

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

~~5.1~~
6.1

September 17, 2003

Redevelopment Agency of the City of Sacramento.
Sacramento, California



Honorable Members in Session:

SUBJECT: Lot A – Public Hearing to Approve an Addendum to the 601 Capitol Mall Project Environmental Impact Report (EIR) and to Approve the First Implementation Agreement Amending the Disposition and Development Agreement (DDA) between the Redevelopment Agency and Lot A Landholders, LLC and David S. Taylor Interests, Inc. (DST)

COUNCIL DISTRICT AND LOCATION: Council District 1, 601 & 621 Capitol Mall

RECOMMENDATION:

This report recommends that the Redevelopment Agency of the City of Sacramento (Agency) adopt the attached resolution, which authorizes execution of the First Implementation Agreement between the Redevelopment Agency and Lot A Landholders, LLC (which is on file with the City Clerk) by the Designated Signatory which will:

- a) Authorize application for a lot line adjustment which creates a New Phase I parcel consisting of the eastern 62% of the Property and a New Phase II parcel consisting of the western 38% of the Property;
- b) Approve the exchange of property between the Agency and the Developer resulting in the Developer acquiring the New Phase I Property in exchange for the Agency's acquiring the New Phase II Property;
- c) Terminate the existing Ground Lease and execute a new Ground Lease for the New Phase II Property.
- d) Approve execution of an Amended Assignment and Assumption Agreement by which DST would retain its rights and obligation regarding acquisition and development of the New Phase II Property.

CONTACT PERSONS: Michelle Nelson, Senior Project Manager, 264-7064
Wendy Saunders, Downtown Development Manager, 264-8196

FOR COUNCIL MEETING OF: October 9, 2003

Building on Our History - Creating The Place to Be.

SUMMARY:

This report recommends amendments to the environmental document and the Disposition and Development Agreement for Lot A to reorient the project site to meet current market conditions. The new first phase of the project will now be referred to as the 621 Capitol Mall project.

BACKGROUND

On May 15, 2001, the City Council certified the Lot A EIR and approved a DDA with Lot A Partners, LLC to develop a two-phased office-tower project. It also authorized execution of a Ground Lease Agreement for the Phase II Property for parking and related purposes.

An Assignment and Assumption Agreement executed on May 23, 2002, concurrently with the DDA and Ground Lease, assigned to Lot A Landholders (Developer) DST's rights to acquire and develop the Phase I Property, and to lease the Phase II Property. DST retained the right to acquire and develop the Phase II Property.

The Developer now desires to reorient the property to respond to market demands and to adopt a new lot line adjustment and amend the DDA and other related documents to reflect this reorientation. As originally adopted, Phase I would be constructed on the west side of the lot with a surface parking lot located on the Phase II site along 7th Street. The modified subdivision of the property would basically be a mirror image of the previous configuration with the New Phase I Property consisting of the eastern 62% of the Property and the New Phase II consisting of the western 38% of the property (Attachment 1).

The project maintains the same ground-floor retail and office aspects with smaller urban design characteristics regarding height and massing. Minor design changes in the Phase I building include increasing the setback from Capitol Mall and reducing the office levels from 26 to 24 levels. The new Phase I project will be called "621 Capitol Mall".

FINANCIAL CONSIDERATIONS:

The approval of the amended agreements does not have any financial implication for the Agency. The Developer has prepared an amended survey and will process the lot line adjustment at its sole cost.

POLICY CONSIDERATIONS:

The action recommended in this report is consistent with the Agency policy of reconfiguring property to assist the redevelopment of commercial properties in redevelopment areas. In addition, the recommended action is consistent with the goal to promote and support economic vitality from the City Council approved 2001-2004 City of Sacramento Strategic Plan:

ENVIRONMENTAL CONSIDERATIONS

On May 15, 2001, the City Council certified the Final 601 Capitol Mall EIR, adopted Findings of Fact and a statement of Overriding Considerations, and adopted a Mitigation Monitoring Plan (MMP).

Section 15164 of the California Environmental Quality Act (CEQA) states that "the lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or

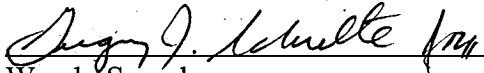
additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.”


The 621 Project is slightly shorter, but maintains the same ground-floor retail and office aspects, with similar urban design characteristics regarding height and massing. Locating the building on the eastern portion of the site along 7th Street would alter wind conditions and localized traffic circulation. The City Public Work Department has determined that the change in driveways on 7th Street and parking spaces accessed from 6th and 7th streets would have a less than significant effect on traffic flows. The microclimate consultant determined that hazardous wind conditions would either be the same or less than those identified in the EIR. There are no new or substantially more severe significant effects, and no new mitigation measures required.

A copy of the Addendum to the 601 Capitol Mall Final EIR is on file with the City Clerk (730 I Street; 2nd Floor).

Respectfully submitted,

APPROVED:


Wendy Saunders
Economic Development Manager


Betty Masuoka
Assistant City Manager

RECOMMENDATION APPROVED:


