

APPROVAL

CITY PLANNING COMMISSION

1231 "I" STREET, SUITE 200, SACRAMENTO, CA 95814

APPLICANT Ferrar Williams Architects - 1418 20th Street, Sacramento, CA 95814
OWNER Inaba Bros. - 412 R Street, Sacramento, CA 95814
PLANS BY Ferrar Williams Architects - 1418 20th Street, Sacramento, CA 95814
FILING DATE 11-14-86 ENVIR. DET. Neg. Dec. 1-12-87 REPORT BY JP:sg
ASSESSOR'S-PCL. NO. 009-053-013,014; 009-055-020,021

- APPLICATION:
- A. Negative Declaration
 - B. Review and Transmittal of Conditions to the Sacramento Housing and Redevelopment Commission on an Owner Participation Agreement for an office project exceeding 75,000 square feet within the R Street Corridor
 - C. Special Permit to develop a major project in the Central City
 - D. Special permit to construct a building with more than 25% office space in the C-4 zone
 - E. Variance to locate 565 required parking spaces off-site
 - F. Lot Line Adjustment to merge two lots

LOCATION: South side of R Street between 4th and 5th Streets (office building) and 5th and 6th Streets (parking garage).

PROPOSAL: The applicant is requesting the necessary entitlements to construct a 226,000+ square foot office complex with ground floor retail and a 565 space parking garage in the Central City Community Plan area.

PROJECT INFORMATION:

1974 General Plan Designation: Industrial
1980 Central City Community
Plan Designation: Heavy Commercial
Existing Zoning of Site: C-4
Existing Land Use of Site: Warehouse, electronics firm

Surrounding Land Use and Zoning:	Setbacks:	Required	Office Provided	Garage Provided
North: Vacant, parking, manufacturing, auto commercial; C-4	Front:	none	none	none
South: Office, warehouse, residential; C-4, R-0	Side (St):	none	none	4'
East: Office, warehouse; C-4	Rear:	none	none	4'
West: Warehouse; C-4				

Parking Required: 565 spaces Parking Ratio Required: 1:400 sq. ft.
Parking Provided: 565 spaces
Property Dimensions: Two sites each 160'+ x 320'+
Property Area: Two sites each 1.2 ± acres (total 2.4± acres)

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APPLC. NO. P86-456 MEETING DATE May 14, 1987 ITEM NO 10

Square Footage of Building: Office building: 226,000+ sq ft.;
Parking garage: 39,884 sq. ft.

Height of Building: Office building: 75+' to top of plate line;
106+' to top of roof structure
Parking garage: 34+' to top of level 4;
52' to top of mechanical screen)

Exterior Building Materials: Light tone precast concrete panels and glass

BACKGROUND INFORMATION: On November 14, 1985 the Planning Commission heard a request to develop a major project consisting of 206,000+ square foot, 116 foot high office building with 515 on-site parking spaces on the southern half block bounded by 4th Street, 5th Street, R Street and the alley (P85-365). The Planning Commission approved the project subject to the conditions that the height be reduce to 78 feet (thus also reducing building square footage) and that the building include ground floor retail. On February 18, 1986 the City Council continued the major project review so that the applicant could work with Planning and Redevelopment Agency staff to include housing as part of the proposal and to provide mitigation measures for traffic impacts. This project was subsequently withdrawn by the applicant on November 25, 1986.

On November 14, 1986 the applicant's proposal to construct a 226,000+ square foot office building with ground floor retail and a 565 space parking garage was submitted (Exhibits B-J). The proposed office building is on the same half block site (4th-5th Streets, R Street - alley) as the previous proposal (P85-365). The proposed 565 space parking garage, however, is on an adjacent half block site (5th - 6th Streets, R Street-alley) which was not included in the previous application.

As the proposed project is located in the Central City Community Plan area it was affected by the Downtown Urban Design Plan which underwent public hearings in late 1986 and the first part of 1987. On February 18, 1987 the City Council adopted an ordinance creating a special planning district for the Central Business District (C-3) zone (Ordinance 87-013).

