



MEMORANDUM

DATE: October 18, 2016
TO: Carolyn Lehr, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: Sherwin Williams Mixed Use Project

1. **Resolution Of The City Council Of The City Of Emeryville Reviewing And Applying The Sherwin Williams Environmental Impact Report To The Sherwin Williams Development Project; Making Findings As Required By The California Environmental Quality Act (CEQA); And Adopting Mitigation Measures**
2. **Resolution Of The City Council Of The City Of Emeryville Adopting A General Plan Amendment To Modify The Land Use Diagram (Figure 2-2) To Reflect The Proposed Relocation Of Park/Open Space And Mixed Use With Residential On The Sherwin Williams Project Site, And To Modify The Maximum Residential Densities Map (Figure 2-6) To Be Consistent With The Land Use Diagram**
3. **Ordinance Of The City Council Of The City Of Emeryville Adopting A Planned Unit Development Zoning Designation And Approving A Preliminary Development Plan For The 10.05-Acre Sherwin Williams Project Site Bounded By Sherwin Avenue To The South, The Union Pacific Railroad Tracks To The West; Horton Street To The East, And Temescal Creek To The North (APNs 49-1041-26-15 And 16), And Adopting An Amendment To The Planning Regulations To Add The Sherwin Williams Mixed Use Project To The List Of Planned Unit Developments In Section 9-3.310**

I. INTRODUCTION

A. Background

The Planning Commission and the City Council held study sessions on the Sherwin Williams Mixed Use project on October 24, 2013 and December 2, 2013 respectively. A key comment received from both bodies was a desire to see the Successor Agency-owned “railroad” parcel swapped for open space/park area within the project site, with the

Successor Agency parcel (“City Parcel”) to be developed with a residential building as part of the project. Because the timeframe for the parcel’s availability for development was unclear at that time, the applicant filed an application for two proposals: one that incorporated the City Parcel within the project site (Option A) and a second that developed the City Parcel as a park in its existing configuration adjacent to the railroad right-of-way (Option B). The Planning Commission and the City Council subsequently held study sessions on the two options on October 30, 2014 and January 20, 2015 respectively.

Both proposals were analyzed for environmental review purposes under the California Environmental Quality Act (CEQA). See “Environmental Status” section below for further discussion.

During the environmental review process the applicant worked with neighborhood groups and submitted a revised application for the project that was reviewed at study sessions by the Planning Commission and City Council on July 28, 2016 and September 6, 2016 respectively. As a result of further comments, the applicant revised the plans to include a “by pass” alley for bicyclists and pedestrians through the existing Building 1-31 that will align with the 45th Street at the east end and at the new public park at the west end.

B. Brief Description of the Proposed Project

The applicant is requesting approval of a General Plan Amendment, a Planned Unit Development (PUD) zoning designation, and a Preliminary Development Plan (PDP) that would allow the 10.05-acre project site to be divided into five development parcels that will accommodate up to 500 residential units, 74,000 square feet of office space within the existing Building 1-31, a minimum of 2,000 square feet and a maximum of 8,000 square feet of ground floor retail/restaurant space, a 2,000 square foot community gallery and meeting room space, and associated structured parking. The project will also create two new streets: Hubbard Street extension and 46th Street and approximately 3.53 acres of public park/open space area on the City-owned property and in four “Park Open Space” parcels on the Sherwin Williams property.

C. Environmental Status

The City Council certified the Final Environmental Impact Report (FEIR) for this project on September 6, 2016 (Resolution No. 16-122) as adequate under the California Environmental Quality Act (CEQA). The FEIR report identified impacts and mitigation measures to be implemented as a part of project development. As part of the Council’s consideration and action on this project, a resolution and findings of fact have been drafted that delineate how the potentially significant impacts identified in the FEIR apply to the proposed project and how specific mitigation measures have been addressed through Conditions of Approval or other actions. A Mitigation Monitoring and Reporting Program (MMRP), also required by CEQA, has been included. Finally, for those impacts that cannot be mitigated to a less than significant level, the Council’s action also requires the adoption of a Statement of Overriding Considerations.

The impacts that cannot be mitigated to a less than significant level relate to traffic and cultural resources and in particular are:

- TRANS 4a: The addition of project traffic to Horton Street north of 53rd Street, a designated bicycle boulevard, under Cumulative Conditions could increase traffic volumes by more than 2 percent on a roadway where volumes already exceed the volume threshold for a bicycle boulevard. This impact would occur with either Option A or Option B.
- TRANS 8: At the San Pablo Avenue/40th Street intersection (#27), vehicle queues for some movements are projected to exceed the available storage in the Cumulative with Project Condition. For the southbound left-turn movement, the addition of project traffic to multiple movements at the intersection results in an increase of the southbound left-turn vehicle queue by more than 50 feet. This impact would occur with either Option A or Option B.
- CULT 4: Ground-disturbing activities associated with project construction could unearth Native American human remains.

Pursuant to the Statement of Overriding Considerations, attached as Exhibit D to the attached Resolution applying the Sherwin Williams EIR to the Sherwin Williams Mixed Use Project, these significant, adverse and unavoidable effects are deemed acceptable because the project advances local plans for the City of Emeryville (General Plan); adds residential units to create a mixed use neighborhood to add life, vitality, and improve the pedestrian experience in the City; constructs a new City Park; establishes a more urban street grid and urban landscape that will enhance the aesthetic quality of the Project area, and will be consistent with design standards that enhance the area and minimize blight; will implement a Transportation Demand Management Plan to reduce reliance on the single-occupant automobiles and will improve pedestrian and bicycle connections through development of the Greenway and a “pass through” alley that aligns with 45th Street and connects to the new public park; strengthens the local economy by providing new employment opportunities for local residents and tax revenues; and utilizes existing infrastructure and generates sufficient tax revenues to pay the costs of maintaining desired levels of services and adequate infrastructure facilities.

D. City Council Procedure

After taking public testimony on the proposed project, the City Council may review and consider a specific set of recommendations concerning the project as follows:

- (1) Resolution Of The City Council Of The City Of Emeryville Reviewing And Applying The Sherwin Williams Environmental Impact Report To The Sherwin Williams

Development Project; And Making Findings As Required By The California Environmental Quality Act (CEQA); Adopting Mitigation Measures.

