

ORDINANCE NO. _____

**AN ORDINANCE OF THE NAPA COUNTY BOARD OF SUPERVISORS,
APPROVING THE DEVELOPMENT AGREEMENT BETWEEN NAPA
COUNTY AND NAPA REDEVELOPMENT PARTNERS, LLC**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864-65869.5 (the “Development Agreement Statute”), authorizing municipalities to enter into development agreements in connection with the development of real property within their jurisdiction by qualified applicants with a requisite legal or equitable interest in the real property which is the subject of such development agreement; and

WHEREAS, the purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations; and

WHEREAS, Napa Redevelopment Partners, LLC (“Landowner”) is a limited liability company organized under the laws of the State of Delaware and is in good standing thereunder and is qualified to do business in California; and

WHEREAS, Landowner owns the 154 acre former industrial site commonly referred to as Napa Pipe at 1025 Kaiser Road in unincorporated Napa County, commonly referred to as the Napa Pipe site (the “Site”), within the area shown on Exhibit A to the form of Development Agreement attached to this Ordinance as Attachment 1; and

WHEREAS, NRP has proposed a development project for approximately 80.5 acres of the Site (the “Property”), encompassing the following (the “Project”):

- 700 dwelling units (or 945 with a State-required density bonus for exceeding County affordability requirements)
- A continuing care retirement center of up to 150-units with up to 225 beds (which is required under the Development Agreement and the Development Plan Conditions of Approval to have 24-hour on-site paramedic service)
- A total of 40,000 square feet of neighborhood serving retail (25,000 sq. ft.) and restaurant (15,000 sq. ft.) uses
- 10,000 square feet of office
- A 150-room hotel with ancillary facilities including but not limited to meeting space, restaurant, retail, and spa
- A 154,000 square foot Membership Warehouse Store (such as a Costco or similar commercial retail user) with a gas station
- 34 acres of public parks, open space, wetlands, and trails
- 15,600 square feet of various community facilities
- City of Napa water or water from an alternate source for potable water

- Napa Sanitation District wastewater service
- Require the addition of a roundabout or signal at the intersection of Corporate Drive and Anselmo Way, the southern entrance to the site
- Require construction of open space, including a five acre "urban farm; and

WHEREAS, in addition to the Project, the approximately 75-acre portion of the Napa Pipe site located east of the railroad tracks that retains its existing I:AC zoning designation is limited by the General Plan to 165,000 gsf of additional non-residential development, which amount of development is vested but not approved under the Development Agreement as 90,000 gsf of office and 75,000 gsf of light industrial/R&D/warehouse use; and

WHEREAS, On June 23, 2009 (Resolution No. 09-88), the Board certified the County's Housing Element Environmental Impact Report and adopted a General Plan amendment updating the Housing Element which identified the Property as a location for multifamily housing and contained the program to, among other things, rezone 20 acres of the Property to allow housing development at a minimum density of 20 dwelling units per acre (Housing Element Program H-4e); the Housing Element identified Program H-4e as the likely first phase of a larger development, and required the County to rezone at least 20 acres of the Property, allowing at least 304 units (202 of them by right) to fulfill its Housing Element commitment; and

WHEREAS, On January 14, 2013, the Board of Supervisors held a duly noticed public hearing and adopted a resolution certifying a Final EIR for the Project (the "FEIR"), and on June 4, 2013, by Resolution No. 2013 60, the Board adopted CEQA findings, including a Statement of Overriding Considerations, mitigation measures, a Water Supply Assessment that included an evaluation of the feasibility of using City of Napa water supplies to serve the Project, and a General Plan Amendment (the "GPA"), and by Ordinance No. 1382 adopted the zoning ordinance (the "Zoning Ordinance") to add Chapter 18.66 to the Napa County Zoning Code to create the Napa Pipe Zoning District that rezoned the Site; and

WHEREAS, on October 8, 2013, the Board approved a Memorandum of Understanding (the "MOU") with the City that outlines a process for collaboration between the County and the City related to the Project. The MOU sets forth principles and understandings under 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 establishes conditions that must be satisfied before the City of Napa will provide potable water service to the Property; and

WHEREAS, on November 12, 2013, the Board approved a Term Sheet between the County and Developer, setting forth material terms upon which the County and Developer would negotiate and enter into the Development Agreement;

WHEREAS, in connection with the approval of the Development Agreement, the Board has by Resolution No. ____, adopted certain CEQA Findings incorporated herein by reference, concluding that approval of the Development Agreement does not involve any of the conditions of CEQA Guidelines Section 15162 that require preparation of a subsequent or supplemental EIR; and

