

**ITEM V-A: DEVELOPMENT AGREEMENT AMENDMENT – 8000 FOOTHILLS BL. & 1485 BLUE OAKS BL. - HEWLETT PACKARD DEVELOPMENT AGREEMENT AMENDMENT (SECOND AMENDMENT) – FILE # PL14-0374**

**REQUEST**

The proposed project is a Development Agreement (DA) Amendment to the Hewlett Packard DA (considered the Second Amendment). The existing DA currently covers the entire Hewlett Packard campus (±500 acres). The property is no longer owned and operated by a single owner and two of the current four property owners are proposing to amend the DA to address the following: 1) define the vested development rights for each of the participating Parcels (including infrastructure capacities for each property); 2) specify the infrastructure, dedication and reimbursement obligations of each of the participating Parcels in substantial compliance with the Master Plan; 3) extend the term of the Development Agreement; and 4) provide minor updates to the existing terms and provisions for development of the properties, based on the findings that the minor modifications are in substantial conformance with the intent and basic provisions of the Hewlett Packard Roseville Master Plan.

**Applicant/Property Owners** – Hewlett Packard Company and BBC Roseville Oaks, LLC

**SUMMARY RECOMMENDATION**

The Planning Division recommends the Planning Commission take the following actions:

- A. Recommend that the City Council adopt the five (5) findings of fact and approve the Development Agreement Amendment for Parcels 1 and 4 of the DAA (Second Amendment for Hewlett Packard Company and BBC Roseville Oaks (Campus Oaks)).

**SUMMARY OF OUTSTANDING ISSUES**

There are no outstanding issues associated with this request.

**BACKGROUND**

The project site is located at 8000 Foothills Boulevard and 1485 Blue Oaks Boulevard, located in the North Industrial Planning Area (NIPA) of the City. These properties make up a portion of what has been known as the Hewlett Packard campus. The entire project site was originally owned by Hewlett Packard (HP) and included approximately ±500 acres of Light Industrial (±450 acres) and Open Space (±45 acres) land use. The property has since been subdivided and is currently owned by four separate property owners (BBC Roseville Oaks, Hewlett Packard, R10 Foothill, LLC (Cokeva) and Quality Investment Properties (QIP)).

Cokeva and QIP have elected not to participate in this amendment. The proposed amendment will not affect their existing development rights. They will still operate under the entitlements, obligations and capacities that were previously granted in the existing DA, and are currently available to them. The City owns the 45 acre open space preserve. The majority of the eastern half of the site is developed with Hewlett Packard, Cokeva/Quest and QIP/Sutter, as property owners and/or tenants. As noted, Cokeva and QIP are not participating property owners in this current DA amendment. The western portion of the site remains undeveloped, and is owned by BBC Roseville Oaks.

The four properties that make up the original “HP Campus” property are currently governed by the Hewlett Packard Roseville Master Plan, established in 1996, and amended in 2001. The existing Master Plan was intended as the guiding document for development of the Hewlett Packard campus over time, as a single owner and operator of the property. This included permitted uses and a development plan that included roadway and utility infrastructure improvements that were based on a single entity owning the property. The properties are also governed by an existing DA (1996 and amended in 2001) that includes the vested development capacities and rights and obligations for the entire property.

Now that the campus consists of multiple ownerships with unique interests, two of the four property owners would like to amend the existing DA. This would provide the multiple property owners with more control over future build out of their individual parcels. As discussed below, the amendment to the DA would; 1) define the vested development rights for the two participating Parcels (including infrastructure capacities for each property); 2) specify infrastructure, dedication and reimbursement obligations of each of the participating Parcels in substantial compliance with the provisions of the Master Plan; 3) extend the term of the DAs; and 4) provide minor updates to the existing terms and provisions for development of the properties, based on the findings that the minor modifications are in substantial conformance with the intent and basic provisions of the Hewlett Packard Roseville Master Plan.