- (2) Resolution Of The City Council Of The City Of Emeryville Adopting A General Plan Amendment To Modify The Land Use Diagram (Figure 2-2) To Reflect The Proposed Relocation Of Park/Open Space And Mixed Use With Residential On The Sherwin Williams Project Site, And To Modify The Maximum Residential Densities Map (Figure 2-6) To Be Consistent With The Land Use Diagram.
- (3) Ordinance Of The City Council Of The City Of Emeryville Adopting A Planned Unit Development Zoning Designation And Approving A Preliminary Development Plan On The 10.05-Acre Sherwin Williams Project Site Bounded By Sherwin Avenue To The South, The Union Pacific Railroad Tracks To The West; Horton Street To The East And Temescal Creek To The North (APNs 49-1041-26-15 And 16), And Adopt An Amendment To The Planning Regulations To Add The Sherwin Williams Mixed Use Project To The List Of Planned Unit Developments In Section 9-3.310.

E. Information Before the Council:

The materials before the Council include:

1. Staff report
 - Introduction
 - Detailed Project Description
 - Staff Findings on the Environmental Impacts of the Project
 - Staff Findings on the Proposed Project
 - Recommendation
2. Resolution No.16- __ (Concerning FEIR) (“EIR Resolution”)
 - Exhibit A – Findings of Fact Regarding Impacts and Mitigation Measures
 - Exhibit B – Mitigation Monitoring and Reporting Program
 - Exhibit C – Findings of Fact Concerning Alternatives
 - Exhibit D – Statement of Overriding Considerations
3. Resolution No. 16-__ (Concerning General Plan Amendment) (“General Plan Resolution”)
 - Exhibit A – Revised General Plan Land Use Diagram (Figure 2-2)
 - Exhibit B – Revised General Plan Maximum Residential Densities Diagram (Figure 2-6)
4. Ordinance No. 16- __ (Concerning Planned Unit Development) (“PUD Ordinance”)
 - Exhibit A – Zoning Map showing designation of the new PUD classification
 - Exhibit B – Conditions of Approval
 - Exhibit C – Preliminary Development Plan dated September 13, 2016

II. DETAILED PROJECT DESCRIPTION

A. Summary of Differences between Project Proposal and Project Options Analyzed in the FEIR

As noted above, a number of the project revisions have occurred through comments received from community residents and from study sessions held by the Planning Commission and the City Council. The table below outlines the revisions in the mix of uses. The Project Plans are attached as Exhibit C of Attachment 4.

	# of Residential Units	Office Space (sq. ft.)	Commercial Space (sq. ft.)
Options A and B (analyzed in the FEIR)	540	74,000	20,600
Revised Proposal	500	74,000	2,000 minimum; 8,000 maximum

In addition to changes noted above, the key difference lies in the site layout. In Options A and B the site plan was oriented around a central green running north-south with buildings along the sides and an additional plaza/park area towards the north end of the site adjacent to the railroad track. In the revised proposal Hubbard Street is extended through the site until it meets the new “46th Street” that runs along the northern property line perpendicular to Horton Street. The new streets on the site make an L-shape, meeting Sherwin Avenue on the south side and Horton Street on the east. Buildings are oriented along the Hubbard Street extension, with Parcels B1 and B2 lying to the east, Parcel C and park area to the west, and Parcel D sited to the north, west of the so-called “Rifkin” parcel on Horton Street owned by Novartis. The locations of the open space areas are a combination of the two Options. Similar to Option B, the City Parcel is developed as a park in its existing location; however, unlike Option B, and similar to Option A, the open area on the Sherwin Williams property is sited fronting Sherwin Avenue and adjacent to the City Parcel. The maximum heights of the proposed buildings remain similar at 75 feet for buildings B1, B2 and C and 100 feet for building D. A “pass through” alley for bicyclists and pedestrians through the existing Building 1-31 that will align with the 45th Street on the east and end at the new public park at the west end is now proposed. (See Page7 of Project Plans for the currently proposed Site Development Plan).

B. Project Description

The project includes up to 500 residential units, 74,000 square feet of office space, and a minimum of 2,000 square feet and a maximum of 8,000 square feet of ground floor commercial space, which may include retail, restaurant, office, professional service, and

other commercial uses allowed by the Planning Regulations. (Condition of Approval Numbers I.A.4 and 5 list allowed non-residential uses and their locations).

Land Use and Massing: The site would be divided into five new development parcels – A, B1, B2, C and D. Building heights, residential density and square footage are outlined on Pages 6, 7 and 8 of the Project Plans. In addition, four open space parcels have been created: Park Open Space 1, Park Open Space 2, Park Open Space 3 and Park Open Space 4, whose sizes are 0.62 acres, 0.99 acres, 0.25 acres and 0.22 acres respectively (see Page 6 of Project Plans). The City Parcel, which is 1.45 acres, is to be developed as open space and is identified on the plans as “City Park Parcel”. A “Road Parcel” of 1.26 acres is also created to accommodate the L-shaped roadway providing access to the site via Sherwin Avenue and Horton Street.

Parcel A is created to accommodate the existing significant building (74,000 square feet) that will be reused as office space at the corner of Horton Street and Sherwin Avenue. The existing building maintains a height of approximately 42 feet. The parking for this building will be located in Building B-2. A public east-west “pass through” alley will be constructed within existing Building 1-31 that will align with 45th Street on the east and connect to the proposed public park to the west. The design of the alley will accommodate both cyclists and pedestrians such that cyclists would not need to dismount and will be able to move through the space continuously from Horton Street to the new park.

Parcels B-1 and B-2 are located east of the Hubbard Street extension and are separated by “Park Open Space Parcel 3. Building B-1 will have a maximum height of 75 feet with height stepping down to 45 feet for the first 30 feet back from Sherwin Avenue, and then stepping up to 65 feet for the next 10 feet, with the remaining building reaching a height of 75 feet. This stepping of the building height from Sherwin Avenue is illustrated on Page 8 and in Section A on Page 25 of the attached Project Plans. Parcel B-1 will accommodate 85 residential units and is proposed to accommodate all affordable units required in the project. The ground level may also include some of the proposed commercial space.

