



DEPARTMENT OF
NEIGHBORHOODS, PLANNING AND
DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
ROOM 300
SACRAMENTO, CA
95814-2904

PLANNING
916-264-5381
FAX 916-264-5328

March 21, 2000

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: RETAIL MARKET STUDY (M99-041)

LOCATION: Citywide, North Natomas, and Downtown

RECOMMENDATION: Staff recommends that the City Council receive and accept the ERA study, and consider the staff recommended policies related to retail development regarding the Retail Market Study prepared by Economic Research Associates.

CONTACT PERSONS: Andy Plescia, Economic Development Director, 264-7223
Wendy Saunders, Downtown Development Manager, 264-8196
Dean Peckham, Senior Management Analyst, 264-7630
Gary Stonehouse, Planning Director, 264-5567
Carol Shearly, North Natomas Manager, 264-5893
Scot Mende, Senior Planner, North Area, 264-5894

FOR CITY COUNCIL MEETING OF: March 28, 2000 (evening)

SUMMARY: The report "Regional Retail Market Study: Citywide, North Natomas, and Downtown" dated December 9, 1999 by Economic Research Associates, was released to the public on December 20, 1999. The purpose of the Retail Market Study was threefold:

- § Identify nationwide retail market trends and issues, and determine the level of destination retail development which the region can support.
- § Analyze the proposed retail developments for North Natomas and the related impact on the approved Community Plan, and provide an objective analysis of the Plan's Guiding and Implementing Policies for future retail development.
- § Analyze the future of the Downtown as a destination urban retail entertainment center and develop recommendations to guide development in the implementation of the Downtown Redevelopment Project Area's five year strategic plan.

The study provides policy makers with recommended policies based on appropriate technical information and data with which to evaluate specific retail development proposals. The consultant's report includes 8 major recommendations. After review and as the subject of the Planning Commission public hearing, the recommendations were modified by staff and the Commission. These modified recommendations are attached to this staff report and should be the focus of the public review and City Council action.

VOTE OF PLANNING COMMISSION: On February 10, 2000, generally by a vote of six ayes, two abstentions, and one absent, the Planning Commission recommended approval of the retail market strategy as per the attached.

BACKGROUND: During 1999, North Natomas and the Downtown became the focal point for a number of retail development proposals. Simultaneously, Downtown Development was updating its five-year strategic plan for the Downtown Redevelopment Project Area.

Staff was, and still is concerned about the potential impact of these new development proposals on the existing retail areas of the City, the City's plans for the development of the North Natomas, and the need to ensure the health of the Downtown as the Region's destination entertainment/retail center.

The North Natomas Community Plan identified over 270 acres for commercial development to meet the neighborhood, commercial, and regional shopping needs of North Natomas and the region. A critical element of the Plan was the development of the thirteen (13) villages which would provide the retail, recreational, employment, and housing needs of the residents.

The City has also committed substantial human, economic, and financial resources towards the redevelopment of Downtown Sacramento. Examples include Old Sacramento, the Downtown Plaza, K Street Mall, a renovated central library, State and Federal office buildings, an expanded Convention Center and three hotels.

The City also contains several older neighborhoods with older commercial corridors which are integral to maintaining the quality of life enjoyed by the residents of these communities. The City would like to replicate these older neighborhoods in North Natomas, each with its own viable commercial area. However, the proposals for additional power centers in North Natomas are inconsistent with the land use designations for these areas.

Given the level of retail interest, the City needs to understand the implications of the various proposals to address the question of, "How do we support and encourage livable neighborhoods while maintaining and supporting sustainable levels of retail development given the current and projected population growth?"

As a first step towards achieving this goal, staff will work with the appropriate development entities to develop the appropriate building programs and achievable timetables for their respective projects, consistent with the recommendations set forth in the subject study.

