

RESOLUTION NO. RES-2017-235

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT 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 FOR THE PROJECT

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

WHEREAS, to meet housing needs, and as described in the Santa Rosa Housing Action Plan, the City is looking to increase housing stock using City owned properties 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, owned by Cornerstone Properties on which an office building and private parking lot are currently situated; and

WHEREAS, in consideration of the City's housing goals, the desired use of both 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, Cornerstone Properties desires to enter into an Exclusive Negotiation Agreement with the City for the potential acquisition and development of 521 Fifth Street, subject to approval of a Disposition and Development Agreement and the approval of all requisite environmental review and entitlements necessary to authorize the development of the property in a mutually acceptable master-planned project entailing 521 Fifth Street and 427 Mendocino Avenue, in compliance with the requirements of Government Code section 37364; 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 is presented with a unique opportunity to collaborate with Cornerstone Properties regarding the potential development of a project in downtown Santa Rosa that would provide a mix of housing to include affordable units, as well as retail space and more efficiently designed public parking; and

WHEREAS, the initial period of the Exclusive Negotiation Agreement is 180 days commencing on the effective date, with an extension option in the discretion of the City Manager, during which time the negotiations will cover the description, uses, configuration, and design of a mutually acceptable master-planned project entailing both 521 Fifth Street and 427 Mendocino Avenue, including the number of affordable housing units, the way the units will be restricted and managed, and other community benefitting uses; and

WHEREAS, these additional community benefitting uses will include parking to replace the City-operated parking currently in existence at Lot Two; and

WHEREAS, the Exclusive Negotiation Agreement period will be used to prepare for a mutually acceptable Disposition and Development Agreement, and the identification of the City's discretionary actions, entitlements for the project as well as a schedule; and

WHEREAS, the negotiated Disposition and Development Agreement will require final approval by the Santa Rosa City Council.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby approves an Exclusive Negotiation Agreement 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 surface parking lot two, located at 521 Fifth Street.

IN COUNCIL DULY PASSED AND ADOPTED this 5th day of December, 2017.

AYES: (7) Mayor Coursey, Vice Mayor Rogers, Council Members Combs, Olivares, Sawyer, Schwedhelm, Tibbetts

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: _____
Deputy City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney

Exhibit A – Exclusive Negotiation Agreement with Cornerstone Properties