



DATE: January 16, 2018

CATEGORY: New Business

DEPT.: Community Development

TITLE: **Transfer of Development Rights –
MOU and Gatekeeper Requests
Related to the Los Altos School
District**

RECOMMENDATION

Staff recommends that the City Council take the following actions:

1. Authorize the City Manager to execute a Memorandum of Understanding between the City and the Los Altos School District (LASD) that establishes a framework for a Transfer of Development Rights (TDR) process, designed to support acquisition of a new public school site in the San Antonio Precise Plan Area;
2. Direct staff to develop a Funding Agreement with LASD specifying the terms and conditions of the City's contribution of \$6 million per acre up to \$23 million (total) of Park Land Dedication funds for public accessibility to open space/recreational facilities associated with the new school site;
3. Direct staff to develop a Master Joint Use Agreement, and supplemental Joint Use Agreement(s) if necessary, with LASD specifying the terms and conditions of ongoing operation and maintenance of the public open space/recreational facilities associated with the new school site;
4. Authorize the assignment of staff resources for consideration of six Gatekeeper applications requesting additional floor area through the TDR process; and
5. Allow one developer to participate in the TDR process but submit a Gatekeeper request at a later date, as discussed later in this report.

BACKGROUND

On October 3, 2017, the City Council held a Study Session to discuss initial concepts for a TDR process designed to support acquisition of a new public school for the LASD in the San Antonio area, and a Master Agreement for shared open space/recreational

facilities associated with the new school (see Attachment 1 – Council Report). At the Study Session, the specific school site was not yet determined; however, Council unanimously supported the following components of the TDR framework:

- Development of a Memorandum of Understanding (MOU) between the City and LASD to document the agreed-upon TDR strategy and establish a framework for the TDR process;
- The creation of a program that allows the sale of development rights from the school site (“sending site”) to property owners/developers for use at another property (“receiving site”) within the City;
- Property owners/developers may submit applications utilizing TDR square footage for office or residential developments through the Gatekeeper process provided they have a signed Letter of Intent with LASD;
- Projects requesting additional floor area through the TDR process will be exempt from public benefit contribution requirements for TDR square footage, as moneys used to purchase the excess square footage would assist with the development of a school site, which is deemed a public benefit. This does not exempt entire projects from public benefit requirements, just the additional TDR square footage;
- In the event a Gatekeeper project for a receiving site is authorized, but the TDR purchaser is unable to use a portion or any of the TDRs, the purchaser may propose an alternative project on the same or different site, or sell unutilized square footage to a new developer, potentially on a different site, with separate Council review/authorization of the new Gatekeeper project (“secondary market”).

At the Study Session, the City Council also supported contributing \$6 million per acre, up to \$23 million (total), of Park Land Dedication funds for open space/recreational facilities at the new school, in exchange for allowing the City to have public use of such facilities approximately 50 percent of the time, as specified in a Master Agreement. Due to the complexity of the agreement, staff recommends developing two separate agreements; a Funding Agreement specifically for the school site and a Master Joint Use Agreement.

The Funding Agreement will include terms and conditions specific to the City’s contribution of Park Land Dedication funds for the open-space area associated with the school site. The Master Joint Use Agreement will include terms and conditions specific

to the ongoing operation and maintenance of the open space/recreational facilities, similar to the agreement the City has with Mountain View Whisman School District (MVWSD). In addition to specifying terms and conditions for the new school, details regarding possible joint use and operation/maintenance of Oak School may be included in the Master Joint Use Agreement or included in a supplemental Joint Use Agreement. If Council supports the recommended actions in this report and LASD proceeds with acquisition of the school site, staff would return to Council for approval of the Funding Agreement and the Master Joint Use Agreement/supplemental Joint Use Agreement(s).

