



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 22, 2018

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 3
DEPARTMENT

SUBJECT: P17-0467 GENERAL PLAN AMENDMENT, P17-0466 SPECIFIC PLAN AMENDMENT, P17-0468 REZONE, P17-0469 SITE PLAN REVIEW, P17-0470 TRAFFIC PATTERN MODIFICATION MEASURES, P17-0471 STREET VACATION AND P17-0472 VARIANCE – BY RICHARD HAMM, ON BEHALF OF PELICAN MERRILL AVENUE LCC, FOR CONSTRUCTION OF A MIXED USE PROJECT – LOCATED AT 3575-3661 MERRILL AVENUE

ISSUES:

Approval of a request by Richard Hamm, on behalf of Pelican Merrill Avenue, LLC, to consider a General Plan Amendment, Specific Plan Amendment, Rezone, Site Plan Review, Traffic Pattern Modification Measures, Street Vacation and Variance to facilitate the construction of a three-story, 98,608 square foot mixed-use development, located at 3575-3661 Merrill Avenue.

RECOMMENDATIONS:

That the City Council:

1. Determine the proposed project will not have a significant effect on the environment based on the findings set forth in the case record; adopt a Mitigated Negative Declaration; and adopt Mitigation Monitoring and Reporting Program pursuant to CEQA Sections 15097 and 21081.6;
2. Approve Planning Cases P17-0467 General Plan Amendment, P17-0466 Specific Plan Amendment, P17-0468 Rezone, P17-0469 Site Plan Review, P17-0470 Traffic Pattern Modification Measures, P17-0471 Street Vacation and P17-0472 Variance based on and subject to the Planning Commission findings and recommended conditions found in the attached staff report;
3. Introduce and subsequently adopt the attached Rezoning Ordinance amending the Zoning Map;
4. Adopt the attached Resolution to amend the General Plan Land Use Designation of the project site; and
5. Adopt the attached Resolution amending the Magnolia Avenue Specific Plan.

PLANNING COMMISSION RECOMMENDATION:

On March 22, 2018, the City Planning Commission recommended approval of the project by a vote of 8 ayes, 0 noes, and 0 abstentions subject to staff's recommended conditions.

BACKGROUND:

The 3.17-acre project site consists of six contiguous parcels, primarily vacant with a surface parking lot on the eastern portion of the site. Surrounding land uses include the Riverside Plaza, a regional shopping center to the south across Merrill Avenue, a nightclub and commercial uses to the west, automotive tire repair and restaurant uses to the east, and single family residential and office uses to the north across the Union Pacific rail line.

DISCUSSION:

The Applicant, Richard Hamm, on behalf of Pelican Merrill Properties, LLC, requests approval of amendments to the General Plan and Specific Plan, Rezoning, Site Plan Review, Traffic Pattern Modification Measures, Street Vacation, and a Variance to facilitate development of a mixed-use development consisting of 108 residential units, 1,200 square feet of commercial space, and 190 parking stalls.

The project has been designed to reflect an east coast brownstone style of architecture and includes 16 studio units, 60 one-bedroom units and 32 two-bedroom units, of which seventy eight percent include a private patio. A total of 16,814 square feet of common usable open space, consisting of a clubhouse, fitness center, paseos, and a pool and recreation area, will be provided. The commercial component includes a commercial lease space fronting Merrill Avenue totaling 1,200 square feet, no tenants have been identified at this time. A total of 190 parking spaces will serve the site, with 183 spaces dedicated to the residential use and seven spaces for the commercial lease space. Vehicular access to the site is provided from two, two-way driveways, located at the east and west end of the site.

Perimeter walls, ranging in height from 3 to 14-feet are proposed, primarily along the north, east and west property lines, to reduce noise generated by the adjacent rail lines to acceptable levels. Walls up to six feet in height are permitted by the Code; thus, the applicant has requested a Variance for walls higher than permitted by Code. Staff supports the Variance as wall heights have been designed in accordance with the recommendations of the Noise Study, attenuating noise from the adjacent rail lines.

