

RESOLUTION NO. RES-2018-194

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT EXTENDING NEGOTIATIONS WITH CORNERSTONE PROPERTIES FOR THE POTENTIAL ACQUISITION AND DEVELOPMENT OF CITY OF SANTA ROSA SURFACE PARKING LOT TWO, LOCATED AT 521 FIFTH STREET, SUBJECT TO APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, a top Council goal to address housing needs was made more pressing by the 2017 Tubbs Fire that dramatically exacerbated Santa Rosa's housing shortage; and

WHEREAS, the Housing Action Plan adopted by City Council set forth criteria for new, proactive approaches to public private partnerships designed to enable desired housing development consistent with the General Plan, zoning regulations, and Housing Action Plan objectives such as infill development in the downtown core; and

WHEREAS, the City-owned parcel at 521 Fifth Street, currently used as a surface parking lot, is adjacent to and shares a common property line with 427 Mendocino Avenue, which is owned by Cornerstone Properties and is currently developed with an office building and private parking lot; and

WHEREAS, Cornerstone Properties desires to extend negotiations with the City by executing an Exclusive Negotiation Agreement for the potential acquisition and development of 521 Fifth Street in compliance with the requirements of Government Code section 37364; and

WHEREAS, the Exclusive Negotiation Agreement allows City staff to continue negotiations with Cornerstone Properties with the intent to bring forward a Development Agreement to authorize future development of the property in a mutually acceptable master-planned project entailing 521 Fifth Street and 427 Mendocino Avenue; and

WHEREAS, in consideration of the City's housing goals, a potentially desirable use of the City and the privately held parcels is to increase density and retain the City-operated parking spaces while enhancing other community benefitting uses, including but not limited to market rate and affordable housing and ground floor retail; and

WHEREAS, Government Code section 37364 exempts the City from compliance with any provision of a city's charter, or any other provision of law, whenever the legislative body of a city determines that it is in its best interest that any real property or interest therein owned or to be purchased by the city can be used to provide defined amounts of deed-restricted affordable housing; and

WHEREAS, given the size, proximity and location of 521 Fifth Street and 427 Mendocino Avenue, the City has the unique opportunity to continue to collaborate with Cornerstone Properties regarding the potential development of a project in downtown Santa Rosa that could provide a mix of housing, retail, office, and more efficiently designed public parking; and

WHEREAS, the term of this extension of the Exclusive Negotiation Agreement is one year commencing on the effective date of the agreement, with an extension option at the discretion of the City Manager, during which time the negotiation period will be used to prepare a mutually acceptable Disposition and Development Agreement for consideration and action by the Council, as well as to address the necessary discretionary actions and entitlements for any future proposed project.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby approves the Exclusive Negotiation Agreement to extend negotiations with Cornerstone Properties, in substantially the form attached hereto and incorporated herein as Exhibit A, for the potential acquisition and development of City of Santa Rosa Parking Lot 2 at 521 Fifth Street, subject to approval of a disposition and development agreement for a future project that is to include affordable housing.

IN COUNCIL DULY PASSED this 30th day of October, 2018.

AYES: (5) Vice Mayor Rogers, Council Members Olivares, Sawyer, Schwedhelm,  
Tibbetts

NOES: (0)

ABSENT: (2) Mayor Coursey, Council Member Combs

ABSTAIN: (0)

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
City Clerk Vice Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Exhibit A - 2018 Exclusive Negotiation Agreement with Cornerstone Properties