Similar to Parcel B-1, Parcel B-2 will have a maximum height of 75 feet with height stepping down to 45 feet for the first 30 feet back from the Horton Street frontage, and then stepping up to 65 feet for the next 10 feet, with the remaining building reaching a height of 75 feet. In addition, the Horton Street frontage of the building will be set back 40 feet from Horton Street, with a Park Open Space Parcel 4 extending along the street between Parcel A and B-2. A community gallery and meeting space is proposed to occupy the Horton Street frontage of the building adjacent to Park Open Space Parcel 4 (see Page 9 of Project Plans). Parcel B-1 will accommodate 145 residential units and between 326 and 525 parking spaces. Parking for uses on Parcel A and B-1 will be located in this building.

Parcel C is located west of the Hubbard Street extension with a maximum height of 75 feet but is stepped down to 65 feet on the along the southern edge for a distance of 30 feet. The building is set back approximately 180 feet from Sherwin Avenue and is separated

from it by Park Open Space Parcel 1. The building will accommodate 120 residential units and between 96 and 158 parking spaces.

Parcel D accommodates the tallest building (100 feet) and is situated to the north end of the property running parallel along the western property line of the Rifkin parcel. The building will accommodate 150 units and between 121 and 198 parking spaces.

Page 7 of the Project Plans shows the various building heights while Page 8 provides the illustrative development concept consisting of a three-dimensional sketch of the proposed building massing. Page 9 illustrates the ground level areas of the four parcels that is proposed to be a mix of retail/restaurant/office space (2,000 square feet minimum and 8,000 square feet maximum); live-work space; residential amenities; and the proposed community gallery and meeting space.

Circulation: Page 13 provides a vehicular circulation diagram for the site showing garage entries to each building except Building A and Building B-1 that contain no parking spaces. Entry to Parcel C is off Hubbard Street extension while the new 46th Street provides access to Parcels B2 and D.

Pages 14 and 15 provide bicycle and pedestrian circulation patterns through the site, including its open space and recreation areas. Pedestrian entries to buildings and locations of bicycle parking and storage will be articulated at the Final Development Plan (FDP) stage. Page 12 shows proposed locations for a shuttle stop, car share pod and a Bay Area Bike Share station on the Hubbard Street extension, as well as a route for a future street car.

Open Space: Within the project there are 3.53 acres of publicly accessible open space and 1.26 acres of publicly accessible streets. (See Page 6 of Project Plans). The City Park Parcel (1.46 acres) will be developed by the Applicant as park/open space in its existing configuration and will be designed in conjunction with the adjacent Park Open Space Parcel 1 that in combination will provide a 2.07 acre park/open space area. Park Open Space Parcel 2 runs along the northern end and northwest property line and is 0.99 acres in size. Parallel bicycle and pedestrian paths run adjacent to the railroad line through Park Open Space Parcel 2 and the City Parcel. This "Greenway" consists of a 20-foot wide area along the entire alignment next to the railroad, including a 15-foot wide concrete bicycle path and a 5-foot wide decomposed granite pedestrian path (see page 22 of Project Plans) It will connect to Halleck Street and will also serve as an Emergency Vehicle Access along the northern half adjacent to Parcel D (see Page 16 of Project Plans). Park Open Space Parcel 3 (0.25 acres) provides plaza type areas between Parcels A, B1 and B2, and will serve as the connection between the "pass through" in Building 1-31 and the public park west of Hubbard Street. Park Open Space Parcel 4 (0.22 acres) provides an open space buffer between Parcel B2 and Horton Street. The pedestrian circulation diagram on Page 15 shows how the various open areas will be accessed by residents and citizens as all the above described open areas will be publicly accessible. The open areas have not yet been programmed and will be developed at the FDP stage. Conditions of Approval I.H(b) and

IV.G require a community process for the design of the public park/open space areas, including at least two community meetings as well as input from relevant City committees, including but not limited to the Parks and Recreation Committee and the Bicycle/Pedestrian Advisory Committee.

Lighting and Street Trees: Page 18 provides a preliminary landscape plan showing proposed trees along existing and new street frontages and within the various open space areas. Page 17 show proposed lights with “Greenway light poles” along the railroad tracks and standard street lights elsewhere on site. Condition of Approval II.E.5 requires that City standard Lumec Candela street lights be used along streets, and that all lighting elsewhere on the side, including along the Greenway and within park/open areas, shall be standard City Greenway lights (Holophane GranVille Series).

Proposed Modifications to Development Standards: Planning Regulations Section 9-7.1005(d) allows PUDs to modify any of the Site Development Regulations in Chapter 4 of the Planning Regulations. The applicant is proposing to modify the parking requirements by setting the maximum number of residential parking spaces at 1 per unit, as opposed to the standard allowance of 10% more than this (i.e. 1.1 spaces per unit). All other requirements of the Planning Regulations, including but not limited to residential guest parking, non-residential parking, bicycle parking, loading, courts, open space, landscaping and screening, water use, recycling and trash areas, and lighting and illumination, will apply and are not requested to be modified.

III. STAFF FINDINGS REGARDING ENVIRONMENTAL IMPACTS OF THE PROJECT

The FEIR for the proposed Sherwin Williams Development Project has been completed and was certified by the City Council on September 6, 2016 (Resolution No. 16-122). The impacts and mitigation measures that apply to the project have been delineated in both the Findings of Fact (Exhibit A to the EIR Resolution) and the Mitigation Monitoring and Reporting Program (Exhibit B to the EIR Resolution). Exhibit C of the EIR Resolution delineates the Findings of Facts for Alternatives, and Exhibit D of the EIR Resolution outlines the findings for the Statement of Overriding Considerations.

IV. STAFF FINDINGS ON THE PROPOSED PROJECT

A. Compliance General Plan, Zoning, Design Guidelines, and Park Avenue District Plan

General Plan goals (G) and policies (P) that are particularly germane, and with which the project is consistent, include:

LU-G-2 A mix of housing types – A diversity of housing types to accommodate a variety of household sizes and incomes.