The City Council is still considering an ordinance which restricts the development of office buildings over 75,000 square feet in area within the Central City but outside of the C-3 zone (Exhibit K). A draft resolution has also been prepared which will allow office projects over 75,000 square feet which are proposed for redevelopment areas to proceed if they execute an Owner Participation Agreement (OPA) with the Redevelopment Agency (Exhibit L). Under the proposed resolution the Redevelopment Agency staff prepares the OPA which is then reviewed and approved by the Sacramento Housing and Redevelopment Commission and the City Council acting as the Redevelopment Agency. The Planning Commission is to act in an advisory capacity to the Redevelopment Commission and recommend conditions that are to be included in the OPA. This proposed resolution affects the subject site as it is located in the R Street Corridor which is a redevelopment area.

While the City Council has not officially adopted the ordinance relating to projects in the R Street Corridor it has been determined that the Planning Commission can prepare their recommendations to the Redevelopment Commission for the OPA. The City Council is scheduled to hear the proposed ordinance and resolution on May 21, 1987. If the ordinance and resolution are approved by the City Council, any recommendations on the proposed project made by the Planning Commission will be included in the OPA. If the

proposed ordinance and resolution are not acted upon by the City Council at the May 21st meeting, the Planning Commission will hear the entitlement of a special permit for a major project at the May 28, 1987 meeting. The following report addresses Planning staff's recommendations for the OPA as well as the requested entitlements of: a special permit to construct a building with more than 25% office space in the C-4 zone; a variance to locate 565 parking spaces off-site and a lot line adjustment to merge two lots.

PROJECT EVALUATION: Staff has the following comments regarding this proposal:

A. Land Use and Zoning

The subject site consists of two half blocks on the south side of R Street between 4th and 5th Streets and 5th and 6th Streets. Both half blocks consist of 1.2+ acres (2.4+ acres total) and are located in the Heavy Commercial (C-4) zone. A warehousing operation for North American Food and Trading is currently located on the half block bounded by 4th and 5th Streets; Norcal Electronics Warehouse is located on the half block bounded by 5th and 6th Streets. Surrounding land uses include a vacant lot, parking, auto service and manufacturing to the north; office warehouse, parking and residential to the south; and warehouse/office to the east and west.

The applicant proposes to remove the existing warehouse on the half block bounded by 4th and 5th Streets and construct a 226,000+ square foot, 75 foot high (five floors) building (Exhibits B-J). The structure would consist of 216,400 square feet of office space and 9,600 square feet of ground floor retail. Required parking is proposed to be provided off-site on the half block bounded by 5th and 6th Streets. The applicant proposes to remove the existing building on this site and construct a 145,200 square foot, four level parking garage with 565 parking spaces (Exhibit G-H). Any proposed office project exceeding 75,000 square feet in the R Street Corridor is required to enter into Owner Participation Agreement.

B. R Street Corridor Owner Participation Agreement

As noted above, developers wishing to construct office buildings in the redevelopment area of the R Street Corridor which exceed 75,000 gross square feet in area will be required to execute a Owner Participation Agreement (OPA) with the Redevelopment Agency. As part of the OPA the developer will be required to contribute to a Central Business District Support Program Fund. Monies contributed to this fund shall be used by the Redevelopment Agency for the following:

1. Acquisition costs of land within the Merged Downtown Redevelopment Area;
2. Loans and grants to redevelopers pursuant to agreements for redevelopment projects within the Merged Downtown Redevelopment Area;
3. Costs relating to the construction of public improvements within the Merged Downtown Redevelopment Area.

