Additionally, the Council Subcommittee will collaborate with staff on methods of seeking public input during the process and periodically update the full Council on the progress of negotiations. Working with a Council Subcommittee has been an effective way to foster good communication and receive guidance from Council on complex issues that require more frequent discussions than can be afforded in regular Council meetings (such as on the El Camino Real/Downtown Vision Process).

IMPACT ON CITY RESOURCES

Staff resources are required to support the Subcommittee. The amount of time required to prepare and negotiate the development agreement will vary depending on a number of factors including the complexity of terms contained within the agreement and the number of meetings necessary to complete a draft. Appropriate staff time associated with preparation of a development agreement will be charged against development review fees deposited by the developer.

POLICY IMPLICATIONS

This report does not raise policy issues.

ENVIRONMENTAL REVIEW

No environmental assessment is required as part of this action. An environmental impact report is being prepared for the proposed project.

Kent Steffens

Kent Steffens
Interim Assistant City Manager

NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS: None