



## Staff Report

**TO:** City Council  
**FROM:** Elizabeth Gibbs, City Manager  
**DATE:** February 18, 2025  
**SUBJECT:** First Amendment to Authorization and Cost Sharing Agreement with Beaumont Crossroads

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**Description** Acquisition of Approximately 6.26 Acres of Property Located North of Fourth Street in Connection with the Potrero Interchange Project.

### **Background and Analysis:**

The City Council approved a Donation Agreement with LASSEN DEVELOPMENT PARTNERS, LLP ("Lassen"), on November 19, 2024, to acquire approximately 6.26 acres of land north of 4th street (APN No. 424-010-007). In connection with the acquisition of the land the City is required to perform certain environmental conservation obligations which will be evidenced by the agreements identified below.

- Execute the Conservation Easement with Beaumont Crossroads Logistic II Park Association ("Beaumont Crossroads") and Rivers and Lands Conservancy ("RLC") whereby RLC will perform environmental mitigation obligations.
- Execute Endowment Management Agreement with Beaumont Crossroads and RLC to fund a portion of the Endowment.
- Execute the First Amendment to Authorization and Cost Sharing Agreement with Beaumont Crossroads whereby the City agrees to fund its fair share of the cost of the environmental mitigation project.

These agreements are consistent with the terms of the Donation Agreement. Beaumont Crossroads is a property owners association for the Amazon Warehouse project. The City and Beaumont Crossroads are jointly and severally liable for the liabilities associated with the environmental mitigation project mandated by the Army Corp of Engineers and the California Department of Fish and Wildlife. Concurrently with the recordation of the Conservation Easement, City will be responsible to pay 24% (\$29,387.04) of the sum of One Hundred Twenty-Two Thousand Four Hundred Forty-Six Dollars (\$122,446.00) ("Compliance Monitoring Initial Financial Requirement"),

which Compliance Monitoring Initial Financial Requirement is for the purpose of reimbursing RLC for its costs and expenses incurred in connection with its acceptance of the Compliance Endowment, and for fulfilling certain of RLC's obligations specified in the Conservation Easement for up to the first three (3) years following the date of this Agreement and the Conservation Easement. The City is also responsible for 24% (\$148,173.36) of the "Compliance Endowment" of Six Hundred Seventeen Thousand Three Hundred Eighty-Nine Dollars (\$617,389.00), that has been identified by the applicable Endowment Assessment, as the funds required for the Compliance Monitoring.

This joint and several liability could exceed the 24% amount agreed to by the City. However, the property is needed to allow acquisition of the property which is needed to provide access to property affected by the Potrero Interchange Project.

### **Environmental Analysis**

The acquisition of the Property has been reviewed for compliance with the CEQA, the CEQA Guidelines, and the City's environmental procedures. CEQA Guidelines Section 15061 (b)(3) (General Rule) states that when it can be seen with certainty that there is no possibility that an action will have a significant effect on the environment, that activity is not subject to CEQA.

The potential future use of the Property for any other use as determined by the City Council would be subject to separate discretionary action and CEQA compliance review at that time. The full extent of the future use, design, and operations of the Property are speculative at this point and are therefore not yet ripe for evaluation. Potential environmental impacts will be evaluated at the time the City Council considers establishing the specific use for the Property.

### **Fiscal Impact:**

The cost of the environmental mitigation will be \$270,619.36. The cost to prepare this staff report is approximately \$350.

Funding for this project is allocated through the five-year Capital Improvement Plan (CIP) Fiscal Year 2025-2029.

### **Recommended Action:**

Authorize the City Manager to execute the First Amendment to Authorization and Cost Sharing Agreement with Beaumont Crossroads.

**Attachments:**

- A. Donation Agreement
- B. First Amendment to Donation Agreement
- C. First Amendment of Cost Sharing Agreement