



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item I1

Department: Community
Development
Date: 9/23/25
Placement: Management
Report

TO: JAMES R. LEWIS, CITY MANAGER
FROM: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR
PREPARED BY: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: Centennial Plaza Purchase Agreement DEV24-0099

RECOMMENDATION:

Authorize the City Manager to execute a sales agreement with Colin Weyrick for the private purchase of the Centennial Plaza properties (APN 029-347-020 and APN 029-347-033) in the amount of \$150,000 for the development of the approved mixed-use project in a form and content acceptable to the City Attorney.

DISCUSSION:

BACKGROUND

In 2022, the City Council rezoned the vacant lots surrounding Centennial Plaza with a planned development (PD) overlay to further one of the key focus areas, Downtown Vitality, of the Council's 2023-2025 Strategic Priorities. The City Council determined that the lots should be utilized for private development that supports desired retail, restaurant, and related active uses around the Sunken Gardens. The PD is designed to enrich the downtown by encouraging development that enhances architectural character and streetscape aesthetics and stimulates long-term economic growth.

Following adoption of the PD, staff began the process to release the sites by preparing a declaration of surplus land and fulfilling all requirements of the Surplus Land Act. The City did not receive any offers to purchase the land during the required advertising period of the Surplus Land Act. Accordingly, City staff pursued disposition by other means, which involved issuing an RFQ and subsequent RFP to attract and evaluate qualifying mixed-use project designs and a qualified buyer/developer.

On August 13, 2024, the City Council selected Colin Weyrick as the preferred developer/buyer for the Centennial Plaza Mixed Use Project based on his design submittal and his qualifications. The concept plan to develop the vacant lots surrounding Centennial Plaza was approved by the Design Review Committee on December 12, 2024. Staff has also prepared for Council approval tonight a

subsidy report determining the sale of the properties results in economic development benefit to the City (Agenda Item H2).

The final step in conveying the vacant lots surrounding Centennial Plaza into private ownership includes the authorization of the purchase agreement, which is the sole purpose of this report. City staff, with the support of the City Attorney's Office, completed negotiations with the buyer on a tentative purchase agreement for the property. The purchase agreement requires that the developer construct only the approved project and requires that the developer adhere to anticipated project timelines.



Centennial Plaza "Mixed-Use" Project

The approved project reflects the desired features of the PD Overlay Zone and portrays the future of downtown Atascadero. Two three-story buildings frame the plaza and multiple pedestrian bridges connect the buildings. The building is designed to accommodate ground floor restaurant and retail space with office and residential uses on the second and third floors. The applicant team has also purchased a 25-foot-wide vacant lot adjacent to the Centennial Plaza lots as part of the development plan for the project. Land uses such as the residential and office uses above the ground floor will rely upon off-site parking.

PURCHASE AGREEMENT

The draft purchase agreement includes a set of Covenants, Conditions & Restrictions (CC&Rs) that are designed to provide project milestones that must be adhered to by the buyer. These milestones help ensure that the developer will construct and complete the project within a reasonable time frame following the purchase. The following milestones are proposed:

- Obtain and pay for all construction permit approvals for the project, ensuring they are issued within eighteen (18) months of the Buyer's closing date on the property.

- Completion of shell buildings and site improvements within three (3) years from issuance of construction permits.
- Completion of tenant improvements for units with executed leases or to be used by Developer or affiliate within two (2) years from completion of shell buildings.
- Payment of development impact fees as to shell building improvements at final inspection.
- Provide City with a more detailed project schedule following approval of permits by the City. Schedule may not extend any of the foregoing deadlines and Developer shall follow such schedule to the extent they shorten any of the above times (but deadlines still may be extended by excusable delays).

The applicant will require nearby parking to support the proposed residential and office uses within the project. To accommodate this need, the City has tentatively agreed to allow long-term use of parking spaces within the adjacent City Hall parking lot. Establishing a parking easement or related agreement represents an important economic development tool the City can use to advance this transformative project. Some potential parking spaces that could be utilized for the development fall within an easement currently leased to the Historical Society. While the Historical Society does not actively maintain or use these parking spaces, these spots remain within their lease area and are therefore part of their lease obligations. City staff is continuing negotiations on the parking and will resolve this matter prior to issuance of construction permits for the project. As a result, a parking agreement is not included in the attached sales agreement.

NEXT STEPS

Since the City Council's 2022 decision to sell the property for economic development, significant steps have been completed to enable the approved development plan. The purchase agreement and subsidy report represent the final pieces of documentation required to move the project forward. Upon authorization for the City Manager to execute the purchase agreement with the new owner, the applicant team will begin drafting construction documents, while City staff will continue securing parking spaces and encroachment permits to support the project. Staff will also ensure compliance with the CC&Rs to be recorded with the purchase agreement. The ultimate outcome will be a vibrant mixed-use project that is expected to catalyze additional development around Sunken Gardens Park and throughout the downtown.

ALTERNATIVES:

1. Request more information from staff regarding the sale and purchase agreement and continue the item.
2. Do not approve the purchase agreement and provide direction to staff on the future disposition of the property.

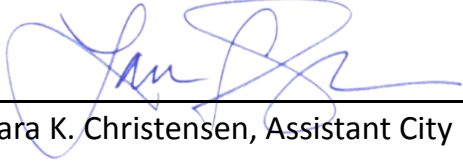
FISCAL IMPACT:

The fiscal impact for the Centennial Plaza Project is \$150,000 in revenue from the sale of real property with an offsetting book value of \$95,901. Additionally, the project will have a projected tax revenue of \$75,000 per year (once fully occupied with tenants).

REVIEWED BY OTHERS:

This item has been reviewed by the City Attorney's Office and the Administrative Services Director.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



Lara K. Christensen, Assistant City Manager

ATTACHMENT(S):

1. Purchase Agreement
2. CC&Rs