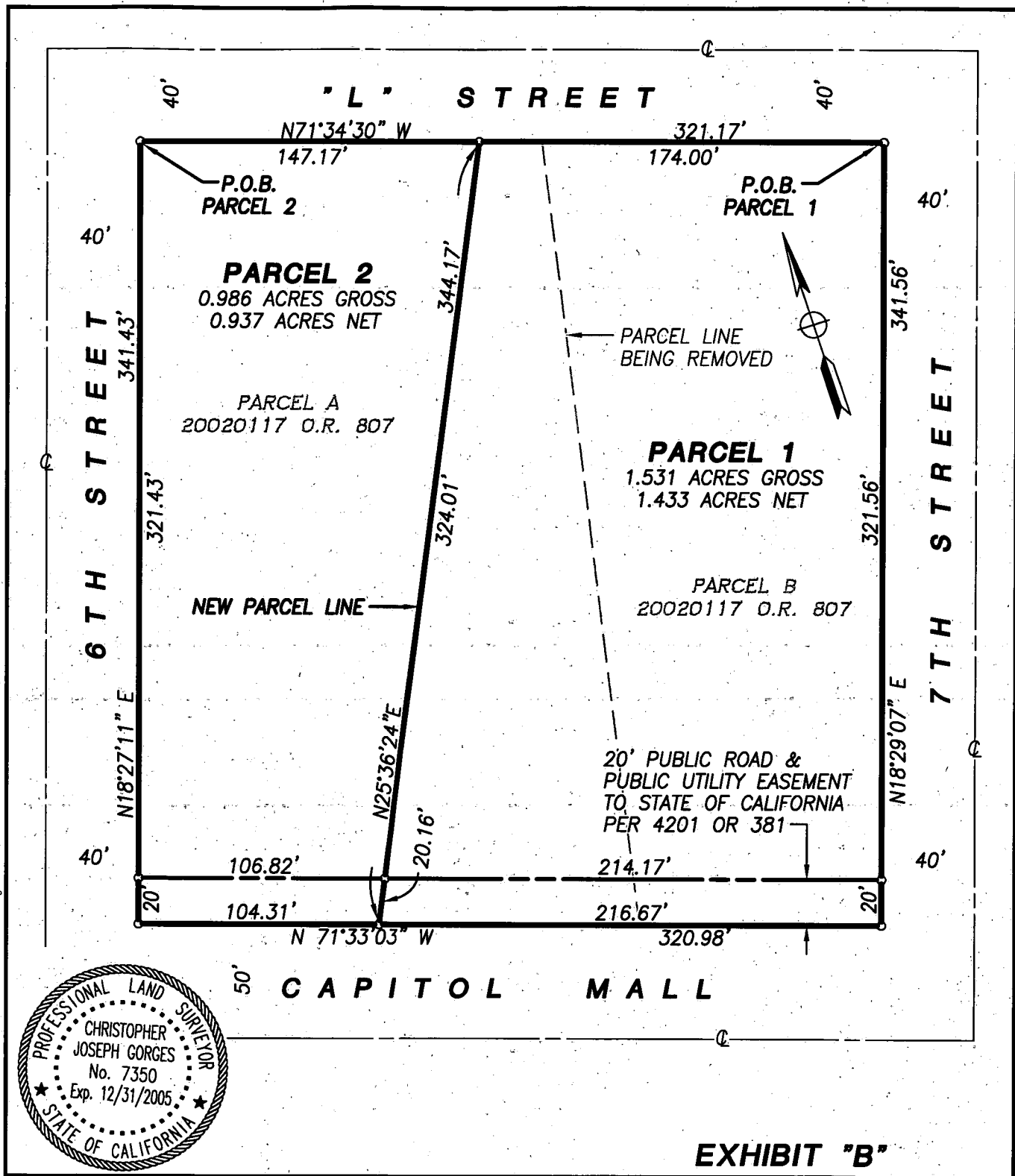

aw ROBERT P. THOMAS
CITY MANAGER

Table of Contents:

- Attachment 1 – Proposed New Parcel Map, page 4
- Resolution – page 5



X:\PROJ\000092\DWG\00092EX4.DWG 07-23-03 10:31 am - CGorges



EXHIBIT "B"

mp

MORTON & PITALO, INC.
CIVIL ENGINEERING • PLANNING • SURVEYING
1788 Tribute Road, Suite 200 • Sacramento, CA 95815
phone: 916.927.2400 • fax: 916.567.0120 • survey fax: 916.927.1185
email: engr@mpengr.com • web: www.mpengr.com

DRAWN:	CJG	JOB NO.:	000092
CHECKED:	CJG	DATE:	JULY 2003
SCALE:	1" = 60'	SHEET:	1 of 1

PLAT TO ACCOMPANY

LOT LINE ADJUSTMENT
PARCELS A & B
20020117 O.R. 807

CITY OF SACRAMENTO CALIFORNIA



RESOLUTION NO. 2003-057

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____
APPROVAL OF AN ADDENDUM TO THE 601 CAPITOL MALL FINAL EIR
FOR THE REORIENTED 621 CAPITOL MALL PROJECT AND
APPROVAL OF THE FIRST IMPLEMENTATION AGREEMENT AMENDING
THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN
THE REDEVELOPMENT AGENCY,
LOT LANDHOLDERS, LLC AND DAVID S. TAYLOR INTERESTS, INC.

WHEREAS, an Addendum to the Final Environmental Impact Report (the "Addendum") on the 601 Capitol Mall Project (the "Project") has been prepared by the Redevelopment Agency of the City of Sacramento (the "Agency") in compliance with the California Environmental Quality Act (Public Resources Code Section 21000 et. seq., hereinafter "CEQA") and the administrative guidelines thereunder (14 Cal, Code Regs. 15000 et. seq., hereinafter the "CEQA Guidelines") and local procedures adopted by the Agency pursuant thereto; and

WHEREAS, notice having been duly given, a public hearing has been held on the Project on September 30, 2003 by the Agency, as lead agency and the City of Council of the City of Sacramento as responsible agency and all interested persons present having been heard, and said Addendum and 601 Capitol Mall EIR having been reviewed and considered; and

WHEREAS, the Addendum reflects the independent judgment and analysis of the Agency as lead agency under CEQA (pub. Res. Code, § 21082.1 (c)(3); 14 Cal. Code Regs. § 15090 (a)(3); now therefore,

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The above statements are true and correct.

Section 2: The Agency has reviewed the Addendum and Final 601 Capitol Mall EIR and hereby approves the Addendum as adequate, complete and appropriate.

