



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: November 2, 2021
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: Study Session – Marketplace Redevelopment Project Parcels A, B
And F

RECOMMENDATION

Staff requests that the City Council consider this staff report and provide direction by responding to the questions posed under the section “Issues to be Considered”.

BACKGROUND

Marketplace PUD/PDP

On August 5, 2008, the City Council approved the Marketplace Redevelopment Project Planned Unit Development /Preliminary Development Plan (PUD/PDP). Between February 2015 and June 2016, the Planning Commission approved a number of Final Development Plans (FDPs) and a subdivision map to allow for a grocery store (Parcel C1); realignment of Shellmound Street; creation of 62nd Street, 63rd Street, and Market Drive; construction of three residential buildings (Parcel A, Parcel C2, and Parcel D); a parking structure with ground floor retail (Parcel B); and the redevelopment and expansion of Christie Park (Parcel E).

The grocery store (Parcel C1) and the realignment of Shellmound Street and creation of 62nd and 63rd Streets and Market Drive, two residential buildings (Parcel C2 and Parcel D), and Christie Park are now complete.

The last set of approvals were completed for Parcel B. The first FDP (FDP5-001) for Parcel B was originally approved on June 23, 2016, which accommodated parking with ground floor retail. This parking garage was to provide parking for existing commercial uses that have been served by previous surface parking lots (Parcel C) and are being served by existing surface parking lots (Parcel A). Subsequently, the applicant proposed to replace this FDP for Parcel B with a new FDP to accommodate 150,000 square feet of Research and Development (office/lab) space in addition to ground floor retail space and 565 parking spaces (FDP18-001). This was approved by the Planning Commission at its January 24, 2019, meeting, thereby rescinding FDP15-001 previously approved in 2016. This decision was appealed by Wareham Development. On January 21, 2020, after a year of project modifications and hearings, the City Council then approved a slightly different proposal accommodating the same amount of office/lab space.

The one remaining site in the PUD/PDP without an approved FDP is Parcel F, at the northwest corner of Shellmound Street and Shellmound Way. The PUD/PDP calls for this to be developed with a one-story, 3,500 square foot retail pad. Although the previous owners of the site prepared renderings of what this one-story retail building could look like, no FDP application for this site has ever been submitted or approved.

Existing Entitlements at Marketplace Parcels A, B, and F. Currently there are two existing entitlements at the Marketplace that have not yet been built: a residential project accommodating 167 units on Parcel A, and a Research and Development building accommodating 150,000 square feet of office/lab uses with 15,700 square feet of ground floor retail space, and 500 parking spaces on Parcel B. As stated above, there are no entitlements for Parcel F beyond the PUD/PDP.

It should be noted that the PUD/PDP shows a residential tower on Parcel A (then called the “Shellmound Building”) above ground floor retail, but the conditions of approval allow this to be converted to other permitted uses, including Research Services (i.e. Research and Development). However, Condition III.A.1.d. stipulates that “If the Shellmound Building tower is not residential, then FDP shall include at a minimum 10 townhomes above the retail in the general location shown on the Plans.” Thus, the PUD/PDP requires Parcel A to contain a minimum of 10 residential townhouse units. The existing entitlement for 167 residential units on Parcel A fulfills this requirement.

Development Agreement

On December 1, 2015, the City Council passed Ordinance No. 15-010, approving a Development Agreement (DA) for the Public Market Project (also known as the Marketplace Redevelopment Project). The DA had previously been reviewed and recommended for approval by the Planning Commission on June 25, 2015.

The DA covers a variety of topics, one of which is affordable housing. Specifically, Section 7.1 of the DA stipulates that Parcel A shall include 18 affordable units, including eight low-income units and ten moderate income units. This requirement was based on 11% of the 167 dwelling that were approved to be constructed on Parcel A.

In addition, Section 7.1 of the DA further states that “Unless the City finds compelling reasons to the contrary, the affordable units shall be dispersed throughout the development, the mix and type of affordable units shall be proportionate to those of each individual parcel, and the affordable units shall be comparable with the design of the base level market rate units in terms of appearance, materials and quality of finishes.”

