



# STAFF REPORT

AGENDA NO: 10a

MEETING DATE: March 16, 2026

**To: Honorable Mayor and City Council**

**Date: March 16, 2026**

**From: Neda Zayer, Community Development Director – (650) 558-7253**

**Subject: Adoption of a Resolution Reviewing the Development Agreement for the 1200 – 1340 Old Bayshore Highway (Divco) Project for January 1, 2025, through December 31, 2025, and Confirming Developer Compliance**

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## **RECOMMENDATION**

Staff recommends that the City Council, by resolution, confirm Developer compliance with the Development Agreement for the 1200 – 1340 Old Bayshore Highway (Divco) Project for 2025.

## **BACKGROUND**

On April 15, 2024, the City Council adopted Ordinance No. 2027, approving a Development Agreement between the Developer of the Divco project and the City of Burlingame. The Development Agreement is for a 20-year term and sets forth the rights and obligations of the Developer and the City with respect to the development of three new 11-story office or research and development buildings, and two new 10-10.5-story parking garages on an approximately 12-acre site composed of 13 parcels located at 1200-1340 Old Bayshore Highway.

Section 6.1 of the Development Agreement, pursuant to Government Code Section 65865.1, requires the Developer to provide the City with documentation of its good faith compliance with the Development Agreement by submitting an Annual Review Form each year following the effective date. Burlingame Municipal Code section 25.104.130 and Government Code Section 65865.1 further require the City Council to consider the Annual Review Form at a public hearing and confirm whether the Developer has complied in good faith with the terms and conditions of the Development Agreement.

The Developer has submitted the 2025 Annual Review Form (attached) and has complied in good faith with the terms and conditions of the Development Agreement for the current review period, which runs from January 1, 2025, through December 31, 2025.

## **Divco Project Status**

The Developer has submitted applications for demolition permits, grading permits, and building permits for the Center Building and South Parking Structure (Phase I) of the project. It is anticipated that the demolition permits will be issued in late spring 2026, and the Developer is in the process

of addressing the outstanding comments provided by the City on the building permit applications in anticipation of resubmitting when the work related to the demolition permits has been completed.

The Holiday Inn Express and Max's Diner are expected to continue to operate for the remainder of 2026, and select demolition permits for vacant structures north of Easton Creek are expected to be issued in spring 2026. Environmental remediation (such as lead-based paints and asbestos) is expected to begin in March 2026 in several of these buildings that will subsequently be demolished by fall 2026.

The Developer continues to work with the City on addressing the outstanding comments for grading permits related to shoring, site surcharge, and rough grading. Subject to San Mateo County approval of a Soil Management Plan, rough grading and soil surcharge are anticipated to begin in spring 2027.

Separately, the Developer and the City continue to work with Caltrans and the Bay Conservation and Development Commission to acquire the necessary project approvals from the respective agencies to fulfill the entitlement conditions and obtain building permits.

The Developer has complied in good faith with the terms of the Development Agreement for the review period, and staff recommends the City Council adopt the attached resolution confirming such compliance.

### **FISCAL IMPACT**

There is no fiscal impact associated with this item.

Exhibits:

- Proposed Resolution
- 2025 Annual Review Form
- Development Agreement (Ord. No. 2027)