Section 3: The Agency hereby authorizes execution of the First Implementation Agreement between the Redevelopment Agency, Lot A Landholders, LLC, and David S. Taylor Inc by the Designated Signatory, which will:

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ 5

- a) Authorize application for a lot line adjustment which creates a New Phase 1 parcel consisting of the eastern 62% of the Property and a New Phase 2 parcel consisting of the western 38% of the Property;
- b) Approve the exchange of property between the Agency and the Developer resulting in the Developer acquiring the New Phase 1 Property in exchange for the Agency's acquiring the New Phase II Property;
- c) Terminate the existing Ground Lease and execute a new Ground Lease for the New Phase II Property.
- d) Approve execution of an Amended Assignment and Assumption Agreement by which DST would retain its rights and obligation regarding acquisition and development of the New Phase II Property.

Chair

Attest:

Secretary

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

✓ 1

**ADDENDUM TO THE 601 CAPITOL MALL PROJECT
ENVIRONMENTAL IMPACT REPORT
621 Capitol Mall, Sacramento, California**

BACKGROUND

The Redevelopment Agency of the City of Sacramento ("Agency"), as lead agency, and the City Council of the City of Sacramento, as responsible agency, in joint hearing approved the 601 Capitol Mall project on May 15, 2001. The 601 Capitol Mall project included approval of a Disposition and Development Agreement (DDA) from the Agency, and Design Review and Preservation Board approval of the Phase I project design.

The developer now proposes to adopt a new lot line adjustment, amend the DDA and reorient the project to meet current market conditions, as outlined below. The project name has been changed to 621 Capitol Mall, reflecting the new site address.

CEQA Requirements for Subsequent Review of a Change in Project Description

Section 15164 of the California Environmental Quality Act (CEQA) states that "the lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." Section 15162 states that when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

An addendum need not be circulated for public review but can be included in or attached to the final EIR. This Addendum will be provided with the draft and final 601 Capitol Mall EIRs to the City Council and Redevelopment Agency for their consideration of amendments to the DDA, design review and approval of a lot line adjustment for the 621 Capitol Mall project.

LOCATION

The 621 Capitol Mall Project site is located in the Central Business District of the City of Sacramento. The two-phased project site is located on one full, 2.4-acre city block between 6th and 7th streets, Capitol Mall and L Street. This site is the City of Sacramento's ("City") Lot A parking lot, and the site is commonly known as "Lot A."

UPDATED PROJECT DESCRIPTION – 621 CAPITOL MALL PROJECT

The 601 Capitol Mall Project as originally approved would be accomplished in two phases, and consist of two 400' high-rise towers facing Capitol Mall. The total project, Phases I and II, would provide a combined total of 760,000 gross square feet (gsf) office, 45,000 gsf retail, and parking for 1,600 cars. The Agency approved both the Phase I and Phase II projects for purposes of the DDA.

As originally adopted, Phase I would be constructed on the west side of the lot with a surface parking lot located on the Phase II site along 7th Street. The total Phase I project would be a maximum of 690,000 gsf, consisting of office (360,000 gsf), retail (30,000 gsf), parking (300,000 gsf / 860 parking spaces) and mechanical penthouse. Phase II would be later determined, and constructed over the surface parking area (DEIR Figure 3.0-3).

The modified project changes would flip the location of Phases I and II, and provide an additional 25' setback from Capitol Mall. The Phase I building, still 400' to the top of the architectural element but now only 24 stories, would be constructed on the east side of the site along 7th Street. The project will maintain office and retail square footages equal to or less than those identified and analyzed in the EIR. The total Phase I project as modified would be a maximum of 668,833 gsf, consisting of office (344,386 gsf), retail (13,918 gsf), restaurant (6,726 gsf), parking (698 parking spaces) and mechanical penthouse. Ingress and egress locations will remain similar, although the service entry/exit on 7th Street will be located a little closer to Capitol Mall.

The description on page 3.0-6 in the Draft EIR is amended as follows:

The Phase I office building will be a landmark, Class A high-rise, ~~26~~24-floor office tower, up to 400 feet to the top of the architectural element, with ground floor retail and parking. The building will feature one level of subterranean parking, six levels of above grade parking on levels 2 through 7, and ~~18-16~~ levels of office space on levels 8 through ~~25-24~~ (Figures 3.0-10 to 3.0-12: Typical Floor Plans). The first or ground level of the building will feature a grand lobby with restaurant and retail tenants (Figure 3.0-13: Ground Level Plan). The figures are located at the end of this chapter.

The total Phase I project would be a maximum of 690,000 gsf, consisting of office (360,000 gsf), retail (30,000 gsf), parking (300,000 gsf / 860 parking spaces) and mechanical penthouse. The Phase I development would include a surface parking lot primarily for retail uses that would be accessed from ~~7th-6th~~ Street. The onsite parking garage and service area would be accessed from ~~6th-7th~~ Street, and two curb cuts would be provided mid-block on 7th Street for parking egress/ingress.

The total Phase I project would be a maximum of 690,000 gsf, consisting of office (360,000 gsf), retail (30,000 gsf), parking (300,000 gsf / 860 parking spaces) and mechanical penthouse. The Phase I development would include a surface parking lot primarily for retail uses that would be accessed from ~~7th-6th~~ Street. The onsite parking garage and service area would be accessed from ~~6th-7th~~ Street, and two curb cuts would be provided mid-block on 7th Street for parking egress/ingress.

Phase I of the project will front on Capitol Mall. To complement the role of Capitol Mall as the gateway to the State Capitol, the base of the building will sit back on the site ~~90-120~~ feet from the centerline of Capitol Mall. The tower will step back an additional 50 feet. In the ~~southeast-southwest~~ quadrant of the project an additional 50 foot setback will be used to provide a plaza on Capitol Mall that is intended to draw pedestrian traffic into the site's ground-floor lobby and retail spaces, and to be used for performances and other public gatherings. The ~~southwest-southeast~~ quadrant of the project will consist of a glass-enclosed restaurant with access from Capitol Mall and ~~6th~~ 7th Street. Outdoor dining could be accommodated on Capitol Mall to help animate the site and further encourage pedestrian activity on Capitol Mall.

