



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/25/2014
Agenda Placement: 9B
Set Time: 9:15 AM PUBLIC HEARING
Estimated Report Time: 1 Hour

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs
REPORT BY: Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621
SUBJECT: Napa Pipe -First reading and intention to adopt an ordinance

RECOMMENDATION

First reading and intention to adopt various ordinances to approve a Development Agreement and a Development Plan and to adopt a resolution to approve a Tentative Map associated with development of the following ("the Napa Pipe Project" or "the Project"): (1) 700 dwelling units (up to 945 units with State required density bonus); (2) a 150-unit continuing care retirement center for seniors; (3) 40,000 square feet of neighborhood serving retail uses; (4) 10,000 square feet of office; (5) a 150-room hotel with supporting uses; (6) a 154,000 square foot membership warehouse store (such as a Costco) with a gas station; (7) publicly accessible and privately-maintained parks and open space; (8) community facilities/farm; (9) publicly accessible and privately-maintained roads; and (10) infrastructure. The Tentative Map would subdivide the site into 70 lots. The Development Agreement also vests development rights on portions of the site east of the railroad tracks zoned I:AC for 90,000 square feet of office and 75,000 square feet. of light industrial, R&D and warehouse uses, but provides that development shall be subject to subsequent discretionary approvals, if applicable, by the local agency including all applicable laws and regulations that are in effect at the time of issuance of applicable building permits. Also, adopt a resolution adopting CEQA findings for the Project. The Napa Pipe Project is proposed on a 154 acre site located at 1025 Kaiser Road, Napa, approximately ¼ mile west of State Highway 121 and ¼ mile north of State Highway 29 (APN's: 046-400-030 & 046-412-005). The Napa River adjoins the west side of the site. The site is bisected by railroad tracks running north-south.

ENVIRONMENTAL DETERMINATION: A Final Environmental Impact Report ("EIR") was prepared for the Napa Pipe Project and certified by the Board of Supervisors on January 14, 2013. An Initial Study/Addendum ("Addendum") to the County's EIR was prepared by the City of Napa and adopted by the City of Napa City Council on July 22, 2014, concluding that the County's EIR for the Napa Pipe Project adequately identified and analyzed the potential environmental effects of the City providing municipal services to and potential annexation of the Napa Pipe Project site. Prior to taking action to recommend Board of Supervisors adoption of ordinances and resolutions regarding the actions requested below, the Planning Commission has made recommended CEQA findings to document the reasons why the County has determined that the EIR and Addendum provide coverage for the proposed actions and that additional environmental review, in the form of a subsequent or supplemental EIR, is unnecessary prior to Board approval of the Development Agreement, Development Plan, and Tentative Map and City/County

agreements.

EXECUTIVE SUMMARY

Napa Redevelopment Partners, LLC, ("NRP") has submitted a Development Plan for the proposed mixed-use development on the 63 acre western portion of the site and a membership warehouse store (such as a Costco) on approximately 17 acres on the eastern portion of the site. The Development Plan will guide development of the Napa Pipe project site. The Development Plan provides a detailed site plan with associated land uses and improvements of the public realm (open space, streets, etc.) and works in conjunction with Design Guidelines to be adopted, which will establish the look and character of the buildings within the project area.

Associated with the Development Plan is the tentative subdivision map establishing the block pattern, roads, open space parcels and utilities. The tentative map will implement the Development Plan and initial division of the site into development blocks and street segments in compliance with the Subdivision Map Act, and in addition to infrastructure improvement plans and improvement agreements, will be a vehicle to ensure implementation of the mitigation measures and other conditions of approval. The Development Plan has been prepared and submitted in accordance with Section 18.66.030 of the County Code.

A Development Agreement between the County and the Developer has been prepared which memorializes the rights, obligations, and contractual matters by establishing the terms and conditions for development of the site, including phasing, installation of infrastructure, housing requirements, fees, financing, approval processes and procedures. The proposed Development Agreement is a statutory development agreement as authorized by state law (Govt. Code Section 65864 et seq.). The purpose of the Development Agreement is to provide NRP with a vested right to development of the Project for a period of years in accordance with the applicable laws and entitlements in effect at the time of Project approval in exchange for NRP's agreement to provide a package of public benefits in excess of that which could have been required under applicable laws.

A Memorandum of Understanding and Agreement ("MOU") between Napa County and the City of Napa relating to the development of the Napa Pipe property was executed in October 2013. Under the terms of that agreement five agreements between the City and County were anticipated to be completed. Copies of those agreements are attached (the "city/county agreements"). However they are still under discussion and staff is requesting that these items be continued until the meeting of December 9th.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing.
2. Staff report.
3. Public comments.
4. Close Public Hearing.
5. Board adopts a resolution adopting CEQA findings for adoption of the Development Plan, Development Agreement, Tentative Map and the City/County Agreements for the Napa Pipe Project.
6. Clerk reads the Ordinance Title re Ordinance Approving Development Agreement:
 - a. Motion, second, discussion and vote to waive balance of the reading of the Ordinance; and
 - b. Motion, second, discussion and vote on intention to adopt the Ordinance.
7. Clerk reads the Ordinance Title re Ordinance Approving a Development Plan Submitted by Napa Redevelopment Partners, LLC for the Napa Pipe Project:
 - a. Motion, second, discussion and vote to waive balance of the reading of the Ordinance; and
 - b. Motion, second, discussion and vote on intention to adopt the Ordinance
8. Board adopts a resolution Approving a Tentative Map and Conditions of Approval for the Napa Pipe Zoning District; and