The Retail Market Study generally concluded that:

- § The City of Sacramento over the next 20 years will demand about 2.2 million square feet of floor space in multi-tenant retail centers.
- § The total proposed supply of square footage for retail exceeds the market demand.
- § The distinctions between regional centers, power centers, community centers, and neighborhood centers are blurring as developers seek to capture a mix of regional supermarket chains, discount department stores, home improvement chains, office supply, and cineplexes.
- § Amendments to the General Plan to accommodate proposed additional power centers will both dilute and intercept the viability of the planned community and neighborhood centers
- § The City should consider supporting additional regional proposals to the extent that the proposals are non-competitive with planned/designated retail developments.

On the date of January 6, 2000, the Planning Commission conducted a four hour public workshop to discuss the findings, conclusions and recommendations of the Retail Market Study. The principal consultant, Dave Wilcox of Economic Research Associates, summarized the findings, conclusions and recommendations of the study. At least 13 members of the public testified at this workshop. Public testimony provided a wide range of comments from downtown stakeholders (Westfield Plaza, Mills Corp., Downtown Partnership), Natomas stakeholders (residents, E.J. Plesko, and Natomas property owners with vacant designated retail sites), and local experts in the retail market. In addition, written materials were submitted by Taylor, Hooper & Wiley (representing Opus West), Dayton-Hudson (Target), Ingemason Enterprises, Cleve Livingston, CB Richard Ellis, and Sacramento Regional Transit.

At the conclusion of the workshop, the Planning Commission directed staff to report back with a list of policy choices to guide the Commission through its process of forwarding recommendations to the City Council. The Commission also directed staff to discuss how any factual inaccuracies or omissions in the consultant's report could be incorporated. The Commission continued the item to February 10, 2000.

On February 10th, the Planning Commission received additional written materials from: Natomas Community Association, Donahue-Schriber, Marcus Lo Duca, Ray Tretheway, Capital Station District, supporters of Westfield, McDonough Holland & Allen, and Kay Knepprath. The Commission took several hours of additional testimony, accepted the ERA report, and recommended approval of the retail market strategy (see attached).

ENVIRONMENTAL REVIEW: The proposed retail policies are exempt from environmental review pursuant to State EIR Guidelines (CEQA Section 15061[b][3]). These policies propose no change in land use designation or intensities. Each retail proposal shall be considered on its merits and subjected to CEQA analysis.

FINANCIAL CONSIDERATIONS: Retail development represents a substantial component of the City's revenue stream. The proposed policies attempt to balance the desire to

expand the retail supply against the need to protect the existing supply of built retail and designated land for future retail.

POLICY CONSIDERATIONS: The retail analysis provides information to assist the City in making decisions on proposed new retail development. The analysis is also intended to review existing adopted policies, such as the North Natomas Retail Policies (May 3, 1994) and the Power Center and Big Box Retail Policy (February 13, 1996) to determine whether or not they are effective and appropriate given current market conditions. In addition, the analysis is intended to assist in guiding development of the retail component of the City's strategy for downtown redevelopment.

The work of the consultant also supports the efforts of the new Economic Development Department by providing a source of quantitative data as it develops a strategic plan for the Neighborhood Commercial Revitalization Areas and Downtown and Richards Boulevard Redevelopment Project Areas.

ESBD PROGRAM: There are no services or supplies purchased with this action.