The podium of the building will be built to the property line on both the ~~6th-7th~~ Street and L Street sides of the project site. The subterranean parking includes approximately 175 spaces. Access to all parking and loading will ingress and egress on ~~6th-7th~~ Street.

The restaurant and other retail uses are intended to serve the tenants of the project and surrounding properties, and provide an expansion of the existing retail in the area. Westfield America, the owner/operator of Downtown Plaza, will manage the retail components of the project. Design and placement of the retail elements of the project will be coordinated with the service and access components to meet the retail frontage requirements of the Central Business District Urban Design Plan on L and 7th Streets.

Phase I of the project will be set back 135 feet to 160 feet from ~~7th~~ 6th Street to provide land for Phase II. Until Phase II is started, this area will be landscaped and improved to provide parking for retail uses in Phase I. The market will drive the possible scenarios and timing for Phase II of the project. Ideally, Phase II would follow Phase I without great delay.

ADDENDUM SUMMARY

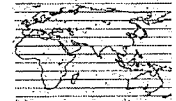
The modified project is basically a slightly smaller, mirror image of the design approved for the 601 Capitol Mall project. The project maintains the same ground floor retail and office aspects, with similar urban design characteristics regarding height and massing (Figure 1: Building Section and Figure 2: Ground Level Plan). Minor design changes in the Phase I building increasing the setback from Capitol Mall and reducing the office levels from 26 to 24 levels have a less than significant, and somewhat beneficial impact on protected view corridors and density related environmental effects such as wastewater. Locating the building on the eastern portion of the site along 7th street would alter wind conditions and localized traffic circulation. The City Public Works Department has determined that the change in driveways on 7th Street and parking spaces accessed from 6th and 7th streets would have a less than significant effect on traffic flows, and the microclimate consultant determined that hazardous wind conditions would either be the same or less than those identified in the EIR.

There are no new or substantially more severe significant effects, and no new mitigation measures required, as outlined in the discussion below.

LOT A
601 CAPITOL MALL

Prepared for
DAVID TAYLOR
SACRAMENTO CALIFOR

Contract No:



HELLMUTH, OBATA + KA



One Bush St., Suite 200, San Fran
Voice: (415) 241-0555
Fax: (415) 882-7763
Internet: http://www.hok.com

All reproduction & distribution property
in association with:

X

No. Issue Description

1 Title 1

Drawn by: T.PIPPIN, Review

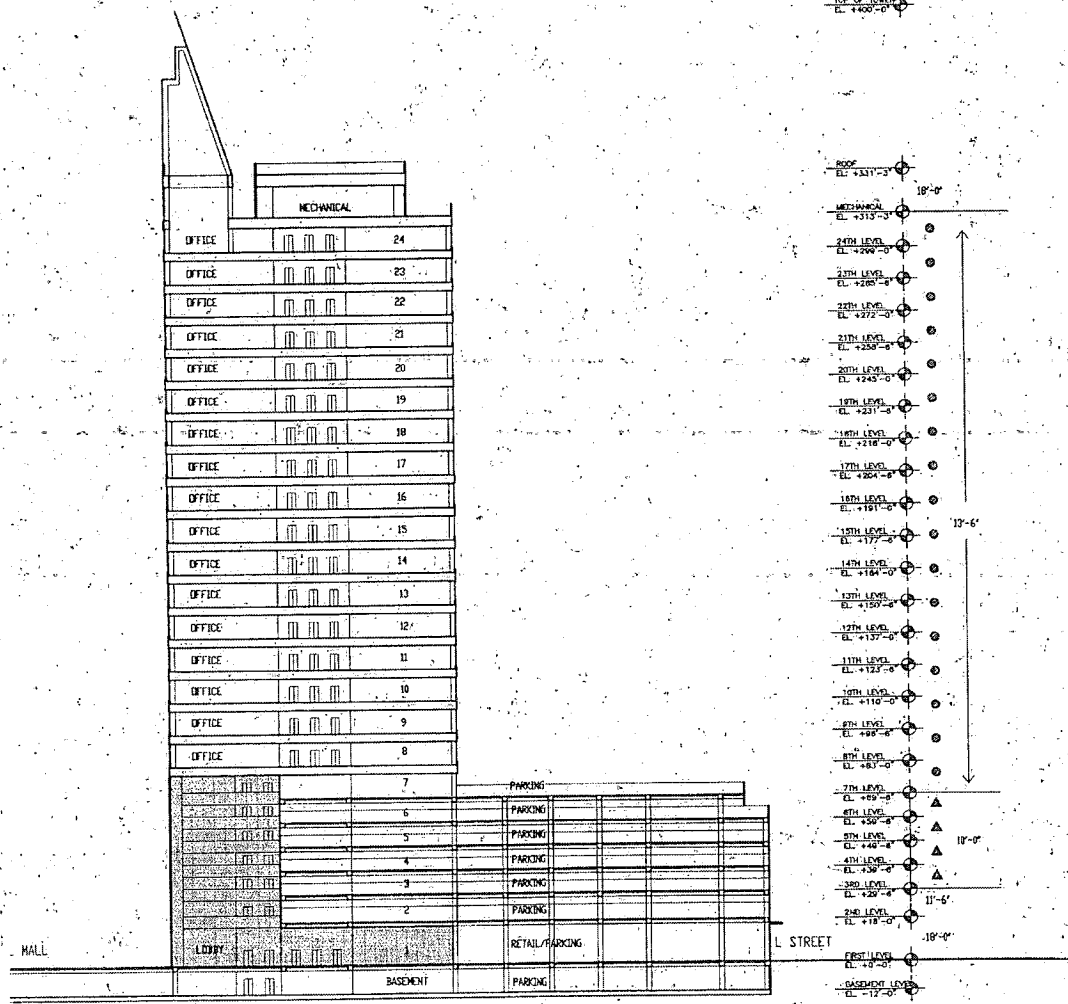
Project No: 03-0286-00

AD601.dwg

**BUILDING
SECTION**

Original printed on 24" x 36" Scale: 1/32"

A.