## **SITE INFORMATION**

- A. Project Location:** 8000 and 1485 Blue Oaks Bl. / APNs: 017-230-055, -060, -063, -074, -075, -076, and -077
- B. Applicable Specific Plan:** North Industrial Plan Area (NIPA) (Parcel 47)
- C. Roseville Coalition of Neighborhood Associations (RCONA):** This property is located in the Industrial Area West which does not have an active Neighborhood Association.
- D. Total Acreage (Approximate):** Original HP Site ±500 acres, 2 Participating Parcels, 331 acres
- E. Project Boundaries:** The boundaries for the project site include the western boundary fronting Woodcreek Oaks Bl., the northern boundary fronting Blue Oaks Bl., the eastern boundary fronting Foothills Bl., and the southern boundary along the City’s Open Space Preserve and Woodcreek Oaks Golf Course.
- F. Topographical/Natural Features:** The majority of the eastern half of the site is partially developed with land and has capacity available for future expansion. The western half is undeveloped and has gently rolling topography, annual grasslands, and has been regularly disked.
- G. Physical or Natural Features on Adjacent Land:** To the north, west, east and a portion to the south, the adjacent properties are developed with residential, commercial and industrial uses. A significant portion of the southern boundary is adjacent to the City’s Open Space Preserve that is located on NIPA Parcel 70. This parcel consists of approximately 45 acres of oak woodlands and wetlands, which includes a portion of the south branch of Pleasant Grove Creek.

## **EVALUATION**

As discussed above, in 1996, the City entered into a Development Agreement with Hewlett Packard to guide development of the entire site as a single owner and operator. Since then the original campus has been subdivided and has multiple property owners. In an effort to recognize these individual development interests, two of the four property owners have requested approval of a second amendment to the Hewlett Packard DA. The DAA will define development capacities for both of the participating properties consistent with the approved Master Plan and will clearly define construction obligations of both parties.

The agreement also includes provisions for reimbursements, where appropriate, and rights of access to construct improvements. The non-participating parcels will continue to receive benefit from the existing DA and under the provisions of this agreement, their existing obligations will remain unchanged.

The request before the Commission proposes the structure above and the participating property owners have submitted a request for a DAA to formalize these rights and obligations. The amendment does not alter the Master Plan or amend the existing capacities or infrastructure obligations. It simply clearly allocates those items to the requesting parties and leaves the remainder for absorption by the non-participating parcels. These allocations are reflective of existing private side agreements that were transferred with the individual parcels. If approved, it will provide for the participating parties to develop independently of the other parcels within the Master Plan, provided any future amendments shall not alter any of the rights and obligations included in DAA.

Items that are not addressed in this amendment are subject to the original DA. The key elements addressed in the amendment include:

- **Extends Term** – The term of the agreement is extended to December 31, 2045 (30 years).
- **Development Capacities** – Establishes Water, Wastewater, Electric and Traffic capacities.
- **Option to participate in CFD** – Allows the Landowners to include their parcel in a Community Facilities District, this is currently not allowed.
- **Acknowledgement of Completion** – Removes several prior obligations under the prior DA that have been completed or are no longer required (i.e. Northern Detention Basin, Improvements to Foothills Blvd.)
- **Dedications and Construction Licenses** – In order to insure that HP Way can be fully constructed, the City is requesting the dedication of right-of-way and construction licenses.
- **Reimbursements** – A section has been added to address the reimbursement responsibilities for the landowners in the construction of HP Way.

The most significant items addressed in this document are the distribution of development capacities and the dedications and licenses. These items are addressed below:

### **Development Capacities**

The 1996 DA provided considerable flexibility to the Hewlett Packard Campus to develop. One item included in that agreement was the ability to develop to specific utility and traffic thresholds identified in the agreement. At the time, because the property was controlled by one owner, development could occur anywhere within the Master Plan. As the property is now under four different ownerships, it is necessary to allocate capacities to allow property owners the same flexibility currently available to the entire campus.

The table below which is included in the amendment, addresses this item. It is important to note that the amendment does not alter the original total allocated capacities. It simply assigns allocations directly to two of the four properties and creates a remainder category. The assignment of allocations is based on individual private “side-agreements” that were entered into at the sale of the individual properties. The two parties that have brought this request forward are looking to insure that the City will recognize these private agreements and validate them through this DAA request. Remaining capacity, outside of that allocated for parcels 1 and 4 will exist, but it will be controlled by the private agreements that are in place.

<b><u>Property</u></b>	<b><u>Acreeage</u></b>	<b><u>Gross Sq. Ft.</u></b> <i>(Light Industrial)</i>	<b><u>Average FAR</u></b>	<b><u>Water</u></b> <i>(Max Daily Demand)</i>	<b><u>Sewer</u></b> <i>(Max Daily Flow)</i>	<b><u>Electric</u></b> <i>(Peak Annual Demand)(1)</i>	<b><u>Traffic</u></b> <i>(PM Peak Hour Trips)</i>
<b>H-P/Parcel 1</b>	140.70	1,670,000	0.27	0.65 mgd	0.45 mgd	11.24 MW	1,904.5
<b>Campus Oaks Parcel 4</b>	189.88	1,047,000	0.13	0.41 mgd	0.28 mgd	7.05 MW	1,193.5
<b>Total Remainder</b>	116.44	1,500,000	0.30	0.58	0.40	10.10 MW	1,709
<b>TOTALS</b>	<b>447.02</b>	<b>4,217,000</b>	<b>0.22</b>	<b>1.64 mgd</b>	<b>1.13 mgd</b>	<b>28.39 MW</b>	<b>4,807</b>

1. Electric Demand is based on gross square foot allocations. Actual demand may increase with infrastructure improvements.