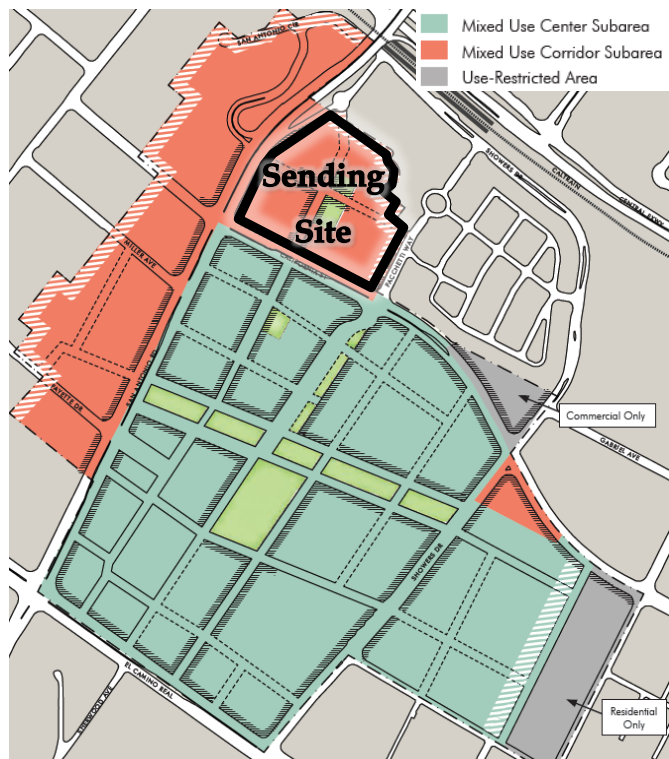
LASD School Site (“Sending Site”)

On December 11, 2017, LASD’s 10th Site Committee, a Committee formed in 2012 tasked with studying potential school sites, presented four potential school site locations to the LASD Board of Trustees. All four sites are located north of El Camino Real within the City of Mountain View. Three sites are located in the San Antonio Precise Plan area and one site is located in both the San Antonio Precise Plan area and the El Camino Real Precise Plan area (see Attachment 2 – Potential School Sites). The 10th Site Committee recommended pursuing acquisition of Site 1 (2580 and 2590 California Street and 201 San Antonio Road) due to the size of the site, location, access, and compatibility/integration with surrounding uses.

The Board of Trustees supported the 10th Site Committee’s recommendation and authorized moving forward with the site acquisition process for 2580 and 2590 California Street and 201 San Antonio Road. The three parcels are owned by two separate property owners and total 8.63 acres.

The properties are located within the San Antonio Precise Plan Mixed-Use Corridor sub-area, which allows a 1.35 base floor area ratio (FAR) and up to a maximum 1.85 FAR as a “Tier 1” request with the provision of public benefits, of which 0.50 FAR can be office/ commercial square footage.

A Tier 1 project on these properties



could propose up to approximately 695,200 square feet, of which approximately 187,900 square feet could be commercial/office space. LASD has indicated approximately 81,500 square feet will be used for classrooms/ supporting uses, leaving approximately 613,700 square feet eligible for sale. LASD is proposing to sell 610,000 square feet through the TDR process.

The City is currently processing an application requesting a Planned Community Permit and a Master Plan to allow a 1.85 FAR mixed-use development consisting of 642 residential units and approximately 20,000 square feet of ground-floor commercial space with below-grade parking. The project applicant, Greystar GP II, LLC, is proposing to ground lease the site; the current property owners would retain ownership. The project is expected to be scheduled for final City Council review by early summer 2018.

If the City Council authorizes the Gatekeeper projects utilizing purchased TDRs, LASD will begin negotiations with the property owners of the sending site. If the property owners and LASD are unable to negotiate a transaction to allow LASD to acquire the properties, LASD may be required to utilize eminent domain. If LASD acquires the site, staff would be unable to continue processing the Greystar application unless an updated application signed by LASD (as the current property owner) is received.

“Receiving Sites” – Gatekeeper Projects

At the October 3, 2017 Study Session, LASD indicated the majority of TDRs would likely be transferred to the East Whisman Precise Plan (EWPP), the 111 Ferry-Morse Way Precise Plan, and the North Bayshore Precise Plan areas based on initial discussions with prospective TDR purchasers. The City Council encouraged LASD to expand their search for interested TDR purchasers in hopes of distributing the TDRs throughout the City, if possible. Since the Study Session, LASD has reached out to property owners/developers along the El Camino Real corridor as well as other areas within the City.

After months of discussions with purchasers, both before and after the Study Session, LASD has received six (6) signed Letters of Intent (LOI) from property owners/ developers willing to purchase a total of 438,000 square feet and ready to submit Gatekeeper proposals. The six LOIs and Gatekeeper request letters are attached for Council consideration (see Attachment 3 – Gatekeeper Request Letters and LOIs). More detailed discussion of the Gatekeeper proposals is provided in subsequent sections of this report.

