

# ITEM 9-C

## PLANNING BOARD STAFF REPORT

**DATE:** April 27, 2009

**TO:** Honorable President and Members of the  
Planning Board

**FROM:** Douglas Garrison, Supervising Planner  
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**APPLICATION:** Planned Development Amendment PDA05-0004 –Major  
Design Review DR05-0073 – Tentative Tract Map PLN08-  
0507– 523 South Shore Center – Harsch Investment  
Corporation.

**ZONING DISTRICT:** C-2-PD - Central Business District Zoning, Planned  
Development Combining Zoning District

**GENERAL PLAN:** Community Commercial

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### **EXECUTIVE SUMMARY**

On July 14<sup>th</sup>, August 11<sup>th</sup>, and September 22<sup>nd</sup> 2008, the Planning Board held hearings to consider the proposed expansion of the Alameda Towne Centre to allow for up to 706,650 square feet of retail development. On August 11, 2008 the Planning Board certified the adequacy of the project Environmental Impact Report (EIR) evaluating the expansion and approved the hours of operation, permitted outdoor activities and the new sign program. Upon appeal, the City Council modified the approved hours of operation and upheld the remainder of the Planning Board decision to certify the EIR, approve the sign program, and permitted outdoor activities. Since the Council's decision, the applicant has modified their proposal to reduce the proposed expansion from the previously proposed 706,650 square feet to 657,000 square feet of floor area. The previously proposed parking structure has been deleted from the plans, and the development phasing has been consolidated from three phases to two phases. The applicant has also submitted a Tentative Tract Map that reconfigures the existing 4 parcels that make up the shopping center into six parcels. The proposed Map will not

result in an increase in the shopping center area or intensity of use. Staff is recommending approval of the project.

## **BACKGROUND**

On July 14, August 11, and September 22, 2008, the Planning Board held hearings on this project. On August 11, 2008 the Planning Board certified the project Environmental Impact Report (EIR) which evaluated expanding the shopping center to a total of 706,650 square feet of gross leasable area (GLA) and then approved portions of the project including: hours of operation, permitted outdoor activities and the sign program. The Board then continued consideration of the remaining elements of the entitlements to September 22nd. At the September meeting the Board reviewed the project and then continued the consideration of the project to a later date.

The August 11, 2008 Planning Board approval was appealed to the City Council. On October 7, 2008, the City Council made minor modifications to the approved hours of operation and then upheld the remainder of the Planning Board decision and denied the appeal. The Planning Board approval permitted all businesses, except those within 200 feet of residential uses, to remain open from 6:00 am to 12:00 am. Deliveries would be permitted 24 hours a day, except for businesses within 200 feet of residential uses. Extended hours beyond those specifically permitted in the PDA would be subject to Use Permit approval. The City Council limited business hours to 7:00 am to 10:00 pm except for restaurants and Kohl's, which would be allowed to remain open between 6:00 am and 12:00am. The extended hours for Kohl's are limited to the Christmas holiday season. Deliveries were limited to 7:00 am to 10:00 pm for all businesses, except those with a use permit allowing extended hours. Individual businesses may still apply for Use Permits allowing extended hours of operation and deliveries.

A more in depth background discussion concerning the entitlement history and the environmental setting of the shopping center is provided in the July 14, 2008 Planning Board report (Attachment No. 4). The final conditions of approval, as modified by the City Council, on October 7<sup>th</sup>, 2008 are provided as Attachment No. 3.

Originally this Planned Development Amendment (PDA) and Major Design Review (DR) included an expansion to 706,650 square feet. After Target withdrew plans to build a new store in the center, the request was reduced to approximately 681,500. Since the 2008 Planning Board hearings, the proposal has been modified again. The current proposal does not include a parking structure and the proposed GLA has been further reduced to 657,000 square feet, the same floor area as proposed in PDA02-0004, that was partially approved by the Planning Board in 2003.

At the July 14, 2008 hearing, members of the Planning Board requested a clarification from the City Attorney regarding the scope of the 2003 entitlement approval. In order to address the scope of the 2003 entitlement in this report, analysis of the understanding of staff and the City Attorney is in the Analysis Section of this report.