WHEREAS, County has determined that the Project is a development for which a development agreement is appropriate. The Development Agreement will eliminate uncertainty in the County's land use planning process and secure orderly development of the Project and the portion of the Site described in the Development Agreement as the Industrial Zoning District, assure progressive and timely installation of necessary improvements and mitigation appropriate to each stage of development of the Project, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in on-Site and off-Site infrastructure and improvements prior to the construction and sale or leasing of the residential, retail and commercial units. In order to enable the Landowner to expend the necessary sums to prepare the plans referred to in the Development Agreement and to pursue other various pre-development work associated with the development of the Project, the County desires to provide certainty through the Development Agreement with respect to specific development criteria to be applicable to the Site in order to provide for appropriate utilization of the Site in accordance with sound planning principles; and

WHEREAS, the Board has determined that development of the Project will afford the County and its citizens and the surrounding region with the following primary benefits, which include public benefits in excess of those which could be expected from the Project in the absence of the Development Agreement:

A. Park improvements that exceed the cost mandated by existing laws, as well as park maintenance at no cost to the public.

B. Payment to the County of an affordable housing contribution in excess of that required under County Code Chapter 18.107, through the payment of \$1,000,000 into the County's affordable housing trust fund established pursuant to Section 18.107.020 of the Napa County Code. \$750,000 of this amount will be provided by the County to an affordable housing developer for the first low- and very-low income development project on the Property and \$250,000 will be used by the County to fund the County's Proximity Housing Assistance Program to provide homebuyer assistance for affordable residential ownership units developed on the Property.

C. 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, or, if good faith efforts fail to result in a purchase agreement for a Membership Warehouse Store within two years after the Effective Date of the Development Agreement, and fiscal impact payments if a development of a Membership Warehouse Store is delayed or not constructed.

D. Reservation and dedication of an approximately 10-acre school site to the Napa Valley Unified School District pursuant to a separate agreement between Landowner and Napa Valley Unified School District.

E. Construction of approximately 15,600 square feet of various community facilities at Landowner's sole cost and expense, including the following:

1) Refurbishment of existing overhead cranes that will be integrated into the street-scape;

2) Construction in the dry-dock area of small boat harbors, a boathouse, a swimming pool and a sunken outdoor event space;

3) Refurbishment of an existing gantry crane as an outdoor movie screen adjacent to the sunken event space;

4) Construction of a transit center kiosk that provides information regarding available transit, ticket sales, and a sheltered seating area;

5) Construction of a large, open plaza in the vicinity of the boathouse and dry docks that will serve as a public gathering place;

6) Construction of an approximately 1,000 gsf community facilities space;

F. 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 Napa County with preferential access to units for sale;

G. Creation of a wide variety of homeownership opportunities in a wide range of price points;

H. Creation of substantial property tax revenue;

I. Construction of, and payments toward, traffic and transportation improvements identified in the Mitigation Monitoring and Report Program attached as an exhibit to the Development Agreement;

J. Creation of right-of-way improvements, streets and roads within the property, public utilities infrastructure, pedestrian and bicycle paths;

K. Construction of a neighborhood-serving day care facility of approximately 3,600 gsf of indoor space and 4,500 gsf of outdoor space integrated into the neighborhood center, subject to demand;

L. 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;

M. Creation of provisions in the Zoning Code and the approved Development Plan which would permit future development of a hotel on the Property when the market demand exists for a new hotel;

N. Development of a community farm of approximately four acres;

O. Restoration of riparian habitat along Bedford Slough, including construction of a wetland at the mouth of the slough;

P. Site remediation of the entire Site pursuant to an approved Remedial Action Plan;
and

Q. Development of multifamily housing consistent with Housing Element Program H-4e that will fully satisfy the County's RHNA requirements under State law; and

WHEREAS, after conducting a duly noticed public hearing in accordance with the Development Agreement Statute, the Planning Commission by a vote of ___ to ____, on [____], 2014 recommended that the Board approve the proposed Development Agreement;

WHEREAS, thereafter on [____], the Board held a duly noticed public hearing on the Development Agreement pursuant to the Development Agreement Statute.