Combining this DA requirement and the PUD/PDP requirement mentioned above, Parcel A is required to contain at least 18 affordable residential units, and at least 10 townhouse units. There is nothing in either the DA or the PUD/PDP to prevent these requirements from being combined, so that the 18 affordable units could include the 10 townhouses, with the remaining eight units being apartment flats. As noted above, eight of the affordable

units must be affordable to low-income households, and ten must be affordable to moderate income households. In addition, these 18 affordable units are intended to be dispersed with market rate units on Parcel A.

Project Proposal

On April 9, 2021, New York-based Oxford Properties Group, the new owners of the Marketplace site, applied for a new FDP to replace existing entitlements on Parcels A and B. This proposed FDP (FDP21-001) will accommodate 406,178 square feet of Research and Development space, comprised of an eight-level 322,744 square foot Research and Development building, a four level, 83,434 square foot Research and Development building with 7,460 square feet of ground floor retail space, and a seven-level parking garage accommodating 883 parking spaces. In addition, 18 residential units are proposed on Parcel F. See Sheet 08 (*Site Plan at Full Building Out*) to locate Parcels A, B and F within the Marketplace campus.

Parcels A and B:

As shown on Sheet 10 (*Site Plan*) three buildings of varying heights are proposed with the tallest building reaching a height of 120 feet and accommodating 322,744 square feet of life science uses. The middle building accommodates ground floor retail space and reaches a height of 60 feet with an additional 20-foot screen for mechanical equipment, with 83,434 square feet of life science uses. The southernmost building adjacent to Hyatt House hotel is a 52-foot tall, 7-level parking structure that accommodates 883 spaces and includes basement level parking. Sheet 16 (*Section*) shows the varying heights as well as the width of each building.

Sheet 11 (*Floor Plan – Level 01*) shows the ground level uses, which include lobbies, retail and conferencing amenity space fronting Shellmound Street in the two life science buildings. Loading and servicing uses and some shared lab support uses occur at the back of the buildings. Long term bicycle parking and vehicular parking is located on the ground floor of the parking structure. Life science uses occur on the second, third and fourth levels of the two buildings. (*Sheet 12: Floor Plan – Level 02, 03, 04*).

The existing pedestrian bridge over the railroad connects to the parking garage at Level 5. At this level, the middle building accommodates a landscaped roof along with space for mechanical equipment. See Sheet 13 (*Floor Plan – Level 05*), which also shows the bridge walkway that leads to the stairs that land at Shellmound Street. Renderings on Sheets 23 and 24 show the pedestrian connection to the parking garage and the stair landing. Sheet 14 (*Typical Floor Plan – Level 06, 07, 08*) provides typical floor plans of the upper levels.

The two life science buildings are comprised of a glass curtain wall system with terracotta vertical panels. The parking garage has a metal screen system with green screen trellises at various key locations to add interest and soften the building façade. (See Sheet 20: *West Elevation*; Sheet 21: *East Elevation* and Sheet 22: *North and South Elevations*).

Renderings are provided on Sheets 23 to 26, while Sheet 27 provides the materials that will be used that include terracotta panels, perforated metal panels, sun shading fins, mesh screens, green screen trellis, and curtain wall system with different kinds of glass.

Circulation Plans. Vehicular entry and exit occurs at the southern end of the parking structure with two points of entry/exit. (See Sheet 48 – *Car Circulation*). Sheet 49 (Bike Circulation) provides the location of long term (indoor and enclosed) bicycle parking as well as short term bicycle parking. This sheet also shows the pedestrian right of way at the bridge connection to the stairs landing on Shellmound Street. Pedestrian circulation is further detailed on Sheet 47 (*Pedestrian Circulation*). Servicing and loading occurs at two points: at the north end of the north life science building and between the parking garage and the middle building (See Sheet 50 – *Servicing Plan*).

Landscaping Plan. Sheet 60 (*Landscape Key Plan Level 01*) illustrates landscaping elements that include a pathway with low ground cover adjacent to the railroad for the entire length of the site, vine trellis on the east side of the parking garage (facing Shellmound Street) and corner garden area on the south-east corner of the garage. Sheet 61 shows the location of the green wall on the northern façade of the garage adjacent to the stairs leading to Shellmound Street as well as a planted area on the fifth level of the garage which connects to the bridge.

