

## RESOLUTION NO. 2021-261

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS AND A PUBLIC IMPROVEMENT AGREEMENT WITH KUBOTA TRACTOR CORPORATION FOR AND RELATED TO THE SALE AND DEVELOPMENT OF CITY-OWNED REAL PROPERTY LOCATED AT 10251 GRANT LINE ROAD [ASSESSOR PARCEL NUMBER 134-0190-000 – PORTION] (NO FURTHER CEQA REVIEW REQUIRED)**

**WHEREAS**, that certain real property totaling approximately 96.23 acres located at 10251 Grant Line Road, identified as Assessor Parcel Number 134-0190-000 (the “City Property”), is currently owned by the City of Elk Grove (“City”); and

**WHEREAS**, the proposed sale of a 43.76-acre portion of the City Property (the “Purchase Property”) by the City for development by a developer is intended to catalyze the development of primarily industrial projects in the City’s Southeast Industrial Annexation Area; and

**WHEREAS**, City staff has negotiated a sale price for the Purchase Property of \$5,150,000, along with additional terms of sale and development of the Purchase Property, for the sale of the Purchase Property to Kubota Tractor Corporation, a subsidiary of Kubota North America Corporation, all pursuant to the proposed Purchase and Sale Agreement and Joint Escrow Instructions and Public Improvement Agreement (the “Agreements”); and

**WHEREAS**, Kubota Tractor Corporation intends to construct an approximately 632,000 square foot final assembly, warehouse, and distribution center project with accessory office and education facilities on the Purchase Property (the “Project”); and

**WHEREAS**, Kubota Tractor Corporation has agreed to the terms and conditions of the Agreements, and staff recommends entering into the Agreements for the sale and development of the Purchase Property and the Project; and

**WHEREAS**, the sale of the Purchase Property and development of the Project furthers the City Council’s economic development goals and priorities; and

**WHEREAS**, the proposed action is likely a “project” under Section 15378 of the State California Environmental Quality Act (CEQA) Guidelines. However, no further environmental review is required for the property transfer and related agreements under CEQA pursuant to State CEQA Guidelines Section 15168 (Program EIR - Multi-Sport Complex and Southeast Industrial Annexation Area Supplemental EIR, State Clearinghouse No. 2015102067) and Section 15162 (Subsequent EIRs and Negative Declarations). A Supplemental Environmental Impact Report (SEIR) was certified by the Elk Grove City Council on January 27, 2021 (SCH #2015102067). The SEIR was prepared to address changes in the land use designations for a General Plan amendment and pre-zoning, and to address information related to infrastructure improvements that will be necessary to serve the Southeast Industrial Area. The SEIR specifically evaluated development on the subject parcel of Light Industrial uses.

State CEQA Guidelines Section 15168 allows for the use of the Certified SEIR for later activities but requires those activities to be examined in light of the program SEIR to determine if an additional environmental document must be prepared. This section also states that if an agency finds that, pursuant to Section 15162, no subsequent EIR would be required, the agency can approve the activity as being within the scope of the project covered by the SEIR and no new environmental document would be required.

The Southeast Industrial Area SEIR analyzed the development of the subject site as Light Industrial with build out assumptions based on the General Plan's Light Industrial designation. The Project, as proposed on the site and previously approved by the City Council on August 11, 2021, is consistent with land uses allowed in the Light Industrial designation and will result in a Floor Area Ratio (FAR) of 0.32 which is below the General Plan FAR of 1.5 for Light Industrial uses. State CEQA Guidelines Section 15162 (Subsequent EIRs and Negative Declarations) provides that when an EIR has been certified for an adopted project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, that substantial changes have occurred relative to the project, substantial circumstances have occurred under which the project will be undertaken, or new information of substantial importance that was not known and could not have been known at the time the previous EIR was certified.

The proposed Project at the site consists of the construction of a new manufacturing building of approximately 632,000 square feet. Construction of the building and subsequent minor manufacturing operation have been found to comply with the General Plan as the Project site's Light Industrial (LI) zoning designation is considered an implementing zoning district of the LI land use designation (General Plan Consistency Matrix Table 3-1). Pursuant to Elk Grove Municipal Code (EGMC) Table 23.27-1 (Allowed Uses and Required Entitlements), "manufacturing, minor" is conditionally permitted in the LI zone. The Project will result in a Floor Area Ratio (FAR) of 0.32 which is below the maximum Light Industrial FAR of 1.5.

The proposed Project at the site, as previously approved by the City Council, is subject to the Mitigation Monitoring and Reporting Plan (MMRP) adopted with the certified SEIR. By this action, there are no substantial changes in the Project that have the potential for new environmental effects; there are no substantial changes that have occurred with respect to the circumstances which the Project is undertaken; and there is no new information of substantial importance that show that the Project will have additional significant effects, will have more severe effects, or that mitigation measures originally found infeasible would in fact be feasible, or that the proponents have declined to adopt mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR but would substantially reduce one or more significant effects on the environment.

Approval of the transfer of the property and related agreements results in no new substantial changes to the Project that have the potential for new environmental effects not previously analyzed. Since no subsequent EIR is necessary pursuant to CEQA Section 15162, no new or further environmental document is required.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby finds that the sale of the Property as proposed without seeking competitive proposals is in the City's best interests and is consistent with the General Plan, and hereby authorizes the City Manager to execute a Purchase and Sale Agreement and Joint Escrow Instructions with Kubota Tractor Corporation, in substantially the form presented, for the sale and future development of the property located at 10251 Grant Line Road and identified as Assessor Parcel Number 134-0190-0000 – portion, all subject to approval as to form by the City Attorney;

**AND BE IT FURTHER RESOLVED** that the City Council of the City of Elk Grove hereby authorizes the City Manager to execute a Public Improvement Agreement with Kubota Tractor Corporation, in substantially the form presented, for construction of public facilities, all subject to approval as to form by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 8<sup>th</sup> day of September 2021




BOBBIE SINGH-ALLEN, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

  
JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:

  
JONATHAN P. HOBBS,  
CITY ATTORNEY

**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2021-261**

STATE OF CALIFORNIA            )  
COUNTY OF SACRAMENTO    )        ss  
CITY OF ELK GROVE            )

*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 8, 2021 by the following vote:*

**AYES:**            **COUNCILMEMBERS:** *Singh-Allen, Hume, Spease, Suen*

**NOES:**           **COUNCILMEMBERS:** *None*

**ABSTAIN:**       **COUNCILMEMBERS:** *None*

**ABSENT:**       **COUNCILMEMBERS:** *Nguyen*

  
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**Jason Lindgren, City Clerk**  
**City of Elk Grove, California**