Respectfully submitted,

GARY L. STONEHOUSE
Planning Director

ANDREW J. PLESCIA
Economic Development Manager

FOR CITY COUNCIL INFORMATION:
ROBERT P. THOMAS
CITY MANAGER


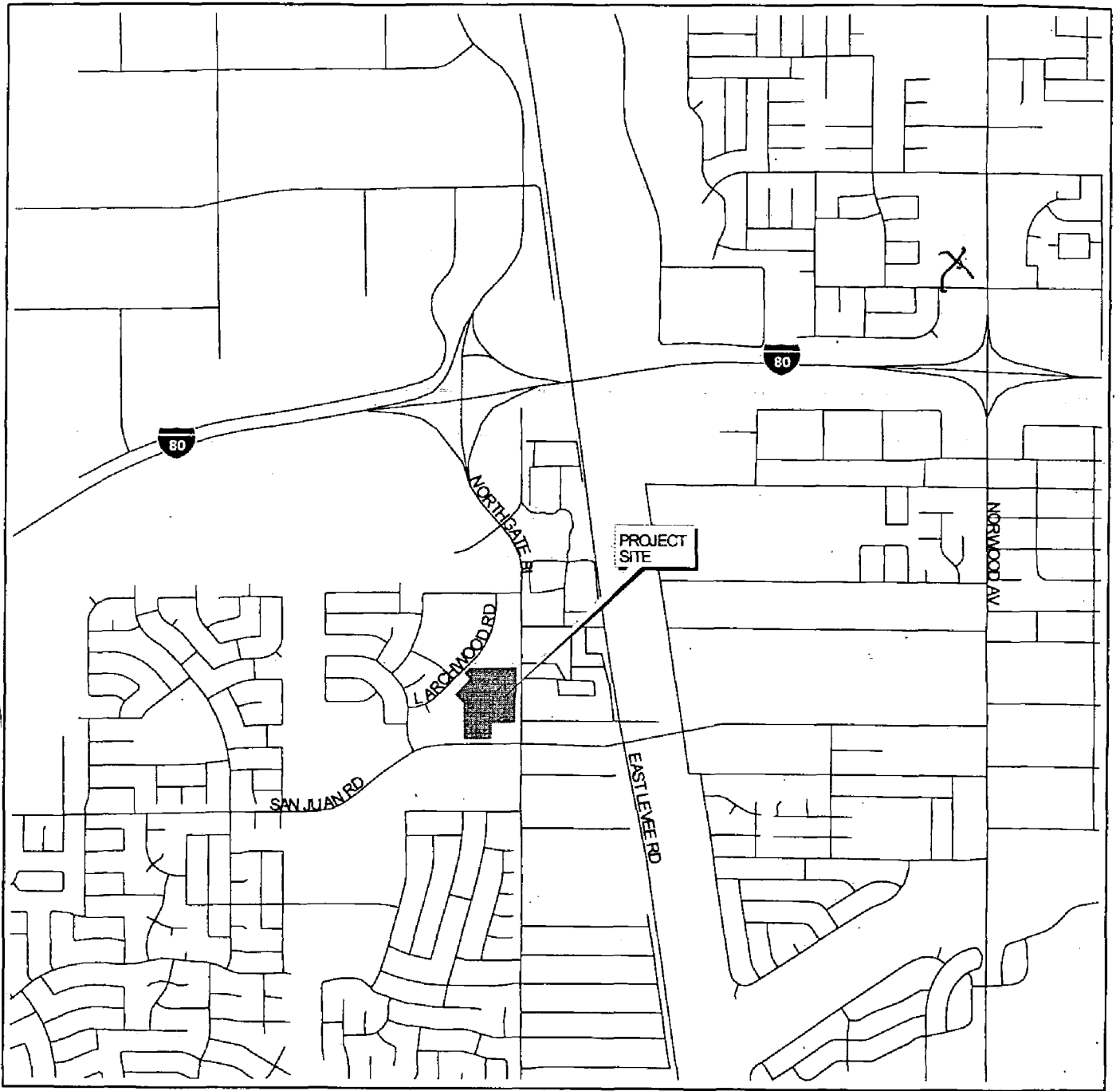
APPROVED:

THOMAS V. LEE

Deputy City Manager

Page Attachments

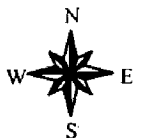
5 Recommendations Supporting Retail Development in The City of Sacramento