In lieu of a special permit entitlement for a major project in the Central City, the Planning Commission is to act in an advisory capacity to the Redevelopment Commission and recommend conditions to be included as part of the OPA. The OPA is also to include the following conditions:

1. Pay pro-rata share of the costs of traffic mitigation measures including the extension of the Light Rail system;
2. Pay pro-rata share contribution for the extension and related costs for the operation of the K Street Mall bus shuttle program;
3. Provide open space amenities and pedestrian linkages as defined in the adopted Merged Downtown Redevelopment Plan.
4. Consider child care facilities as part of the project;
5. Restrict commercial uses to limited service retail;
6. Comply with the urban design and building massing provisions as specified in the adopted CBD-SPD Architectural Design Guidelines.
7. Comply with specific mitigation measures identified in the environmental determination which are in addition to the above requirements of this resolution.

The proposed resolution presently indicates that projects submitted to the City before February 18, 1987 are not required to comply with the last five (items 3-7) conditions. The Planning Commission, however, as part of their review can require these items as well as other conditions to be required as part of the OPA.

Planning staff finds that all the conditions listed above will be of benefit to the community and enhance the project and should be included as part of the Planning Commission's requirements for the project. Items 1, 3, 6 and 7 will be addressed in other sections of this report. In regard to item 5, the applicant has proposed 9,600 square feet of retail/commercial space on the ground floor level of the project. Planning staff recommends that the retail commercial uses in the structure be oriented towards building occupants and the occupants of nearby office buildings so as not to compete with retail uses located in the Central Business District. In order to provide future office workers with access to other retail commercial uses, Planning staff recommends that the applicant/developer be required to participate in any future Regional Transit agreement for the extension of the K Street Mall shoppers' bus shuttle to the R Street Corridor (Item 2). Planning staff also recommends that the applicant meet with the City's Child Care Coordinator to explore the possibilities of including child care facilities in the project and/or participating in the development of child care facilities in the R Street Corridor (Item 4).

C. Traffic and Circulation

The Environmental Coordinator and Traffic Engineering Division have determined that the traffic impact study completed for the previous application (P85-365)

would be valid for the proposed 226,000 square foot building and 565 space parking garage. The Traffic Engineering Division, as a result of the traffic impact study, recommended that a Transportation Systems Management (TSM) program that achieves a 20% reduction in peak hour traffic be required for the previous application. This mitigation measure would also be applicable to the proposed project. The Environmental Coordinator and Traffic Engineering also require that the applicant contribute a proportional share of financing to mitigate adverse traffic impacts in the R Street Corridor area.

The Traffic Engineering Division had the following comments regarding the submitted site plans and elevations:

1. Delete intrusion of building, ramp and stairs into the public right-of-way; and
2. The proposed parking garage should be redesigned as it: places too much traffic in a 20 foot wide alley; the garage entry is too close to the intersection and the design is too tight for traffic volume; and a second entrance/exit is needed as there will be too many cars using the garage to only have one access point.

The Environmental Coordinator also requires as a mitigation measure that an air quality analysis for the parking garage be provided.

The proposed project has also been reviewed by Regional Transit. RT recommends the following measures to mitigate the traffic impacts generated by the proposed project:

1. Provide as an employee benefit a transit pass subsidy. (Note: a transit pass subsidy may be one of the options considered by the applicant as part of a TSM program but cannot be a requirement)
2. Provide a bus shelter at the existing bus stop on 5th Street south of R Street.
3. Reduce the amount of parking required of the project. (Note: this would require a variance which the applicant has not requested)
4. Require that all long term parking fees be comparable to or greater than RT's monthly transit price.

D. Design

The applicant proposes to construct the five story office/retail building out of precast concrete panels with a light sand texture. The windows are proposed to be green reflective glass on the upper windows and solar grey on the lower windows. A three story glass enclosure is proposed for the lobby area and a glass canopy covers the ground floor retail arcade. Peaked metal roofs cover the mechanical areas. The proposed parking garage on the adjacent site is of a similar design and uses the same building materials. Staff finds that the massing and design concept of the proposed structure appears to be well thought out and has no objections to the submitted site plan and building design. The project is subject to the review and approval of the City's Design

Review/Preservation Board. The Design Review/Preservation Board, in their review of the projects may consider open space amenities, pedestrian linkages and the urban design and building massing suggestions specified in the CBD-SPD Architectural Design Guidelines.

