

MidCoast Community Council

May 5, 1995

The Board of Supervisors, San Mateo County
The Honorable Ted Lempert, President

Subject: proposed ten year development agreement, Fishing Village Associates

Summary

The MidCoast Community Council (MCCC), at its April 26, 1995 meeting, voted unanimously to oppose this proposal, for the reasons listed below. This decision was based not on the merits, or lack thereof, of the particular development project, but rather on several very straightforward applications of development precedents, and the legitimate concerns of all property owners.

We request that the Board of Supervisors reject this Development Agreement. Further, the MCCC requests that the Board of Supervisors return this proposal to the Planning Commission for their review, based on the issues we raise herein, as we do not believe these issues were given adequate consideration.

Reasons for our position

1. As outlined in the staff report, this project was approved by the Board of Supervisors in December, 1989, and a two year permit was granted. According to Mr. Jeff Merz of the Planning department, granting a permit with a specific time frame is the usual practice. Although the project was subsequently delayed by legal challenges, the project received final approval in June, 1993. Even if we exclude the various periods of time during the legal challenges when the two year clock was technically ticking, there is no doubt the clock started in June, 1993. The permit period was subsequently extended to January, 1996, through the actions of the Legislature, as outlined in Mr. Merz's report.

When a permit expires, the property owner typically must re-apply, and go through the review process again. The MCCC believes it is inappropriate to grant a ten year extension for a project that was the subject of such intense debate, without a full public review, including new environmental analyses. We also find it totally inappropriate to grant what is essentially an infinite permit (this agreement is loaded with extension options and opportunities,) allowing a property owner to gain approvals under one set of regulations, and to then wait

however long that owner desires until they find the economic situation to be more to their liking. This would be a terribly inappropriate precedent to establish.

2. The property owner has been able to proceed with this project since June, 1993, and yet has taken no actions. The Executive Summary of the staff report to the Planning Commission, dated March 22, 1995, is misleading when it says the purpose of the agreement is to ensure development rights for Pillar Point Harbor Village on behalf of Fishing Village Associates: in fact, the owner is trying to sell this land, and clearly has no intention of proceeding with this project. The MCCC believes the only possible reason for requesting such a Development Agreement is to increase the value of the property. This is no reason for the citizens of San Mateo County to enter into an agreement.

3. Our analysis of this agreement is that it represents the securitization of a financial asset, not real developable property. As such, the asset, which belongs to a publicly held corporation, will function as a financial "bond," and the county becomes the underwriter of the security. In return, neither the County, nor the citizens of the Mid Coast, gain any value or benefit. Such an underwriting, with no clear reward, makes no sense.

4. This agreement would essentially "lock up" scarce water and sewer resources, since the project could proceed at any time during the ten year period. This amounts, in a sense, to a "taking" of value from other property owners, primarily private individuals who have legitimate projects they are trying to pursue, but who are unable to get approvals because there are no hook-ups available. Such a taking is a totally inappropriate action.

5. Finally, we have numerous questions about the both the legality of certain clauses in the agreement, and many of the terms and conditions. This agreement was written by the property owner, and as such is one-sided, to the clear disadvantage of the County and the citizens. Regardless of your position on the other issues raised in this letter, this agreement should under no circumstances be approved.

We are available to discuss our position at your convenience, and we will plan to have at least one member of our Council at the Board of Supervisors meeting at which this will be discussed.

Thank you for your consideration, support, and agreement.

Sincerely,
James Marsh, Chair, MidCoast Community Council