



**DATE:** September 27, 2016  
**TO:** Mayor and City Council  
**FROM:** Development Services Director

**SUBJECT**

Request to Consider Allowing Release of All Residential Building Permits Prior to Construction of the Main Tenant Building at the Eden Shores Retail Center

**RECOMMENDATION**

That Council reviews this report and provides feedback to the project proponent and staff regarding the proponent's request.

**SUMMARY**

The Development Agreement that exists for the Eden Shores area requires that building permits for the entitled 118 residential units along Hesperian Boulevard between Eden Shores Boulevard and Eden Shores Place be released proportionately to when building shells for buildings in the 27.94-acre area bounded by Hesperian Boulevard, Industrial Boulevard, Eden Shores Boulevard and Marina Boulevard are constructed (see Attachment II). The project property owner has requested (Attachment I) that the City allow permits for the last two residential units to be issued possibly before the main anchor tenant building shell in the neighborhood retail center is built.

**BACKGROUND**

Per City Council action in 2010, Section 3.15 of the Mount Eden Business and Sports Park Community Development Agreement was amended (third amendment to the Development Agreement) to state:

3.15 Required Phased Development. The issuance of permits for the development of the Medium Density Residential Site included within the Legacy Eden Shores Development will be proportionately conditioned upon the finalizing of building permits for building shells for the development of a corresponding proportion of the 27.94 acres of development sites constituting the Costco Parcel and the Business Park/Neighborhood Commercial Sites, more particularly designated as Sites A and B in Exhibit B attached hereto. Accordingly, subject to the other conditions to issuance of such permits being satisfied, residential development permits will be issued on a basis

proportionate to the proportion of the 27.94-acre parcel for which permits have been previously issued and finalized by the City.

Exhibit B to the Development Agreement is included as Attachment IV to this report.

The property owner is requesting that the development agreement be amended to allow all residential permits to be issued prior to the 18,000 square foot major tenant building being built in the neighborhood retail area of the site. All other terms of the development agreement would remain, including a requirement that building shells for the other retail center tenants be built and the building shells be completed for the area zoned Business Park between Marina Drive and Costco. Completion of the retail center, the area between Marina Drive and Costco (planning application pending), the area to the west of Marina Drive (building permits recently issued), and the residential area will complete the buildout of the Eden Shores area.

## **DISCUSSION**

The footprint of the major anchor tenant is shown in the Site Plan Review application that Planning staff is processing to be 18,000 square feet (0.41 acres), which comprises 1.47% of the 27.94-acre area subject to the Development Agreement condition. The entitled residential project south of the proposed retail center across Eden Shores Boulevard is composed of 118 units, and 1.47% of 118 units is approximately 2 units. All other terms of the Development Agreement would remain the same; meaning, building permits for residential units would be issued proportionately to when building shells for the area between Costco and Marina Drive and the inline retail buildings are built.

The property owner plans to build all buildings before pulling permits for homes, with the possible exception of the major retail tenant building, and has requested a work session to gauge Council's support for an Amendment to the Development Agreement should the major tenant building not be built prior to when the last residential units are proposed to be built.

## **ECONOMIC IMPACT**

The economic impacts of allowing two residential units to possibly be built prior to the major tenant building being built are minimal.

## **FISCAL IMPACT**

There would not be any fiscal impact associated with this request.

## **SUSTAINABILITY FEATURES**

This request is related to timing of construction of a retail building and related residential units and therefore, there are no sustainability features associated with such request.

## **PUBLIC CONTACT**

There has been no public contact associated with this work session item.

## **NEXT STEPS**

Planning staff is currently processing a Site Plan Review application for the entire retail center, including a design for the major tenant building (since the proponent hopes a retail tenant will be found if the site plan/design is approved and the inline stores (comprising 17,500 square feet) are built, as well as a Zone Change application for the area between Costco and Marina Drive to allow for flex office/industrial space. Such flex space uses have been approved for the area west of Marina Drive, with building permits recently issued to Shea Properties for such development.

Should the Council indicate support for the requested amendment to the Development Agreement, staff will return to Council with a formal application for Council consideration; otherwise, the terms of the Development Agreement will remain the same.

*Prepared by:* David Rizk, AICP, Development Services Director

Approved by:



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Kelly McAdoo, City Manager