A BUILDING SECTION
1/32" = 1'-0"
0 16 32 64 FT

Figure 1-Building Section

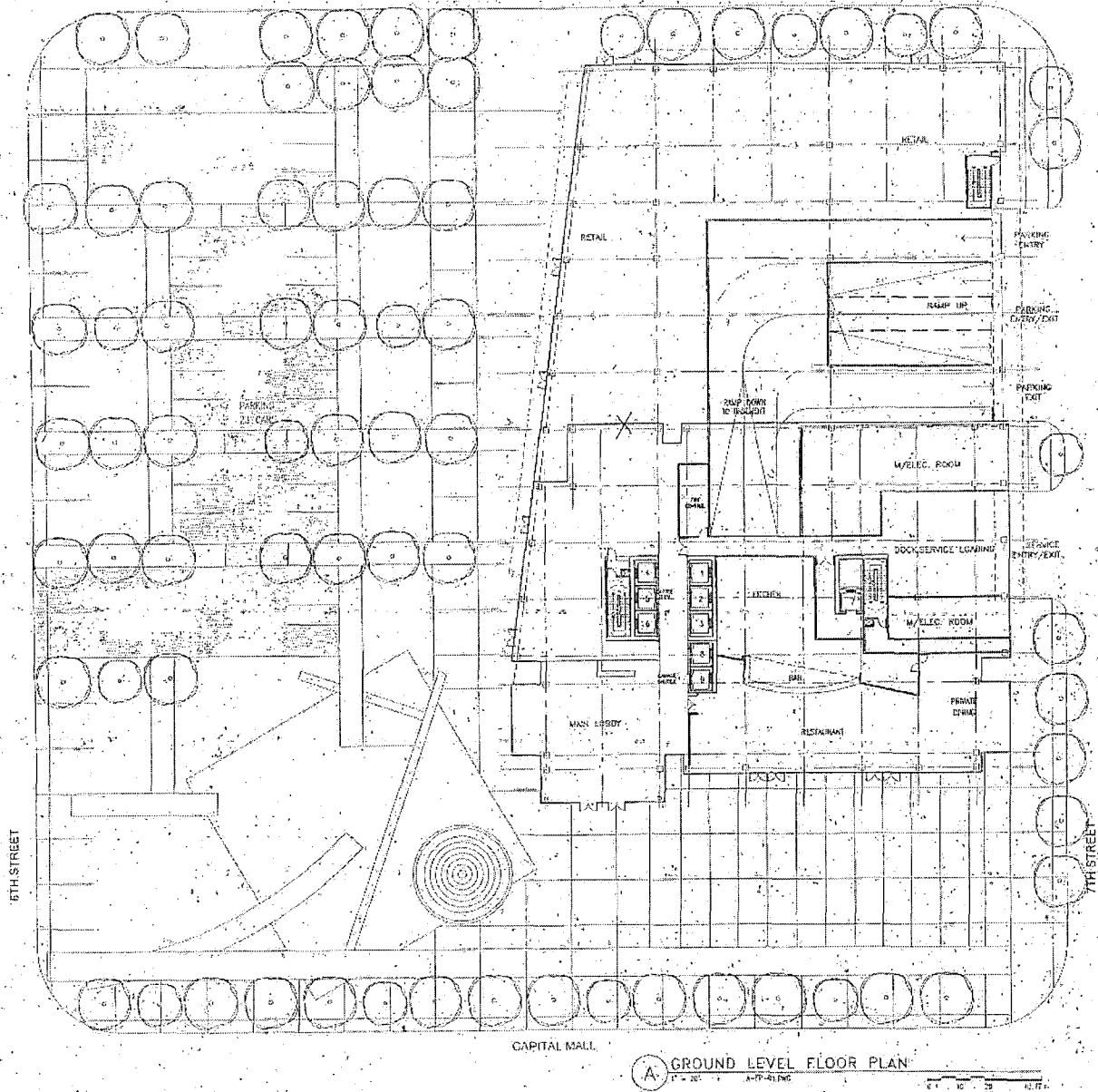


Figure 2: Ground Level Plan

COMPARATIVE ENVIRONMENTAL ASSESSMENT

The following sections consider the change in the project description, and any change in significant project impacts as compared to those considered and mitigated in the 601 Capitol Mall EIR. Impacts that were identified in the EIR as less than significant and that remain less than significant under the revised project are not further discussed.

LAND USE, ZONING, AND CONSISTENCY WITH ADOPTED PLANS AND POLICIES

The 621 Capitol Mall Project is located within the Central City Community Plan (CCCP) area, in the district commonly known as the Central Business District (CBD). The CBD extends roughly from H and I Streets on the north, 16th Street on the east, N Street on the south, and 3rd Street or Interstate 5 on the west (CCCP, 12/93). Parcels within the CBD are designated CBD or C-3, which is the area intended for the most intense retail, commercial and office development in the City. The Core District surrounds the CBD, from H Street on the north, 16th Street on the east, R Street on the south, and the Sacramento River on the west (CCCP, 12/93).

The project site is designated Regional Commercial and Offices in the General Plan, and zoned CBD-SPD (Central Business District Special Planning District). The site is designated General Commercial, Urban Office Central Business District by the Central City Community Plan (CCCP).