Four of the Gatekeeper requests are located within the EWPP area, one is located within the 111 Ferry-Morse Way Precise Plan area, and one is located within the San Antonio Precise Plan area (see Attachment 4—TDR Gatekeeper Map). All six Gatekeeper requests are located within change areas identified in the 2030 General Plan, which represent areas the City envisioned for increased development intensity. If the City Council authorizes all six Gatekeeper requests, staff would begin reviewing TDR project(s) once an application is submitted. Gatekeeper authorization does not constitute or indicate future approval of a project.

ANALYSIS

Expiration of Gatekeepers

Based on information received from LASD, staff expects the applications for authorized Gatekeepers would be submitted within two years of authorization. However, the LOIs do not place a deadline on application submittal, and current City codes do not include an expiration date and/or requirement to submit applications within a specified period of time once authorized. Based on prior Council direction, staff is currently studying updating the Gatekeeper Ordinance to include a two-year expiration date and expects to bring the updated Ordinance to Council in the next few months for consideration. LASD has not included an expiration date in the LOIs to give property owners/developers flexibility on submitting applications; however, it may be beneficial to ensure Gatekeeper applications are submitted within a reasonable time frame.

Question 1: Should TDR Gatekeepers be subject to the expiration date proposed with the Gatekeeper Ordinance update in 2018, have a separate expiration date, such as two years from this meeting, or be exempt from expiration?

Deferred Gatekeeper

In addition to the six LOIs with Gatekeeper requests, Vanni Business Park, LLC (“Vanni”), has signed an LOI and intends to purchase 100,000 square feet of TDRs for the property located at 291-339 North Bernardo Avenue; however, they are requesting the City Council allow them to defer their request for Gatekeeper authorization until January 2023. Vanni has indicated this is necessary because current tenant leases were extended until 2021 in anticipation of completion of the EWPP, and they wish to wait until the EWPP is completed, which staff anticipates will be in the first half of 2019, to pursue entitlements so they have an opportunity to review all potential redevelopment options and conduct an economic analysis of the site (see Attachment 5 – Vanni LOI).

Vanni has committed to paying LASD in Q1/Q2 2019, regardless of their Gatekeeper status at that time. Therefore, if Council authorizes the six Gatekeepers and allows Vanni to defer their Gatekeeper request, 538,000 square feet would be considered “sold” at this time. Staff is comfortable allowing Vanni to defer their request as a means to ensure the majority of TDRs are sold; however, staff recommends requiring the Gatekeeper request be submitted within five years, or sold on the secondary market to minimize potential for TDRs to remain in the market for an unlimited period of time.

Question 2: Does the City Council support allowing Vanni to defer their Gatekeeper request for up to five years from the date the MOU is executed?

Unsubscribed TDRs

If Council authorizes the Gatekeeper requests tonight and allows Vanni to defer their Gatekeeper request, 72,000 square feet of TDRs would currently be unsubscribed. This is due to the fact that a potential purchaser recently opted out of the TDR program and LASD was unable to secure another purchaser. LASD anticipates that they will be able to secure an additional purchaser(s), and is currently in discussion with a prospective buyer; however, they are requesting the City Council allow them to conduct this search/continue conversations while other Gatekeepers are being processed. This will allow LASD to move forward with acquisition of the school site and search for/secure an additional purchaser(s) concurrently. If LASD is able to secure an LOI from an additional purchaser(s), staff would return to the City Council for Gatekeeper review and authorization at that time.

Question 3: Does Council support allowing LASD to continue to search for an additional purchaser(s) for the unsubscribed 72,000 square feet, and if so, should a time limit be placed on submittal of a Gatekeeper?

Termination of TDR Process

If any of the authorized Gatekeepers do not pursue or receive entitlements, and/or Vanni purchases TDRs but does not submit Gatekeeper requests within the timeline authorized by Council, property owners/developers would have the option of selling the remaining TDRs on the secondary market.

The MOU is currently structured to terminate 10 years from the date the MOU is executed; however, there is currently no time limit on how long property owners/developers have to sell TDRs on the secondary market. The market fluctuates and entitlements take time so having no expiration reduces potential risk for property owners/developers participating in the TDR process, in the event the intended project

is not pursued and/or approved. However, leaving the secondary market open-ended could potentially result in TDR projects submitting Gatekeeper requests in 15, 20, or more years. For this reason, Council may wish to place a time limit on the overall TDR process, inclusive of secondary market transactions. This would incentivize property owners/developers who purchased TDRs but did not pursue a project, or did not receive approval, to place the TDRs on the secondary market within a reasonable time.