Parcel F:

Parcel F is a 7,864 square foot parcel at the northwest corner of Shellmound Street and Shellmound Way. A proposed 55-foot-tall building on this site will accommodate 10 townhomes and 8 apartment units. All units will be affordable units. As noted above, the Development Agreement stipulates provision of 18 affordable units on Parcel A, and the PUD/PDP requires 10 townhome units on Parcel A. As the approved 167-unit residential building on Parcel A is no longer being proposed, the applicant is proposing these 18 units in a stand-alone building on Parcel F.

The site plan (Sheet 29) shows the building maintaining an undimensioned setback from Shellmound Street, and a 10-foot setback from the rear property line and the northern property line. This sheet also provides square footage of the units that range from 575 square feet to 1,120 square feet. The building lobby is sited along Shellmound Way and leads to a staircase and elevator that accesses the upper-level units. The first three levels accommodate 10 townhouses while the upper two levels provide the 8 apartment units. (See Sheets 30 to 35 for Floor Plans). Sheets 36 and 37 provide the four building elevations which is a combination of fiber cement panels, stucco and some metal paneling. The Landscape Plan includes four new street trees along the Shellmound Street frontage and ground cover along Shellmound Way (See Sheet 63 – *Parcel F Landscape Plan*).

Addendum to Project Plans

The applicant has submitted some revisions to their proposal. Twelve updated sheets are dated October 14, 2021 and attached to the staff report. Below is a summary provided by the applicant of key changes that have been made to the plan set.

- (1) Increased space between the life science building and the parking garage from 43 feet to 84 feet. This has resulted in the following modifications:
 - a) Wider pedestrian connection opening.
 - b) Parking structure footprint reduced at street level.
 - c) Parking structure setback further reduced at bridge level.
 - d) Improved sightlines to and from the bridge.
 - e) Widened stairs from 8 feet to over 20 feet.
 - f) Bridge landing becomes more open to views of Shellmound Street and views of the bay, offering the user a clear option between routes: grand stair or elevator ahead.
 - g) Wider and more open Shellmound Street plaza at street level.
 - h) Stair geometry pivots to the northwest, for a more inviting and sculptural form, more detached from the parking structure.
 - i) A more gradual slope of the stair.
 - j) More sunlight to the stairs and Shellmound Street level plaza.
 - k) Unobstructed views of the Bay and destinations on Shellmound Street
 - l) More generous, clear and separate pathways for pedestrians and bicycles.
 - m) More room for plants and trees at street level and along the garage north façade.
- (2) A reduction in parking garage by over 50 spaces to 831 from 883. This reduced garage size allows for the following modifications:
 - a) Reduction in upper levels above bridge allows unobstructed visual connections to Shellmound Street for improvements in wayfinding and safety.
 - b) Opens the space at street level for pedestrian connections, bicycle parking, and fire truck access.
 - c) Allows for a more efficient parking structure.
 - d) Narrower and more manageable sightlines to pedestrian path at bridge level.
 - e) Moving the bike parking out from garage allows for a smaller parking structure.
 - f) More long views to the west for buildings to the east of the Public Market.
- (3) Long term bike parking is now a free standing glassy pavilion. This allows for the following modifications:
 - a) Improves wayfinding for bicycle riders as it is more visible from the street.

- b) A pavilion separates bikes from pedestrians on Shellmound Street and the pedestrians coming from the garage corner, and from the accessible parking stalls along the north edge of the parking.
- c) The pavilion defines the east boundary of the Shellmound Street plaza with an attractive and populated structure.
- d) The pavilion also screens services (box truck turnaround) from Shellmound Street plaza.
- e) Provides a safer bike parking experience and allows for more views, daylight, and natural ventilation.
- f) The green roof of pavilion enhances visual experience of stairs and views from the adjacent buildings.
- g) The pavilion's curve contrasts with stairs linearity to activate the space formally, expressing rotation with the stairs from the garage geometry.
- h) The pavilion becomes the epicenter of the paving pattern that organizes the numerous benches and lighting floor strips.