E. Lot Line Adjustment

The applicant is requesting a lot line adjustment to merge the two lots on the half block between 5th Street and 6th Street in order to construct the proposed parking garage (a lot line merger has been approved for the two lots between 4th Street and 5th Street as part of the previous application but has not been recorded). The adjustment has been reviewed by the City Engineering, Traffic Engineering and Real Estate Divisions. There were no objections to the proposed merger.

ENVIRONMENTAL DETERMINATION:

The Environmental Coordinator has reviewed the proposed project and has filed a negative declaration, based on compliance with the following mitigation measures:

1. The applicant shall prepare an analysis of the air circulation within the proposed structure, including CO levels and other vehicular pollutants generated at full-occupancy peak-use times. This analysis should be performed by a certified professional in the field, and should recommend appropriate mitigation measures, if necessary. This study should be accompanied by a letter from the Air Resources Board (ARB) or other appropriate agency as identified by the ARB, assessing the adequacy of and concurring with the findings of the final report. This final report is required prior to the issuance of a building permit.
2. The applicant shall insure that future office tenants use staggered work hours and "flex" time for employees, as part of the required Transportation System Management Plan for this project, as outlined below.
3. The applicant shall develop and implement, to the satisfaction of the City Planning Director and the City Traffic Engineer, a Transportation Systems Management (TSM) plan that achieves at least a 20% reduction in future peak hour traffic for the project. This plan shall include:
 - Trip reductions facilities and services as outlined in the City's Transportation Management Plan.
 - Provisions for a TSM coordinator to implement the TSM plan.
 - Preferential carpool/vanpool programs to serve at least 10% of the building's occupants.
 - Provisions for an annual monitoring program performed by an independent consultant who is retained by the City Traffic Engineer's Office and paid for by the applicant.

A \$500 per day penalty for failure to comply with the 20% peak hour traffic reduction once the office building reaches 40% full-occupancy.

4. The TSM Plan shall be developed to the satisfaction of the City Planning Director and the City Traffic Engineer, prior to issuance of a building permit.
5. The TSM Plan shall be implemented as soon as is appropriate for each individual measure, under no circumstances later than such time as 50 percent full-occupancy of the subject office building is achieved.
6. The applicant shall be obligated to contribute a proportional share of financing for measures identified by the City Traffic Engineer to mitigate traffic impacts in the "R Street Corridor". This contribution may be a condition of the building permit and/or may occur after-the-fact in the form of an assessment.

RECOMMENDATION: Staff recommends the following actions:

- A. Ratify the Negative Declaration;
- B. Approve the conditions which follow for inclusion in the Owner Participation Agreement (OPA) between the City of Sacramento and the applicant/developer and transmit to the Sacramento Housing and Redevelopment Commission;
- C. Continue the Special Permit for a major project to the May 28, 1987 Planning Commission meeting;
- D. Approve the Special Permit to construct a building with more than 25% office space in the C-4 zone subject to conditions to be included in the OPA and based upon findings of fact which follow;
- E. Approve the Variance to locate 565 required parking spaces off-site subject to the conditions to be included in the OPA and based upon findings of fact which follow; and
- F. Approve the Lot Line Adjustment by adopting the attached resolution.

Conditions

The following conditions shall be included in the Owner Participation Agreement (OPA) between the applicant/developer and the City of Sacramento:

1. The ground floor of the project shall contain 9,600+ square feet of commercial use. The commercial uses in the structure shall be oriented towards building occupants and the occupants of nearby office buildings.
2. The applicant/developer shall participate in any future Regional Transit agreement for the extension of the K Street Mall Shoppers' bus shuttle to the R Street Corridor. The applicant/developer shall provide a letter indicating that they have discussed participation.

with Regional Transit in the shoppers' bus extension prior to issuance of building permits.