9. Board continues action on the following agreements to December 9th:
- a. Memorandum of Agreement regarding Tax Sharing Allocation
 - b. Memorandum of Agreement regarding the provision of Municipal Services
 - c. Memorandum of Agreement regarding Regional Housing Needs Allocation transfer agreement
 - d. Memorandum of Agreement regarding Sphere of Influence
 - e. Professional Services Agreement

FISCAL IMPACT

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| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | No |
| What is the revenue source? | Sales Tax, Property Taxes and Transient Occupancy Taxes |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | This action is necessary for the viability of the Project. |
| Is the general fund affected? | No |
| Future fiscal impact: | The property will ultimately annex to the City of Napa and the City will be responsible for municipal services to the site |
| Consequences if not approved: | If the Project does not move forward it is likely that the County will be involved in protracted and costly litigation. |
| Additional Information: | |

ENVIRONMENTAL IMPACT

A Final Environmental Impact Report ("EIR") was prepared for the Napa Pipe Project and certified by the Board of Supervisors on January 14, 2013. An Initial Study/Addendum ("Addendum") to the County's EIR was prepared by the City of Napa and adopted by the City of Napa City Council on July 22, 2014, concluding that the County's EIR for the Napa Pipe Project adequately identified and analyzed the potential environmental effects of the City providing municipal services to and potential annexation of the Napa Pipe Project site. Prior to taking action to recommend Board of Supervisors adoption of ordinances and resolutions regarding the actions requested below, the Planning Commission has made recommended CEQA findings to document the reasons why the County has determined that the EIR and Addendum provide coverage for the proposed actions and that additional environmental review, in the form of a subsequent or supplemental EIR, is unnecessary prior to Board approval of the Development Agreement, Development Plan, and Tentative Map and City/County agreements.

BACKGROUND AND DISCUSSION

On June 4, 2013, the Board of Supervisors adopted a General Plan Amendment which re-designated 135 acres of the 154 acre brownfield Napa Pipe Property from "Study Area" to "Napa Pipe Mixed Use." The General Plan Amendment also described the uses and intensities allowed in the new land use designation. Approximately 19 acres remained designated "Study Area."

In conjunction with this action, the Board rezoned a portion of the Project site and created the Napa Pipe Zoning

District. The site consists of two parcels, separated by a railroad right-of-way. The parcel on the west is 63 acres and identified as APN 046-412-005. The parcel on the east is 91 acres and identified as APN 046-400-030.

The Zoning District permits phased construction of a new mixed-use neighborhood which would include publicly-accessible open space and a combination of residential, neighborhood-serving retail, a hotel, and office space uses on the 63-acre portion of the site that lies between the Napa River and the railroad tracks. In addition, rezoning of approximately 17.5 acres east of the railroad tracks permits construction of a membership warehouse store (such as a Costco), associated surface parking and a gas station. Most of the 91-acre parcel east of the railroad tracks and adjacent to the Napa Valley Corporate Park retained its existing Industrial zoning. Some of this area would be used for project-related open space and roadways, and a community farm. Development on the 91-acre parcel could ultimately include up to 75,000 square feet of warehousing/distribution/ R&D uses and 90,000 square feet of office uses, excluding the area designated "Study Area." While maximum build-out under the zoning would permit more square footage, 165,000 square feet was memorialized in the General Plan Amendment, essentially "capping" the site's development. The entire site retains its existing Airport Compatibility (I:AC) overlay zoning, and all development must be compatible with the County's Airport Land Use Compatibility Plan.

The Project would, among other things:

- | Address a significant portion of the County's State-mandated Regional Housing Needs Allocation ("RHNA") requirements for three housing cycles;
- | Make sure that the pace of growth is measured, and that potentially significant environmental impacts are mitigated to the maximum extent feasible;
- | Reduce pressure for residential development on agricultural lands, and direct growth to already urbanized areas;
- | Provide a location for moderately priced and affordable housing that is protective of agriculture and existing neighborhoods;
- | Provide a location for a variety of housing types where sufficient densities can support transit services and development of pedestrian and bicycle facilities;
- | Provide workforce housing and housing appropriate for a variety of Napa County residents;
- | Facilitate remediation of an underutilized industrial site, addressing soil contamination, improving water quality, and restoring wetlands;
- | Ensure significant ongoing public benefits from site re-use, including river-front access, regional trail connection, and publicly accessible open space;
- | Ensure short and long term fiscal benefits for the City and County; and,
- | Enable a healthy, "walkable" neighborhood, with a focus on energy and water conservation, reducing green house gas emissions, and alternatives to the private automobile.

