



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: PH 20-064, **Version:** 1

DATE: September 29, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT

Subaru Disposition and Development Agreement: Adopt a Resolution: (1) Approving the Government Code Section 52201 Summary Report for the Project ; and (2) Authorizing the City Manager to Negotiate and Execute a Disposition and Development Agreement with BMODDRE2, LLC for Transfer of Specified City Owned Properties and for the Development of a New Automobile Subaru Dealership

RECOMMENDATION

That Council holds a public hearing and adopts a Resolution (Attachment II): (1) approving the Government Code Section 52201 Summary Report for the project (Attachment III); and (2) authorizing the City Manager to negotiate and execute a Disposition and Development Agreement (DDA) with BMODDRE2, LLC (Developer) for the transfer of specified properties and for the development of a new automobile Subaru dealership.

SUMMARY

City staff recommends entering into a DDA with the Developer that contemplates the following actions:

1. Disposition from the City to Developer for a purchase price of \$5,421,000 of a 4.9-acre parcel to be transferred for the development of an auto dealership (Dealership Development Parcel), and a 5.2-acre parcel to be restricted for affordable housing purposes (Adjacent Parcel);
2. Restriction of the Adjacent Parcel as future affordable housing development;
3. Retention by Developer of the Dealership Development Parcel for the construction of a new auto dealership operating under the Subaru Brand;
4. Transfer of the restricted Adjacent Parcel to the City from the Developer in exchange for a 2.1-acre City owned site located at the northeast corner of Mission Boulevard and Carlos Bee Boulevard (Swap Parcel); and

5. Development of the Dealership Development Parcel is estimated to generate between \$330,000 to \$500,000 annually in new sales tax to the City to help pay for City services and use of the Swap Parcel for parking similar to its existing use.

If approved, upon execution of the DDA, the City anticipates transferring the property to the Developer later this fall and construction is projected to commence soon thereafter.

ATTACHMENTS

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| Attachment I | Staff Report |
| Attachment II | Resolution |
| Attachment III | 52201 Summary Report |
| Attachment IV | Approved Elevation Drawing |
| Attachment V | Approved Site Plan |
| Attachment VI | Approved Floor Plan |
| Attachment VII | Conditions of Approval - Site Plan Review |