- LU-G-9 *Appropriately scaled buildings – heights and massing that do not appear monolithic.*
- LU- P-1 *Land uses will be consistent with the Land Use Classifications in section 2.4 and the Land Use Diagram, Figure 2-2.*
- LU-P-5 *Retail uses will be concentrated in areas with Neighborhood or Regional Retail overlays, near neighborhood centers, and in the Emeryville Marketplace.*
- LU-P-18 *The reuse of the Sherwin Williams site shall include a mix of residential and nonresidential uses with ample open space, centered on an extension of the Emeryville Greenway connecting Horton Landing Park and the Park Avenue District.*
- PP-P-6 *The north-south Emeryville Greenway will be expanded, enhancing its role as an open space corridor and connector across the City, and a source of inspiration and community pride. The City will support the expansion of a park at the Sherwin Williams site, in coordination with the development of Horton Landing Park and the Greenway.*
- UD-P-46 *Street trees shall be provided on City streets where feasible. Street trees shall be planted in a row along the curb, between the vehicle roadway and sidewalk, unless this is physically impossible due to constraints such as underground water or sewer lines.*
- UD-P-47 *Streetscape landscaping shall follow Bay-Friendly Landscaping guidelines and serve the dual purpose of treating stormwater runoff and providing shade and beauty to the urban realm.*
- CSN-P-10 *New development is required to incorporate source control, site design, and storm water treatment to reduce pollutants in stormwater runoff.*
- CSN-P-11 *Exterior uses of water for landscaping and other purposes shall be reduced to minimize or eliminate runoff and water waste.*
- CSN-P-33 *In order to reduce light pollution and use less energy, lighting (including on streets, recreational facilities, and in parking areas) should be designed to prevent artificial lighting from illuminating natural resources or adjacent residential neighborhoods.*
- CSN-P-44 *The City will continue to require development projects to implement on-site stormwater management measures through the City's development permit process.*

- ST-P-5 The City shall encourage, promote, practice, and where feasible, require Bay-Friendly landscaping practices as defined in the Bay-Friendly Landscape Guidelines, Sustainable Practices for Landscape Professionals.*
- T-G-4 A walkable city – provide an accessible, safe, pleasant, convenient, and integrated pedestrian system that provides links within the city and to surrounding communities, and reduces vehicular conflicts.*
- T-P-1 The City’s circulation plan shall be as set forth in Figures 3-1 through 3-8 and based on typologies described in the Transportation Chapter of the General Plan.*
- T-P-2 The design, construction, operation, and maintenance of city streets shall be based on a “complete streets” concept that enables safe, comfortable, and attractive access and travel for pedestrians, bicyclists, motorists, and transit users of all ages and abilities.*
- T-P-4 Transportation planning shall be coordinated with emergency service providers to ensure continued emergency service operation and service levels.*
- T-P-10 The pedestrian circulation system shall be as set forth in Figure 3-4 and based on the typologies described in the General Plan Transportation Chapter.*
- T-P-12 The City will plan, upgrade, and maintain pedestrian crossings at intersections and mid-block locations by providing safe, well-marked crosswalks with audio/visual warnings, bulb-outs, and median refuges that reduce crossing widths.*

The project has been designed to comply with these goals and policies and is therefore consistent with the General Plan.

Land Use Designation: Most of the site is in the Mixed Use with Residential (MUR) General Plan land use classification and zoning district. The northern portion of the site, about 2.08 acres, is in the PO Park/Open Space district. In addition, the General Plan shows a new “dog-leg” street through the site, going north from Sherwin Avenue along the alignment of Hubbard Street, and turning east to connect with Horton Street between 45th and 53rd Streets (called “46th Street” in the attached plans). The applicant is proposing a 66-foot right-of way for the Hubbard Street extension, and a 60-foot right-of-way for 46th Street; thus, these new streets occupy about 1.26 acres. Subtracting the open space zoning and the new street from the 8.55 acre site would leave about 5.21 acres of

developable land in the MUR zone. Calculations of residential density and building intensity (floor area ratio) are based on this amount of developable land.

Mixed Use and PUD: The MUR district requires a mix of uses, one of which must be residential. Other uses must come from the retail, office, hotel, recreational, and/or industrial and agricultural mixed use groups, as listed in the Planning Regulations under Article 8 of Chapter 2. The exact mix of uses is not specified, but is to be determined by the Planning Commission and City Council as part of the entitlement process.

The project envisions residential use as the major use with office space (74,000 square feet) and a mix of ground floor retail/restaurant/office space (2,000 square feet minimum and 8,000 square feet maximum), live-work space, residential amenities, and the proposed community gallery and meeting space.

Residential Density: The maximum allowed residential density is 50 units per acre by right and 100 units per acre with a development bonus. Using 5.21 acres of developable area, as noted above, this calculates to 261 units by right and 521 units with a bonus. The project proposes 500 units and will require 92 bonus points for residential density.

Building Intensity: The maximum allowed floor area ratio (FAR) is 1.5 by right and up to 3.0 with a development bonus. FAR applies to both residential and non-residential uses, and does not include parking and loading areas. The project proposes 690,000 gross square feet of residential and commercial development, not including parking and loading. Using 5.21 acres, or 226,948 square feet, of developable land, as noted above, this calculates to an FAR of 3.0 (690,000/226,948). The project therefore needs 100 bonus points for FAR.

Height: The height limit in the southern portion of the site is 40 feet by right, up to 75 feet with a bonus. The height limit in the northern portion of the site is 50 feet by right, up to 100 feet with a development bonus. Buildings on Parcels B-1, B-2, and C are each proposed to be 75 feet, while the building on Parcel D is proposed to be 100 feet. Thus, all of the new buildings would be at the maximum height allowed with a development bonus, which would trigger a requirement of 100 bonus points for height.

Bonus Points: Pursuant to Section 9-4.204 (c)(2), it is not necessary to earn separate points for bonuses in each category, i.e. residential density, FAR, and height, but rather to earn the maximum number of points required in any category. As noted above, the project requires 100 bonus points in the FAR and height categories.

The applicant has identified the following categories for bonus points that add to the required 100 points.

50 points: Provide 17% of units to be affordable, as required by Section 9.4.204(d)(1). See further discussion of affordable housing below.

50 points: Community Benefits, including public improvements, utility undergrounding, and flexible community benefits as stipulated in items (3), (4), and (7), respectively, of Table 9-4.204(e) of the Planning Regulations. The Planning Regulations stipulate that 10 bonus points shall be earned for each 1% of the total construction valuation of the project, i.e. 50 points requires community benefits valued at 5% of the total construction valuation of the project. The funding available for community benefits for this project is estimated at approximately \$7 million.

