SUPPLEMENTAL COMMUNICATION

Meeting Date: 2/4/2025 From: Fikes, Cathy

To: supplementalcomm@surfcity-hb.org

Subject: FW: The Marisol Project. And the upcoming Vote.

Agenda Item No. _____ 15 (25-862) Monday, February 3, 2025 10:56:58 AM Date:

Attachments: Marisolsite1.PNG

MarisolStretView.PNG Main&Yorktown.PNG

From: larry mcneely <lmwater@yahoo.com> Sent: Saturday, February 1, 2025 3:19 PM

To: CITY COUNCIL (INCL. CMO STAFF) <city.council@surfcity-hb.org>

Subject: The Marisol Project. And the upcoming Vote.

I have concerns about the Marisol Project. While I realize the previous city council approved this project, we chose a new city council to make every effort to stop the densification of our city, which adds to the congestion and overcrowding that affect all of us in the community. We are fighting Newsom's efforts to change the very nature of our community by allowing homes in single-family neighborhoods to be demolished and replaced with multi-family developments and including overbuilt ADUs without city planning safeguards. So we must carry this fight on with any means as we now have a chance to.

Are we not allowing the same type of densification with this project but on a larger scale? The property at Yorktown and Main has been there for decades and was built when we had strict guidelines on developments, including generous setbacks, ample open areas, and plenty of parking. The Developer stated this location was "Not in the best shape." That is BS and would be replaced with a "Better Looking Beautiful New Project." Beauty is in the eye of whoever is profiting. I prefer the previous look and feel of all the open space In this development as it stood. I see us doing exactly what we have been fighting: tearing down previously approved properties with setbacks and open space for investor Profits using a JPA and floating a bond to pay for it. What Changed in our Policy to Fight Overdevelopment that was the main point in all your runs for City Council?

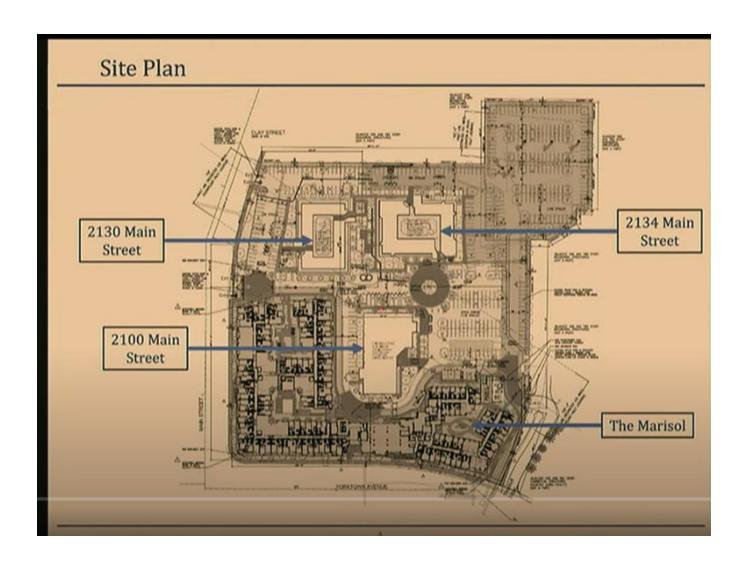
The Developer keeps stating that this project was fully approved, entitled, and shovel-ready. But now, due to their finances, they do not have the funds to complete this project. So this comes back to you, our new city representatives, for approval to float a bond to finance this development. As they have stated, this bond will not come back to harm our city financially. However, allowing this project to move forward without pushback will damage the reputations of those who approved it and were elected on their promises to fight Overdevelopment. Most people are unaware of this development's scope and the fact that it has increased in height and density; it is built out to the sidewalks with no setbacks or open space and lacks landscaping. Most people can only realize the scope of a development like this until it is built, and then we see the uproar.

The fact that this Developer does not have the funds to complete this project and is seeking the approval of our newly appointed city council members to add a bond with a JPA now opens a point of negotiation a Negotiation we were left out of when the Newsom Threesom, Posey, and Delgleize approved this. Negotiations are a give-and-take exercise to give a little to gain some favor and achieve a better position for the city you represent. I am confused about how this bond might affect our city, as all bonds carry risks. It may not affect us financially if they fail, but an incomplete project may sit for years until our demands are met, and that is a consequence we can use to better the scale and scope of this project.

I am also confused by their assessment of our tax position. Based on the current property, they state that we currently get only \$22K in taxes. And then state we will now get \$240K a year? Are they using a baitand-switch tactic from the net tax we get and comparing it to the gross tax to inflate the numbers to look better?

My whole point is that we were stuck by a former city council decision to increase density and height, lack setbacks, and a loss of open space, forcing these developments down our thoughts. This new development and the need for a JPA and Bond opens the door to Negotiations that should include setbacks and a less dense project. I do not know what changed our opinions on using JPAs and non-profits to build what benefits the Developer's profits. Still, I am against this wholesale idea of demolishing property to add higher-density developments in there place at the cost of overcrowding and congestion. This project has little benefit beyond investors' and developers' profits.

