



# STAFF REPORT

AGENDA NO: 8g.

MEETING DATE: January 11, 2021

**To: Planning Commission**

**Date: January 11, 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: Proposed Development Agreement Terms for the 220 Park Road (Former Post Office) Project**

---

## **RECOMMENDATION**

Staff recommends the Planning Commission review the proposed development terms and recommend approval of a development agreement related to the redevelopment and restoration of the existing Post Office building and construction of a new six story office project with ground floor retail and two levels of underground parking, including public parking access and public amenity benefit at 220 Park Road. Staff recommends that the Planning Commission recommend approval of the development agreement materially in accordance with the terms described in the Term Sheet and materially following the sequence described in the Schedule of Performance.

## **BACKGROUND**

On April 9, 2020, 220 Park – Burlingame, LLC (Sares Regis / Dostart Development Company) filed an application for the adaptive reuse and development project at the former Post Office at 220 Park Road, plus certain uses of the adjacent City property known as Lot E (the “Post Office Project”). On November 23, 2020, the Burlingame Historic Preservation Commission approved listing the Post Office on the City’s Local Register of Historic Places.

On November 23, 2020 the Planning Commission approved the associated entitlements including, Commercial Design Review, a (Historic) Parking Variance and a (Historic) Height Variance for the Post Office Project. The approved project includes the redevelopment and restoration of portions of the existing Post Office building and construction of a new six-story office project with ground floor retail and two levels of underground parking at 220 Park Road, including portions of the underground garage below City Parking Lot E. The project includes 11,915 SF of retail uses on the ground floor, 140,000 square feet of office on the floors above, and 280 parking spaces.

## **DISCUSSION**

The Developer has requested that the City enter into a statutory development agreement regarding the Post Office Project. The proposed development agreement is consistent with California Government Code section 65864 *et seq.* (the “Development Agreement Statute”). A development agreement is a voluntary contract negotiated between the City and developer. The City is providing

benefits otherwise not available under the regular permitting system (here, easements to use City land, and a longer permit life to build). In return, cities usually receive community benefits that nexus requirement otherwise would not provide. Development agreements must be adopted through ordinance by statute.

For the past several months, City staff has met with representatives from Sares Regis and their development partner, Dostart Development, to negotiate the terms that will be included in the Development Agreement between the City and Sares Regis. The City Council reviewed draft terms at a Special Study Session that was held on November 4, 2020. The initial terms of the Development Agreement have been refined and clarified since then, but were not ready to be reviewed at the time of the Planning Commission entitlement approval hearing held on November 23, 2020. The terms are now therefore being brought forward for review and recommendation to the Planning Commission first and then City Council, as required by Government Code section 65864 *et seq.* No changes are proposed to the design of the development project as approved by the Planning Commission.

City staff and the Developer have negotiated the proposed terms for a development agreement for the Post Office Project, which can be reviewed in the attached Term Sheet. In addition, the agreement includes the anticipated schedule for development of the Post Office Project; this is detailed in the attached “Exhibit B – Schedule of Performance.”

The summary of the terms that are detailed in the attached exhibits includes:

1. Format of Agreement
2. Vesting Project Approvals and Fees
3. Milestone Schedule
4. Shared Parking
5. Surface Improvements on Lot E/Town Square
6. Town Square Contributions
7. Interim Use and Maintenance of Property
8. Temporary Staging for Historic Preservation and Construction

The Planning Commission should review the attached documents and make a recommendation to the City Council regarding whether to negotiate and enter into this development agreement with the Developer pursuant to the Development Agreement Statute. This recommendation to City Council should address whether to recommend approval materially in accordance with the terms described in the Term Sheet and materially following the sequence described in the Schedule of Performance, or the Commission may suggest changes or refinements to the terms as part of its recommendation. In doing so, the Planning Commission acknowledges that the final form of development agreement may contain additional or different details, including regarding terms and scheduling, which the Council may negotiate and include in its discretion.

### **FISCAL IMPACT**

None.

Exhibits:

- City Council Special Study Session – November 4, 2020 Minutes
- Draft Planning Commission Resolution
- “Exhibit A” – Development Agreement Terms Summary
- “Exhibit B” – Schedule of Performance
- Legal Newspaper Ad – Notice of Public Hearing, published December 31, 2020
- Notice of Public Hearing, Post Card – Mailed December 30, 2020
- Area Map – post card noticing