If Council wishes to place an overall timeline on the TDR process, staff recommends Council allow property owners/developers selling/purchasing TDRs through the secondary market 10 years, from the date the MOU is executed, to receive Council Gatekeeper authorization. Any TDRs that are not associated with an active application would be void after 10 years.

Question 4: Does the City Council wish to place an overall timeline on the TDR process, inclusive of secondary market transactions? If so, is the City Council supportive of expiring TDRs, if no Gatekeeper is authorized, within 10 years from the date the MOU is executed?

TDR Gatekeepers

The Gatekeeper requests were submitted to City staff on December 13, 2017, and have received limited review for the purpose of preparing this report. Detailed analysis, including compliance with General Plan goals, policies, form and character, and other City policies, regulations, and guidelines, and compliance with the California Environmental Quality Act (CEQA), will begin if the City Council authorizes staff resources to review these applications once they are submitted. Authorization of a TDR Gatekeeper request does not guarantee a developer will pursue the project, nor does it obligate the City Council to approve the project.

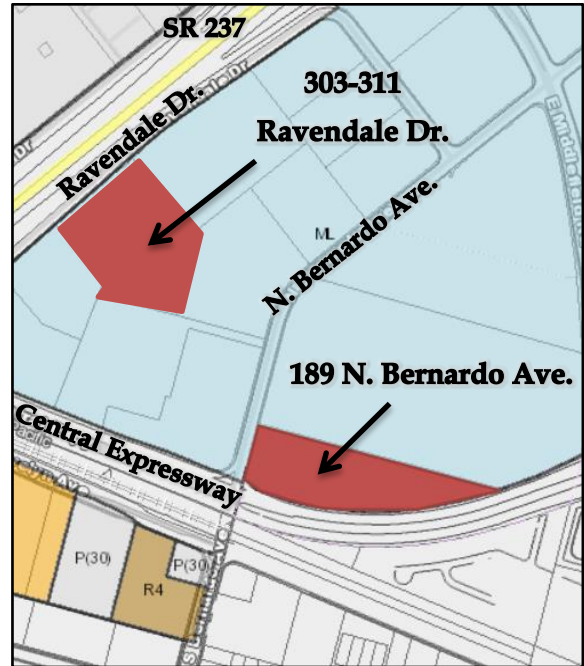
TDR Gatekeepers within the EWPP area were compared to the City Council's preferred land use alternative. The TDR building area represents square footage in addition to that allowed under the preferred alternative. Because the EWPP has not yet been adopted, the City Council may ultimately reduce the FAR, heights, etc., from what was identified in the preferred land use alternative. If Council were to reduce the allowable building area and/or height under the EWPP, these TDR projects may result in requesting disproportionate square footage and/or height relative to the Precise Plan standards.

At this time, staff expects the EWPP will be brought to the City Council for final adoption in the first half of 2019. As the plan continues to progress, staff will coordinate

with TDR purchasers to design their projects to be as consistent with the EWPP as possible.

Receiving Sites:

1. **Address:** 303-311 Ravendale Drive
Applicant: SHP Saratoga II, LLC
Lot Size: 4.15 Acres
Change Area: East Whisman
Existing GP Designation:
High-Intensity Office
Existing Zoning District:
ML (Limited Industrial)
2. **Address:** 189 North Bernardo Avenue
Applicant: SHP Saratoga II, LLC
Lot Size: 3.83 Acres
Change Area: East Whisman
Existing GP Designation:
High-Intensity Office
Existing Zoning District:
ML (Limited Industrial)



Proposal

Sand Hill Property (SHP) Company is proposing to purchase 73,000 square feet of TDRs for redevelopment of two separate properties, 303-311 Ravendale and 189 North Bernardo Avenue, located within the EWPP area. The current zoning allows up to 0.35 FAR for industrial, office, and warehouse retail buildings. At this time, the EWPP preferred alternative designates both sites as Medium-Intensity Office and would allow up to 0.75 FAR and heights between four and five stories.

SHP requests to utilize 45,000 square feet of TDRs at 303-311 Ravendale Drive, and 28,000 square feet of TDRs at 189 North Bernardo Avenue. Both requests would result in FAR greater than 0.75, and the request for 303-311 Ravendale Drive would result in a height greater than five stories.

The property at 303-311 Ravendale Drive is currently developed with a one-story, 67,000 square foot office building. The proposal would replace the existing building with a new six-story, 180,000 square foot office building, totaling 1.0 FAR, and three-story parking garage.