For the flexible community benefit, the applicant is proposing the following:

- (1) Retrofit Building 1-31 for permanent public “pass through” alley (Estimated value: \$1 million).
- (2) A 2,000 square foot Public Art Gallery and Community Room space (Estimated value: \$600,000).
- (3) Community Shuttle to West Oakland BART station for five years (Estimated value: \$900,000).

For the public improvements and utility undergrounding, the following projects are proposed, in priority order:

- (1) Hubbard Street, east side between Sherwin and Park Avenues: sidewalk improvements and utility undergrounding. (Estimated value: \$700,000)
- (2) Horton Street, between Park Avenue and new 46th Street: utility undergrounding. (Estimated value: \$1.8 million)
- (3) Sherwin Avenue, south side, between Horton and Hubbard Streets: sidewalk improvements. (Estimated value: \$150,000)
- (4) Hubbard Street, between Park Avenue and 40th Street: sidewalk improvements (both sides of street) and utility undergrounding. (Estimated value: \$680,000)
- (5) Halleck Street, west side along frontage of Assessor Parcel Number 49-1036-2, extending approximately 185 feet south from Sherwin Avenue: sidewalk improvements. (Estimated value: 90,000)
- (6) Horton Street, west side between Sherwin and Park Avenues: sidewalk improvements. (Estimated value: \$200,000)
- (7) 45th Street, between Horton and Hollis Streets: utility undergrounding, including removal of adjacent poles on Holden Street. (Estimate value: \$1.44 million)

- (8) Horton Street, between new 46th Street and 53rd Street: utility undergrounding.
(Estimated value: \$1.05 million)
- (9) Halleck Street, between Park Avenue and Beach Street: utility undergrounding
(Estimated value: \$750,000)

These projects represent almost all of the unfinished sidewalks and utility undergrounding in the Park Avenue District west of Hollis Street. However, it is likely that the funding available for community benefits will not be sufficient to cover all of these projects. If some of the projects can be completed and there is funding remaining, but not enough to complete any further projects, or if there is excess funding remaining after all of the projects are completed, the conditions of approval stipulate that any excess funds shall be contributed to the South Bayfront Bridge and Horton Land Park capital improvement project.

Condition of Approval Number II.D outlines timing, design, operation and other specifications related to these community benefit projects. Specifically, sidewalks shall be consistent with the Park Avenue District Plan and other side streets in the district, and utility undergrounding shall include new streetlights and the connection costs of properties served by the new underground lines. It should be noted that the right-of-way of Sherwin Avenue between Horton and Hubbard Streets is only 50 feet wide because the building on the east side of Hubbard Street is 10 feet farther north than the buildings to the west. Therefore, construction of a 15-foot sidewalk on the north side of Sherwin Avenue as part of the project (discussed further below), and a 12-foot sidewalk on the south side, as part of the Park Avenue District community benefits listed above, will result in a roadway that is only 23 feet wide. This will provide ample room for one travel lane in each direction, but will not allow for any on-street parking on Sherwin Avenue between Horton and Hubbard Streets.

Affordable Housing. As noted above, Section 9-4.204(d)(1) of the Planning Regulations requires the project to provide 17% affordable units. For the proposed 500 residential units, this works out to 85 affordable units. The regulations further stipulate that these affordable units must be provided at various income levels, as follows:

Very Low Income	3.9%	20 units
Low Income	5.9%	30 units
Moderate Income	7.2%	35 units
TOTAL	17.0%	85 units

The applicant proposes to provide all the required affordable units in a stand-alone building on Parcel B-1, at deeper levels of affordability. Specifically, 10% of the affordable units, i.e. 9 units, are proposed to be affordable to households whose maximum annual income does not exceed 50% of Area Median Income (AMI), and 90% of the affordable units, i.e. 76

units, are proposed to be affordable to households whose maximum annual income is 51% to 60% of AMI.

It should be noted that, if the applicant chooses to develop fewer than the maximum of 500 units, the number of affordable units would be reduced proportionally, subject to the requirements of Section 9-4.204(d)(1) and the Rules for Rounding of Numbers in Section 9-2.103.

Section 9-5.408(c) stipulates that “Unless the City finds compelling reasons to the contrary, the rental affordable units shall be dispersed throughout the development, the mix and type of rental affordable units shall be proportionate to those of the project as a whole, and shall be comparable with the design of the base level market rate units.” The applicant has provided the following rationale for a stand-alone affordable housing building: (1) provision of deeper levels of affordability, 30 per cent more than City requirements and, (2) partnering with an affordable housing developer with experience to provide on-site social services on a continuing basis.

In order to ensure parity with market rate residential units, Condition of Approval Number II.C stipulates a number of provisions with which affordable units in a stand-alone building must comply, including a deed restriction/affordable housing covenant; materials and finishes equal to market rate units; full access to all amenities that are available to residents of market rate units; a washer and dryer in each affordable unit; maintenance to be provided by the market rate housing developer if the affordable housing developer does not respond within 90 days; a full time resident manager; unit size and mix equal to the market rate units; full access to parking in Building B-1; a full time staff to provide programs and services such as employment/job training, after school programs, exercise classes, social activities, children’s playground, and computer training; a provision that Section 8 vouchers shall be accepted; and a provision that the affordable housing building shall be occupied first.

Unit Mix and Design. The project is subject to the Multi-Unit Residential Development requirements of Article 20 of Chapter 5 of the Planning Regulations, including the requirements for unit mix (50% of units must be 2 or more bedrooms, 15% of units must be 3 or more bedrooms, and no more than 10% of units may be studios), family-friendly design, and ownership housing. Condition of Approval Number II.M stipulates that these requirements shall apply to the overall project, and to each individual building within the project, except that the ownership housing requirement shall not apply to a stand-alone affordable housing building.

TDM Plan or GreenTRIP Certification: Section 9-5.2008 requires all multi-family developments to either submit a Transportation Demand Management (TDM) plan or obtain GreenTrip Certification from TransForm. The applicant has obtained a provisional GreenTrip Certification from TransForm (See Attachment 1). Condition of Approval Number IV.D requires the applicant to demonstrate to the Community Development Director that the project has achieved equivalent compliance to GreenTRIP “Platinum” as

outlined by TransForm except for compliance with the 0.5 parking space per unit standard necessary to achieve “platinum” status. In addition, Condition IV.A requires the applicant to submit a revised TDM plan that estimates a 30 per cent reduction in traffic based on the addition of transit-oriented incentives and mitigations. Both conditions have been voluntarily agreed to by the applicant.