DISCUSSION

Conformity to the General Plan and Consistency with the Approved PUD and Development Agreement

General Plan

Use: The General Plan land use designation is Mixed Use with Residential (MUR), where residential, retail, and office uses and associated parking are permitted. The zoning for this site is PUD-Mixed Use that was approved by the City Council in August 2008. The current proposal is consistent with this land use designation. Office and research laboratory uses are explicitly listed in the PUD conditions of approval as permitted uses.

Housing Element: It should also be noted that the Housing Element of the General Plan includes a total of 674 units throughout the Marketplace project in its "Residential Site Inventory", which is a tool for assessing the City's ability to meet its Regional Housing Needs Allocation (RHNA). This includes 225 units on Parcel A, whereas the approved FDP for Parcel A includes only 167 units, and the proposed FDP would reduce this number to zero. This is not considered an inconsistency with the General Plan, because, as noted, the Site Inventory is a tool and is not regulatory. However, the elimination of all housing from Parcel A may make it more difficult for the City to meet its RHNA obligations, which is a concern.

PUD/PDP

The PUD/PDP calls for a building up to 120 feet tall on Parcel B, containing 149,150 square feet of office/commercial space and 518 parking spaces. On the portion of Parcel A north of the pedestrian bridge, the PUD/PDP calls for a 14-level, 175-foot tall residential tower with 196 units, with 127 parking spaces on three levels and 6,200 gross square feet

of ground floor retail space. On the portion of Parcel A south of the bridge, the PUD/PDP calls for a 50-foot tall parking garage with 541 parking spaces on 4.5 levels, wrapped by 10 townhouse units, and with 8,525 gross square feet of ground floor retail space. On Parcel F, the PUD/PDP calls for a one level retail pad of 3,500 square feet.

The table below compares the various uses for Parcel A, B, and F under the PUD/PDP, the currently approved FDPs, and the proposed new FDP.

PUD/PDP				
Use	Parcel A	Parcel B	Parcel F	Total
Commercial (including office and lab)	n/a	149,150 s.f.	n/a	149,150 s.f.
Retail	14,725 s.f.	n/a	3,500 s.f.	18,225 s.f.
Residential	206 units	n/a	n/a	206 units
Parking	668 spaces	518 spaces	n/a	1,186 spaces

APPROVED FDPs				
Use	Parcel A	Parcel B	Parcel F	Total
Commercial (including office and lab)	n/a	150,000 s.f.	n/a	150,000 s.f.
Retail	14,039 s.f.	15,800 s.f.	n/a	29,839 s.f.
Residential	167 units	n/a	n/a	167 units
Parking	222 spaces	565 spaces	n/a	787 spaces

PROPOSED NEW FDP			
Use	Parcel A/B	Parcel F	Total
Commercial (including office and lab)	406,178 s.f.	n/a	406,178 s.f.
Retail	7,460 s.f.	n/a	7,460 s.f.
Residential	n/a	18 units	18 units
Parking	883 spaces	n/a	883 spaces

The proposed FDP would include significantly more office/lab space, than the PUD/PDP (257,028 gross square feet more) or the approved FDPs (256,178 square feet more). For retail space, the proposed FDP would include 10,765 square feet less than the PUD/PDP, and 22,379 square feet less than the approved FDPs. The proposed FDP would include 188 fewer residential units than the PUD/PDP, and 149 units fewer than the approved FDPs. And for parking, the proposed FDP would include 303 fewer spaces than the PUD/PDP, and 96 spaces more than the approved FDPs.

The most significant deviation of the proposed FDP from the PUD/PDP is the increase in office and lab space, about 2.7 times what is envisioned in the PUD/PDP. However, the conditions of approval allow for this, as follows:

“The intent of the PDP is to achieve a vibrant, mixed-use neighborhood. The Final Development Plan may allow any use, including multi-family residential and any use allowed [by the PDP]; provided however, that if any allowed use other than the allowed use designated on the Preliminary Development Plan, or any increase in the square footage or number of units is proposed in any building designated as residential in the Preliminary Development Plan, the

Applicant shall submit a traffic study and the City shall require appropriate compliance with the California Environmental Quality Act prior to approval.”