The property at 189 North Bernardo Avenue is currently developed with a two-story, 63,000 square foot office building. The proposal would retain the existing building and construct a new four-story, 90,000 square foot office building, totaling 0.92 FAR, and three-story parking garage.

Staff is supportive of both requests as the project sites are not directly adjacent to residential developments, the additional height and FAR could be designed to have minimal aesthetic impacts, the project would be required to provide a Transportation Demand Management (TDM) Plan, and the land use is consistent with the vision of the EWPP preferred alternative and will be compatible with future developments.

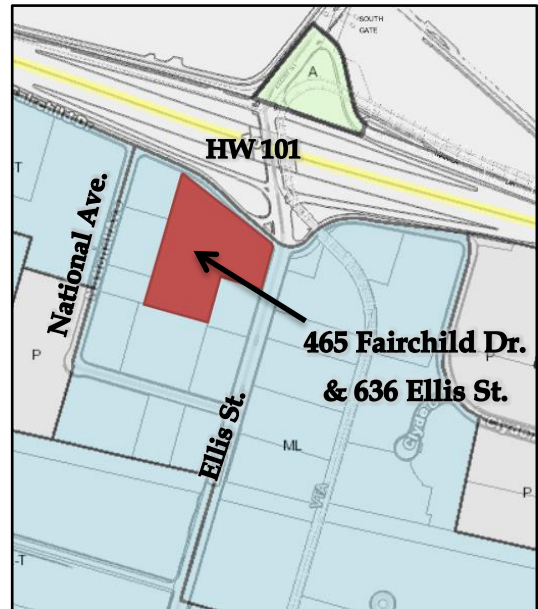
- Address:** 465 Fairchild Drive and 636 Ellis Street
Applicant: The Sobrato Organization
Lot Size: 4.46 Acres
Change Area: East Whisman
Existing GP Designation: High-Intensity Office
Existing Zoning District: ML (Limited Industrial)

Proposal

The Sobrato Organization is requesting to purchase 80,000 square feet of TDRs to redevelop an existing 4.46-acre project site. The current zoning allows up to 0.35 FAR for industrial, office, and warehouse retail buildings. The project site is located within the EWPP area. At this time, the preferred alternative designates the site as Higher-Intensity Office and would allow up to 1.0 FAR and heights between five and six stories.

The project site is currently comprised of three 2-story office buildings totaling 77,837 square feet. Two of the office buildings (totaling 63,216 square feet) would be demolished and replaced with a new six-story, 260,000 square foot building. The third 14,621 square foot building would remain.

The Gatekeeper request is consistent with the preferred alternative height. The TDRs would result in a project with 1.41 FAR. Staff is supportive of the



Gatekeeper request as the project site is located in an area designated for higher intensity, is adjacent to the freeway, is not within close proximity of residential land uses, and the land use and height are consistent with the vision of the preferred alternative EWPP and will be compatible with future developments.

4. **Address:** 355-365, 401, and 415 East Middlefield Road
Applicant: SummerHill Homes, LLC
Lot Size: 6 Acres
Change Area: East Whisman
Existing GP Designation: High-Intensity Office
Existing Zoning District: ML (Limited Industrial)

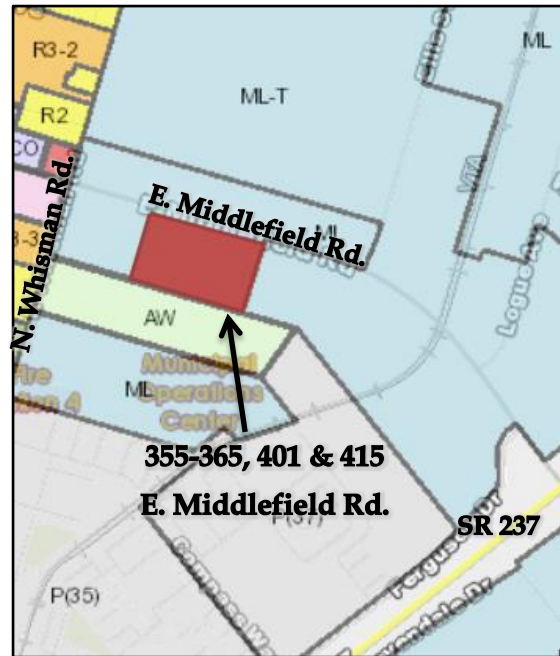
Proposal

SummerHill Homes is requesting to purchase 10,000 square feet of TDRs for a 250-unit residential development on an approximately 6-acre project site. The current zoning allows up to 0.35

FAR for industrial, office, and warehouse retail buildings. At this time, the EWPP preferred alternative designates the site as Medium-Density Residential and allows up to 2.50 FAR and heights between five and six stories.