Parks and Greenway: In addition to a public park of 2.08 acres, the General Plan calls for the Emeryville Greenway to traverse this parcel to connect between Horton Landing Park to the north and the Park Avenue District/Bay Trail to the south. The General Plan and the Parks and Recreation Plan show the Greenway extension on Hubbard Street, however the Park Avenue District Plan specifies the connection at Halleck Street. Additionally, the Pedestrian and Bicycle Plan shows a pedestrian path on Hubbard Street extension and a bicycle-pedestrian path along the railroad tracks. The project proposes pedestrian and bicycle access along both alignments (see Pages 14 and 15 of attached Project Plans). The project provides a total of 2.08 acres of public park and open space (Park Open Space Parcels 1, 2, 3, and 4) on the Sherwin Williams property. In addition, the applicant will be developing the adjacent 1.45 acre City parcel to create a public park in conjunction with Park Open Space Parcel 1). The total amount of public park/open space will be 3.53 acres, including 2.08 acres on the Sherwin Williams parcel and 1.45 acres on the City parcel.

Park Avenue District: As noted above, the project is located in the Park Avenue District, which is implemented through the P-A Overlay Zone. One implication of this is the designation of the existing building as a significant structure. The project includes adaptive reuse of the existing “Building 1-31”.

The Park Avenue District Plan (implemented through the P-A Overlay Zone), also contains development guidelines, including the following:

- Work with surrounding property owners and businesses to time-share parking.
- Residential projects should include units with multiple bedrooms that could accommodate families.
- Development of large sites (1 acre or greater) should include residential or live/work units.
- Encourage new development north of Sherwin Avenue and west of Horton Street (i.e. on the Sherwin Williams site) to include a public park or parks with ample green space.
- Provide active uses on the street frontage of buildings.
- Create a cultural arts center or a permanent home for Emeryville Art Exhibition.

A shared parking program is proposed as part of the project Transportation Demand Management Plan (TDM) (Condition of Approval Number IV.A). The Horton Street and Sherwin Avenue frontages on Parcel A will provide ground floor office use. The street frontages of the four new buildings will provide active ground floor uses, including retail/restaurant/office; live-work space; administrative offices; and residential lobbies and amenities such as fitness and health facilities, clubhouses, and meeting rooms. As noted above, an art gallery is being proposed to earn bonus points under the “flexible community benefit” category. The proposed PDP therefore complies with the applicable Park Avenue District Plan guidelines.

There are other Park Avenue District Plan guidelines that apply to this project and will be implemented at the FDP stage. These include:

- Ensure that new buildings are compatible with the architectural patterns of the older brick and concrete industrial buildings.
- Provide varied residential development for a mix of household types, sizes and income levels.

Design Guidelines: The Citywide design guidelines that apply and are particularly germane, and with which the project is consistent via design and/or Conditions of Approval, include:

Site Planning:

- C-1 Consider the three-dimensionality of buildings: how they are perceived from the ground level, public streets, and side streets; and how they can contribute to, or detract from, the views, neighborhood or district character, and overall quality of life.*
- C-2 Site buildings and locate plazas, building entrances, seating, and visually interesting architectural features to encourage interaction among occupants and passersby.*
- C-4 Consider edge conditions and transition areas during site design to ensure compatibility between existing and new development.*
- C-6 Conceal all mechanical, electrical, and other building equipment from the public right-of way and from other existing buildings, where feasible. Use screening materials and other buffers to minimize noise and visual impacts. Mechanical equipment should not be located along the ground floor street frontage.*

Building Massing:

- D-1 In areas where building heights transition, step back upper levels of buildings to transition to adjacent lower building heights.*

- D-2 Encourage variation and articulation through changes in height and massing.*
- D-3 Create buildings openings that permit midblock pedestrian connections, thereby breaking up “super blocks” and expanding the pedestrian network.*
- D-7 Design of new buildings should consider shadow impacts on surrounding areas. 3D modeling is recommended to test the effect of building heights and massing on sidewalks and streets, in terms of shadows.*

Sidewalks and Green Streets

Generally, the Design Guidelines call for a minimum of 11.5 foot wide sidewalk, including 7.5 feet for a pedestrian pathway and 4 feet for a landscaped area between the pedestrian pathway and curb. Additionally, Sherwin Avenue, Hubbard Street extension, and Horton Street between Sherwin Avenue and 45th Street are designated “Green Streets” that calls for a 15-foot minimum sidewalk corridor, including 8 feet for a pedestrian pathway, 5 feet for a landscaped area next to the curb, and 2 feet for a landscaped area next to the adjacent property (Figure 3-6 of Emeryville Design Guidelines). Where the Greenway is separate from a street, the Design Guidelines call for a 20 foot minimum corridor including a 10 foot paved pedestrian/bicycle pathway and a 6 foot unpaved path separated by 4 feet of landscaping (Figure 3-5 of Emeryville Design Guidelines).

The Hubbard Street extension is designed as a 66-foot right of way with a 36 foot roadway, 5-foot planter strip between the curb and pedestrian pathway, 8-foot pedestrian pathway, and 2-foot landscaped area adjacent to the property line, thereby providing a minimum sidewalk width of 15 feet on both sides of the street (See Page 27 of Project Plans). Thus, Hubbard Street extension is in compliance with the “Green Street” requirement.

The Sherwin Avenue street section (Page 25) shows compliance with the Green Street sidewalk width on the north side with an 8-foot clear pedestrian path, a 5-foot landscape area next to the curb; and a 2-foot landscape corridor between the sidewalk and the building wall.

In the interest of preserving existing mature trees along the Horton Street frontage, it is not possible to comply with the Green Street sidewalk width; however, there is a clear pedestrian pathway of 8 feet. (See pages 28 and 29 of Project Plans).

The Greenway along the railway tracks provides a 20 foot multi-use trail with a 15-foot concrete pathway and a 5 foot decomposed granite path, in conformance with the Design Guidelines.