In addition to the PDA and DR applications the applicant has also submitted a Tract Map application that would reconfigure four existing parcels into six parcels. This will not result in an increase in the size of the shopping center or in the intensity of use. Approval of the PDA and DR and the future development proposed in those applications is not contingent upon approval of the proposed subdivision of land.

## **ANALYSIS**

### 2003 Entitlements

The Alameda Towne Centre is undergoing a phased redevelopment. In 2002, the applicant submitted a PDA application that proposed expanding the shopping center to approximately 657,500 sq. feet of GLA. In 2003, the Planning Board requested that the applicant redesign the shoreline portion of the project, provide a location for a gas station and then approved certain portions of the PDA. At the July 14, 2008 Planning Board hearing the Board requested clarification concerning the scope of the entitlements approved by the Board in 2003. Specifically, Board member Cook questioned whether the 2003 Resolution entitled the property to the full 657,500 square feet with certain conditions; or, whether the 2003 resolution entitled the property with less than 657,500 square feet. After careful consideration of the language of the resolution and the approved minutes of the meeting at which the resolution was approved, City Attorney's office and Planning Staff find that:

- Resolution PB-03-40 is internally inconsistent and should be updated, clarified, and simplified.
- Resolution PB-03-40 specifically states that it permits the reconstruction of the 545,000 square foot shopping center and the addition of 112,000 square feet for a total of 657,000.
- The approved minutes state that the Board voted to approve staff's Option No. 2 which included 112,000 square feet of new retail floor area in addition to rebuilding the existing 545,000 square feet in the center, for a total of 657,000.
- If read in a legal context, the City Attorney notes that the approved hearing minutes are typically accepted as prima facie evidence of the facts therein. Based on the minutes and lack of evidence in the record contradicting the minutes, a plausible conclusion is that the 2003 actions by the Planning Board resulted in the entitlement to 657,000 square feet of retail floor area.
- Staff also examined an alternative interpretation of the resolution. Under this alternative interpretation, sub-areas within the proposed expansion "specifically not approved" would be subtracted from the total, but the pre-existing amount of floor area in that area would be counted. Based upon a review of the 2003 plans and 2003 resolution, staff found that the proposed buildings in the approved phases total 243,958 square feet. The square footage of the pre-existing buildings in the "not approved" phases total 374,277. Combining these two subcategories results in a total of 618,235 square feet. However, Condition No. 22 of Resolution No. PB-03-40 permits the center to expand by an additional 5

percent. This would result in an additional 30,912 square feet, bringing the center total to 649,147 square feet.

In conclusion, the City Attorney's office and the Planning Department agree that the 2003 Resolution is extremely convoluted and difficult to interpret, but that the Planning Board should assume that the project is currently entitled for between 649,147 and 657,000 square feet. As previously stated in previous meetings, staff is very motivated to replace the 2003 Resolution with a new resolution for Alameda Towne Center that clearly establishes the entitlement for the site and the processes for approving new buildings under the entitlement. The attached draft Resolution represents staff's effort to create such a resolution to replace the 2003 resolution.

### Current Phasing and Floor Area

The current plans have been revised since the July 14, 2008 Planning Board hearing and now include less floor area and a new phasing plan. (Attachment No. 6). Currently, there is 598,536 square feet of existing GLA in the center. At the completion of Phase 2, total GLA will be 610,262 square feet of retail floor area. Previous plans included a Phase 3 which would have added a second floor to Building 900 (Kohl's) for a total of over 681,000 square feet of retail floor area. Due to uncertainties over when this expansion would be implemented, the applicant has shifted redevelopment of the shoreline area to Phase 2 and eliminated Phase 3.

Phase 1 includes construction of Building 1000 (OSH) and renovation of Buildings 1100 and 1200. At the completion of Phase 1, total GLA will be 603,931 square feet. Phase 1 is scheduled to be completed by the end of 2010. The Design Review for Building 1000 was approved by the Planning Board on July 14, 2008 and upheld on appeal by the City Council on September 16, 2008. Design Review applications have not been submitted yet for Buildings 1100 and 1200. Although the Design Review applications to renovate these two buildings have not been approved, the floor area will not change substantially and could be approved under the requirements of the 2003 approval.