Planning & Building
Department

Geographic
Information
System

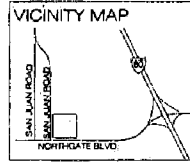
Vicinity Map P00-053





FOODS CO, SACRAMENTO

BLDG AREA: 73,402 SF
 PARKING REQUIRED: 294 STALLS (250 SF/CAR)
 PARKING PROVIDED: 428 STALLS (172 SF/CAR) 10 HANDICAP STALLS
 SITE AREA: 10.43 ACRES (EXCLUDES STATION)
 LAND/BUILDING RATIO: 4.4 : 1
 LANDSCAPE AREA: 42,814 SF (10.6% COVERAGE)

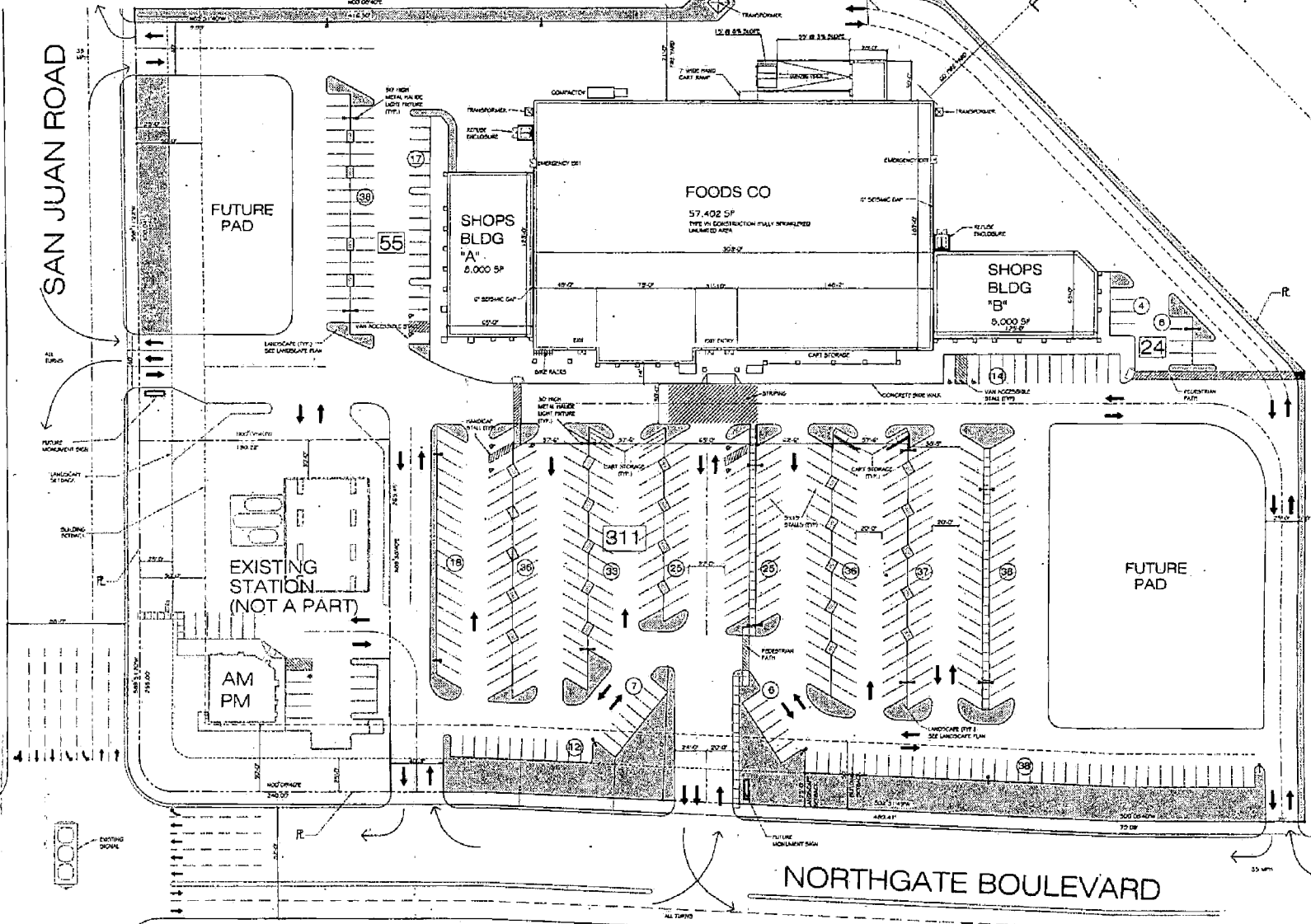


SCALE: 1"=30'

