

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, CONTRACT PLANNER

SUBJECT: PROCESS FOR CONSIDERATION OF DEVELOPMENT AGREEMENTS  
RELATED TO THE CHANDLER RANCH AREA SPECIFIC PLAN

DATE: FEBRUARY 21, 2006

Needs: For the City Council to consider providing policy direction regarding the process for City consideration of Development Agreements with property owners within the proposed Chandler Ranch Area Specific Plan and future proposed Specific Plans.

Facts:

1. The Chandler Ranch Area Specific Plan (CRASP) includes seven primary property owners, plus additional fractional ownerships in the "Our Town" area.
2. Two CRASP property owners have expressed written interest in entering into a Development Agreement with the city and additional property owners have made verbal expressions of potential interest in Development Agreements.
3. The City's Zoning Code makes provisions for Development Agreements (DA). Whether or not to enter into a DA is in the discretion of the City Council, as would be the terms of a possible DA.
4. Developers typically request DAs in order to vest certain development rights, which is often desirable for long-term projects. In turn, cities may negotiate for whatever the City Council considers a reasonable "quid pro quo" in exchange for certain assurances regarding the terms of entitlements that developers are seeking.
5. The City has entered into a series of discussions with CRASP property owners who have expressed interest in entering into DAs. In order to facilitate the comprehensive and orderly development of the proposed CRASP, as well as the implementation of measures that could benefit the community, staff believes that it would be helpful to have a clear policy regarding development agreements.

6. The purpose of this staff report is to address the process through which the City Council may wish to consider negotiating and entering into DA with CRASP property owners. The process could serve as a model for future specific plan areas as well.

Analysis  
and

Conclusion:

It would seem important for the City Council and the Paso Robles community to have a clear and understandable process for considering CRASP and other future proposed Specific Plans and the role of Development Agreements for properties that are included within those areas. A clear process should benefit all parties with interest in entering into DAs with the City and/or are seeking entitlements to develop their properties.

In order to insure that the DA process provides a “quid pro quo” and a net public benefit, it is suggested that the City Council consider adoption of the following parameters:

- 1) That the City Council adopt a policy stating that it is the intent of the City Council not to approve any Specific Plan unless all of the property owners within CRASP or a future Specific Plan boundary are prepared to execute a development agreement that results a net community benefit.
- 2) That the City direct City staff / consultants to inform all property owners within proposed Specific Plan areas that if they wish to have a DA with the City, the format of the DA will be developed by the City.
- 3) That the City will prepare the form of DA and distribute that document to the affected property owners for consideration and negotiation. The DA should include a section to define the "net community benefits" to be gained from each project.
- 4) That the " net benefits" sought by the City from the applicable Specific Plan would be apportioned equitably among the various property owners and would be in addition to other benefits that might be sought from individual property owners.
- 5) That the City utilize the benefits as the City's goals in negotiating the DAs and schedule meetings with the property owners.
- 6) That the City prepare, negotiate and finalize DAs through meetings between staff, owners, and a CC subcommittee.

7) That the draft DAs be included as attachments to the staff report when the Specific Plan proceeds to Planning Commission. If Draft DAs are not ready at that time the City may defer public hearings on the adoption of the Specific Plan.

The process of discussing what might be in DA has begun with two of the CRASP property owners. In order to insure that each of the CRASP property owners are treated similarly and equitably, it would seem appropriate to have clear policies regarding the City's process for considering a DA.

City preparation of the form of DA will insure consistency among the DAs.

The City's interest in entering into DAs for a proposed Specific Plan would help assure orderly development as well as net public benefits from the development of the affected area.

The proposed process would allow the City Council and the community to understand, when a Final Draft Specific Plan (including all of the proposed impact mitigation measures, including but not limited to the Specific Plan fee schedule) is considered, what benefits could accrue to the community from a project subject to a DA.

With the foregoing in mind, it is necessary to have DAs either approved prior to the consideration of a Specific Plan or attached to the staff report to the Planning Commission (and, subsequently, the City Council) prior to adoption of the Specific Plan.

With respect to CRASP, it is essential that the terms of DAs with the respective property owners within the CRASP be negotiated to mutual agreement in advance of preparation of the staff report for the Planning Commission meeting.

The current tentative schedule for the Planning Commission to consider the CRASP is Wednesday, March 15, 2006.