The project site is located on one full, 2.4-acre city block between 6th and 7th streets, Capitol Mall and L Street, and is surrounded by developed properties on all sides. Downtown Plaza and the K Street Mall retail uses are to the north of the project site. Private and government offices surround the remainder of the site. The Union Bank of California building and the State Department of Education building lie to the east, with the California State Capitol at the end of Capitol Mall. Directly to the south is the eight-story Federal building, and the Plaza Office Towers, Wells Fargo tower, Capitol Bank of Commerce building and Tower Bridge are located along Capitol Mall to the west.

General Plan Consistency: The modified project does not change the adopted office, retail and parking uses that are allowed under the Regional Commercial and Offices designation, thus the modified project remains *consistent* with the General Plan designation. The modified project supports the General Plan goals, particularly the goals and policies related to maintaining and strengthening Downtown's role as a major regional office, retail, commercial and cultural/entertainment center. The project would provide commercial office development on an otherwise underutilized parcel, and with mitigation would not affect adjacent historic resources. The project provides intensive employment adjacent to light rail transit and on a major bus corridor, and provides sufficient additional parking consistent with Circulation Element's goals to support continued downtown development prosperity and alternative transportation modes.

Central City Community Plan: The modified project does not change the adopted office, retail and parking uses that are allowable uses in the Urban Office designation, and remains *consistent* with the Central City Community Plan. The modified project supports and conforms to the goals

for development of interrelated land use components in the CBD. The project site is within the CBD area set aside for the most intense developments, with good pedestrian linkages to related retail, cultural and entertainment facilities, Downtown Plaza, and governmental office buildings such as City Hall and the State Capitol. It would not be fully consistent with the Primary Goal of the CCCP in that while it provides a "viable working environment", it does not provide for a full range of day and night activities. The modified project remains generally consistent with the Urban Development, Commercial, Office, Transportation and Environmental Goals.

Zoning. The proposed use, height and lot configuration for the modified project conforms to the adopted C-3 zoning and the Capitol View Protection Ordinance. The project remains *consistent* with the adopted zoning, and no zone change is necessary. The modified project would generally conform to Zoning Ordinance goals and requirements for the C-3 zone. It would revitalize the area by developing underutilized parcels. It would conform to a variety of community plan and urban design-oriented plans (discussed in Section 6.9 of this EIR), thereby supporting the urban development goal. It provides both office and retail uses, which will support economic growth. The Sacramento Housing Trust Fund exempts the parking structure, but the office requirement is \$0.99/psf and the retail is \$0.79/psf. The final amount will be determined at the building permit stage of development.

Merged Downtown Redevelopment Plan. The modified project would develop office and retail uses on underutilized parcels, and therefore remains *consistent* with the Merged Downtown Redevelopment Plan. The project would be built on underutilized parcels, supporting Goals 1, 3 and 9 of the Plan. Additional off-street parking opportunities that would improve vehicular conditions would be provided, as identified in Goal 2 of the Plan and objectives of the Strategy. The modified project would add street trees along L Street and Capitol Mall.

Central City Housing Strategy. The modified project is not located on a site considered for housing in the Central City Housing Strategy. Therefore, the modified project remains *not inconsistent* with the Central City Housing Strategy and 1992 Planning Department Memorandum, but does not forward the goals of the plan.

Capitol View Protection Ordinance. The modified project would be a maximum of 400 feet, which is within the 450 foot height restrictions. Therefore, the modified project remains *consistent* with the Capitol View Protection requirements.

Cultural and Entertainment District Master Plan. The modified project would meet Recommendation 5 by contributing to the Art in Public Places program and providing pedestrian linkage streetscape enhancements. Development of the modified project would remove present economic disincentives caused by the current underutilized condition of the site, consistent with recommendation 8. The project provides additional public parking, which at this location would be well situated to support retail and entertainment activities at Downtown Plaza and on K Street. Therefore, the modified project remains *consistent* with the Cultural and Entertainment District Master Plan.

Sacramento Urban Design Plan. The modified project *would generally conform* to the massing, setback, rhythm, and design guidelines set forth in the Framework Plan, Architectural

Design Guidelines, and Streets Guidelines of the Sacramento Urban Design Plan. The proposed building materials are intended to complement the building materials of the other buildings in the vicinity. The City Design Review and Preservation Board is responsible for reviewing the modified building design to ensure final building materials and streetscape designs are consistent with the Plan.

Compatibility of Land Uses. The modified project would substantially alter and intensify development of the project site. Specifically, the project would replace a surface parking lot with the development of two 400' office towers. The proposed intensity and use remains *compatible* with adjacent high-rise office, retail, and public facilities and in keeping with the adopted plans and policies for the area which designate and zone the site CBD, allowing for the most intense types of developments.

6.2 TRANSPORTATION/CIRCULATION

For transportation analysis purposes, the 601 Capitol Mall Phase I site was approved as a multi-use 26-story project, with 360,000 gsf office, 30,000 gsf retail and 860 parking spaces. Ingress and egress to the main parking structure was one-way northbound on 6th Street. Access to the loading docks was from a service entrance on 6th Street. Phase II was approved for 740 parking spaces that would ingress and egress off 7th Street.

The modified project as designed will consist of 344,386 gsf office, generating fewer vehicle trips than the approved 601 Capitol Mall project analyzed in the EIR. The Phase I parking garage, now designed at 698 spaces, would ingress and egress from one-way southbound 7th Street, providing a similar capacity to the Phase II garage originally analyzed for this location. The new location for Phase I was reviewed by the City's Transportation Division, which determined that the project change does not notably change the traffic analysis of the project (Jesse Gothan, Department of Public Works). The driveways are in the same location and the amount of trips to the project at build-out is the same as or less than the original proposal; each phase will contribute the same amount of traffic as originally analyzed.

Determination: There are no new or substantially more severe significant effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.3 AIR QUALITY

The Sacramento Metropolitan Air Quality Management District has adopted new CEQA thresholds since the certification of the 601 Capitol Mall EIR. These new thresholds, identified in Table A-1, were considered in the analysis of the modified 621 Capitol Mall Project.