3. The applicant/developer shall meet with the City's Child Care Coordinator to explore the possibilities of including child care facilities in the project and/or participating in the development of child care facilities in the R Street Corridor. The applicant/developer shall provide a letter indicating they have met with the Child Care Coordinator prior to issuance of building permits.
4. The applicant shall obtain the necessary revocable permits from the City Public Works Department for any development proposed in the public right-of-way.
5. The entrances and exits to the proposed parking garage shall be redesigned to the satisfaction of the City Traffic Engineering Division. Any proposed redesign shall not interrupt the future Light Rail alignment for the R Street Corridor.
6. The applicant/developer shall enter into a contract with Regional Transit to provide a bus shelter at the existing bus stop on 5th Street, south of R Street. The design of the bus shelter shall be compatible with the proposed office building and shall be subject to the review and approval of the Planning Director and Regional Transit.
7. The proposed office building and parking garage shall be subject to the review and approval of the City's Design Review/Preservation Board. The Design Review/Preservation Board's conditions of approval for the project shall become conditions of the Owner Participation Agreement (OPA).
8. The project shall be subject to the following mitigation measures of the City's Environmental Coordinator;
 - a. The applicant shall prepare an analysis of the air circulation within the proposed structure, including CO levels and other vehicular pollutants generated at full-occupancy peak-use times. This analysis should be performed by a certified professional in the field, and should recommend appropriate mitigation measures, if necessary. This study should be accompanied by a letter from the Air Resources Board (ARB) or other appropriate agency as identified by the ARB, assessing the adequacy of and concurring with the findings of the final report. This final report is required prior to the issuance of a building permit.
 - b. The applicant shall insure that future office tenants use staggered work hours and "flex" time for employees, as part of the required Transportation System Management Plan for this project, as outlined below.

c. The applicant shall develop and implement, to the satisfaction of the City Planning Director and the City Traffic Engineer, a Transportation Systems Management (TSM) plan that achieves at least a 20% reduction in future peak hour traffic for the project. This plan shall include:

- Trip reductions facilities and services as outlined in the City's Transportation Management Plan.
 - Provisions for a TSM coordinator to implement the TSM plan.
 - Preferential carpool/vanpool programs to serve at least 10% of the building's occupants.
 - Provisions for an annual monitoring program performed by an independent consultant who is retained by the City Traffic Engineer's Office and paid for by the applicant.
 - A \$500 per day penalty for failure to comply with the 20% peak hour traffic reduction once the office building reaches 40% full-occupancy.
- d. The TSM Plan shall be developed to the satisfaction of the City Planning Director and the City Traffic Engineer, prior to issuance of a building permit.
- e. The TSM Plan shall be implemented as soon as is appropriate for each individual measure, under no circumstances later than such time as 50 percent full-occupancy of the subject office building is achieved.
- f. The applicant shall be obligated to contribute a proportional share of financing for measures identified by the City Traffic Engineer to mitigate traffic impacts in the R Street Corridor. This contribution may be a condition of the building permit and/or may occur after-the-fact in the form of an assessment.

Findings of Fact

1. The project, as conditioned, is based upon sound principles of land use in that the proposed office building is compatible with surrounding office building, residential, and warehouse uses.
2. The project, as conditioned, will not be detrimental to the public health, safety or welfare, nor result in the creation of a nuisance in that:

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- a. an Owner Participation Agreement will be entered into between the City and the applicant to address the design of the structures, required amenities and to mitigate any traffic impacts created by the project; and
 - b. adequate parking will be provided on a half-block adjacent to the subject site.
3. The proposed variance does not constitute a use variance in that parking facilities are permitted in the C-4 zone.
 4. The proposed project is consistent with the City's discretionary interim land use policy in that the site is designated for Heavy Commercial use by the 1980 Central City Plan and the proposed office use conforms with the plan designation.

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