As represented, these allocations are consistent with the existing DA and HP Master Plan. As the individual parcels have been sold to multiple property owners, the allocations above were entered into as individual private side agreements but they were never integrated into the City's DA. This action will formalize the parcel specific allocations for Parcels 1 and 4, and allow for the individual property owners and the City to be clear on their individual entitled capacities. In the future, this will assist both parties in evaluating the future build out of the individual parcels. In the future, they also have the opportunity to modify the existing DA to better define their capacities and development obligations. Should the Planning Commission elect to approve this DAA, an errata sheet will be added to the existing Master Plan to reflect these modifications.

### **Infrastructure Obligations**

The 1996 DA identified specific infrastructure required of the Master Plan along with the required timing for each. The proposed amendment does not alter those requirements in any way. It does, however, contemplate the ability for HP Way to become a public roadway in the future by requiring dedications from Parcels 1 and 4 to facilitate its construction. The alignment of this roadway through these parcels is not subject to change as part of this amendment. The alignment of this roadway as part of this DAA remains consistent with the approved Master Plan.

In summary, City staff has found the proposed DAA to be consistent with the existing Master Plan. Therefore, it is considered to be in substantial conformance with the Master Plan. Approval of the DAA will allow for both property owners to have their individual development rights defined. This will allow them better flexibility when developing or expanding their sites in the future. The proposed amendments will clarify the individual responsibilities for both parties while remaining consistent with original development capacities and rights and obligations of the Master Plan and DA.

### **ENVIRONMENTAL DETERMINATION**

As part of the project, an Addendum was prepared as the proper California Environmental Quality Act (CEQA) environmental document. This was based on the Initial Study's findings that the proposed project is substantially consistent with the previously certified Hewlett Packard Master Plan EIR which was certified by the City Council on June 5, 1996 (SCH#95112022). Therefore, an Addendum to the Hewlett Packard Master Plan EIR was prepared for consideration by the City's Planning Commission before taking action on the project. CEQA does not require public review of an addendum; however, the City made the

document available for public review for a 30 day review period from May 18<sup>th</sup> through June 16<sup>th</sup>. A copy of the addendum is provided herein as Attachment 1.

## **RECOMMENDATION**

The Planning Division recommends the Planning Commission take the following actions:

- A. Recommend that the City Council adopt the five findings of fact and approve the **DEVELOPMENT AGREEMENT AMENDMENT – 8000 FOOTHILLS BL. & 1485 BLUE OAKS BL. (PARCELS 1 AND 4 OF THE DAA) - HEWLETT PACKARD DEVELOPMENT AGREEMENT AMENDMENT (SECOND AMENDMENT) – FILE # PL14-0374** as shown in Exhibit A.
1. *The Development Agreement Amendment is consistent with the objectives, policies, programs and land use designations of the City of Roseville General Plan and the Hewlett Packard Roseville Campus Master Plan.*
  2. *The Development Agreement Amendment is consistent with the City of Roseville Zoning Ordinance.*
  3. *The Development Agreement Amendment is in conformance with the public health, safety and welfare.*
  4. *The Development Agreement Amendment will not adversely affect the orderly development of the property or the preservation of property values.*
  5. *The provisions of the Development Agreement Amendment will provide sufficient benefit to the City to justify entering into the Agreement.*

## **Attachments**

1. Addendum

## **Exhibits**

- A. Second Amendment to the Hewlett Packard Development Agreement for Parcels 1 and 4 between the City of Roseville and Hewlett Packard Company and BBC Roseville Oaks, LLC.
- B. Master Plan Errata Sheet

<p><b>Note to Applicant and/or Developer:</b> Please contact the Planning Division staff at (916) 774-5276 prior to the Commission meeting if you have any questions on any of the recommended conditions for your project. If you challenge the decision of the Commission in court, you may be limited to raising only those issues which you or someone else raised at the public hearing held for this project, or in written correspondence delivered to the Planning Manager at, or prior to, the public hearing.</p>
---