NOW, THEREFORE, the Board of Supervisors of the County of Napa, State of California, ordains as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Board finds that pursuant to California Government Code Section 65867.5, the Development Agreement is consistent with the County's Zoning Ordinance and the following goals, policies, action items and objectives and programs of the County's General Plan:

Goals: AG/LU – 2, 3, 5, 6; CIR-1, 3; CC-8; CON-11; E-1; E-2; E-3; H-1, H-2, H-5, H-6, H-8; ROS-2, ROS-3, SAF-4, SAF-5.

Policies: AG/LU-22, 23, 24, 25, 28, 30, 31, 33, 41, 42, 52, 93, 94, 95, 115, 116, 119, 127; CIR-1, 3, 4, 26, 38; CC-36, 44, 45; E-5, 8, 11, 12, 13.5; H-2b, 2c, 2h, 4a, 4d, 4f, 4h, 4i, 4j, 4k, 6a, 6b, ; ROS-14, 22, 23, 24; SAF-23, 31, 33.

Action Items: AG/LU-94.1; and CC-45.1.

Objectives and Programs: H-2a, 2h, 4a, 4e, 6a

SECTION 3. The Board finds that the Project and other permitted uses on the Site in the Industrial Zoning District approved by the Development Agreement provides substantial public benefits to persons residing or owning property outside the boundary of the Property beyond the exactions for public benefits required in the normal development review process under federal, state or local law, as described in the foregoing recitals and in the Development Agreement. The Board further finds that the Development Agreement is in compliance with Government Code Section 65867.5 and therefore may be approved.

SECTION 4. The Development Agreement substantially in the form attached hereto as Attachment 1 and incorporated herein by reference between the County and Napa Redevelopment Partners, LLC, a Delaware limited liability company, is hereby approved. The Board authorizes and directs the County Executive Officer to execute the Development Agreement, subject to any further modifications that the Executive Officer determines, in consultation with the County Counsel, are in the best interest of the County, do not materially decrease the benefits to or materially increase the obligations or liabilities of the County, and are in compliance with all applicable laws.

SECTION 5. The Subdivision Procedures set forth in the Development Agreement shall prevail in the event of any conflict or inconsistency with the County Subdivision Code.

SECTION 6. All actions taken by County officials in preparing and submitted the Development Agreement to the Board for review and consideration are hereby ratified and confirmed, and the Board further authorizes the Executive Officer and any other appropriate officers, agents or employees of the County to take any and all steps as they or any of them deems necessary or appropriate, in consultation with the County Counsel, in order to consummate the matters set forth in the Development Agreement.

SECTION 7. Pursuant to Government Code § 65868.5, the Clerk of the Board of Supervisors shall record with the County Recorder of the County of Napa a copy of the Development Agreement within ten (10) days after the Development Agreement is fully executed.

SECTION 8. This Ordinance shall be effective thirty days from and after the date of its passage.

SECTION 9. A summary of this ordinance shall be published at least once five (5) days before adoption and at least once before the expiration of fifteen (15) days after its passage in the

Napa Valley Register, a newspaper of general circulation published in the County of Napa, together with the names of members voting for and against the same.

The foregoing Ordinance was introduced and public hearing held thereon before the Napa County Conservation, Development and Planning Commission at the meeting of the Commission on the 15th day of October, 2014, and was passed at a regular meeting of the Board of Supervisors of the County of Napa, State of California, held on the _____ day of _____, 2014, by the following vote:

AYES:	SUPERVISORS	_____

NOES:	SUPERVISORS	_____
ABSTAIN:	SUPERVISORS	_____
ABSENT:	SUPERVISORS	_____

 MARK LUCE, Chairman
 Napa County Board of Supervisors

ATTEST: GLADYS I. COIL
 Clerk of the Board of Supervisors

By: _____

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u> </u> (by e-signature) County Counsel</p> <p>By: <u>Sue Ingalls</u>, (by e-signature) County Code Services</p> <p>Date: [_____]</p>	<p>Approved by the Napa County Board of Supervisors</p> <p>Date: _____</p> <p>Processed by: _____ Deputy Clerk of the Board</p>
---	--

I HEREBY CERTIFY THAT THE ORDINANCE ABOVE WAS POSTED IN THE OFFICE OF THE CLERK OF THE BOARD IN THE ADMINISTRATIVE BUILDING, 1195 THIRD STREET ROOM 310, NAPA, CALIFORNIA ON _____.

_____, DEPUTY
 GLADYS I. COIL, CLERK OF THE BOARD

ATTACHMENT 1

Development Agreement

[See the Napa County Web Site <http://www.countyofnapa.org/NapaPipe/>]