

RESOLUTION NO. _____ (2024 SERIES)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS
OBISPO, CALIFORNIA, APPROVING AMENDMENT #1 TO THE 600
TANK FARM REIMBURSEMENT AGREEMENT**

WHEREAS, Covelop, Inc (Developer) is owner of the real property located at 600 Tank Farm Road; and

WHEREAS, the City Council has approved a residential mixed-use project at 600 Tank Farm Road, which is within the Airport Area Specific Plan (AASP), through a series of actions and approved entitlements as follows:

1. The Final Environmental Impact Report and associated Mitigation Monitoring and Reporting Plan (including all mitigation measures therein) for the Project certified and adopted by Resolution No. 11304 (2022 Series), on February 1, 2022.
2. An amendment to the General Plan (Resolution No. 11304, 2022 Series), adopted on February 1, 2022, including amendments to the Land Use/ Circulation Element ("LUCE Update") adopted by Resolution No 10586 (2014 Series), on December 14, 2014.
3. The AASP as amended by Ordinance No. 1708 (2022 Series), on March 1, 2022.
4. The City's Zoning Ordinance as amended by Ordinance No. 1708 (2022 Series), on March 1, 2022.
5. The Vesting Tentative Map SBVD-0407-2021 approved on February 1, 2022.

WHEREAS, there are certain public improvements associated with the 600 Tank Farm Mixed-Use project that must be installed and are greater in size and capacity than required to serve only the project ("Excess Public Improvements"), qualifying said Excess Public Improvements for reimbursement as set forth in San Luis Obispo Municipal Code Section 16.20.110; and

WHEREAS, on February 1, 2022, the City Council approved Resolution No. 11305 (2022 Series), authorizing the Mayor to execute a Reimbursement Agreement for 600 Tank Farm; and

WHEREAS, on February 18, 2022, the Mayor executed a Reimbursement Agreement with the Developer which specifies (1) the portion of transportation improvements to be constructed by Developer and (2) the transportation improvements eligible for reimbursement; and

WHEREAS, since the execution of the Reimbursement Agreement, anticipated costs for transportation improvements to be constructed by developer have increased substantially. As a result of these increases, the Developer has requested a change order to update the reimbursable costs of required transportation improvements; and

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WHEREAS, the Developer has presented estimates of the costs to design, permit and construct said Excess Public Improvements, and fair share proportionality of the properties that may benefit from the installation of the Excess Public Improvements; and

WHEREAS, the total amount of the requested change order exceeds the authority limit of the City Engineer (\$45,000) and City Manager (\$175,000) and therefore must be approved by City Council; and

WHEREAS, the parties have agreed to resolve the increased costs by amending the Reimbursement Agreement to update the costs and eligible reimbursable amounts of the required transportation improvements and to include the increased cost into the calculation of the Citywide Transportation Impact Fee Program; and

WHEREAS, the approval of an amendment to the Reimbursement Agreement will assist in the orderly and timely completion of public infrastructure.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. Recitals. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Amendment. The “Amendment No. 1 to Reimbursement Agreement for 600 Tank Farm Road”, attached as Exhibit A, is hereby approved, and the Community Development Director is authorized to approve minor revisions and execute this Agreement on behalf of the City.

SECTION 3. The Finance Director is authorized to administer and implement the Reimbursement Agreement as provided therein.

SECTION 4. The Mayor and City staff are authorized to take any actions necessary to carry out the intent of this Resolution.

SECTION 5. Environmental Review. The 600 Tank Farm Mixed-Use Development Plan and associated Final Environmental Impact Report (FEIR) were approved and certified by the City Council on February 1, 2022. Installation of the public improvements contemplated under the Reimbursement Agreement were identified as required mitigation measures to address significant transportation impacts resulting from the development proposal. The Reimbursement Agreement relates only to the financial mechanism by which the developer's costs in excess of fair share will be reimbursed and does not implicate any physical change to the project or the environment. Therefore, no further environmental review is required for this action.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this _____ day of _____, 2024.

Mayor Erica A. Stewart

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

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