



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: August 23, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Jovan Grogan, City Manager

PREPARED BY: Matthew Lee, Director

SUBJECT: Adopt Resolutions (1) Approving the Final Map and Subdivision Improvement Agreement for Phase 1 of the Bayhill Specific Plan Project and (2) Vacating a Roadway Easement and Reserving a Public Utility Easement for a Portion of Grundy Lane to the Property at 1250 Grundy Lane (the Police Credit Union Parcel)

BACKGROUND: On September 28, 2021, the City Council approved the Environmental Impact Report Adopting CEQA Findings, Facts, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Bayhill Specific Plan and Google Phase 1 Project and a General Plan Amendment. The City Council adopted the Bayhill Specific Plan making the necessary Municipal Code and Zoning Map changes for the Bayhill Specific Plan Area.

On September 28, 2021, the City Council approved the Phased Vesting Tentative Tract Subdivision Map (TM19-0001), a Development Agreement, an Architectural Review Permit For Phase 1 of Google LLC's Development Plans, and authorized various curb marking changes along the frontages of 900 Cherry Avenue and 1000 Cherry Avenue. The Google Phase 1 Project consists of two office buildings measuring 440,000 square feet in total area, installation of a multi-modal transportation hub, and construction of an outdoor plaza for public use at the northeast corner of Cherry Avenue and Grundy Lane. Attachment 1 is a Site Plan of the Google Phase 1 Project.

The Google Phase 1 Project approval was subject to various conditions of approval including preparation of a Final Map, negotiation of a Subdivision Improvement Agreement and construction of various public and private improvements. The developer (Google LLC) has prepared and submitted a proposed Phase 1 Final Map to the City for review and approval by the City Council. The Final Map includes several lot line adjustments, realignment of Grundy Lane (involving vacation of current public roadway and utility easements and dedication of new road right-of-way fee title to the City), granting of new utility easements, and vacation of a portion of Elm Avenue.

The conditions of approval further require that the developer and the City enter into various agreements necessary to implement the project. As a component of the September 28, 2021 approvals the City Manager was authorized and directed to "perform all acts required to be performed by the City in the administration and implementation of the Vesting Tentative Map, including without limitation executing agreements and documents as necessary, and including but not limited to subdivision improvement agreements and subsurface agreements."

Examples of the agreements that are being negotiated between the City and Google LLC include: a Right-of-way Maintenance Agreement to define the developer's responsibilities for long-term maintenance of public improvements, a Stormwater Treatment Measures Maintenance Agreement to define developer's responsibilities for long-term maintenance of stormwater treatment control measures, and a Private Line Communications License Agreement to construct, install, maintain and operate private line communications facilities within the public right-of-way.

DISCUSSION: The three items that the City Council is being requested to approve are the 1) Phase 1 Final Map; 2) Subdivision Improvement Agreement; and 3) vacation of a roadway easement and reservation of a public utility easement for a portion of Grundy Lane.

Final Map. The Phase 1 Final Map has been prepared by BKF Engineers, reviewed by the City Engineer and determined to be technically correct and in compliance with the project's conditions of approval. Attachment 2 - Exhibit A is the Final Map. The Final Map covers all of Grundy Lane and the properties fronting on it owned by Google LLC.

Subdivision Improvement Agreement (SIA). The SIA ensures that the public improvements will be constructed and approved by the City of San Bruno. Attachment 2 - Exhibit B is the SIA. Google LLC is required to complete all construction, provide security to guarantee completion of all work, provide warranty security at the completion of construction to guarantee repair of any damage or defects for one year following completion of construction, obtain and provide proof of insurance and hold the City harmless from any claims. Google LLC has requested and Section 14 in the SIA authorizes such security to be in the form of a letter of credit satisfying City requirements, which will be delivered to the City following approval of the Final Map and SIA. The City retains the right to require replacing the letter of credit with bonds if circumstances indicate the letter of credit does not provide adequate security.