SAN JUAN ROAD

LARCHWOOD DRIVE

RESIDENTIAL

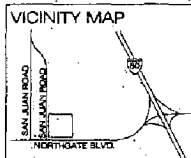


NORTHGATE BOULEVARD

DEVELOPER:
 WORLD PARTNERS
 118 HUNTER ST
 PALM ALTO, CA 94450

FOODS CO, SACRAMENTO

SCALE: 1"=30'



Medium height flowering shrubs along planer visible from building pads

Rear Property Line Evergreen Trees (Redwoods at 15 ft. spacing per City Requirement)

Medium height flowering shrubs

Tall screening hedge at North property line along entry drive into site

SAN JUAN ROAD

RESIDENTIAL

LARCHWOOD DRIVE

FOODS CO
57,402 SF
NET VS CONSTRUCTION FULLY SPECIFIED
UNLIMITED AREA

SHOPS BLDG.
"A"
9,000 SF

SHOPS BLDG.
"B"
9,000 SF

FUTURE PAD

EXISTING STATION
(NOT A PART)

AM
PM

FUTURE PAD

Non-irrigated landscape on undeveloped pads at corner station (paved)

Site Accent Trees in tree walls (Crape Myrtles)

Parking Lot Alam Tree (Common Hackberry)

Low screen planting with ground cover in planer spaces along parking spaces

Medium Height Flowering Shrubs

1/2" 12' rounded pathway with meandering lawn edge and alternating masses of spreading, flowering shrubs to provide screen for buildings in parking lot

Entry Accent Trees (Crape Myrtles)

Monument Sign

Low screen planting at site entry driveway and around monument sign

NORTHGATE BOULEVARD

Landscape Legend:

- Parking Lot Canopy Tree
Fraxinus florosa Hill (Rose Hill Ash)
- Parking Lot Isle Tree
Castilleja occidentalis (Common Hackberry)
- Frontage Canopy Tree
Acer platanoides (Norway Maple)
- Entry Accent tree
Lagerströmia 'Tuscarora' (Standard Crape Myrtle)
- Rear Perimeter Evergreen Tree
Sequoia sempervirens 'Apex Blue' (Coast Redwood)

Preliminary Plant List:

- Trees:**
- Acer platanoides* (Norway Maple)
 - Castilleja occidentalis* (Common Hackberry)
 - Fraxinus florosa* Hill (Rose Hill Ash)
 - Lagerströmia 'Tuscarora'* (Crape Myrtle)
 - Sequoia sempervirens 'Apex Blue'* (Coast Redwood)
- Shrubs:**
- Abutilon* species (Abutilon)
 - Actinophyllum* species (Asteraceae)
 - Baccharis* species (Baccharis)
 - Diarrhiza* 'Carmel Creeper' (Wild Licor)
 - Osier* species (Salicaceae)
 - Escallonia* species (Escallonia)
 - Gravillia* species (Ononidaceae)
 - Malva* species (Malvaceae)
 - Malva* 'Carmel Creeper' (Wild Licor)
 - Phlox* species (Phlox)
 - Ribes* species (Rosaceae)
 - Ribes* 'Carmel Creeper' (Wild Licor)
 - Xylocarpus* species (Rubiaceae)
- Ground Covers:**
- Agrostis* species (Poaceae)
 - Colymba* species (Liliaceae)
 - Trifolium* species (Leguminosae)
 - Veronica* species (Veronica)
- Soil Layer:**
- Salvia* species (Lamiaceae)
 - Salvia* species (Lamiaceae)

SHADE CALCULATIONS:

AREA OF PARKING LOT: 180,000 SQ. FT.
(NOT INCLUDING TRUCK DELIVERY AREA REAR OF FOODS CO BLDG.)

