DATE: 2/23/2018

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution Approving a Memorandum of Agreement with William Lyon Homes and Alves Ranch LLC for Commercial Property Development at Alves Ranch

MEETING DATE: 3/5/2018

EXECUTIVE SUMMARY

The City entered into a Development Agreement with William Lyon Homes and Alves Ranch LLC for a 293 acre development in the southwest portion of Pittsburg effective January 5, 2005 (the “Property”). The Development Agreement contemplated approximately 14 acres for office development. The Memorandum of Agreement recognizes that the Developer may seek a rezoning change to allow commercial retail, rather than office uses on the Property, including a nationally recognized grocery store chain.

FISCAL IMPACT

With the potential change in zoning from office to commercial retail, the City’s General Fund will see a modest increase in sales tax revenue.

RECOMMENDATION

City Council move to adopt the Resolution and approve the Memorandum of Agreement with William Lyon Homes and Alves Ranch LLC.

BACKGROUND

The City entered into a Development Agreement with William Lyon Homes and Alves Ranch LLC for a 293 acre development in the southwest portion of Pittsburg effective January 5, 2005. On January 20, 2009, the City Council adopted Ordinance No. 08-1312 approving a Master Plan for the property known as ‘Alves Ranch’, which is generally located on the north side of West Leland Road, immediately north of the existing Vista Del Mar Residential Development. The approved Master Plan included a layout that allowed for a maximum of 560 residential units and 14 acres of business (office) commercial uses.
**SUBCOMMITTEE FINDINGS**

The Memorandum of Agreement with William Lyon Homes and Alves Ranch LLC was discussed on November 7, 2017 at the Land Use Subcommittee. The Land Use Subcommittee was supportive of the concept.

**STAFF ANALYSIS**

The lone retail shopping center in the southwest hills area of Pittsburg was constructed in 1989. The construction of several thousand residential units since 1989 has overburdened the existing Safeway shopping center. In public meetings and a recent survey, local residents have implored staff to seek solutions to the lack of retail in the area.

As of late 2017, the residential developer (William Lyon Homes) began the process of purchasing the Alves Ranch property from Alves Ranch LLC. This developer is interested in making several modifications to the overall master plan, which include reducing the overall density of the site by approximately 228 units and re-designating the commercial land from business (office) commercial to retail commercial so that a new 12 acre shopping center (with a grocery store) can be built.

The Memorandum of Agreement requires William Lyon Homes to file an application for rezoning the office commercial to retail commercial and to construct and complete all requisite utility stub-outs and roadway access points by March 15, 2019. Alves Ranch LLC shall ensure that all retail commercial operations are open for business by March 1, 2023 or face a $50,000 penalty. In addition, Alves Ranch is granted an option to develop a commercial sign at the development by September 1, 2023.

**ATTACHMENTS:** Resolution
Memorandum of Agreement

Report Prepared By: Garrett Evans, Assistant City Manager