The property is currently developed with two 1-story office buildings totaling approximately 84,000 square feet. The existing buildings would be demolished, and replaced with 250 flats and condominiums up to 2.26 FAR (41 dwelling units/acre). The new residential structure(s) would range from four to seven stories in height, and the project would include a 0.4-acre public park dedication.

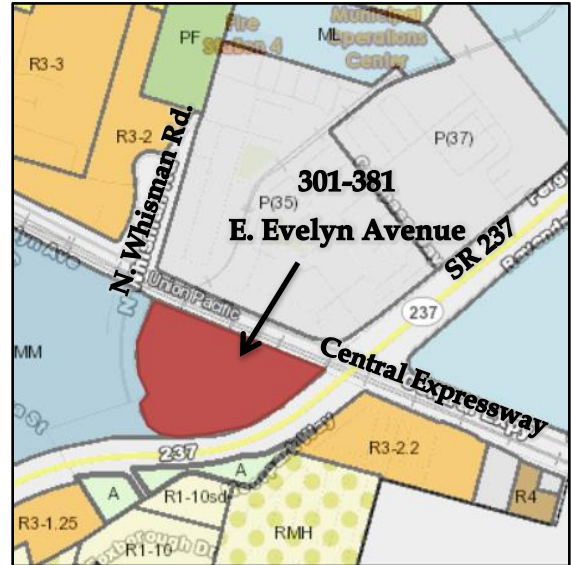
Staff is supportive of the Gatekeeper request as the project can be designed to have minimal aesthetic impacts; the site is located within close proximity to transit; is adjacent to a Higher-Density Residential area of the EWPP, which is anticipated to allow seven to eight stories; includes a public park dedication; and supports the City Council's goal of increasing the housing supply.



5. **Address:** 301-381 East Evelyn Avenue
Applicant: Nootbaar on behalf of MV
Campus Owner, LLC
Lot Size: 16.5 Acres
Change Area: East Whisman
Existing GP Designation:
High-Intensity Office
Existing Zoning District: P-29 (111 Ferry-
Morse Way) Precise Plan

Proposal

Nootbaar on behalf of MV Campus Owner, LLC, is requesting to purchase 125,000 square feet of TDRs for use at an existing 16.5-acre project site. The project site is zoned 111 Ferry-Morse Way Precise Plan which allows office development up to a maximum 0.35 FAR and heights up to four stories or 55’.



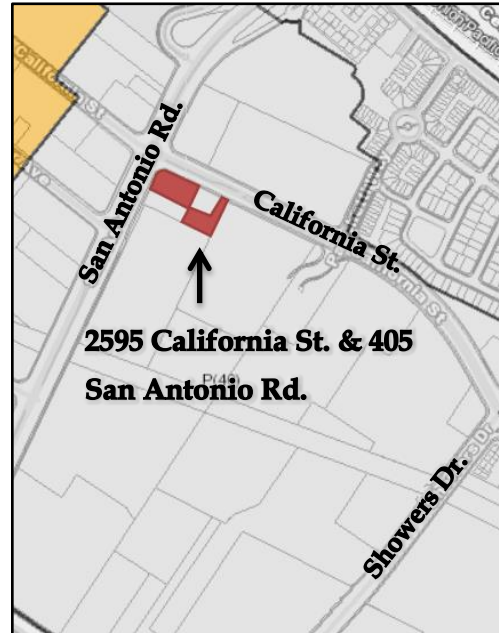
The existing site is developed with four 2-story office buildings and one 3-story office building totaling 252,400 square feet (0.35 FAR). The proposal would replace existing surface parking with a new four-story, 125,000 square foot office building and an above-grade five-story parking structure, anticipated to be similar in height to the proposed four-story building. All existing buildings would be retained, resulting in a total 0.53 FAR for the site.

Staff is supportive of the Gatekeeper request as the increased FAR could be designed with minimal aesthetic impacts, and the property is not adjacent to sensitive uses as it is bound by East Evelyn Avenue to the north, industrial uses and South Whisman Road to the east, and State Route 237 to the west. The project site is located within one mile of the Whisman VTA Light Rail Station and within close proximity to the downtown Mountain View Transit Center.