TREE CANOPIES: 60,000 SQ. FT.

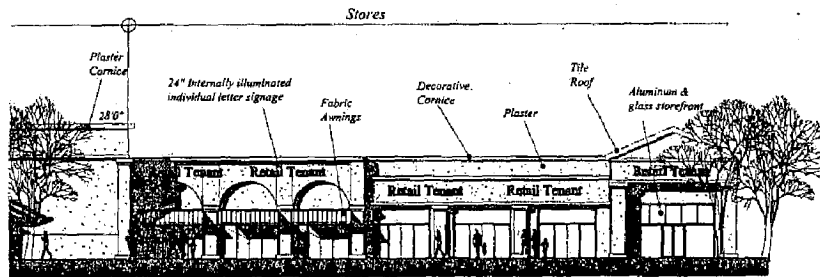
PERCENTAGE OF SHADING: 33.3%

56 FT. CANOPY TREES (ACER, DELTO, MAXIMUM) @ 2000 SF PER TREE
50% CANOPY = 28 TREES = 56,000 SF

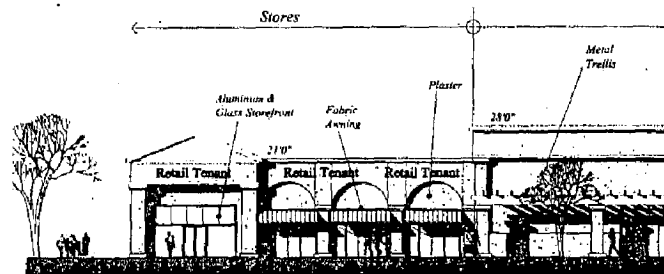
56 FT. CANOPY TREES (ACER, DELTO, MAXIMUM) @ 2000 SF PER TREE
50% CANOPY = 14 TREES = 28,000 SF

56 FT. CANOPY TREES (ACER, DELTO, MAXIMUM) @ 2000 SF PER TREE
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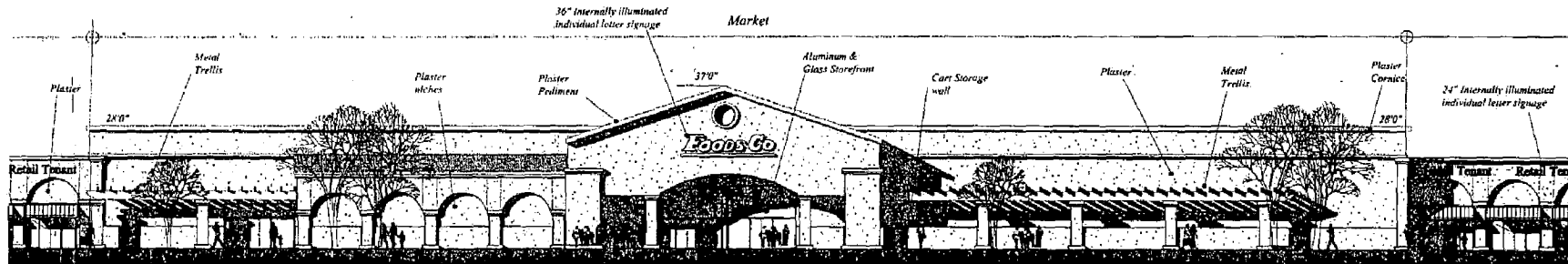
THOMAS BAKER & ASSOCIATES
415 WILKES ST.
PALM BEACH, FL 33480
TEL: 561-833-1111
FAX: 561-833-1112