I realize we are Late to the Party on this development, but I now see an opening for Negotiations. I don't know how it slipped by us. (I check the city's webpage on Major Projects monthly and saw nothing.) But as we saw when the Elon was finished, all hell broke loose on that project. Remember where the Elon Sits? It was an office and retail complex with only two stories and lots of open parking space, much like this space.







From: <u>Fikes, Cathy</u>

To: <u>supplementalcomm@surfcity-hb.org</u>

Subject: FW: Questions regarding Agenda Item no#15. 24-862 The Marisol Development.

Date: Monday, February 3, 2025 10:59:33 AM

From: larry mcneely <lmwater@yahoo.com> Sent: Sunday, February 2, 2025 12:06 PM

To: CITY COUNCIL (INCL. CMO STAFF) <city.council@surfcity-hb.org>

Subject: Questions regarding Agenda Item no#15. 24-862 The Marisol Development.

The last sentence of the 'Recommended Actions' for this agenda item states, "to Benefit Marisol LLC." What, if any, were the Benefits that were given to Marisol LLC to complete this project and get it passed?

- 1. What was the original zoning of this property? Was there a zoning change given to Marisol LLC to Benefit them? What designation does the General Plan have on this lot? What was the original zoning for this property?
- 2. Were any Variances or Allowances allowed or given to Benefit Marisol LLC? Were there any other Deviations given in this approval to Benefit Marisol LLC?
- 3. What is the acreage of this plan's area of development? What is the number of units to be built per acre by the area being developed and excluding the area total unaffected? Where does it fall under High Density, Medium Density, etc? What classification was this property designated as before this development: Residential, Commercial, Industrial, or Infrastructure?
- 4. It has been claimed that this project falls within the 1.5 FAR required ratios. Was this calculated by the total square feet of the total property or total acreage? Or was this FAR Calculated only within the area being developed? Is it reasonable to include the total area under this plan that provides for the areas outside the development parameters, or is this calculation based only on the location of this new development that required city approvals?
- 5. Under our current zoning and building codes and requirements on this development, what are the required setback requirements? What are the parking requirements needed for an apartment development of this size? Were these requirements met? Were any allowances made "to Benefit Marisol LLC?".
- 6. On their In Pilot In-Lieu Tax scheme that is described to make our city whole, Is this based on the taxable income of the total property before this development excluding all the new development of the 200 plus new units? When this was discussed at the Study Session on Jan,17th when the developer stated that we were currently collecting \$22K in taxes and that with this project approval, we would be collecting \$240K a year, were these numbers shewed as one showing the net tax revenue and one showing the total revenue portion our city collects? Are these so-called not-for-profit units being taxed or taxed at the same rate as any other development project? Are we collecting our fair share of taxes to cover the cost of services required for the scale of development? Do these "In Lieu Fees and this Pilot Program" Really make us Whole?
- 7. Was an Environmental Impact Study or a Traffic Study Required for this project? We know this will significantly impact an already congested area of our community, which we all suffer from during peak traffic hours.
- 8. It was stated at the Study Session, "This is the proper way to use JPAs." Can you expand on the use of JPAs when it comes to development projects when adding density to our already congested "Built Out, Fully Developed City" that the Mayor Tony Stickland made statements on during his ten-year? While we face seasonal water shortages and restrictions on our energy use, when will using a JPA influence these issues to lessen the impacts?
- 9. Last, they used "Not Profit Development" because, as they stated, it only came about due to market conditions and financing issues. Will we be duped by this statement, "Not For Profit Venture?" Anyone can get a 501c3. Does this mean the developers will not profit from this development? You can bet they would not be going through this effort if no profits were to be made. And Lastly, will they be required to set

aside a portion of this development for low-income, or will the use of Lieu Fees come into play so the money can be spent elsewhere like we have seen in the past supporting the homeless druggies to enable their activities rather than providing affordable homes as required by the In Lieu Mandate?

From what I can see and from these many questions, it appears that many "Benefits and Considerations were given to the Benefit of the Marisol Development." What Benefits Will Our Community Receive from This Development? During the Study Session, we saw how these developers made the rounds to each city council member to make a case for their "Beautiful Facility, the Nices Facility Built" for their "Better Looking Upscale Project" "while investing significant dollars in renovating and improvements on the existing buildings on a project Not in the Best of Shape" Really? were there any code violations on record they can point us to?

These questions are not geared toward any one City Council Member but to all Seven Members. Feel free to answer any questions; individual responses would better gauge your commitment to this project. Regardless, I would like answers before this comes before our city council for a vote. If this timing is too short to fully answer these questions that will be made public to inform the public interest adequately, I suggest you table this vote until these questions can be addressed.

I want to Thank Each of You for your time and cooperation in addressing these questions for the "Benefit" of our community.

Larry McNeely 2/2/2025