The effect of the June 4, 2013, General Plan Amendment and rezone was to allow the Napa Pipe Project, subject to further approvals and various conditions including but not limited to a Development Plan, Design Guidelines and a Development Agreement. This Project would contain the following elements:

- | Remediation of the entire 154-acre site in compliance with a clean-up plan approved by the Regional Water Quality Control Board;
- | Grading of the entire 154-acre site and filling to raise the elevation of the 63-acre waterfront site, approximately 17.5 acres of the site for the membership warehouse store, and the major access roads on the 91-acre parcel ;
- | 17.5 acres dedicated for a 154,000 square foot membership warehouse store (such as a Costco) and a gas station;
- | Development of approximately 700 dwelling units at densities of 20 dwelling units per acre or up to 945 dwelling units if a State mandated density bonus is obtained;
- | Construction of a 150-unit continuing care retirement complex with 225 beds that would provide

- independent living for seniors;
- | Construction of new roads, sidewalks and other infrastructure plus approximately 34 acres of new parks, open spaces and wetlands including a new segment of the Napa River trail that would connect to the regional pedestrian/bicycle trail system and to Kennedy Park;
- | Development of community facilities encompassing a total of 15,600 square feet, potentially including a boat house, café/visitor pavilion, and drydock theater;
- | Development of a 150 room hotel with with associated uses, such as meeting space and spa;
- | Development of up to approximately 10,000 square feet of office space; and
- | Construction of a roundabout or signal at the intersection of Anselmo Court and Napa Valley Corporate Drive and a bridge connecting the site to Anselmo Court to serve as the southern entrance to the site.

Development Agreement

The proposed Development Agreement is a statutory development agreement as authorized by state law (Govt. Code Section 65864 et seq.). The purpose of the Development Agreement is to provide NRP with a vested right to development of the Project for a period of years in accordance with the applicable laws and entitlements in effect at the time of Project approval in exchange for NRP's agreement to provide a package of public benefits in excess of that which could have been required under applicable laws.

At the time the Planning Commission recommended approval of the Development Agreement, the City commented with a number of issues it considered unresolved. The Planning Commission recommended approval to the Board of Supervisors, but directed staff to resolve the issues to the extent feasible. The copy of the Development Agreement and all Exhibits thereto attached to this staff report shows the staff-recommended revisions in redline form to the form of Development Agreement recommended by the Planning Commission at its October 29, 2014 hearing, consistent with the Planning Commission's direction. Upon approval of the attached form of Development Agreement and Exhibits by the Board of Supervisors with any further revisions made by the Board, the Clerk of the Board will attach the final clean version of the Development Agreement as approved by this Board as Attachment 1 to the final Ordinance.

Material terms of the Development Agreement include the following:

1. **Term**. The term of the Development Agreement is 20 years.
2. **Public Benefits of the Project**. Material public benefits provided under the Development Agreement include the following:
 - a. Development of multifamily housing consistent with Housing Element Program H-4e that will fully satisfy the County's Regional Housing Needs Allocation requirements under State law, and provide twenty percent (20%) of all residential units developed on the Property as affordable to Very Low Income Households, Low Income Households and Moderate Income Households (discussed in more detail below);
 - b. Payment to the County of a \$1,000,000 Proximity Housing Contribution, (discussed in more detail below), that are in addition to the County's Non-Residential Affordable Housing Impact Fee;
 - c. Implementation of an outreach and marketing program applicable to all market rate and inclusionary moderate-income units that provides persons who live or work in the county with preferential access to units for sale;
 - d. Anticipated construction in Phase One of the Project of an approximately (but not to exceed) 154,000 square foot Membership Warehouse Store, such as a Costco, as more particularly described below;
 - e. Site remediation of the entire Property (a former industrial site) pursuant to an approved Remedial Action Plan; and
 - f. Construction of approximately 15,600 square feet of various community facilities at Landowner's sole cost

and expense, including the following:

- i. Refurbishment of existing overhead cranes that will be integrated into the street-scape;
 - ii. Construction in the dry-dock area of small boat harbors, a boathouse, a swimming pool and a sunken outdoor event space;
 - iii. Refurbishment of an existing gantry crane as an outdoor movie screen adjacent to the sunken event space;
 - iv. Construction of a neighborhood-serving day care facility of approximately 3,600 gross square feet of indoor space and 4,500 gross square feet of outdoor space integrated into the center of the neighborhood center, if demand requires;
 - v. Construction of a transit center kiosk that provides information regarding available transit, ticket sales, and a sheltered seating area;
 - vi. Construction of a large, open plaza in the vicinity of the boathouse and dry docks that will serve as a public gathering place; and
 - vii. Construction of an approximately 1,000 gross square feet community facilities space;
- g. Creation of privately-owned and maintained but publicly accessible right-of-way (streets and roads) improvements, within the property; public utilities infrastructure; pedestrian and bicycle paths; fair share traffic improvement mitigation measures; and other infrastructure improvements and facilities;
 - h. Creation of sustainable storm water treatment system and features designed to naturally reduce or avoid water quality and hydrologic impacts, such as green roofs, bio-retention areas, vegetated swales, cisterns, pervious pavements and flow-through planters;
 - i. Provision for future development of a hotel on the Property when the market demand exists for a new hotel;
 - j. Development of a community farm of approximately four acres;
 - k. Restoration of riparian habitat along Bedford Slough, including construction of a wetland at the mouth of the slough; and
 - l. Construction of certain landscape median improvements to Kaiser Road.

