

**PUBLIC NOTICE
SUMMARY OF ORDINANCE FOR PUBLICATION
(GOV'T CODE §36933)
ORDINANCE NO. 1054B**

AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LINCOLN, PAPPAS ARIZONA, LLP AND PAPPAS GATEWAY, LP FOR THE DEVELOPMENT OF APPROXIMATELY 44.13 ACRES WITHIN THE TWELVE BRIDGES PLAN AREA; AND FINDING THE ORDINANCE IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW UNDER CEQA

Date of First Reading: September 13, 2022 with approval by the following vote: AYES: 5 (Joiner, Lauritsen, Karleskint, Silhi, Andreatta); NOES: 0; RECUSED: 0

Date of Second Reading: September 27, 2022.

The full text of this Ordinance is available for inspection at the Lincoln City Hall, 600 6th Street, Lincoln, CA. 95648 and on the City's website at: <http://www.lincolnca.gov>.

Summary of Ordinance: A development agreement between the City of Lincoln and Pappas Arizona, LLP and Pappas Gateway, LP for 44.13 acres within Twelve Bridges Plan Area.

DRAFT ORDINANCE 1054B

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WHEREAS, Pappas Arizona, LLP and Pappas Gateway, LP ("Pappas") own 44.13 acres of commercially zoned property in the Twelve Bridges Master Plan Area as depicted in Exhibit "A" to the new Development Agreement that is the subject of this Ordinance; and

WHEREAS, the original Development Agreement for the Twelve Bridges Master Plan Area was adopted April 14, 1998, has been amended several times since and will expire April 14, 2023; and

WHEREAS, Pappas acquired a number of Developer Fee Credits in 2017 with their current balance documented in Exhibit F to the proposed Development Agreement; and

WHEREAS, the credit values were not indexed for inflation beginning in 2004; however, the City also did not adjust its fees as provided in the Agreement; and

WHEREAS, City staff has worked cooperatively with Pappas during negotiations and reached agreement regarding indexing and the present value of the credits; and

WHEREAS, Pappas has developed or sold all of its residential projects, but holds on to these commercial parcels, with the intent to develop them in the coming years;

WHEREAS, during negotiations, Pappas provided a compelling case that extending these credits beyond the life of the existing Development Agreement will have public benefits to the City that justify keeping the credits on the City's books for a period of time to allow for the development of this commercial area.

WHEREAS, the City Council herein makes the necessary findings supporting the conclusion (i) there is a public purpose served by the transfer of funds; and (ii) there is a commensurate benefit to the City in the extension of Pappas' credits through a new Development Agreement.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LINCOLN does ordain as follows:

Section 1. Incorporation of Recitals. The City Council hereby incorporates by reference the recitals set forth above.

Section 2. CEQA Analysis. This Ordinance is not subject to the California Environmental Quality Act ("CEQA"), as codified at Public Resources Code §§ 21000, *et seq.*, and as further governed by 14 California Code of Regulations §§ 15000, *et seq.*, because the Environmental Impact Report previously approved and adopted by the City Council was intended to be used in connection with each of the entitlements and subsequent approvals needed for the project consistent with other CEQA policies and requirements applicable to tiered EIRs, and the action is further exempted by CEQA Guidelines Sections 15182 [Projects Pursuant to a Specific Plan] and 15183 [Projects Consistent with Zoning].

Section 3. Severability. If any section, sub-section, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. City Council hereby declares that it would have adopted the Ordinance and each section, sub-section, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases or portions to be declared invalid or unconstitutional.

Section 4. Publication. Within fifteen days of passage of this Ordinance, the City Clerk shall cause the full text of the Ordinance, with the names of those City Councilmembers voting for and against the Ordinance, to be published in the Lincoln News Messenger. In lieu of publishing the full text of the Ordinance, the City Clerk, if so directed by the City Attorney and within fifteen days, shall cause a summary of the Ordinance, prepared by the City Attorney and with the names of the City Councilmembers voting for and against the Ordinance, to be

published in the Lincoln News Messenger, and shall post in the office of the City Clerk a certified copy of the City Councilmembers voting for and against the Ordinance. The publication of a summary of the Ordinance in lieu of the full text of the Ordinance is authorized only where the requirements of Government Code § 36933(c)(1) are met.

Section 5. Findings of Public Purpose and Benefit to the City of Lincoln.

a. Che City benefited from the infrastructure constructed by Pappas' predecessors that resulted in the credits.

b. Encouraging local commercial development will raise sales tax revenues, assist the City in meeting its public safety obligations, provide a means to reduce sales tax leakage to neighboring jurisdictions, create local jobs and opportunities for local entrepreneurs, and provide amenities that are desired by the residents of Lincoln.

c. Without the continued availability of these credits going forward, Pappas will be challenged to develop this commercial area, and it would likely sit fallow. With the uncertainty of the present status of the credits, Council is advised large retailers have been reticent to commit to binding obligations for development.

d. The Development Agreement that is the subject of this Ordinance is different from the expiring Development Agreement in several key areas that will benefit the City:

- The DA is specifically limited to only the commercial properties currently owned by Pappas in the Twelve Bridges Specific Plan Area.
- The term is only ten years (versus twenty or longer), with an option to extend one time for five years by giving 90 days' notice.
- Prior to the expiration of the initial 10-year term, Pappas is required to have pulled permits for at least 40,000 square feet of commercial development or provide the City with letters of intent from commercial tenants to build at least 40,000 square feet of commercial development.
- If Pappas cannot meet the 40,000 square foot requirement but requests the 5-year extension, their credit balance will be reduced by 50%.
- At the termination of the Agreement (whether 10 years if not extended or 15 years if extended), all developer fee credits expire.
- Credits may only be applied in the Twelve Bridges development area.
- The Agreement converts the PFE credits that are currently calculated in Equivalent Dwelling Units ("EDU's") to a dollar equivalent. With the update of the Public Facilities Element ("PFE"), the credits will then be indexed at the same rate as the PFE. Ultimately this does not have any impact on the value of those credits but creates a more user-

friendly environment for both the City and Developer in tracking the use of those fee credits and their value moving forward.

- Parcels not already annexed into a Landscape and Lighting District (“LLAD”), Benefits Assessment District (“BAD”) or Community Facilities District (“CFD”) must be annexed into CFD 2018-1 (City Maintenance Services). Commercial properties that are developed as senior living or office professional are additionally required to annex into CFD 2018-2 (City Public Services), as they will not generate enough sales tax to offset the public safety component.

Section 6. Consistency with the General Plan. The City Council finds the Development Agreement and entitlements are consistent with the General Plan and Specific Plan.

Section 7. Direction and Approval. The City Manager or designee is hereby directed by the City Council of the City of Lincoln to enter into the Development Agreement by and between the City of Lincoln and Pappas Gateway, LP, and Pappas Arizona, LP, pursuant to the authority of Sections 65864, et seq., of the California Government Code.

INTRODUCED at a regular meeting of the City Council of the City of Lincoln held on September 13, 2022.