6. **Address:** 2595 California Street and 405 San Antonio Road
Applicant: Merlone Geier Partners IX, L.P.
Lot Size: 0.58-Acre
Change Area: San Antonio
Existing GP Designation: Mixed-Use Center
Existing Zoning District: P-40 (San Antonio) Precise Plan

Proposal

Merlone Geier Partners IX, L.P. (MGP), is requesting to purchase 150,000 square feet of TDRs for use at an existing 0.58-acre project site. The project site is located within the Mixed-Use Center sub-area of the P-40 (San Antonio) Precise Plan, which allows heights up to eight stories on a case-by-case basis and up to 2.35 FAR with a Tier 1 request, of which 0.75 FAR can be office/commercial uses. The project site is located within an active frontage location, which requires active ground-floor commercial uses.



The project site currently consists of two parcels located on the southwest corner of San Antonio Road and California Street, and is known, in part, as Block 3 of the MGP Phase II development at San Antonio Center. The two parcels consist of surface level parking and landscape. In addition to these two parcels, MGP hopes to acquire the adjacent parcels located at 365 San Antonio Road and 2585 California Street, which are currently comprised of one-story commercial buildings. If MGP is able to acquire these sites, the existing buildings and site improvements would be removed to construct a new eight-story, 250,000 square foot office building. MGP anticipates parking to be provided via existing San Antonio Center facilities; however, this would be reviewed with the project.

MGP requests to exceed the overall maximum 2.35 FAR, as well as 0.75 FAR cap on office/commercial uses. They are also requesting an exception from requiring ground-floor commercial uses. If MGP is able to acquire the adjacent parcels, staff is supportive of the Gatekeeper request, in principle, and would work with MGP to incorporate architectural features/transitions aimed at reducing the bulk and mass of an eight-story building and to ensure the development is compatible with Phase II of the San Antonio Center.

If Council is supportive of this Gatekeeper request, staff requests Council input on allowing an exception from requiring ground-floor commercial uses. MGP's Phase I and Phase II of the San Antonio Center provide a total of approximately 236,000 square feet of commercial space; however, the corner of California Street and San Antonio Road is a highly visible and utilized corner. Ground-floor commercial space in this location would further goals of the San Antonio Precise Plan by activating the pedestrian environment at this corner.

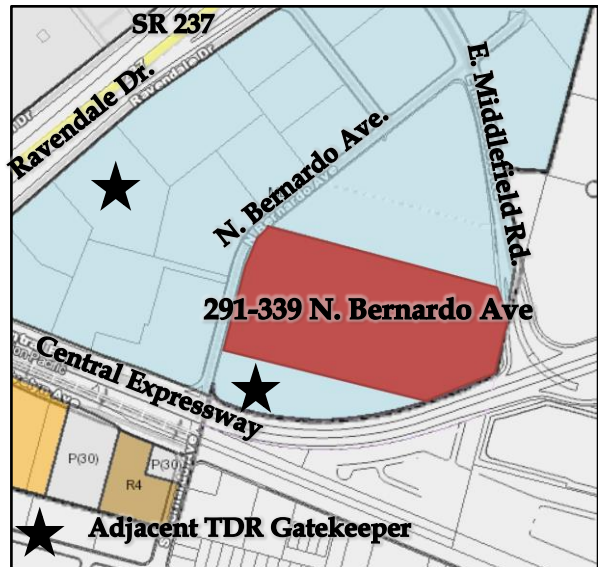
Question 5: Does the City Council support authorizing all or any of the six Gatekeeper requests?

Question 6: If the City Council supports authorizing Merlone Geier's Gatekeeper request, is Council supportive of allowing an exception from requiring ground-floor commercial uses?

Deferred Gatekeeper Request

As previously noted, Vanni is interested in participating in the TDR process but is requesting Council allow them to defer their Gatekeeper request. Vanni is proposing to purchase 100,000 square feet of TDRs for use at 291-339 North Bernardo Avenue. The project site is approximately 15.7-acres and is currently developed with six 1- and 2-story office buildings, totaling approximately 241,000 square feet.

Vanni intends to use the site for medium-intensity office, which is consistent with the EWPP preferred alternative. However, Vanni wishes to defer their Gatekeeper request until January 2023, at the very latest. Vanni is requesting this due to the fact that leases with current tenants were extended until 2021 in anticipation of the EWPP and they prefer to wait until the EWPP has been adopted to move forward with redevelopment. This will allow them to conduct an economic analysis on how to best redevelop the site long term.