3. Affordable Housing. A total of twenty percent (20%) of all residential units developed on the Property will be affordable to Very Low Income Households, Low Income Households and Moderate Income Households. Based on the maximum development of 945 Residential Units permitted under the Development Agreement, at least 140 Low Income Homes are required to be developed and at least 70 of the Low Income Homes are required to be Affordable to Very Low Income Households, with the remaining Low Income Homes Affordable to Low Income Households.

The 140 Low Income Homes will be built on land that NRP will prepare at its sole cost with appropriate infrastructure/grading/remediation so as to be suitable for the proposed residential development. The affordable housing parcels are to be developed in phases, so that NRP prepares and conveys a developable site to the County (at no cost) in Phase Two sufficient for the development of a minimum of fifty (50) Low Income Homes, a developable site in Phase Three sufficient for the development of a minimum of fifty (50) Low Income Homes; and a developable site in Phase Four sufficient for the development of the remaining required Low Income Homes not accommodated in the prior phases. Once conveyed to County, County transfers the sites to the affordable housing developer (MidPen Housing Corporation is identified as an approved and qualified affordable housing developer) for development of the affordable projects. The affordable housing sites are identified in the Affordable Housing Plan as Parcel 17 (Phase Two), Parcel 19 (Phase Three) and Parcel 4 (Phase Four) as shown on the Land Use Plan (Exhibit H to the Development Agreement), although those sites could be adjusted with County's approval in the future. NRP cannot proceed with vertical development in a subsequent phase unless it has prepared the developable site, the County has approved an Initial Financing Plan prepared by the affordable housing developer that shows the anticipated sources and uses of funds for the affordable project, and the County and the affordable housing developer have entered into a conveyance agreement for delivery of the site.

In addition to the land dedication sites, 50 of the residential units will be affordable to Moderate Income

Households and would be developed by NRP (or the purchasers of market-rate lots from NRP) as on-site inclusionary units integrated with the market-rate residential units, and must be constructed proportionally with the market-rate units within the phases.

NRP must also make a Proximity Housing Contribution to the County in the amount of One Million Dollars (\$1,000,000) to fund the County's Proximity Housing Assistance Program to provide Project homebuyer assistance for residential ownership units developed on the Property. Five Hundred Thousand Dollars (\$500,000) of this amount will be paid prior to the issuance of the first building permit for any Residential Project in Phase Two. An additional Two Hundred Fifty Thousand Dollars (\$250,000) will be paid prior to issuance of the first building permit for any Residential Project in Phase Three, and the remaining Two Hundred Fifty Thousand Dollars (\$250,000) will be paid prior to issuance of the first building permit for any Residential Project in Phase Four.

NRP must also pay the County's Non-Residential Affordable Housing Impact Fee directly to County in connection with the issuance of all non-residential building permits issued for development of the Property, regardless of whether such permits are issued for a portion of the Property that has been annexed to the City or for a portion of the Property that remains in an unincorporated area of the County.

NRP must also meet the requirements of the County's affordable housing ordinance for the Continuing Care Retirement Community units through the payment of an amount equivalent to the in-lieu fee determined in accordance with Napa County Zoning Code Section 18.107.090 in effect as of the applicable payment date.

4. Phasing. The Development Agreement includes a detailed Phasing Plan (Exhibit O) that specifies the phasing of the Project over the course of development. The Phasing Maps attached as Exhibit P show the four main phases of development and indicate certain infrastructure, open space and other community facilities and improvement, and affordable housing pre-requisites that must be completed in each phase to move to vertical development in the next; however, so long as the pre-requisites are met, more than one phase may be occurring at any particular time.

The Phases generally consist of the following:

Phase One: Membership Warehouse Store (such as Costco) and gas station, Wetlands Restoration and Site Remediation and Fill Activities.

Phase Two: Approximately 40,000 square feet of neighborhood services uses (e.g., retail and restaurants); up to a total of 350 residential units on Blocks 11-13, Blocks 16-18; a 150-unit continuing care retirement complex on Block 10; a pedestrian/bicycle connection to Kennedy Park; and Kaiser Road improvements from the Project site to Highway 221.

Phase Three: Approximately 90,000 square feet of non-residential commercial, neighborhood services (e.g., retail and restaurant) uses; a hotel; up to a total of 350 residential units on Blocks 3, 6, 9 and 19-22; specified parks, trails and pedestrian paths; and specified access roads, utilities and streetscape.

Phase Four: Completion of commercial development on Blocks C & D immediately north of the hotel site; up to a total of 245 residential units on Blocks 1, 2, 4, 5, 7, 8 and the balance of Block 15; specified parks; and specified access roads, utilities and streetscape.

Components of phasing are more specifically described below:

- a. **Open Space.** Open space components of the project are generally tied to development of particular

residential or commercial building blocks or project buildings within a Phase or sub-Phase.

