



# STAFF REPORT

AGENDA NO: 8d

MEETING DATE: February 16, 2021

**To: Honorable Mayor and City Council**

**Date: February 16, 2021**

**From: Scott Spansail, Interim City Attorney – (650) 558-7204  
Kevin Gardiner, Community Development Director – (650) 558-7253  
Catherine Keylon, Senior Planner – (650) 558-7252**

**Subject: Adoption of an Ordinance of the City Council of the City of Burlingame Adopting a Development Agreement between the City of Burlingame and 220 Park - Burlingame LLC, Related to the Development Project at 220 Park Road (Historic Post Office Project)**

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## **RECOMMENDATION**

By motion, the City Council should adopt the following ordinance:

AN ORDINANCE OF THE CITY OF BURLINGAME ADOPTING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BURLINGAME AND 220 PARK - BURLINGAME LLC, RELATED TO THE DEVELOPMENT PROJECT AT 220 PARK ROAD (HISTORIC POST OFFICE PROJECT).

To do so, the Council should:

1. By motion, adopt the proposed ordinance.
2. Direct the City Clerk to publish a summary of the ordinance within 15 days of adoption.

## **DISCUSSION**

The City Council conducted a duly noticed public hearing on February 1, 2020, and discussed an ordinance that proposed the adoption of a development agreement between the City and 220 Park – Burlingame, LLC (Sares Regis / Dostart Development Company) (“Developer”) regarding the development project at 220 Park Road (Historic Post Office Project).

At this meeting, the City Council discussed the terms of the development agreement with the development team and staff. The Developer clarified the need to collect a fee for the shared public parking on their property (available on nights and weekends), in order to provide an attendant on-site during the entire time the garage is open to the public. The Developer believes an on-site attendant is necessary to allow better operation of the garage, which is the justification for charging the public for the use of this parking.

The development agreement includes a term that states that the developer will provide the City a cash payment of \$2,000,000, subject to increase based on the timeline of the project, which is to

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be used for construction of the Town Square Project on adjacent City Parking Lot E. Councilmembers requested that these funds be specifically designated for use only for this project, without the possibility that the funds could be transferred into the City's General Fund. City Council directed staff to prepare a separate resolution clarifying that the contribution will be earmarked specifically for the Town Square, without the possibility of the funds being transferred into the General Fund.

Besides this matter regarding the allocation of the Town Square contribution, which has been addressed by the separate resolution, there were no requested changes to the proposed ordinance at introduction; therefore, the Council directed staff to bring the ordinance back for adoption on February 16, 2021.

### **FISCAL IMPACT**

The development project is subject to Public Impact Fees in the amount of \$1,415,974.00 per Municipal Code Chapter 25.80, and Commercial Linkage (Affordable Housing) Fees in the amount of \$3,449,408.00 per Municipal Code Chapter 25.81. An additional \$2,000,000 (with possible increases depending on the timing of Project development) would be paid by Developer as part of the consideration for the City granting easements for the parking garage and terrace improvements, with the intention that it can be used towards town square construction costs if the City elects to proceed with the town square (see draft resolution).

Exhibits:

- Proposed Ordinance – Adopting Development Agreement for 220 Park Road Development Project
- Development Agreement Including:
  - Exhibit C (Schedule of Performance)
  - Exhibit D (Form of City Easement and Public Use Agreement)
- City Council Staff Report – February 1, 2021 with attachments:
  - Planning Commission Public Hearing – January 11, 2021 Minutes
  - City Council Special Study Session – November 4, 2020 Minutes
  - Revised Term Sheet - December 30, 2020
  - Legal Newspaper Ad – Notice of Public Hearing, published January 22, 2021
  - Notice of Public Hearing, Post Card – Mailed January 22, 2021
  - Area Map – post card noticing