To have a Draft DA as an attachment to the staff report for the March 15, 2006 Planning Commission meeting it will be necessary for all parties to reach agreement on the terms of DAs by March 6, 2006. If it becomes apparent that this deadline cannot be reached, under the suggested City Council policy, the City Council could consider a delay in the noticed public hearing on CRASP until the DA negotiations are completed.

Policy

Reference: General Plan; City Council Policy on Public Finance

Fiscal

Impact: The City's "fiscal neutrality" policy would call for development of the CRASP and other proposed Specific Plans to fully mitigate the infrastructure and service impacts upon City and other agencies as a result of the development of the Specific Plan.

Options:

- a. That the City Council adopt the attached Resolution No. 06-xxx, approving the above described process as the City Council's policy for consideration of Development Agreements with property owners within the Chandler Ranch Area Specific Plan (CRASP) and other pending Specific Plan areas, and establish the deadline of March 6, 2006 for completion of negotiation of draft Development Agreements with the property owners within the CRASP who are seeking DAs. If the parties cannot reach agreement on the DAs by that time, the Council will postpone the hearings on the consideration of CRASP.
- b. Amend, modify or reject the foregoing option.

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
ESTABLISHING A POLICY FOR CONSIDERATION OF DEVELOPMENT AGREEMENTS  
WITHIN SPECIFIC PLAN AREAS

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WHEREAS, the City's General Plan provides a requirement for Specific Plans to be prepared for specified portions of the City; and

WHEREAS, Specific Plans are intended to provide a framework for future development, particularly in areas that are lacking established land use patterns and/or infrastructure and/or have unique topographic and environmental characteristics; and

WHEREAS, the City's adopted Zoning Code provides a process for consideration of Development Agreements; and

WHEREAS, under Section 21.45.010 (purpose and scope), the Zoning Code states that: "Development agreements specify the rights and responsibilities of the city and developers. Used in conjunction with annexation, general plan amendments, specific plans, rezoning, planned development approval, subdivision approval, conditional use permit approval, variance approval, or architectural review approval, development agreements establish the terms and conditions under which development projects may proceed. Development agreements are best used for large, complex, or phased projects which require extended construction time and which involve numerous public improvements such as streets, utilities, flood improvements, schools, parks, and open space, and other improvements of community-wide benefit. Under a development agreement, projects may proceed under the rules, standards, policies, and regulations in effect at the time of original project approval"; and

WHEREAS, Chapter 21.45 of the Zoning Code further provides that "The planning commission may recommend and the city council may enter into a development agreement for the development of real property with any person having legal or equitable interest in such property, as provided below. At its sole discretion, the city council may, but is not required to, approve a development agreement where a clear public benefit or public purpose can be demonstrated."; and

WHEREAS, adoption of a uniform policy for processing Development Agreements within Specific Plan areas would provide consistency and equal treatment of all property owners within the boundaries of an area where the City's General Plan requires preparation of a Specific Plan and where the property owners are seeking to enter into a Development Agreement with the City.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of El Paso de Robles does hereby establish the following policy regarding proposed Specific Plans:

- 1) That it is the intent of the City Council not to approve any Specific Plan unless all of the property owners within CRASP or a future Specific Plan boundary are prepared to execute a development agreement that results a net community benefit.
- 2) That City staff / consultants shall inform all property owners within proposed Specific Plan areas that if they wish to have a DA with the City, the format of the DA will be developed by the City.
- 3) That the City will prepare the form of DA and distribute that document to the affected property owners for consideration and negotiation. The DA should include a section to define the "net community benefits" to be gained from each project.

- 4) That the " net benefits" sought by the City from the applicable Specific Plan will be apportioned equitably among the various property owners and will be in addition to other benefits that might be sought from individual property owners.
- 5) That the City utilize the benefits as the City's goals in negotiating the DAs and schedule meetings with the property owners.
- 6) That the City prepare, negotiate and finalize DAs through meetings between staff, owners, and a CC subcommittee.
- 7) That the draft DAs either be approved prior to the adoption of the applicable Specific Plan or are included as attachments to the staff report when the Specific Plan proceeds to Planning Commission. If Draft DAs are not ready at that time the City may defer public hearings on the adoption of the Specific Plan.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 21<sup>st</sup> day of February 2006 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Cathy M. David, Deputy City Clerk