- b. **Transportation Infrastructure.** Transportation infrastructure will be phased in connection with development of adjacent blocks, as identified in subdivision map applications submitted by NRP and approved by the County. The EIR Mitigation Measures require two 'opening day' mitigation measures to be constructed by NRP prior to the first certificate of occupancy for the Membership Warehouse Store: a single lane round-about with a by-pass lane on the southbound and eastbound approaches to the intersection, including the bridge improvements to Anselmo Court and Anselmo Court/Corporate Drive; and median treatment improvements on Soscol Ferry Road that essentially control all movements except for the westbound through movement on Soscol Ferry Road and widen Soscol Ferry Road to the west of its intersection with Devlin Road to allow for merging of the two lanes. Consistent with the mitigation monitoring and reporting program adopted by the Board of Supervisors for the Project, NRP must make a fair share mitigation payment for a number of other local and regional transportation improvements identified in the intersection improvement plan that implements the EIR mitigation measures.
- c. **Affordable Housing.** See description above of affordable housing phasing.
- d. **Membership Warehouse Store.** The County anticipates that Phase One will include the construction of a Membership Warehouse Store, such as a Costco. The Phasing Plan requires NRP to use diligent and good faith efforts to enter into a binding agreement for this use, which is a pre-requisite to vertical construction in Phase Two. However, if after such good faith efforts, NRP has not entered into a binding agreement for the Membership Warehouse Store within two years from the effective date of the Development Agreement, then it may proceed to Phase Two (subject to other pre-requisites being satisfied). However, because the lack of the Membership Warehouse Store (or the hotel in Phase 3) may result in a net deficit in revenues required to cover City services provided to the Project, the Phasing Plan requires NRP to pay a fiscal impact payment for each Phase to fund municipal services until such time as the Membership Warehouse Store or the hotel is constructed. The amount of the fiscal impact payment varies by phase and is based on the Napa Pipe Fiscal Impact Analysis Final Report prepared for the County by Seifel Consulting (April 2014) and a sensitivity analysis should the Membership Warehouse Store and hotel not be constructed. The fiscal impact payments will be secured by a deposit or letter of credit. The obligation for the fiscal impact payment and security are released upon issuance of a certificate of occupancy for the Membership Warehouse Store, or for a hotel in Phase Three or Four.

5. Vested Rights. The Development Agreement generally provides NRP with a vested right to develop in accordance with the entitlements in effect as of the approval date for up to 20 years. The County may not impose new fees or exactions or changes in law that would affect its vested rights during the first ten (10) years of the term. Thereafter, new fees and exactions may apply to the extent they apply County-wide and are not for purposes of funding affordable housing, street, traffic, transportation or transit improvements or park or open space development and acquisition. The City previously requested a limitation of 5 years on new City fees and exactions, which is reflected in the Development Agreement on file.

6. Industrial Zoning District. In general, the Development Agreement and related approvals do not apply to development of the approximately 75-acre Eastern Parcel that is designated Industrial:Airport Compatibility (I:AC) under the County's Zoning Code. The only rights vested under the Development Agreement as to the Industrial Zoning District is the right to develop up to a total of 165,000 gross square feet of enclosed non-residential uses (which limitation is set forth in the Napa Pipe General Plan Amendment), which is anticipated to be comprised of up to 90,000 gross square feet of office uses and up to 75,000 gross square feet of light industrial, R&D, and warehouse uses. Any development of the Industrial Zoning District remains subject to all Local Agency-wide laws and regulations that are in effect at the time of development, and may occur independent of the Project phasing.

7. Water Supply. The Napa Pipe Zoning District requires that as a condition of County approval of the Master Map and Development Plan, the Landowner must provide a "will serve" approval from the City of Napa or an alternate source for the provision of water, and evidence that groundwater will not be used. The County has included this requirement as a condition to approval of the Master Map and Development Plan.

8. Continuing Care Retirement Community. Development of a continuing care retirement community (the "CCRC") is contemplated as part of Phase 2 of the Project. To respond to City concerns on emergency response, the Development Agreement requires that any CCRC facility must contract with or hire a state licensed provider(s) of advanced life support paramedic services, and that the on-site paramedic services provider is located on-site twenty-four (24) hours per day, seven (7) days per week for the duration of the CCRC use.

9. Construction and Maintenance of Infrastructure/Parks and Open Space. Except for water and waste-water utilities, all Project infrastructure, including rights-of-way and parks and open space, will be privately-owned and maintained but publicly accessible infrastructure. Upon completion, all privately maintained infrastructure will be under the control of a master homeowners association, that will have the obligation under recorded covenants, conditions and restrictions (CC&Rs), to maintain the improvements to County standards specified in the Development Agreement. The County is a third-party beneficiary of these CC&Rs, can enforce the obligation against the master owners association and is entitled to reimbursement and indemnification for any losses incurred by the County as result of a default under these obligations. The Development Agreement provides the County with prior review and approval over proposed CC&Rs and submittals of reports and budgets to the State Bureau of Real Estate to ensure that the master owners association will be properly funded and capable of carrying out its maintenance obligations for these improvements. The master owner's association is also obligated to reimburse the Flood Control District for operation and maintenance costs for the floodgates that are required as part of the Project.