Sherwin Avenue between Hubbard and Halleck Street is designated as a Class II/III bikeway in the General Plan, and as a Class III Bicycle Route in the Pedestrian and Bicycle Plan, meaning that the roadway should be designed to be shared with bicycles. Condition of Approval Number II.E.4 requires bicycle signage on Sherwin Avenue.

General Plan Amendment. The project requires a General Plan Amendment to reconfigure the land use designation of Park/Open Space at the north end of the parcel to Mixed Use with Residential and to redesignate the proposed open space area in the Mixed Use with Residential area to Park/Open Space such that the same amount of land ends up in the Park/Open Space and Mixed Use with Residential land use categories (i.e. no reduction in the total amount of open space). An amendment to the General Plan “Maximum Residential Densities” map is also required to show residential use in the re-designated Mixed Use with Residential area, and not in the re-designated Park/Open Space area. (See attached General Plan Resolution, Exhibits A and B).

Section 9-7.1205 of the Planning Regulations describes the findings that the City Council must make in approving an amendment to the General Plan. Staff believes the findings can be made, as detailed in the attached General Plan Resolution. The proposed amendment is consistent with the General Plan guiding principles, including in particular guiding principles number 1, 3 and 4 of creating a distinctive district and neighborhood with “a full complement of uses and easy access to parks, stores, and other amenities of everyday living”; a “walkable, fine-grained city, emphasizing pedestrians” and “enhanced and connected open space network and green streets”. Reconfiguration of Park/Open Space within the project site will allow siting of a public park, Greenway along the railroad, and two other plaza areas in a connected way that will allow for easy, visually compelling access to the site by both pedestrians and cyclists.

The proposed amendment retains internal consistency of the General Plan as the amendment to the configuration of Park/Open Space and Mixed Use with Residential designation is accompanied by a change in the Maximum Residential Densities Map in order to maintain consistency. The proposed amendment has no impact on other applicable plans such as the Emeryville Design Guidelines and Park Avenue District Plan. The adoption of the proposed PUD zoning designation on the site, and the proposed PDP for the Sherwin Williams Mixed Use Project, will ensure consistency between the General Plan and the Planning Regulations.

The Final Environmental Impact Report prepared for the project included the proposed General Plan Amendment.

Findings for Planned Unit Development/Preliminary Development Plan: Section 9-7.1004 of the Planning Regulations describes the findings which must be made by the City Council in approving the creation of a PUD zone and the adoption of a Preliminary Development Plan (PDP). Staff believes that the required findings for the PUD/PDP can be made, as detailed in the attached PUD Ordinance. As noted above, the proposed PUD/PDP conforms to the General Plan and other applicable plans. The project provides a cohesive, integrated, well-planned development; compatibility of the proposed uses with neighboring uses; and creation of aesthetically pleasing development. The proposed project will create a new neighborhood that is fine-grained, providing bicycle and pedestrian connections via the Greenway, a new Green Street (Hubbard Street extension) and a “pass through” alley in an existing building that will result in extension of the 45th Street

corridor through the site terminating at a new public park. Building massing has been appropriately designed such that building heights are stepped back from the street frontages. In addition, ground floor spaces have been assigned for active uses such as retail, restaurant, residential amenities and other similar uses to create an integrated, well-planned development that provides well-lit tree-lined streets with ample sidewalks. At the time of approval of Final Development Plans for each building, the design of buildings will be required to comply with applicable design guidelines, and will therefore include design features that incorporate well-articulated architecture with variations in building planes, colors and materials, balconies and trellises.

B. Project Review

The development concept was reviewed by the staff-level Development Coordinating Committee (DCC) on July 13, 2016 and by the Bicycle Pedestrian Advisory Subcommittee (BPAC) on July 18, 2016. The applicant has addressed all staff comments made at the DCC meeting. BPAC comments are discussed further below.

Bicycle Pedestrian Advisory Committee (BPAC) Comments:

The plans reviewed by the BPAC at their July 18, 2016 meeting showed the Greenway along the railway tracks providing a 20-foot multi-use trail with a 10-foot pathway and a 6 foot decomposed granite path separated by a 4-foot native sod in the southern half, while the 4 foot native sod strip was eliminated in the northern half as the Greenway functions as emergency vehicle access in this section. The Committee unanimously felt that the four-foot sod should be eliminated throughout the entire length of the Greenway as pedestrians are unlikely to use the decomposed granite path when it is separated by a grass/landscape strip. The suggestion was that that the 20-foot Greenway along the tracks be constructed with a 15-foot concrete bicycle path and 5 feet of decomposed granite path. The applicant has revised the plans to comply with this BPAC recommendation (see Page 22 of Project Plans).

In addition, the following observations were made by the Committee:

- Bollards would be needed to prevent motor vehicles from using the Greenway path;
- Stop signs/traffic control is needed where bicycles enter/exit the site at 46th Street and Sherwin Avenue;
- The Halleck Street connection south to Beach Street needs improvement to make the Greenway's connection viable.
- Bicycle parking areas need to be show on the plans and be sited in well-lit visible and easy to locate areas;
- If bicycles are not allowed within the apartments, then the project should provide more bicycle parking than required by the Planning Regulations. If bicycle parking is allowed

in the apartments, then the design should provide for “gear walls” that have hooks on the walls for bicycle parking.

- The project should provide common bike areas (“bike kitchens”) that allow residents to wash and repair their bicycles.

These recommendations will be addressed as appropriate at the Final Development Plan stage of the project.

C. Planning Commission Study Session Comments

At their July 28, 2016 study session, the Planning Commission generally expressed appreciation of the efforts made by the community and the applicant in the design of the project. A number of Commissioners echoed the need for ownership housing expressed by several citizens and one Commissioner suggested making Parcel D a condominium building. The Commission agreed with the staff recommendation that the bonus points could be obtained by construction of sidewalks on Hubbard Street and Sherwin Avenue. They also felt that the applicant could pay into the Art Center and provide a community space within the project under “flexible community benefit” category. One Commissioner felt that at least 8,000 square feet of retail/restaurant space should be provided instead of the minimum of 2,000 square feet and that the project should follow the City’s Planning Regulations for open space, loading and trash standards, as opposed to the modifications to these standards proposed by the applicant. One Commissioner expressed support for the staff recommendation of providing a direct path from Horton Landing Park to the Hubbard Street extension and stated that all sidewalk widths should meet City design standards. He also suggested that decomposed granite should not be used for the Greenway path and that bike lockers should be provided in all the buildings. One Commissioner noted that there was an opportunity to create a “pass through” alley in the existing Building 1-31 that provided a direct east-west path for cyclists and pedestrians from 45th Street to the new public park on the west. Except for ownership housing, the applicant has incorporated most of concerns expressed by the Planning Commission.