A traffic study and CEQA analysis will be prepared for the project, so this condition would be complied with.

However, as noted above, the PUD/PDP stipulates that at least 10 townhouse units must be included on Parcel A. It also calls for a one-story commercial building on Parcel F. Because the proposed FDP will not comply with these provisions, a modification to the PUD/PDP will be required. This will require City Council approval upon a recommendation from the Planning Commission.

Development Agreement

As noted above, the DA requires 18 affordable units on Parcel A, and that these units are to be dispersed with market rate units. The DA also notes that these 18 units are based on “11% of the dwelling units within the residential building(s) constructed on each of Parcel A, Parcel C and Parcel D as rental units at affordable rates, including 5% affordable to Low Income Households and 6% affordable to Moderate Income Households.” Eighteen units represents 11% of the 167 units currently approved for Parcel A and anticipated by the DA. In order to relocate these 18 units to Parcel F in a stand-alone affordable building with no market rate units, an amendment to the DA is required. This will require City Council approval upon a recommendation from the Planning Commission.

Environmental Review

At this time, we do not have enough information to determine the project’s CEQA status.

Staff Comments

The proposed project was reviewed by the Development Coordinating Committee on April 14, 2021 and August 11, 2021. Staff noted that the proposal no longer proposed a “grand staircase” and it was unclear from the plans how the pedestrians would move from the bridge over the railroad to Shellmound Street. The bridge connection to the building occurred on the back side of the building and there were no graphics provided showing the type of experience the stairs would provide. This comment has now been resolved by the applicant by providing better graphics. Please see Sheets 13, 23 and 24. Police staff noted that there were several angles along the route that made the route not visible, and the landing of the bridge would not be visible from Shellmound Street. Public Works staff noted that previously the staircase did not include a bicycle channel that makes it easy for people to walk their bikes. Staff also questioned the viability of the proposed housing on Parcel F from an urban design point of view. They noted that the City’s policies discourage providing all required affordable housing in one building. Building Division and Alameda County Fire Department staff provided written comments that are attached to this staff report.

Planning Commission Comments

The Planning Commission will review this project at their October 28, 2021, meeting. Their comments will be presented at the study session.

Bicycle and Pedestrian Advisory Committee (BPAC) Comments

The Bicycle and Pedestrian Committee will review the project at their November 1, 2021, meeting. Their comments will be presented at the study session.

Issues To Be Considered

Staff requests that the City Council provide comment on the following issues and any other issues identified by the Council:

1. *Amendment to PUD/PDP and DA*

Does the Council support the required amendments to the PUD/PDP and Development Agreement as described above, to allow all residential units to be removed from Parcel A, and for Parcel F to be developed with a 55-foot-tall stand-alone affordable housing building with 18 units? Are there additional concessions that the City Council would prefer in exchange for Development Agreement amendments?

2. *Design of Buildings*

Is the Council satisfied with the current design treatment of the four buildings, including the two lab buildings, parking structure, and residential building?

3. *Design of Staircase*

Does the Council believe that the proposed pedestrian bridge connection provides an attractive pathway for people crossing the railroad?

4. *Other Issues*

Does the Council desire to discuss any other issues with the proposed project?

FISCAL IMPACT

This report is for informational purposes only; there is no fiscal impact.

STAFF COMMUNICATION WITH THE PUBLIC

Staff has had no communication with the public on this City Council item. As noted above, the project will be reviewed by the Planning Commission on October 28, 2021, and by the Bicycle and Pedestrian Advisory Committee on November 1, 2021.

CONFLICT OF INTEREST

None.

CONCLUSION

Staff requests that the Council discuss the issues listed above and provide feedback.

PREPARED BY: Miroo Desai, Senior Planner

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Christine Daniel, City Manager

ATTACHMENTS:

1. Approved Marketplace PUD Plans at Build-Out
2. Comments from Building Division and Alameda County Fire Department
3. Project Plans dated September 2, 2021
4. Project Plans Addendum dated October 14, 2021