10. Plan Review and Subdivision Procedures. The Development Agreement sets forth procedures under which building design will be reviewed ministerially by the County's Director of Planning, Building and Environmental Services. In addition, it sets forth procedures for the processing, review and approval of subdivision maps under the County's Subdivision Code and the Subdivision Procedures (attached as Exhibit I to the Agreement). No building permits will be issued until the County has approved the applicable building development plans under the Design Guidelines. In addition, commencement of construction of any building will not occur until the County has first approved a Phased Final Map that includes the parcels on which the private building improvements are located. Under the Subdivision Procedures, which supersede inconsistent provisions of the County's Subdivision Code, security for payment to the contractor, to its subcontractors, and to persons furnishing labor, materials or equipment to them for construction or installation of Project Infrastructure improvements under an improvement agreement is limited to 50% of the total estimated costs of construction. In addition, there is no limit on the number of partial releases that may be approved by the County upon completion of a portion or component of Project Infrastructure.

11. Recovery of Costs. NRP must pay County for its costs incurred, including its outside consultants, contractors and outside counsel, in drafting, reviewing, revising, processing and implementing the Development Agreement and associated costs for processing the project to the extent not included in customary County processing fees (such as building permit fees).

12. Relationship to City of Napa. The Development Agreement anticipates that, subject to approval by the Napa County Local Agency Formation Commission ("LAFCO") of City applications to amend its Sphere of Influence and to annex the Property in phases, (i) the commercial portions of the Property zoned NP-IBP-W:AC and NP-IBP:AC will annex to the City as soon as is practical following City voter approval of the RUL line modification; (ii) the residential portions of the Property will annex to the City generally in phases as they are developed and contiguous to City boundaries; and (iii) any remaining Property not annexed prior to December 31, 2022 will annex as of that date.

To address the ongoing relationship between the City and County with respect to the Napa Pipe property, the City

and County entered into a MOU approved by the Board of Supervisors on October 8, 2013, in which the City and County agreed to work together on future entitlements, annexations, provision of municipal services to the Property (emergency fire and medical services and law enforcement services), affordable housing and Regional Housing Needs Allocations ("RHNA") transfers, revenue sharing and transportation, planning and design issues as they relate to the proposed Project on the Property, and established conditions that must be satisfied before the City of Napa will provide potable water service to the Property. Relevant provisions from the MOU have been incorporated into the Development Agreement as appropriate.

The Development Agreement is attached to this item.

13. Development Plan/Tentative Map

NRP has submitted a Development Plan for the proposed mixed-use development on the 63 acre western portion of the site and the membership warehouse store on part of the eastern portion of the site. The Development Plan is one of the documents, mentioned above, that will guide development of the Napa Pipe Project site. The Development Plan provides a detailed site plan with associated land uses and improvements of the public realm (open space, streets, etc.) and works in conjunction with the Design Guidelines which establish the look and character of the buildings within the Project area.

Associated with the Development Plan is the tentative subdivision map establishing the block pattern, roads, open space parcels and utilities. The tentative map will implement the Development Plan and initial division of the site in compliance with the Subdivision Map Act, and in addition to infrastructure improvement plans and improvement agreements will be a vehicle to ensure implementation of the mitigation measures and other conditions of approval.

14. Land Use Plan/Site Plan - The land use plan/site plan contained within the Development Plan shows the pattern of development proposed on the site. West of the railroad right-of-way is predominantly a mixed-use neighborhood with development areas or "blocks" designated for residential uses including blocks designated for affordable housing, up to 40,000 square feet of ground floor commercial uses (15,000 square feet. of restaurant floor area and 25,000 square feet of retail floor area) with residential uses above, a block designated for a continuing care retirement center, and blocks designated for a hotel and office development.

The east side of the railroad right-of-way includes approximately 17 acres designated for a 154,000 sq. ft. membership warehouse use (such as a Costco) and a gasoline station, and approximately 3.5 acres for a community farm. As noted above, 165,000 sq. ft. (90,000 sf. ft. of office and 75,000 sf. ft. of light industrial, R&D and warehouse uses) would be allowed on the remainder of the eastern portion of the property that is zoned I:AC subject to subsequent review and approval, with the exception of approximately 19 acres that is un-programmed. It would remain designated "Study Area" and zoned for industrial uses and would be available for a range of potential future uses.

Approximately 34 acres of publicly accessible parks, open space and trails are proposed on both sides of the railroad right-of-way.

The Block layout is shown on page 5 of the Development Plan with a more detailed written description of the uses summarized above on page 7.

15. Grading - The majority of the site will be raised by approximately five-feet, including the blocks, streets, and most park area/open space areas. The exceptions are the railroad right-of-way, shoreline, the community park (P6), and the existing wetlands, which will all maintain existing elevations. Roads and building pad elevations are approximately 12 to 13 feet above mean sea level, respectively. Finished floor elevations will be approximately 13' to 13.5' above mean sea level. The applicant proposes to construct floodgates within the railroad corridor to

maintain unobstructed emergency access to the west side of the railroad tracks. The floodgates would span across the tracks. A feasibility study dated June 25, 2014, was prepared to assess the various types of flood barriers. The report was prepared on behalf of the Napa County Flood and Water Conservation District ("Flood District"). The Flood District concurs with the conclusions of the report that there are six viable options. The final planning, design and construction of the floodgates will be subject to review and approval by the Flood District, including obtaining all necessary regulatory approvals, including approval by the Public Utilities Commission. The Flood District would accept dedication of the floodgates and would be reimbursed by the applicant for the costs of maintaining and operating the floodgates.

