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## New Ownership of Town Center Phase III

By Cathy Tyson

Lafayette residents who are wondering what the status is of the gravel parking lot located just behind the Panda Express on Mt. Diablo Boulevard have a little more clarity these days.

Prior owner Lafayette Residential Partners recently requested to transfer the property known as Town Center Phase III to KB Home South Bay. At a recent City Council meeting the transfer was approved along with the Town Center Development Agreement. Interestingly, KB offered to buy the property in 2005, but decided against it in 2006. What a difference a couple of years and a tanking real estate market make.

"KB Home has entered into an agreement with Lafayette Residential Partners pursuant to which KB Home has the right to purchase the Town Center Phase III property in Lafayette. KB conducts thorough research and analysis prior to any decisions on where we build. KB Home is committed to providing high quality new home communities in preferred locations, and the Town Center community fits this criteria," said Chris Apostolopoulos, Division President KB Home South Bay.

He continued, "KB Home is excited about the possibility of building in beautiful Lafayette. However, at this early juncture very few project details are available. We look forward to the opportunity to work with the City of Lafayette on the development of the project and will remain focused on delivering high quality homes and outstanding customer service to our homeowners."

It's been a long and winding road to get to this point. According to staff reports, back in 1998 the City Council entered into a Development Agreement with Lafayette Town Center Associates, now known as Lafayette Residential Partners (LRP) to redevelop this downtown parcel. Originally approved for a 26,000 square foot office building, the project has been changing ever since.

In 2003 Lafayette Residential Partners applied to build a 73- unit apartment project instead of the office building. Unfortunately the Planning Commission found this to be inconsistent with the BART Block Specific Plan - so that application was withdrawn.

Fast forward to 2005, LRP entered into a contract to sell the property to K.B. Home South Bay who proposed 76 luxury condominiums, a handful of live/work units, a restaurant and two levels of underground parking. In early 2006 KB decided against the idea and terminated its contract to buy the property.

In May of 2006 LRP and the City entered into a Settlement Agreement to resolve a dispute related to the Development Agreement that affordable housing needed to be included in the project. In March of 2007 LRP received approval of the final development plans for the office building from the Planning Commission.

Although a 26,000 square foot office building has been given the green light, a repeat of the 1998 plan, both the City and property owners agree that high density residential use is more desirable given the site's prime location. A revised Settlement Agreement was entered into that allowed for housing development among other things, but keeps the general footprint and site plan the same.

Apparently as of November 2008, Lafayette Residential Partners, after ten years of ownership, is ready to move on to greener gravel.

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