Phase 2 includes redevelopment of the shoreline area and the addition of approximately 1700 square feet to the southwest corner of Building 800. The existing parking lot nearest to Shoreline Drive will be relocated to the current car wash site. Two additional restaurants or beach recreation oriented businesses and new open space areas will be constructed along Shoreline Drive. Phase 2 is scheduled to be completed by the end of 2012. With construction of Phase 2, the GLA would increase to approximately 610,200 square feet.

### Processing and Review of Future Phases

Because the implementation of the Alameda Towne Centre renovation and expansion will occur over several years and may need to adjust to accommodate the needs of future tenants or market conditions, the PDA includes a condition that addresses processing of future improvements. The AMC requires a Planned Development

Amendment (PDA) when additions to commercial uses include more than a 25 percent increase in floor area; or, when the Planning Director determines that proposed changes could potentially have adverse effects on adjacent properties. Previous entitlements contained unclear and in some cases conflicting standards for determining when a PDA would be required at Alameda Towne Center.

Staff is proposing a condition of approval that would clarify the process for all future permits. The condition is designed to allow for flexibility to respond to changing market conditions, but provide certainty regarding how these changes will be processed. Under the proposed condition:

- All future building improvements consistent with the approved PDA plans would require Design Review approval by the Planning and Building Director. Under current code, the Planning Director may refer the application to the Planning Board.
- A particular building may be increased in size beyond that shown on the approved PDA plans, but any future building improvement that exceeded the PDA floor area for that building (as shown on the approved PDA plans) by 25% or more would require Design Review approval by the Planning Board because it may require changes to the approved parking, circulation, or landscape plans. These changes to the site plan could be approved through the Design Review process for the building.
- Expansion of the shopping center's GLA would be capped at 657,000. Any expansion that would cause the overall GLA of the center to exceed 657,000 square feet would require Design Review and Planned Development Amendment approval by the Planning Board.

### Parking

A parking study was conducted for the project. The study concluded that 3.6 spaces per 1,000 square feet of GLA would be adequate for a peak holiday season day. The study included conservative assumptions that accounted for increased shoppers, due to more popular retail stores replacing existing uses in addition to increased square footage.

Under current AMC standards, 5 spaces per 1,000 square feet of floor area would be required for retail development. Under the PDA provisions of the AMC, the parking standards may be adjusted by the Planning Board for this project. The existing 2003 PDA entitlements require a *minimum* of 4 spaces per 1,000 square feet. In 2007, the Planning Board required that the Alameda Landing retail center provide a *maximum* of 4 spaces per thousand. The July 14, 2008 plans included a three deck parking structure in order to meet the 4 spaces per 1,000 square feet minimum requirement. The parking structure is now no longer proposed.

The current plans provide 2,466 spaces after development of Phase 2 (610,262 square feet), which is adequate to maintain the four spaces per 1,000 square feet ratio. However, as proposed, the center could potentially be expanded beyond the 610,262

square feet to 657,000 square feet of GLA. Provided that all 2,466 spaces are preserved, the center would maintain a minimum of 3.6 spaces per 1,000 square feet, consistent with the peak demand identified in the parking study, without construction of the parking structure. The draft resolution includes a condition of approval that requires the applicant to maintain a *minimum* of 3.6 spaces per 1,000 square feet of GLA and a *maximum* of 4.5 spaces per 1,000 square feet of GLA. This recommended condition is designed to:

- Reflect the findings of the site parking study;
- Ensure that the site is not “over-parked”, which may detract from transit, bicycle, and pedestrian convenience and comfort and encourage auto-use;
- Reflect the recommendations of the Local Action Plan for Climate Protection, which requires the City to carefully consider parking policies to minimize automobile trips and automobile generated greenhouse gases; and
- Create a mechanism whereby the applicant will not be required to build a garage that might simply attract more vehicles and detract from transit, bicycle, and pedestrian modes of transportation to the shopping center.
- Respond to concerns raised by the community about the potential transportation and visual effect of a new parking garage at the shopping center.