The grading plans and improvement drawings include the location of infrastructure for potable and reclaimed water, sanitary sewer, and storm drainage. The intent is that potable water will be provided by the City of Napa and sanitary sewer services and reclaimed water will be provided by the Napa Sanitation District. All utility lines will be accessible to and maintained by the respective agencies.

16. Access/circulation - Primary access to the site would be provided from an extension of Kaiser Road on the northern boundary of the site and a connection to Anselmo Court at the southern end of the site. Two primary streets connecting to the Kaiser Road extension would run north-south through the site. One would run along the eastern boundary of the site and the other would run through the approximate center of the mixed-use neighborhood within the Project site. Both roadways would ultimately connect to Anselmo Court. Secondary streets would provide access to the residential and commercial blocks on the Project site. All streets would be privately constructed and maintained. Most streets include two vehicular lanes (one lane in each direction) and on-street parking on one or both sides of the street. The street hierarchy is shown on page 16 of the Development Plan with pedestrian and bicycle paths shown on page 17. Typical street cross sections for each street type is illustrated in the Development Plan starting on page 19. Intersections have been designed to accommodate fire engine maneuvers by providing a flush curb in conjunction with a different colored/textured sidewalk to allow emergency vehicles to drive in this area. Pedestrian and bicycle access is proposed through the site with a connection to Kennedy Park.

The proposed Project would reduce the number of railroad crossings of Union Pacific Railroad tracks on-site from the five private, unprotected at-grade crossings to three new private, protected at-grade crossings. The applicant has proposed that the new crossings include safety gates, railroad crossing signals and grade changes to improve safety and ensure compliance with applicable safety standards.

17. Parking - The Napa Pipe Zoning District establishes parking requirements for uses within the Napa Pipe District including the number of spaces required for each use and that all required parking be provided off-street except for residential guest parking which is permitted on-street. The Napa Pipe Zoning District also allows for exceptions to the location of parking spaces in accordance with an approved Development Plan.

The proposal includes a request to allow or count more on-street parking than would otherwise be allowed by County Code. For the residential blocks the required amount of parking for the residents would be provided both off-street and on-street. The required guest parking would be provided on the streets directly adjacent to the residential block.

Parking for patrons would be on the street, with any unmet balance addressed by the developer. Those spaces would be marked as guest parking. If the number of required patron spaces is less than the number of available on-street spaces, the balance may be used for employee parking. The mixed use area around the drydocks would have parking for business patrons and residential guests provided on-street; employee parking would be provided off-street. On-street parking for patrons could be up to a 1/4-mile walking distance from the drydock area. At the completion of each phase, a parking survey will be conducted to assess the existing parking demands and include any corrective measures. Subsequent phases of development could not proceed until any parking deficiencies are corrected.

18. Publicly Accessible Parks, Open Space, and Facilities - The Project includes multiple types of parks and open spaces. On the west side of the railroad tracks 20.7 acres are devoted to these uses. On the east side of the railroad tracks, up to 13.7 acres are committed to these uses, which includes a community farm of approximately 3.5 acres. The open spaces shown in the Development Plan provide a combination of semi-public and fully-public amenities. These amenities are designed to primarily serve the residents of the immediate neighborhood and also residents who do not live in the neighborhood. For instance, the boat docks would provide public access to the water and the proposed improvements around the drydocks include restrooms, restaurant/bar and an amphitheater.

19. Subdivision - The tentative map includes subdividing the property into 70 lots. There are 22 lots proposed for residential development including mixed-use lots for neighborhood serving commercial use and the area around the drydock. These lots range in size from about 3/4 of an acre to a little over 1.5 acres. The lot including the drydocks is 3.5 acres. Four lots are designated for non-residential development including two lots for office uses, both a little under one acre, and a 3 acre lot for the hotel on the west side of the railroad tracks and a 16 acre lot for the membership warehouse use and gasoline station on the east side of the tracks. The four remaining non-residential lots on the east side of the tracks, that are not within the Napa Pipe Zoning District, are 5.3 acres (Lot A), 14 acres (Lots B1 & B2 which are bisected by the existing wetland), and 31.5 acres (Lot G). There are 12 lots designated for parks and open space areas ranging in size from just under 1/2 an acre up to approximately 13 acres and 28 lots that would comprise the private streets in the development area.

20. Design Guidelines

The Napa Pipe-related Zoning District and General Plan Amendment adopted by the Board in June 2013 required development of design guidelines before development can occur on portions of the Napa Pipe site within the Napa Pipe Zoning District. County and City officials have developed design guidelines that can serve as a regulatory tool, (e.g. "form based code") ensuring that the quality and form of development are consistent with both jurisdictions' expectations even if the current developer sells the site to other builders in the future.

