MILLS PARK CENTER DEVELOPMENT PROJECT

Item 6a: Public Hearing on the Mills Park Center Mixed-Use Development Project

City Council
July 9, 2019

Darcy Smith,
Community and Economic Development Director
Agenda

I. Objective
II. Project Description and History
III. Project Analysis
IV. Council Actions
V. Questions
Objectives

- Adopt a CEQA Conformity Determination

- Waive First Reading and Introduce an Ordinance Amending Section 12.96.020 of Title 12 (Land Use) of the San Bruno Municipal Code to Change the Zoning Map from the Commercial (C) to the Planned Development (P-D) District with a Development Plan

- Adopt a Resolution Approving a Planned Development Permit and Architectural Review Permit
Objectives

- Adopt a Resolution Approving a Phased Vesting Tentative Tract Subdivision Map for Condominium Purposes

- Adopt a Resolution Authorizing Installation of Loading Zone Spaces Around the Perimeter of the Site

- Waive First Reading and Introduce an Ordinance Approving a Development Agreement and Affordable Housing Plan
Project Description and History
Project Location
Background

- Site - Mills Park Center and 601 – 611 El Camino Real with existing commercial uses

- General Plan land use designation (adopted 2009): Transit-oriented Development (TOD)

- Transit Corridors Specific Plan (approved 2013)
  - Permit high density housing and commercial uses
  - Setbacks and transition measures for projects adjacent to low-density residential uses

- Measure N (approved by 68% of voters in 2014)
  - Allowable height increased by 20 feet or 2 stories at the project site
Transit Corridors Plan

- Maximum buildout over 20 year timeframe:
  - 1,610 dwellings units
  - 147,700 sq. ft. retail
  - 988,100 sq. ft. office
  - 190 hotel rooms

- Program EIR certified by City
Transit Corridor Plan Density and El Camino Real Vision

- High density residential is permitted by Transit Corridors Plan
- Plan encouraged and incentivized parcel assembly and projects to be built on larger, assembled sites like this.
- Plan does not stipulate a maximum project site- only maximum number of units (1,610) in plan area
- 154 housing units approved in the Plan Area over 6 years
Transit Corridor Plan El Camino Real Vision

Plan vision for El Camino Real projects:

“Taller and more dense mixed-use development, offices and residential complexes are conveniently located a few blocks from Caltrain, BART, and bus rapid transit stations on pedestrian-friendly streets. These new transit-oriented developments not only add character to the area but also form an important base of new residents, workers and economic opportunities for the Transit Corridors Area.”
Project Description

- Two mixed-use buildings ranging in height from one to five stories and divided into smaller components with articulated building setbacks and stepbacks
- 425 condominium dwelling units
- Approximately 41,890 sq. ft. high-end grocery store
- 4,000 sq. ft. of ground floor commercial space
- 879 total parking stalls on-site
- 5.38-acre project site
Project Rendering
• North Block A: 182 units + Grocery Store + 435 parking spaces
• South Block B: 243 units + 4,000 sq. ft. commercial + 444 parking spaces
Site Plan Features

- Vehicles entrance and exit:
  - El Camino Real (commercial and residential)
  - Kains Avenue (residential only)
  - White Way (residential only)

- Kains Avenue to be realigned for improved access and widened for minimum fire code width.

- New signal light to be installed at the intersection of Kains Avenue and El Camino Real to improve access into and out of the site and safety for pedestrians crossing El Camino Real.
Street Features

- Camino Plaza and White Way (on Block B) are existing streets owned in fee title by the two existing property owners (not owned by the City—only public easements).

- These streets serve the adjacent parcels as currently configured which are being merged and redeveloped as part of the project.

- Therefore no longer necessary for public to use with redevelopment. White Way on Block A would remain a public street with public access from Kains to San Bruno Avenue.

- City will take future action to vacate its interests in these streets and will also process the abandonment and dedication of certain other public street and easement rights and private property rights to enable realignment of Kains Avenue through the Project site.
## Project History

<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 (Pre-Submittal)</td>
<td>329 units 21,180 sq. ft. commercial</td>
<td>4.62 acres</td>
</tr>
<tr>
<td>2018</td>
<td>398 units 57,139 sq. ft. commercial</td>
<td>5.38 acres</td>
</tr>
<tr>
<td>2019</td>
<td>425 units 45,890 sq. ft. commercial</td>
<td>5.38 acres</td>
</tr>
</tbody>
</table>
Community Engagement