**Table A-1
SMAQMD CEQA Air Quality Significance Criteria**

CRITERIA APPROVED MARCH 28, 2002						
Mass Emission Thresholds						
<i>Project Type</i>	Ozone Precursor Emissions					
	Pounds per day			Tons per year¹		
	ROG	NOX	PM₁₀	ROG	NOX	PM₁₀
Short-term effects – Construction	None	85	None	None	15.5	
Long-Term effects - Operation	65	65		11.9	11.9	
Emission Concentration Thresholds						
California Ambient Air Quality Standards (CAAQS) – The CAAQS significance criteria are applied to all phases of a project in addition to the above mass emission thresholds.						
Substantial Concentration Threshold						
A project is considered to contribute substantially to an existing or projected violation of a CAAQS if it emits pollutants at a level equal to or greater than five (5) percent of the CAAQS.						
CRITERIA IN EFFECT PRIOR TO MARCH 28, 2002						
Phase One Construction-Grading; Phase Two construction-Roads, Facilities and Structures; Operations-Long-term	Pounds per day			Tons per year		
	ROG	NOX	PM ₁₀	ROG	NOX	PM ₁₀
	85	85	275	15.5	15.5	50.2
Note: The revised criteria/thresholds became effective on March 28, 2002. To allow a reasonable transition to the revised criteria/thresholds, agencies may apply either the previous or revised criteria/thresholds for CEQA determinations made prior to May 17, 2002.						

Source: SMAQMD 2002; 1 – Thresholds promulgated in pounds per day; the tons per year equivalent are shown for convenience in comparing thresholds to project-related emissions.

Impact 6.3.1 Phase I construction grading and demolition emissions

Phase I grading and demolition emissions are based on the size of the construction site, thus construction emissions would be identical to the approved project. SMAQMD now only sets criteria for short-term construction NO_x impacts. Phase I grading activities would generate an estimated 3.8 lbs./day NO_x. This impact would be less than significant.

Finding: Adopted mitigation measures 6.3.1a through 6.3.1c are recommended, but no longer required. Impacts are less than significant.

Impact 6.3.2 Phase II construction - erection and construction emissions

Phase II construction emissions associated with erection and construction of the modified project would generate NO_x, thereby adding to ambient O₃ concentrations. Construction activities

would generate an estimated 90.5 lbs/day of NO_x or less based in the smaller modified design, primarily through the operation of mobile construction equipment. Phase II NO_x emissions exceed the District's threshold by 6 pounds.

Finding: This impact remains significant and unavoidable. Mitigation measures 6.3.2a through 6.3.2d still apply to reduce the magnitude of the impact.

Impact 6.3.3 Operational: Project-Generated Ozone Impacts (Project Specific)

The Phase I project as adopted would generate an estimated 66.3 lbs/day of NO_x and an estimated 67.8 lbs/day of ROG emissions, which are precursors to ozone. Under the new SMAQMD criteria, this just exceeds the new 65 lbs/day limit and would now be a significant impact. Because the 621 Capitol Mall project as now designed is smaller and would result in less vehicle trips, the change is less than significant and no mitigation is required.

The City Developer Trip Reduction Ordinance #88-082 requires that developers provide a Transportation Systems Management Plan (TSM) that will achieve a 35% reduction in vehicle trips. A 35% participation in a TSM plan typically results in an average 29% reduction in vehicle trips (Hoyt, 2000). Other studies have show that the 35% TSM participation is not difficult to accomplish for the average business in the Downtown (Maslanka, 2000). The goal was developed in the late 1980's before parking costs were as high as they are, and before transit subsidies were prevalent. An aggressive TSM plan, as recommended in the transportation analysis, will further reduce vehicle trips and NO_x and ROG emissions, but is it not possible to accurately measure its effectiveness. Measures identified in the *Thresholds* Appendix E that are not related to the use or location but are typically included in a TSM, such as participation in a Transportation Management Association or provision of shower and locker facilities for employees, could reduce emissions by another 15% to 20%.

Finding: Transportation mitigation measure 6.2.1a requires an aggressive TSM program, which would mitigate any impacts related to the new SMAQMD requirement to less than significant.

Determination: There are no new or substantially more severe air quality effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.4 NOISE/VIBRATION

Impact 6.4.1 Increased noise levels during construction

Similar to the original project design, construction of the modified project would temporarily increase noise levels corresponding to the various phases of building construction. During noisy construction periods, background ambient noise levels will be increased by more than 5 dBA and will be clearly perceivable to surrounding individuals. Construction noise could make outdoor dining and conversation at the Downtown Plaza difficult and unpleasant. Therefore, construction noise impacts will be significant, even though they are conditionally exempt from the Noise

Ordinance when restricted to 7:00 a.m. to 6:00 p.m. Monday through Saturday, and from 9:00 a.m. to 6:00 p.m. on Sunday

Finding: This impact remains temporary, significant and unavoidable. Mitigation measures 6.4.1a through 6.4.1e still apply to reduce the magnitude of the impact.

Impact 6.4.2 Traffic generated noise (cumulative)

Similar to the original project design, operation of the modified project would add additional vehicle trips to local downtown surface streets in the vicinity of the project. Noise changes associated with these additional vehicle trips on local downtown surface streets would result in noise levels within the conditionally acceptable range for office and retail uses.

Finding: Adopted mitigation measure 6.4.2 still applies. No further mitigation is required.

Impact 6.4.3 Construction-induced vibration impacts

Similar to the original project design, construction activities for the modified project would generate construction-induced vibration that could adversely affect the Marshall Hotel, the Education Building and the fire sprinkler systems of nearby buildings. This would remain a potentially significant impact.

Finding: Mitigation measures 6.4.3a through 6.4.3f would still apply. No further mitigation is required.