SiteLab, a consultant to the County, has prepared draft design guidelines for the Napa Pipe Project. These design guidelines, and the form based code that is included in them are intended to provide guidance to staff on future applications that are submitted for development. On February 6, 2014, a joint session with both the Napa County and Napa City Planning Commissions was held. At that meeting, it was determined that each of the Planning Commissions would hold study sessions on the proposed guidelines and then get back together to recommend changes to the guidelines. At subsequent meetings, the County Planning Commission discussed organizational structure for the guidelines, developed a common understanding of the terminology and function of various elements of the guidelines, the review process for future development, and the range and appropriateness of the architectural styles.

A subsequent separate meeting will be held by the Board on December 9th to deliberate on the design guidelines and consider the Planning Commission's recommendations to the Board. No development may occur with the Project until the Design Guidelines have been adopted.

21. Response to Comments

The County received comment letters from the City of Napa, Get a Grip on Growth and Friends of the Napa River prior to the Planning Commission hearing on October 15, 2014. In addition the City of Napa submitted comments prior to the October 29th special meeting of the Planning Commission. Staff has reviewed the City's comments and prepared a revised Development Agreement draft dated November 14, 2014, a copy of which is attached to this report. To the extent appropriate, staff has incorporated or otherwise addressed all of the City's comments. Some of the major changes are outlined below:

Kaiser Road Improvements (Recital O.9/15.4.2): In response to City comments, the Development Agreement requires NRP to construct certain off-site improvements to Kaiser Road, including a tree-planted median.

Affordable Housing Plan. Staff has reviewed the City's comments and has incorporated suggested City comments as deemed appropriate in the revised Affordable Housing Plan, dated November 14, 2014 attached as Exhibit B to the Development Agreement.

Napa Pipe Intersection Improvement Plan. Fehr & Peers has revised the Napa Pipe Intersection Improvement Plan ("NPIIP") Memorandum, dated July 14, 2014 to reflect City comments as deemed appropriate by staff. A copy of the revised NPIIP, dated October 22, 2014 is attached is attached as Exhibit C to the Development Agreement.

Three areas that remain unresolved with the City of Napa:

1. The City is requesting that the NRP cannot proceed with Phase 2 of the Project (housing) unless work on the Costco has commenced. The County agreement with NRP allows the Project to proceed after 2 years if an agreement is not entered into and work commenced on a Costco. The County also requires that NRP makes the local agencies whole for any lost revenue as a result of the Costco not moving forward.
2. The City is requiring through its preannexation agreement with the NRP that no changes may be made to the agreement without prior City approval. The Development Agreement currently requires the County to consult with the City in the event that changes are made that would adversely effect the City's interests.
3. The City is requiring that the developer construct intersection improvements at Highway 221 and Kaiser Road. The County is requiring that the developer pay their "fair share" to wards the improvement or approximately \$578,000. The City is requesting that the developer construct this improvement at its sole cost, estimated at \$1,700,000.

22. City and County Agreements

On October 8, 2013 the City and County entered in an MOU relating to the development of the Napa Pipe property. The MOU was intended to memorialize the joint review of applications submitted by Napa Redevelopment Partners for development of the property. In addition the MOU anticipated a series of agreements between the City and County. These agreements included:

- | an agreement regarding the allocation of property tax and other revenue generated by the Napa Pipe site;
- | an agreement regarding the provisions of municipal services for the Project;
- | an agreement regarding Regional Housing Needs Allocation transfer for future housing element periods;
- | an agreement regarding City annexation obligations and roles of City and County with respect to the processing of applications and building permits, payments of fees and administration of this agreement; and
- | agreements regarding plan check and permit inspection services.

Copies of these agreements are attached. These agreements are still being reviewed and staff requests that action on these agreements be continued until the meeting of December 9, 2014.

SUPPORTING DOCUMENTS

- A . CEQA Resolution
- B . Ordinance Approving Development Agreement
- C . Ordinance Approving Development Plan

- D . Resolution Adopting Tentative Map and COA
- E . Development Agreement (redlined)
- F . Legal Description
- G . Map of Property
- H . General Plan Land Use Designation
- I . Affordable housing plan
- J . Affordable Housing Plan Attachment A Grant Deed
- K . Affordable Housing Plan Attachment B Form of Conveyance
- L . Affordable Housing Plan Attachment C Form of Regulatory Agreement
- M . Intersection Improvement Plan
- N . Phasing plan (text)
- O . Phasing plan maps
- P . MMRP
- Q . Plan Review Procedures
- R . Applicable City exactions
- S . Land Use Plan
- T . Subdivision procedures
- U . Standards for Parks and Open Space
- V . Landowner Indemnification
- W . Assignment and Assumption
- X . Development Plan Volume 1
- Y . Development Plan Volume 2
- Z . Tentative Map
- AA . Sphere of Influence Agreement (City/County agreement)
- BB . Permit Inspections PSA (City/County agreement)
- CC . Municipal Services Agreement (City/County Agreement)
- DD . Tax Sharing Agreement (City/County agreement)
- EE . RHNA Agreement (City/County Agreement)
- FF . NCTPA Correspondence

CEO Recommendation: Approve

Reviewed By: Molly Rattigan