



## COUNCIL COMMUNICATION

CC #: 1053  
File #: 1109

**Title:** 6328 Phillip Road - Exclusive Right to Negotiate  
**Contact:** Troy Holt 916-746-1173 [tgholt@roseville.ca.us](mailto:tgholt@roseville.ca.us)  
Laura Matteoli 916-774-5284 [lmatteoli@roseville.ca.us](mailto:lmatteoli@roseville.ca.us)

Meeting Date: 11/18/2020  
Item #: 7.19.

### RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Manager to execute the Exclusive Right to Negotiate (ERN) Agreement with PDC Sacramento LPIV, LLC for purchase and development of the property at 6328 Phillip Road.

### BACKGROUND

The City-owned parcel at 6382 Phillip Road is underutilized and there are no current identified future City needs for this property. See Attachment 1 for a map of the property. Sale of underutilized properties can generate quality developments that result in new businesses, jobs and amenities and help fulfill the City's goal of economic sustainability.

The property at 6382 Phillip Road is referred to as the Roseville Industrial Area and is an approximately 237-acre (with 183 developable acres) greenfield vacant parcel, located north of a planned six-lane arterial (extension of Blue Oaks Boulevard, west of Westbrook Boulevard). The site is bisected by the planned six-lane regional Placer Parkway.

### **Site Data and Attributes:**

1. **APN:** 017-101-008-000
2. **Zoning:** Public/Quasi-Public. The current P/QP designation is used to establish areas for municipal, governmental or public facilities. A future purchase and sale agreement would be contingent on the purchaser requesting that the property be rezoned to an industrial designation.
3. **Neighboring land uses:** To the northwest is the Al Johnson Wildlife Area, part of a 1,700 acre site planned to accommodate the City's stormwater Regional Retention facility and potential recreation uses. To the west along the southern portion of the site are agricultural uses; to the east, immediately adjacent is the Creekview Specific Plan area, planned to accommodate about 2,000 residential units; to the south along the southern edge of the Reason Farms Industrial Site is the future extension of Blue Oaks Boulevard, and to the south the West Roseville Specific Plan approved in 2004, which is 65 percent built out, and includes 10,479 residential uses, parks, open space and commercial uses. A portion of the site would accommodate the future Placer Parkway, a planned regional facility, which would will connect Highway 65 in Placer County to Highway 99 in Sutter County, providing an alternate highway to Interstate 80.
4. **Size in acres:** The entire parcel is 237 acres, which includes 183 developable acres. The remaining 55.26 acres comprise the Pleasant Grove Creek Floodplain, a retention basin bypass channel, and the Placer Parkway alignment.
5. **Shape of site:** The parcel is rectangular.
6. **Potential for development:** The site is currently vacant. An analysis of the site was done in 2006 by the City of Roseville for a potential job center which assumed multiple buildings totaling 1,080,000 square feet in a total of 18 buildings. However, the site could potentially accommodate more development if higher density buildings (taller, larger floorplates) are considered.

The purpose of an Exclusive Right to Negotiate agreement is to provide a period of time in which the two parties can work toward developing a project that is mutually satisfactory. The agreement prohibits both parties from entering into negotiations with another party for the same potential project during the period of time that the Exclusive Right to Negotiate agreement is in place. The key points of the agreement are summarized below:

- City agrees to sell to Developer approximately one hundred and eighty-three (183) acres of the two hundred and thirty-seven (237) acre Property at the appraised market rate value.
- City agrees that Developer may acquire the Property in phases. The parties will negotiate the increments of acreage for the phases and whether Developer will be required to pay an option fee for reserving acreage for future purchases.
- City will retain the right to retain twenty-one (21) acres to the northwest of the future planned area for Placer Parkway.
- Developer shall have one (1) year or until California Environmental Quality Act ("CEQA") review and rezoning has been completed, whichever is sooner, for the purposes of conducting its due diligence with respect to the Property and entitling the Property for industrial development.
- Developer will fully entitle the Property including conducting the CEQA analysis and rezoning efforts, at their expense. City reserves final discretion and approval as to entitlements and as to all related matters, including CEQA review, in connection therewith.
- Developer will develop the Master Infrastructure Plan and bring all needed utilities and roadways to the Property.

- City shall not provide any public funds, subsidies, credits, fee reductions, or fee waivers towards acquisition or development of the Property.
- The period for exclusive negotiations shall commence on the date the agreement is approved and shall continue for a period of one hundred twenty (120) calendar days. The Negotiation Period may be extended for a reasonable period(s) upon the City Manager's written approval of Developer's written request, at the City Manager's sole discretion. This Agreement may be terminated at any time by either party, upon ten (10) calendar days' prior written notice to the other party.

Staff met with the adjacent landowners to inform them of the City's intent to enter into an exclusive right to negotiate and shared with them our concept for land use. Upon approval of the exclusive right to negotiate, staff will work with PDC Sacramento LPV, LLC to develop a land use and development plan. Staff will keep the adjacent landowners apprised of the conceptual land use and development plans to ensure compatibility with adjacent properties/development while preserving the property as an industrial job center and keeping Roseville competitive in the Region.

Future development will require approval of Planning Department entitlements including a Rezone and General Plan amendment for industrial use, a major project permit, and environmental review and, as such, they will follow the City's standard public review processes. These future entitlements will require review and approval by the Planning Commission and City Council.

According to Roseville Municipal Code §4.12.110(B), the City may dispose of real property without sealed bids..."pursuant to a finding by the city council that such disposition is in the city's best interest. Provided, however, that notice of the terms and conditions of such proposed sale or disposition pursuant to this subsection and the date of confirmation thereof shall be published in a newspaper of general circulation in the city at least 10 days prior to final approval and confirmation of the proposed sale or disposition. Such sales and dispositions shall be confirmed and approved upon a four-fifths' affirmative vote of the city council."

The City of Roseville Economic Development Department would provide assistance through the required entitlement and permitting processes if a future purchase and sale agreement is approved by the City Council.

#### FISCAL IMPACT

The title report, appraisal, and Phase I Environmental report have already been completed. The process associated with the Exclusive Right to Negotiate has no impact on the General Fund.

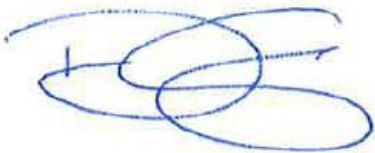
#### ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Negotiating the sale of this property meets the above criteria and is not subject to CEQA. Therefore, no additional environmental review is required at this time. The sale of surplus property is categorically exempt from CEQA as a Class 12 Exemption (State CEQA Guidelines Section 15312). Thus, when Council considers a purchase and sale agreement at a later date(s), the appropriate exemption will be prepared.

Respectfully Submitted,

Troy Holt, Economic Development Manager

Laura Matteoli, Economic Development Director



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Dominick Casey, City Manager

#### **ATTACHMENTS:**

Description

[Resolution No. 20-443](#)

[Exclusive Right to Negotiate](#)

[Map of the Property](#)