

AGENDA ITEM #: \_\_\_\_\_

DATE: May 13, 2019

CAR #: 2019-6658



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Development Agreement for Estrella Parcel 9.31

**STAFF PRESENTER(S):** Rebecca Zook, Director of Engineering; Stephen Scinto, Plan Review Manager

**OTHER PRESENTER(S):** None

**Summary:** Staff is recommending the adoption of Resolution 2019-1969 approving a Development Agreement for Estrella Parcel 9.31 that provides for an alternative method of providing financial assurances to ensure the completion of public infrastructure to be constructed within the boundaries of Parcel 9.31.

**Recommendation:**

ADOPT RESOLUTION NO. 2019-1969 APPROVING DEVELOPMENT AGREEMENT FOR ESTRELLA PARCEL 9.31; PROVIDING AUTHORIZATION AND DIRECTION TO TAKE ACTIONS AND EXECUTE DOCUMENTS NECESSARY TO CARRY OUT THE INTENT OF THE RESOLUTION AND DEVELOPMENT AGREEMENT AND PROVIDING FOR AN EFFECTIVE DATE.

**Fiscal Impact:** Although a fiscal impact analysis has not been conducted the development of Parcel 9.31 will have an ongoing fiscal impact on the city. Future development is responsible for construction of all public infrastructure necessary to serve the site and will generate one-time revenue for the city through payment of plan review and permits, construction sales tax and development impact fees. Longer term fiscal impacts include increased demands for municipal services, the costs of which may or may not be offset by increased property values/tax levies, city sales tax, state shared revenues and the increased demand for commercial and retail development.

### Background and Previous Actions

This request is related to the development of approximately 16.476 acres of land commonly known as Parcel 9.31. It is located within the area covered by the Montecito PAD and a final plat for Parcel 9.31 is being presented by separate action.

## **Staff Analysis**

Property owners developing within the city are required to construct public infrastructure improvements within and along or adjacent to the boundaries of their properties, and, when required to provide service to their properties, outside the boundaries of their properties. To ensure the completion of these improvements, the city's current development regulations require that a subdivision bond be provided equal to 100% of the estimated cost to construct the public infrastructure improvements that are to be constructed. Staff has identified an alternative to the traditional subdivision bond that affords the city the protection needed to insure the completion of public infrastructure.

With respect to Internal Infrastructure, which includes all public infrastructure improvements that are to be constructed within the boundaries of the property, the city will use building permit holds to secure the completion of the Internal Infrastructure. If the developer or owner want to begin pulling building permits before the completion of the required Internal Infrastructure, a subdivision bond in an amount sufficient to cover the estimated costs of completing the Internal Infrastructure can be provided and building permits will be issued. With respect to External Infrastructure, which includes the infrastructure improvements that are to be constructed along, or adjacent to the external boundaries of the property and the public infrastructure that is to be constructed off the property, the more traditional forms of financial assurances will still be required.

Staff supports the proposed Development Agreement for EMR Parcel 9.31. The terms related to financial assurance will encourage development while providing adequate assurances that required public infrastructure will be completed.

## **Attachments**

Resolution 2019-1969

- Exhibit A – Legal Description
- Exhibit B – Development Agreement for Estrella Parcel 9.31 (w/exhibits)