The Improvement plans for the project provide for the following public improvements required in the September 28, 2021 approvals: a domestic water system, sanitary sewer system, stormwater system and treatment measures, new curb, gutter, sidewalk and driveway, curb access ramps, street pavement, signing and striping, traffic improvements including pedestrian controls, landscaping, street trees and irrigation, street lighting, and joint trench systems. In addition to these public improvements, the project plans include a multi-modal transportation hub, and an outdoor plaza for public use at the northeast corner of Cherry Avenue and Grundy Lane. Improvement plans for the construction of these public facilities have also been prepared by BKF Engineers and are nearing final approval by the City Engineer. The City Engineer's approval of these plans will be required prior to issuance of the foundation permit.

The SIA currently before the Council for approval covers public improvements along central and eastern Grundy Lane along with portions of Elm Avenue and Bayhill Drive. The City previously approved a separate improvement agreement for public improvements along the western portion of Grundy Lane, under which Google LLC was able to begin work excavating that portion of Grundy Lane between the two Phase 1 office building sites. The Engineer's Estimate for construction of the public improvements along western Grundy was \$6,243,350, and Google LLC provided a letter of credit as security for that amount. The Engineer's Estimate for construction of the public improvements covered by the current SIA is \$5,624,022, which will be covered by a separate letter of credit to provide security for the City.

Vacation of roadway easement and reservation of public utility easement for a portion of Grundy Lane. A portion of Grundy Lane lies within property at 1250 Grundy Lane owned by the Police Credit Union of California (PCU). The City holds a road and utility easement for that portion of Grundy Lane, and a public utility easement (PUE) along the north side of Grundy Lane also crosses the PCU parcel. The PCU property is not part of the Final Map. However, Google LLC's plan to straighten Grundy Lane will result in a small segment of the City's road and utility easement (PCU Triangle) no longer being required for public access purposes, but instead will be needed to provide a continuous PUE along the realigned Grundy Lane. Thus, in connection with approving the Final Map, the City also will summarily vacate the PCU Triangle while reserving a public utility easement over the same area. This is a procedural action to ensure that only the appropriate rights are reserved for the City's interest. Realignment of Grundy Lane will no longer require City access rights in the PCU Triangle, and only the public utility rights are still needed. Attachment 3 - Exhibit A is the Final Map and Exhibit B is the legal description and plat for the PCU Triangle.

FISCAL IMPACT: There is no fiscal impact to the City as a result of this action. Google LLC is funding all City costs related to the review, approval and inspection of the public improvements and map processing.

ENVIRONMENTAL IMPACT: On September 28, 2021, the City Council adopted Resolution No. 2021-76 certifying an Environmental Impact Report and Adopting CEQA Findings, Facts, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Bayhill Specific Plan and Google Phase 1 Project. This covers subsequent approvals implementing the project, including these recommended Council actions.

RECOMMENDATION: Staff recommends the City Council adopt the following resolutions (1) Approving the Final Map for Phase 1 of the Bayhill Specific Plan Project and authorizing the City Manager to execute the Subdivision Improvement Agreement and (2) Vacating a Roadway Easement and Reserving a Public Utility Easement for a Portion of Grundy Lane on the Property at 1250 Grundy Lane (the Police Credit Union parcel).

ALTERNATIVES:

1. Do not approve the Final Map and/or Subdivision Improvement Agreement. If the City Council chooses not to approve the Final Map, findings would need to be made as provided in Sections 12.32.200, 12.40.090 and 12.36.230 of the San Bruno Municipal Code, to support the decision to not approve the Final Map.

2. Do not adopt a resolution vacating the portion of Grundy Lane and reservation of a public utility easement. If the Final Map is not approved, these actions would not be required because the City would not be approving straightening of Grundy Lane.

3. Provide alternative direction regarding approval of the proposed resolutions.

ATTACHMENTS:

1. Attachment 1 - Google Phase 1 - Site Plan
2. Attachment 2 - City Council Resolution approving the Bayhill Specific Plan Phase 1 Final Map and authorizing the City Manager to execute a Subdivision Improvement Agreement
Exhibit A - Final Map
Exhibit B - Subdivision Improvement Agreement
3. Attachment 3 – City Council Resolution vacating a roadway easement and reserving a public utility easement.
Exhibit A – Final Map
Exhibit B – PCU Triangle legal description and plat