- Applicant held three neighborhood meetings for the project: April 2017 + March 2019 + May 2019

- Comments that were addressed included:
  - Additional parking added in excess of City requirements
  - Traffic, parking, and shadow impacts studied
  - Public parking added on Linden for City library or municipal center parking
  - Prohibition of participation in future residential parking permit program

- Architectural Review Committee: March 14, 2019 – supported project with modifications that were made by applicant
### Regional Housing Needs Allocation (RHNA)

#### Permits Issued 2015-2018 Plus Proposed Project

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>358</td>
<td>26</td>
</tr>
<tr>
<td>Low</td>
<td>161</td>
<td>1</td>
<td>4</td>
<td>14</td>
<td>6</td>
<td>25</td>
<td>136</td>
<td>19</td>
</tr>
<tr>
<td>Moderate</td>
<td>205</td>
<td>1</td>
<td>41</td>
<td>0</td>
<td>0</td>
<td>42</td>
<td>163</td>
<td>19</td>
</tr>
<tr>
<td>Above Moderate</td>
<td>431</td>
<td>9</td>
<td>42</td>
<td>1</td>
<td>0</td>
<td>52</td>
<td>379</td>
<td>361</td>
</tr>
<tr>
<td>Total Units</td>
<td>1,155</td>
<td>11</td>
<td>87</td>
<td>15</td>
<td>6</td>
<td>119</td>
<td>1,036</td>
<td>425</td>
</tr>
</tbody>
</table>

* City may be at risk of losing Housing Element annual compliance if the City doesn’t make progress towards meeting these goals. City could lose grant funds (SB 2- $160,000). Proposed Senate Bill 102 would impose financial penalties of up to $600,000 annually.
Development Agreement requested with 8 year term. Negotiated agreement between City and developer will provide:

- Up to $10 million total public benefit payment into the City’s General Fund (subject to annual CPI increases), paid according to construction timing

- Additional provisions related to Affordable Housing in the Affordable Housing Plan, in excess of the City’s requirements:
  - 55-year term for affordability restrictions (+10 years than City Ordinance)
  - 6% (26 units) very low income
  - 4.5% (19 units) low income
  - 4.5% (19 units) moderate income
Negotiated Public Benefits in Development Agreement

- Requirement to provide a “High-End Grocery Store”

- Dedication of nine (9) new public parking spaces on Linden Avenue and widening of street

- Realignment of Kains Avenue and installation of a new traffic signal at Kains Avenue and El Camino Real

- Extension of the right turn lane from east-bound San Bruno Avenue onto south-bound El Camino Real

- Sales Tax Point of Sale Designation for construction goods purchases, which may result in additional sales tax revenue to the City during construction
Project Analysis
Building Height and Massing

• Maximum permitted building height is 70 feet or 5 stories
• Project has varying heights of 1 to 5 stories- many portions of building below maximum
• 70-foot height is set back 37 to 79 feet from lower density residential uses on Linden Ave
• Breaks incorporated into each building with a one-story reduction in building height.
• Step backs of upper floors to creation articulation
• Project meets or exceeds all Transit Corridors Plan development standards and objective design guidelines
Variation in Building Heights

BUILDING A

El Camino Real

BUILDING B

White Way

Kains Avenue

Linden Avenue

LEGEND
- 5 STORIES
- 4 STORIES
- 3 STORIES
- 2 STORIES
- 1 STORIES
El Camino Real Elevation

* Refer to Landscape Architect's sheets L-1 to L-9 for a conceptual landscape scheme.
Linden Avenue Elevation – Looking South

* Refer to Landscape Architect’s sheets L-1 to L-9 for a conceptual landscape scheme.
Linden Avenue Elevation – Looking North mid-block

* Refer to Landscape Architect's sheets L-1 to L-9 for a conceptual landscape scheme.
Linden Avenue Elevation – Looking North

* Refer to Landscape Architect’s sheets L-1 to L-6 for a conceptual landscape scheme.
Traffic Study

Traffic study prepared for project that analyzed:

- AM and PM peak hour traffic conditions for 14 signalized intersections and 5 unsignalized intersections
- Freeway segments and ramps within the study area
- Site access + on-site circulation + vehicle queuing, as well as potential impacts to transit, bicycle, and pedestrian facilities.
  - 222 AM peak hour trips
  - 213 PM peak hour trips
Transportation Demand Management Measures