### Traffic

For the 2003 PDA, a traffic study was prepared in 2002 that evaluated the effects of increasing the GLA of the shopping center by 112,000 square feet, resulting in an approximately 657,000 square foot center. The study identified significant impacts associated with the proposed increased size of the center, and mitigation measures that would reduce impacts to a less than significant level. Those mitigation measures were required in 2003 and have been implemented by the applicant. A new traffic study was prepared as part of the 2008 City certified EIR to evaluate the traffic impacts of increasing the shopping center to 710,000 square feet of GLA. The 2008 analysis confirmed that the conclusions in the 2002 study were still valid and that no additional mitigation measures were required, until the Center expanded beyond 657,000 square feet. If at a future date, the applicant requests an expansion beyond 657,000 square feet of GLA, a Planned Development Amendment will be required which will require a reevaluation of the environmental conditions and traffic conditions at the site. At that time, the City will have the ability to determine whether additional traffic mitigations are required as a condition of expansion beyond 657,000 square feet of GLA.

### Pedestrian and Bicycle Circulation

The proposed Plan includes additional pedestrian, bicycle and transit facilities, which are shown on the current plans. The bicycle, pedestrian and transit network has been developed in consultation with community groups and AC Transit. Through the conditions of approval, individual improvements are conditioned to occur with specific phases of the development. Condition No. 18 requires widening the section of City sidewalk on Park Street between the two existing driveways. Staff is recommending the

condition as a requirement on the Phase 2 shoreline area improvements because the sidewalk is substandard in size and provides public access from the community to the expanded area and the shoreline. The applicant has notified staff that they will be requesting that the Planning Board delete this condition. The applicant argues that the requirement was not imposed in 2003 when the plans showed a full GLA of 650,000 square feet and the sidewalk is located in the City right of way and is the responsibility of the City.

### Tract Map

The applicant has submitted a Tentative Tract Map application which would reconfigure the existing four parcels that constitute the shopping center property into six parcels. The boundary of the shopping center will not be expanded and this subdivision of land will not result in an intensification of use of this property. The Tract Map may be considered separately from the PDA and DR. Neither approval is dependent on the other. Any entitlements or limitations associated with PDA or DR approval will remain with the underlying land regardless of lot configuration or ownership.

### **Conclusions and Findings**

As currently proposed and conditioned, the proposed redevelopment of the shopping center will not result in substantial changes to the scale and massing of buildings in the center. The most substantial changes will be in the shoreline area of the center where the existing carwash will be removed, parking areas relocated away from Shoreline Drive and new restaurants or other shoreline recreational oriented uses and new open space will be developed. This is consistent with earlier direction from the Planning Board in 2003. The current shoreline plan also incorporates design changes recommended by the public and the Planning Board at project workshops held over the last two years.

### **Planned Development Amendment Findings**

The proposed PDA must be evaluated for compatibility with neighboring uses and specific findings must be made by the City before the PDA may be approved. The following discussion addresses these required findings.

**Finding 1. *The development is a more effective use of the site than is possible under the regulations for the district with which the PD district is combined.***

PD zoning allows additional flexibility in site design and range of uses to encourage creative site designs and synergistic relationships between uses. This PD is a more effective use of the site than is possible under the regulations for the C-2 zoning district because the design provides consolidation of the proposed uses and more creative design components such as: more effective pedestrian orientation of the buildings and walkways, grouping of building frontages to allow for a more visually pleasing project,

creative layout of open space improvements and a comprehensive site design for building location, parking lot design, and landscaping and internal circulation uses for the site. For example the project includes outdoor dining and other uses that take advantage of the extensive open space areas located throughout the center, enhancing the quality of the shopping experience. Reduced parking requirements are appropriate based on observed demand and will result in smaller expanses of asphalt parking lots. Additionally, the PD includes transit stops adjacent to major retailers in the center and a comprehensive network of bicycle and pedestrian improvements, further reducing the need for vehicle parking.