D. City Council Study Session Comments

At their September 6, 2016 study session on the project, the City Council opined that a stand-alone affordable building was acceptable as long as its residents had full access to all site amenities, as it would provide deeper levels of affordability as well as on-site social services. The Council confirmed that the existing trees on Horton Street should remain even if it was not possible to fully comply with the Green Street sidewalk width and that bonus points should be used to provide community art gallery space within the project rather than a contribution to the City’s Art Center fund. A desire was expressed for a ramp from the South Bayfront Pedestrian/Bicycle Bridge connecting with the proposed Greenway on the project site. (The Public Works Director has subsequently advised that this connection is not feasible because the ramp would need to be almost 500 feet long and would take up most of the space designated for the Greenway path on the project site,

leaving no room for the path. In addition, to include this ramp could potentially jeopardize the City's ability to construct the bridge because there is a funding deadline to be under construction by the latter part of 2017. Further, to include the additional ramp would require significant structural modifications to the design of the east abutment and could trigger a number of other structural changes. The bridge plans are 100 per cent complete and a redesign would cause a major delay.)

E. Negotiations Between Applicant and Neighbors

For the last several months, the applicant has been negotiating with residential neighbors surrounding the project site, represented by the Park Avenue Residents' Committee (PARC). On September 2, 2016, the applicant and PARC reached an agreement on eleven key points. These include that the project shall provide: (1) a pass-through in Building 1-31, (2) car share parking, (3) a bike sharing station and bike lockers, (4) a public art gallery, (5) a revised TDM plan that reduces project traffic by 30%, (6) equivalent compliance to GreenTRIP "Platinum" certification, (7) a private shuttle service to the West Oakland BART station for five years, (8) compliance with the requirements of the Park Avenue District Overlay Zone, (9) off-street construction parking and deliveries, (10) a public process for the park design, and (11) sidewalk improvements and undergrounding of utilities along streets adjacent to the site. The Building 1-31 pass-through, public art gallery, West Oakland BART shuttle, sidewalk improvements, and utility undergrounding have been included in the applicant's proposal for development bonus points, as discussed above, and are implemented through Condition of Approval Number II.D. The other items are included in Conditions of Approval Numbers IV.A through IV.H, to which the applicant has voluntarily agreed.

F. Planning Commission Action on Project

On September 22, 2016, the Planning Commission recommended that the City Council approve the project on a 4-0 vote. Commissioner Bauters was recused on the grounds of residential proximity to the project site, while Commissioner Donaldson was recused because she works for a firm that is a client of the project developer. Commissioner Kang had an excused absence. The Commission made a small change in the recommended Conditions of Approval to increase the minimum width of the "pass through" alley in Building 1-31 from 16 feet to 24 feet.

G. Committee Comments

Following the Planning Commission meeting on September 22, 2016, the project was reviewed by the Parks and Recreation Committee on September 28, 2016. The Committee was generally appreciative of the location of the open spaces although one member noted that the project would not be increasing the amount of park space per person in the city. The Committee recommended that there be a city-wide notification of any community meetings and Planning Commission study sessions meant to solicit comments on the design of the open spaces. The Committee noted that there was an opportunity to program

both active and passive uses, that the design of the four open space parcels should be considered together, and that the programming should address the needs of multiple users from varying age groups.

The project will be reviewed by the Housing Committee on October 5, 2016. Their comments will be verbally presented at the City Council public hearing on October 18, 2016.

V. RECOMMENDATION

Staff recommends that, after holding a public hearing and taking public testimony on the proposed project, the City Council adopt the attached resolutions and ordinance as follows:

- (1) Resolution Of The City Council Of The City Of Emeryville Reviewing And Applying The Sherwin Williams Environmental Impact Report To The Sherwin Williams Development Project; And Making Findings As Required By The California Environmental Quality Act (CEQA); Adopting Mitigation Measures.
- (2) Resolution Of The City Council Of The City Of Emeryville Adopting A General Plan Amendment To Modify The Land Use Diagram (Figure 2-2) To Reflect The Proposed Relocation Of Park/Open Space And Mixed Use With Residential On The Sherwin Williams Project Site, And To Modify The Maximum Residential Densities Map (Figure 2-6) To Be Consistent With The Land Use Diagram.
- (3) Ordinance Of The City Council Of The City Of Emeryville Adopting A Planned Unit Development Zoning Designation And Approving A Preliminary Development Plan On The 10.05-Acre Sherwin Williams Project Site Bounded By Sherwin Avenue To The South, The Union Pacific Railroad Tracks To The West; Horton Street To The East And Temescal Creek To The North (APNs 49-1041-26-15 And 16), And Adopt An Amendment To The Planning Regulations To Add The Sherwin Williams Mixed Use Project To The List Of Planned Unit Developments In Section 9-3.310.

PREPARED BY: Miroo Desai, Senior Planner

**APPROVED AND FORWARDED TO THE
EMERYVILLE CITY COUNCIL BY:**



Carolyn Lehr
City Manager

Attachments:

- (1) GreenTRIP Certification Letter
- (2) Resolution No. 16- __ (Concerning the FEIR)
 - Exhibit A - Findings of Fact Regarding Impacts and Mitigation Measures
 - Exhibit B - Mitigation Monitoring and Reporting Program
 - Exhibit C - Findings of Fact Concerning Alternatives
 - Exhibit D - Statement of Overriding Considerations
- (3) Resolution No. 16- __ (Concerning the General Plan Amendment)
 - Exhibit A – Revised General Plan Land Use Diagram (Figure 2-2)
 - Exhibit B – Revised General Plan Maximum Residential Densities Diagram (Figure 2-6)
- (4) Ordinance No. 16- __ (Concerning Planned Unit Development)
 - Exhibit A – Zoning Map showing designation of the new PUD classification
 - Exhibit B – Conditions of Approval
 - Exhibit C – Preliminary Development Plans dated September 13, 2016