- Project will be required to implement Transportation Demand Management strategies, as required by the Transit Corridors Plan, to reduce vehicle trips and promote other modes of transportation.
  - High-Bandwidth Internet Connection
  - Bike Parking: 278 parking spaces
  - One Time Transit Subsidy for new Residents and Employees
  - On site services: grocery store and commercial uses for residents to walk to + fitness and other amenities for residents
  - On-site TDM Coordinator
Parking

• Council direction in January: Prepare Zoning Code amendments with increased parking standards in Transit Corridor Plan Area:
  - Commercial: Current City Code
  - Housing:
    1 stall per unit for studios or 1 bedroom units
    2 stalls per unit for 2 bedroom units
    Plus 0.1 guest spaces per unit
  - Allowed mechanical or tandem parking
  - Consistent with state law- plus extra guest parking
Parking

The project exceeds the new higher TCP standards:

- Building A Residential: 254 Total Stalls Required
  265 Provided (Excess of 11 stalls)
- Building A Commercial: 168 Total Stalls Required
  170 Provided (Excess of 2 stalls)
- Building B Residential: 335 Total Stalls Required
  376 Provided (Excess of 41 stalls)
- Building B Commercial: 40 spaces required
  68 Provided (Excess of 18 stalls)

Project Exceeds Parking by 72 Stalls
879 total parking stalls on-site
Parking Conditions of Approval

• Residential and commercial parking management plan:
  ▪ Prohibit unbundling of resident parking stalls – owners cannot charge a separate fee for parking stalls
  ▪ All residential and commercial parking spaces shall be designated and signed for the exclusive use of each use with private enforcement by management
  ▪ Wayfinding and parking garage signage required to ensure stalls are easily found from public streets
  ▪ Other measures as required by City to minimize potential for spillover parking on adjacent residential streets

• Residents prohibited from participating in any future Residential Permit Parking Program
Environmental Assessment

• Program Environmental Impact Report (EIR) certified with Transit Corridors Plan in 2013

• California Environmental Quality Act allows subsequent individual projects to utilize a previously certified program EIR if specified criteria is met.

• Initial Study/Environmental Checklist was prepared for this project which confirmed that the proposed project would **not** result in any new or substantially more severe significant environmental effects than those analyzed in the TCP EIR document.

• Therefore, the previously certified Transit Corridors Plan EIR adequately describes the proposed project for the purposes of CEQA
Special Studies

Studies prepared as part of environmental and project analysis included:

- Sewer, Water Demand and Stormwater Analysis
- Noise Analysis
- Parking Analysis
- Health Risk (Air Quality) Analysis
- Hazardous Material Analysis
- Historic Resource Evaluation
- Geotechnical and Soil Study
- Asbestos and Lead Paint Survey
- Transportation Demand Management Study
- Shadow Study: indicated an insignificant amount of new shading will occur on the adjacent properties. Largest shadows to the west during the winter months in the early morning (before 12:00pm)
Fiscal Benefits

- Cash payment of up to $10,000,000 to the City’s general fund, as detailed in the Development Agreement
- Base building permit fees approximately $1.4 million
- Other associated permit fees, water and sewer capacity fees, business license taxes, cable account revenues, other utility connection fees and utility billing revenue
- Estimated $380,000 of new property taxes annually
- Estimated $150,000 of new sales taxes annually
- Signed Project Labor Agreement committing to the use of union labor throughout construction of the project. This is voluntary and not a City requirement.
Planning Commission June 18, 2019 Action

- Planning Commission held public hearing and voted 5-0 (with 2 recusals) to forward the project to the City Council for approval
- Planning Commission passed a separate motion (5-0) to request staff to continue working with the developer to find out for any opportunity at all to lower the height and report to City Council
- City met with the applicant to discuss this request. Response:
  - Loss of one floor which includes 86 units (out of four) would make the project financially infeasible.
Tonight’s Action – Request to City Council

- Adopt a CEQA Conformity Determination

- Waive First Reading and Introduce an Ordinance Amending Section 12.96.020 of Title 12 (Land Use) of the San Bruno Municipal Code to Change the Zoning Map from the Commercial (C) to the Planned Development (P-D) District with a Development Plan

- Adopt a Resolution Approving a Planned Development Permit and Architectural Review Permit

- Adopt a Resolution Approving a Phased Vesting Tentative Tract Subdivision Map for Condominium Purposes

- Adopt a Resolution Authorizing Installation of Loading Zone Spaces Around the Perimeter of the Site

- Waive First Reading and Introduce an Ordinance Approving a Development Agreement and Affordable Housing Plan
QUESTIONS?