In conjunction with the project, the applicant is proposing to amend the General Plan Land Use Designation from C – Commercial to MU-U – Mixed Use-Urban, and the Magnolia Avenue Specific Plan to add the MU-U – Mixed Use-Urban designation to the Magnolia Center District. Staff supports the amendments as the project is located within an urban area consisting of a mixture of retail, office, institutional, entertainment and residential uses. The introduction of a mixed use development within the District will bring additional residences and employees, supporting retail expansion and creating efficiencies with access to services, employment, amenities and transit within walking distance of the project.

Additionally, the proposal to rezone the project site from CG-SP – Commercial General-Specific Plan (Magnolia Avenue) Overlay Zones to MU-U-SP – Mixed Use-Urban-Specific Plan (Magnolia Avenue) Overlay Zone can be supported, as it will be consistent with the proposed MU-U – Mixed

Use-Urban Land Use Designation of the Specific Plan and General Plan 2025. Further, the project will serve to strengthen the interaction with existing commercial development, reducing sprawl and creating a pedestrian-oriented environment; while ensuring that surrounding single family neighborhoods are adequately protected, providing a diversity of housing within the area.

Another component of this project consists of vacating 2,424 square feet of right-of-way, three feet in width and 808 feet in length, along the projects Merrill Avenue frontage. Staff supports the requested Vacation as, existing sidewalk would remain in place, surrounding properties to the east and west will not be affected, and the proposed vacation will not impact east-west vehicular or pedestrian circulation on Merrill Avenue.

As part of the overall scope of the project, the applicant proposes to incorporate off-site improvements and enhancements including: the restriping of Merrill Avenue between De Anza and Riverside Avenues to modify the roadway segment from a three lane roadway to a two lane roadway; a raised landscaped median; and striping of 18 on-street parallel parking spaces with raised planters along the project frontage. A pedestrian cross walk connecting the project with the Riverside Plaza is proposed at the Riverside Plaza's west driveway, along Merrill Avenue and sharrows are proposed along Merrill Avenue connecting the existing bike lane on Magnolia Avenue with the Riverside Plaza.

The proposed project constitutes an infill development, compatible with surrounding land uses. Furthermore, the project complies with the goals and policies of the Magnolia Avenue Specific Plan by supporting existing retail, office, educational and entertainment uses.

Public Comments

Prior to the Planning Commission hearing, staff received a comment letter from South Coast Air Quality Management District (SCAQMD) related to the Air Quality Analysis. SCAQMD noted the location of the proposed project adjacent to active rail lines and recommends a Health Risk Assessment (HRA) be prepared. Staff notes the location of the project and thresholds required to produce an HRA under SCAQMD guidance documents. It should be noted that the project is not sited within 500 feet of a freeway, within 1,000 feet of a railyard, nor is the project an industrial project producing toxic air contaminates. In accordance with CEQA court rulings, the project's environmental effects are required to be measured onto the environment and not the environment onto the project, as such an HRA is not required for this project.

Additionally, two individuals spoke at the Planning Commission hearing in support of the project, Mr. Robert Beatty representing the Magnolia Center Business Council and Mr. Jeff Rieger, representing AEW Vestar Capital Partner (Riverside Plaza).

For additional background, please refer to the March 22, 2018, City Planning Commission staff report and meeting minutes.

FISCAL IMPACT:

There is no impact to the General Fund, since all project costs are borne by the applicant.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. City Planning Commission Recommended Conditions
2. City Planning Commission Minutes – March 22, 2018
3. City Planning Commission Report and Exhibits – March 22, 2018
4. Ordinance to amend the Zoning Code
5. Resolution to amend the General Plan Land Use Designation
6. Resolution to amend the Magnolia Avenue Specific Plan
7. Presentation