Staff is comfortable allowing Vanni to participate in the TDR process but defer Gatekeeper requests because the site, use, and intensity would be compatible with

future developments in the area and, the City Council would have an opportunity to formally review this Gatekeeper request at a later date. Allowing Vanni to participate does not obligate the City Council to authorize a future Gatekeeper request, but it does assist with the development of a school site as Vanni has committed to paying LASD in Q1/Q2 2019, even if they have not received Gatekeeper authorization.

FISCAL IMPACT

LASD estimates the land acquisition and construction costs will be approximately \$175 million. As noted in the LOIs, TDRs are being sold for \$130/square foot. If Council authorizes all Gatekeeper requests, allows Vanni to participate in the TDR process but defer their Gatekeeper request, and LASD is able to secure an additional purchaser for the remaining 72,000 square feet of TDRs, \$79,300,000 will be generated through TDRs. With the City's Park Land Dedication Fund contribution of \$6 million per acre, up to \$23 million total, the combined TDR and City contributions would cover 58 percent (\$102.3 million) of the estimated land acquisition and construction cost. The remaining cost would be covered by LASD.

It is difficult to calculate the public benefit money the City would forego as a result of exempting TDR square footage from public benefit requirements, because the required public benefit value for the EWPP has not yet been finalized. At this time, the San Antonio Precise Plan requires a public benefit contribution of \$21.09 per square foot, applied to all floor area above the base FAR. Staff is not expecting the EWPP public benefit contribution amount to be less than the San Antonio contribution amount so at minimum, the City is foregoing \$12,864,900: The benefit to the City is 50 percent access, and scheduling, of an approximately 4-acre park. The City would still receive public benefit contributions from TDR projects, if required by the EWPP, for all floor area above the base permitted, minus the TDR square footage.

NEXT STEPS

If the City Council supports the requested actions tonight, the City Manager will execute the MOU with LASD, LASD will search for an additional TDR purchaser(s) for the remaining 72,000 square feet of TDRs, and LASD will begin the acquisition process for the school site at 2580 and 2590 California Street, and 201 San Antonio Road. Once the acquisition process has begun, staff would return to the City Council for review/authorization to execute the Funding Agreement and Master Joint Use Agreement/supplemental Joint Use Agreement(s). Staff would also return to Council for review and authorization of the final TDR Gatekeeper(s) once LASD has a signed LOI(s). The six Gatekeepers authorized would submit applications within two years,

and Vanni would submit a Gatekeeper request within five years. Staff would begin reviewing Gatekeeper applications when submitted, which might impact other work projects or the ability to initiate new Gatekeepers.

CONCLUSION

Staff recommends that the City Council authorize the City Manager to execute an MOU between the City and LASD, direct staff to develop a Funding Agreement with LASD specifying the terms and conditions of the City's contribution for open space/recreational facilities associated with the new school site, direct staff to develop a Joint Use Agreement, and supplemental Joint Use Agreement(s) if necessary, specifying the terms and conditions of ongoing operation and maintenance of the open space/recreational facilities associated with the new school site, review and authorize the assignment of staff resources for consideration of all six Gatekeeper applications requesting additional floor area through the TDR process, and allow one developer to participate in the TDR process but submit their Gatekeeper request at a later date.

ALTERNATIVES

1. Authorize execution of the MOU and all Gatekeeper requests but do not allow Vanni to defer their Gatekeeper request.
2. Authorize execution of the MOU and some Gatekeepers and direct LASD to continue searching for alternative receiving sites for the remaining TDRs.
3. Do not authorize execution of the MOU or any Gatekeeper requests at this time.
4. Do not authorize the development of a Funding Agreement up to \$23 million.
5. Provide other direction.

COURTESY NOTICING

Courtesy notices were sent to property owners/tenants within 300' of the sending site (2580 and 2590 California Street, and 201 San Antonio Road), the Wagon Wheel Neighborhood Association, the Greater San Antonio Community Association, and posted on Next Door. The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. Notice of the New Business Item was published in the newspaper as well.

Prepared by:

Carly Panos
Assistant Planner

Randal Tsuda
Community Development Director

Approved by:

Daniel H. Rich
City Manager

CP-RT/7/CAM
808-01-16-18CR-E

- Attachments:
1. October 3, 2017 Council Report
 2. Potential School Sites
 3. Gatekeeper Request Letters and LOIs
 4. TDR Gatekeeper Map
 5. Vanni LOI