Determination: There are no new or substantially more severe noise effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.5 MICROCLIMATE

The Microclimate chapter of the 601 Capitol Mall project included a discussion of the light/glare, shadow and wind effects that would be created by the project. These impacts were based on a 26 story / 400 foot tall structure. Donald Ballanti, Certified Consulting Meteorologist, reviewed a revised project model, current plans and elevations that reflect design changes that have occurred since the wind tunnel tests were conducted for the approved project.

The original design involved two structures setback from Capitol Mall with a pedestrian passage mid-block between the two structures. The current design is a mirror reflection of the original design, which changes both the shape of the two structures and their location on the site. However, the overall height and bulk of the structures would be the same.

Wind impacts at any given location are very design-specific so it is likely that, for a given location, wind impacts with the new design would be different than that described in the EIR. However, the overall impacts of the original project (an increase in the frequency of uncomfortably windy conditions and increase in frequency of hazardous winds) will also occur.

for the revised design. There is nothing to indicate that the impacts of the project would be made substantially worse with the proposed design changes. The proposed revised design appears to actually have a lesser potential for accelerating south-southeast winds, which were found to be the main cause of exceedances of the wind hazard criterion.

Determination: The overall wind impacts of the revised design are anticipated to be no worse than those described in the EIR for the earlier design, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.6 STORMWATER/WASTEWATER/FLOOD CONTROL

Impact 6.6.1 Substantial increases to CSS flows

The adopted Phase I project would result in sanitary sewer flows of 92.4 ESD, which would exceed the City's screening criteria for project-generated wastewater flows by 52.4 ESD. The small decrease in office square footage will slightly decrease the demand on the CSS to approximately 85 ESD, but not to less than significant levels.

Finding: Mitigation measure 6.6.1 still applies. There is no further mitigation required.

Impact 6.6.2 Cumulatively Exceed Contracted Amount of Sewage to the Sacramento Regional County Sanitation District

The adopted 601 Capitol Mall project would have generated approximately 0.037 mgd (92.4 ESD) of sewage, which cumulatively may exceed the contracted amount of sewage to the SRCSD of 60 mgd. The small decrease in office square footage will slightly decrease the demand on the SRCSD, but not to less than significant levels.

Finding: Mitigation measure 6.6.2 still applies. There is no further mitigation required.

Impact 6.6.3 Combined sewer service system impacts from de-watering activities

Similar to the original project design, the modified 621 Capitol Mall project will require excavation for one sub-grade basement level that could reach groundwater levels, resulting in the need for de-watering and disposal of wastewater into the sanitary sewer or stormwater drainage system during construction. Such construction discharges would be required to obtain City and SRCSD approvals prior de-watering activities.

Finding: Mitigation measure 6.6.3 (a) and (b) still apply. No further mitigation is required.

Determination: There are no new or substantially more severe wastewater effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.7 CULTURAL AND HISTORIC RESOURCES

Impact 6.7.1 Loss or degradation of undiscovered prehistoric and historic resources

Similar to the original project design, construction activities for the modified project could affect undiscovered prehistoric and historic resources.

Finding: The adopted mitigation measure 6.7.1 still applies. No further mitigation is required.

Impact 6.7.3 Construction impacts to on-site and adjacent historic structures

Similar to the original project design, construction activities for the modified project could adversely affect the Marshall Hotel or Education Building.

Finding: Noise and Vibration mitigation measure 6.4.3 still applies. No further mitigation is required.

Determination: There are no new or substantially more severe cultural resource effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.8 COMMUNICATIONS SYSTEMS

Impact 6.8.3 Interference with in-building police and fire communications

Similar to the original project design, the modified project would have one sub-grade level that could prevent public safety radio signals from being received in or sent from the lower level. This impact would occur as a result of the building structure itself interfering with the radio signals.

Finding: Mitigation measure 6.8.3 still applies. No further mitigation is required.

Impact 6.8.4 Interference with the Automated Local Evaluation in Real Time System

Similar to the original project design, the modified project would be approximately 400 feet in height and may interfere with the rain gages, stream gages, and weather station radio signals. The County's receiving antenna is located on top of the seven story County Administration building at 827 7th Street (corner of 7th and I streets). Since radio transmissions operate by line-of-sight, any new buildings in the downtown area that exceed seven stories could interfere with rain gage transmissions.

Finding: Mitigation measure 6.8.4 still applies. No further mitigation is required.

Determination: There are no new or substantially more severe communications effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.9 URBAN DESIGN

Impact 6.9.1 Substantially compromise the visual quality of the project area

Similar to the original project design, implementation of the modified project would alter the visual characteristics of the project area. The modified project would generally conform to the massing, setback, rhythm, and design guidelines set forth in the Framework Plan, Architectural Design Guidelines, and Streets Guidelines of the Sacramento Urban Design Plan. The project must complete a new design review process that will finalize decisions on materials, colors, façade treatments, massing, setbacks and stepbacks.

Finding: Mitigation measure 6.9.1a still applies. No further mitigation is required.

Impact 6.9.3 Effects to existing street trees

Similar to the original project design, construction of the modified project would result in the removal of or significant damage to existing street trees. This would remain a significant impact.

Finding: Mitigation measures 6.9.3 (a) to 6.9.3 (c) still apply. No further mitigation is required.

Determination: There are no new or substantially more severe urban design effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.

6.10 FIRE PROTECTION

Impact 6.10.1 Cumulative Demand for Fire Services

Similar to the original project design, the modified project would develop an office tower significantly taller than 100 feet, which is above the ability of ladders to provide evacuation in an emergency. This would increase downtown demand for fire protection services, contributing to a cumulative demand in the Central City for an additional fire station, equipment and company. This would remain a significant impact.

Finding: Mitigation measure 6.10.1 still applies. No further mitigation is required.

Determination: There are no new or substantially more severe fire protection effects, and no new mitigation measures are required. The mitigation measures adopted in the Mitigation Monitoring Plan are still appropriate and applicable to the modified project.