East Elevation
Stores B
1" = 10'



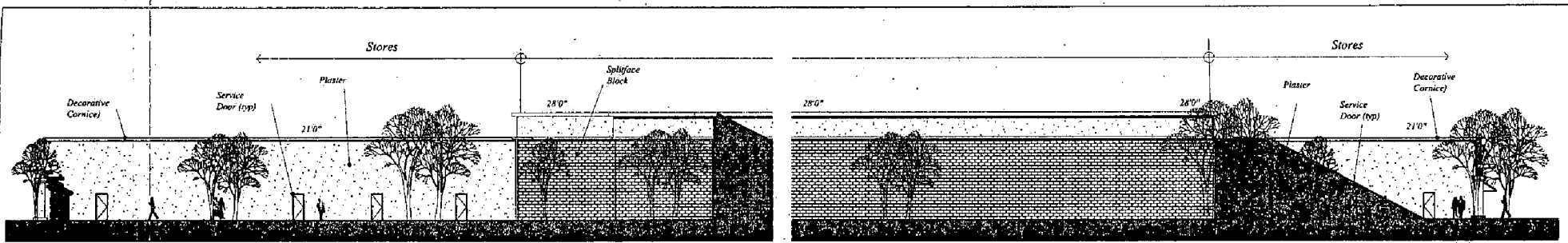
East Elevation
Stores A
1" = 10'



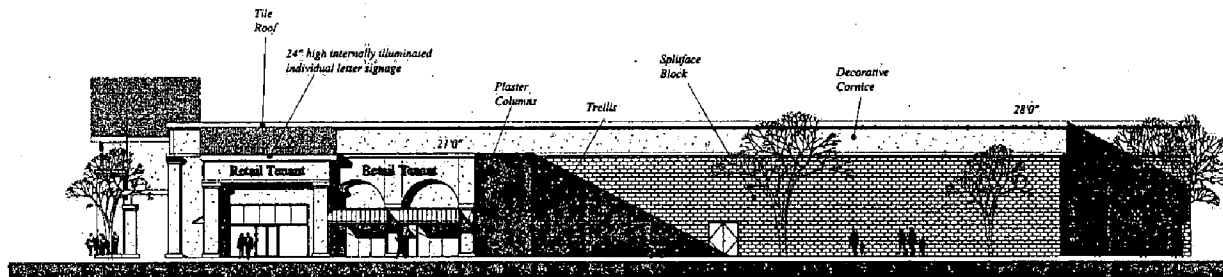
East Elevation
Market
1" = 10'

NATOMAS GARDENS

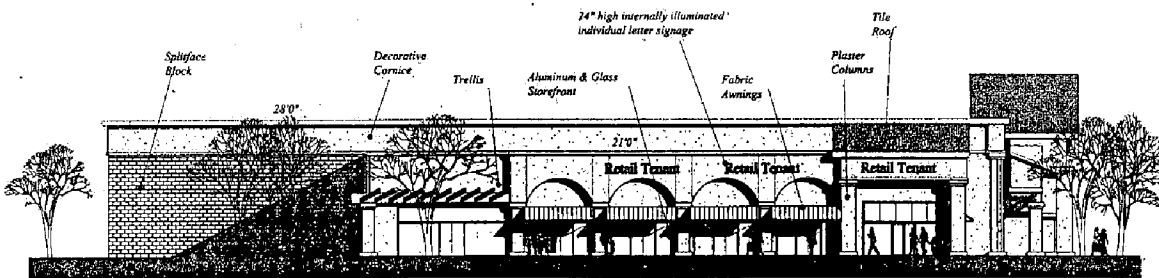
Note: All rooftop mechanical equipment to be increased 60% view



West Elevation
Market
1" = 10' 0"



North Elevation
Stores B
1" = 10' 0"



South Elevation
Stores A
1" = 10' 0"

NATOMAS GARDENS

Note: All rooftop mechanical equipment to be screened from view