**Finding 2. *The project will not have a significant adverse effect on adjacent land uses in the City.***

The Planned Development incorporates design elements that reduce potential adverse effects. In 2003, the City adopted a Mitigated Negative Declaration (MND) that evaluated the potential adverse effects of redeveloping the center and expanding it to 657,500 square feet of GLA. All required mitigations from that MND have been implemented. The project as currently proposed does not exceed 657,000 square feet of GLA. Additionally, an EIR has been prepared that evaluated the proposed expansion of the project to 706,650 square feet of GLA. The EIR was certified by the City on October 7, 2008. Although the current proposal does not include an expansion beyond 657,000 square feet of GLA, where appropriate, mitigation measures have been updated and supplemented, in the EIR, the attached resolution and the mitigation monitoring and reporting program, to address changing regional standards such as air and water quality and new project phasing plans. Feasible mitigation measures have been identified that reduce all potentially significant impacts to a less than significant level. Consequently, the project will not have a significant adverse effect on adjacent land uses.

**Finding 3. *The location of the proposed use is compatible with other land uses in the general neighborhood area, and the project design and size is architecturally, aesthetically, and operationally harmonious with the community and surrounding development.***

The project consists of the redevelopment of an existing shopping center that was established in the late 1950's. The shopping center is located in a fully developed urban area. Feasible mitigation measures have been identified that will reduce all potentially significant impacts to a less than significant level. The proposed changes to the shopping center are consistent with previous direction provided by the Planning Board concerning the design and use of the portion of the site that is adjacent to a public recreational area. Other than the proposed changes to the shoreline area, the location and scale of existing buildings will not be changed substantially from existing conditions. Building 1000 (the old Safeway building) incorporates design changes that promote a more harmonious transition between this commercial building and nearby residential uses. Proposed improvements incorporate design elements found throughout the

shopping center and are of similar scale to surroundings. The MND and the EIR include an evaluation of aesthetic impacts.

**Finding 4. *The proposed use will be served by adequate transportation and service facilities including pedestrian, bicycle, and transit facilities.***

AC Transit serves the site. The project includes new bus stops within the shopping center and a comprehensive network of bicycle and pedestrian improvements. The MND adopted by the City in 2003 identified significant environmental impacts associated with increased traffic levels resulting from the proposed expansion to 657,500 square feet of GLA. Mitigation measures required to reduce impacts to a less than significant level have been implemented. The EIR prepared for the proposed expansion from 657,500 square feet of GLA to 706,650 square feet of GLA did not identify new significant impacts associated with expansion to 657,500 square feet. The EIR provided mitigation measures to reduce impacts associated with expansion to 706,650 square feet of GLA to a less than significant level. The currently proposed project does not exceed 657,000 square feet of GLA. Consequently, no new mitigation measures are required at this time.

**Finding 5. *The proposed use will not adversely affect other property in the vicinity and will not have substantial deleterious effects on existing business districts or the local economy.***

The Planned Development, because it incorporates the mitigation measures in the Mitigated Negative Declaration and the Environmental Impact Report, will not have a significant adverse effect on adjacent land uses. The EIR for this project included an urban decay analysis, as required under CEQA. On October 7, 2008 the City Council certified the EIR. Based on the evaluation of economic data, concerning retail leakage, the project will not have substantial deleterious effects on existing business districts or the local economy.

**Finding 6. *The proposed use relates favorably to the General Plan.***

The proposed Planned Development Amendment is consistent with the existing General Plan designation of Community Commercial. The Community Commercial designation is intended for a wide range of commercial uses including large format retail. The proposed expansion of retail commercial, restaurant, and parking uses is consistent with this designation. General Plan policies support the continued operation of this facility as a regional shopping center.

**Design Review Findings**

**Finding 1. *The proposed project is compatible with the site, adjacent or neighboring buildings and surroundings, and promotes harmonious transitions in scale and character between designated land uses.***

The Alameda Municipal Code provides that design review staff may determine compliance with this requirement by reviewing the project for consistency with the principles and standards as articulated in the City's Design Review Manual. The project has been determined to be consistent with the Design Review Manual based on the following facts:

1. The proposed project provides an improved interface with the shoreline public open spaces and the adjacent residential and commercial properties.
2. The proposed massing and height of the buildings is compatible with the existing buildings in the center and the larger buildings are located at the center of the site furthest from the shoreline and adjacent residential uses.
3. The proposed circulation system provides improved access and convenience for pedestrians, bicyclist, transit riders, and vehicles.
4. The site includes an appropriate mix of hardscape and landscape features to provide visual interest and spaces for relaxation and user enjoyment.
5. The conditions of approval ensure that all individual building designs are subject to Design Review approval to ensure compatible architectural styles throughout the center.

### **Tentative Tract Map Findings**

#### **Finding 1. The proposed map is consistent with applicable General and Specific Plans.**

The proposed map is consistent with the existing General Plan designation of Community Commercial. The Community Commercial designation is intended for a wide range of commercial uses including large format retail. The proposed expansion of retail commercial, restaurant, and parking uses would be consistent with this designation. General Plan policies support the continued operation of this facility as a regional shopping center.

#### **Finding 2. The proposed design/improvements are consistent with applicable General and Specific Plans.**

The proposed subdivision map will not alter existing or proposed design elements included in Planned Development or Design Review entitlements.

#### **Finding 3. The site is physically suitable for this type of development.**

The site is an existing shopping center. The proposed subdivision map will not require alteration to existing or proposed elements included in Planned Development or Design Review entitlements. Physical suitability of this site for development has been evaluated in the 2003 Mitigated Negative Declaration and the 2008 EIR.

**Finding 4. The site is physically suitable for the proposed density of development.**

The proposed subdivision map will not require alteration to existing or proposed elements included in Planned Development or Design Review entitlements. The proposed density of development has been evaluated in the 2003 Mitigated Negative Declaration and the 2008 EIR.

**Finding 5. The proposed subdivision and its related improvements are not likely to cause substantial environmental damage or cause injury to fish or wildlife habitats.**

The site is located within a developed urban area. The property is already developed. Potential environmental effects associated with the redevelopment and expansion of the site have been previously evaluated pursuant to the requirements of CEQA. Approval of the subdivision map will not require alteration to existing or proposed elements included in Planned Development or Design Review entitlements.

**Finding 6. The design of the subdivision and its related improvements will not conflict with easements, acquired by the public at large, for access through or the use of, property within the proposed subdivision.**

The proposed subdivision map will not require alteration to existing or proposed elements of the Planned Development entitlements, which include a comprehensive network of vehicular, pedestrian, bicycle and transit access improvements.

**Finding 7. The design of the subdivision or the type of improvements will not cause public health problems.**

The proposed subdivision map will not require alteration to existing or proposed elements included in Planned Development or Design Review entitlements. The project has been evaluated in the 2003 Mitigated Negative Declaration and the 2008 EIR and no potential adverse health effects have been identified.

**ENVIRONMENTAL REVIEW**

In 2003, the City adopted a Mitigated Negative Declaration (MND) that evaluated the potential adverse effects of redeveloping the center and expanding it to 657,500 square feet of GLA. All required mitigations from that MND have been implemented. The project as currently proposed will not exceed 657,000 square feet. Additionally, an EIR has been prepared that evaluated the proposed expansion of the project from 657,500 square feet of GLA up to 706,650 square feet of GLA. The EIR was certified by the City Council on October 7, 2008. Although the current proposal does not include an expansion beyond 657,000 square feet, where appropriate, mitigation measures have been updated and supplemented, in the EIR, the attached resolution and the mitigation

monitoring and reporting program, to address minor changes in regional standards such as air and water quality and new project phasing plans. Feasible mitigation measures have been identified that reduce all potentially significant impacts to a less than significant level. Consequently, the project will not have a significant adverse effect on the environment.

**PUBLIC NOTICE**

A notice for this hearing was mailed to property owners and residents within 500 feet of this site and interested parties who have previously requested notification, published in the Alameda Journal and posted at the subject property. Staff has not received any public comments on this project.

**RECOMMENDATION**

Approve PDA 05-0004, Major Design Review DR05-0073, minor modifications to the Mitigation Monitoring Program and recommend City Council approval of Tentative Tract Map 8015 (File No. PLN08-0507).

RESPECTFULLY SUBMITTED BY:

REVIEWED BY:

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DOUGLAS GARRISON  
SUPERVISING PLANNER

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JON BIGGS  
PLANNING SERVICES MANAGER

Attachments:

1. Planned Development and Design Review Resolution
2. Tentative Tract Map Resolution
3. October 7, 2008 City Council Resolution
4. July 14, 2008 Planning Board Report
5. Project Plans