



Legislation Details (With Text)

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Title: Staff Report for a 1) Resolution Adopting the Addendum to the Certified Final Environmental Impact Report for the 2015 San Leandro Shoreline Development Project, General Plan Text Amendment, and General Plan Map Amendment; 2) an Ordinance Adopting the Zoning Map Amendment; and 3) Resolution Adopting a Disposition and Development Agreement, including authorization to enter into Leases and a Purchase and Sale Agreement, between the City of San Leandro and Cal Coast Companies LLC Inc. to facilitate the future development of approximately 75 acres of the San Leandro Shoreline area as part of a public-private partnership proposed to result in up to 485 housing units, a 220-room hotel with attached restaurant, a 15,000 square foot two-story restaurant/banquet facility, a 3,000 square foot market/café, a redesigned nine-hole golf course, a new Mulford-Marina Branch library building, a nine-acre community park, and related site improvements; Assessor's Parcel Numbers: 080G 0900 001 08, 080G 0900 004 01, 079A 0475 009 04, 079A 0590 001 05, 079A 0590 001 07, 079A 0590 002 00, 079A 0590 003 00, and 079A 0590 004 00; Monarch Bay LLC (applicant) and City of San Leandro (owner).

Summary Title: Adopting the Addendum to the Final Environmental Impact Report (EIR) for the Shoreline Development Project, General Plan Text Amendment, and General Plan Map Amendment; Adopting the Zoning Map Amendment; and Adopting a Disposition and Development Agreement (DDA) that includes a Purchase and Sale agreement with Cal Coast Companies LLC Inc. to facilitate the future development of the Shoreline area.

Sponsors: Tom Liao

Indexes:

Code sections:

Attachments: 1. SR Attachment 1 - Land Use Element Redlined - Shoreline PLN2019-0074, 2. SR Attachment 2 - General Plan Land Use Map Amendments, 3. SR Attachment 3 - Zoning Map Amendments, 4. Shoreline Development Concept Plan

Date	Ver.	Action By	Action	Result
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SUMMARY AND RECOMMENDATIONS

On February 6, 2020, the Planning Commission conducted a public hearing on the proposed General Plan Text Amendment, General Plan Map Amendment, and Zoning Map Amendment to reflect the updated Shoreline Development Concept Plan for approximately 75 acres of City-owned land at the San Leandro Shoreline as part of a public-private partnership with Cal-Coast Companies. The Planning Commission recommended that the City Council determine that the proposed project was adequately analyzed pursuant to the California Environmental Quality Act (CEQA) by the Addendum to the Certified Final Environmental Impact Report and recommended that the City Council approve the General Plan Text Amendment, General Plan Map Amendment, and Zoning Map Amendment on a 5-1 vote (one absence).

Staff also recommends that the City Council approve by resolution a Disposition and Development Agreement (DDA) between the City and Cal Coast Companies, which includes authorization to enter into leases and a Purchase and Sale Agreement, and outlines key business terms, including the scope of development, schedule of performance, and the respective responsibilities of the City and the developer.

Staff recommends that the City Council Adopt: 1) a Resolution approving the Addendum to the Shoreline Development Project EIR (SCH # 2013072011), General Plan Text Amendment, and General Plan Map Amendment; 2) an Ordinance approving the Zoning Map Amendment; and 3) a Resolution approving and authorizing execution of a Disposition and Development Agreement by and Between the City of San Leandro and Cal Coast Companies LLC, Inc.

BACKGROUND

Project Site

The Monarch Bay Shoreline area is bounded by Marina Blvd to the north, the San Francisco Bay to the west and Fairway Drive to the south. The proposed amendments would affect approximately 75-acres of City-owned property identified as Alameda County Assessor's Parcel Numbers: 080G 0900 001 08, 080G 0900 004 01, 079A 0475 009 04, 079A 0590 001 05, 079A 0590 001 07, 079A 0590 002 00, 079A 0590 003 00, and 079A 0590 004 00. The Shoreline site is located south of East Bay Regional Park District's Oyster Bay Regional Shoreline and is largely surrounded by single-family homes and multi-family residential units within the Mulford Gardens neighborhood. The site is located north of the City's Marina Park and Par Course, the Tony Lema Golf Course (part of the larger Monarch Bay Golf Club), the Seagate residential community, and the Marina Faire neighborhood.

Public-Private Partnership

In October 2008, the City entered into an Exclusive Negotiating Rights Agreement (ENRA) with Cal-Coast to negotiate agreements to redevelop the City's Shoreline area. From 2008 to 2015, Cal-Coast worked with City staff and various resident advisory committees to develop a Conceptual Master Plan for the Shoreline area that would meet the following stated objectives:

- Provide complementary amenities to the residents of and visitors to the City of San Leandro;
- Connect the amenities with current Shoreline uses;
- Recognize the development value of a desirable regional location and how private development can fund public amenities and services;
- Address logical phasing of development;
- Require little or no City investment; and
- Result in a self-supporting Shoreline project area.

In 2015, the City Council certified an Environmental Impact Report (EIR) and approved a General Plan Map Amendment and Zoning Map Amendment (PLN2012-00040) to lay the groundwork for a Shoreline Development Concept Plan that included a:

- 150,000 square-foot office campus;
- 200-room hotel;
- 15,000 square-foot conference center;
- 354 housing units;
- Three restaurants totaling approximately 21,000 square feet;
- New Mulford-Marina Branch library;
- Three-story parking structure;
- Redesigned nine-hole golf course; and
- Related site improvements.

In 2017, Cal-Coast modified the Shoreline Development Concept Plan based on feedback from the San Francisco Bay Conservation and Development Commission (BCDC) and evolving market conditions. Most notably, the office campus and conference center were eliminated, the number of planned residential units increased from 354 to 485, and the proposed buildings were relocated closer to Monarch Bay Drive to accommodate sea level rise, which frees up land on the waterfront for a nine-acre community park on Mulford Point. The updated Shoreline Development Concept Plan now includes a:

- 220-room hotel with attached restaurant;
- 15,000 square foot two-story restaurant /banquet facility;
- 485 housing units;
- 3,000 square foot market/café;
- 9-acre community park on Mulford Point;
- New Mulford-Marina Branch library;
- Redesigned nine-hole golf course; and
- Related site improvements, including publicly accessible trails, landscaped areas, access drives, and parking lots throughout the project area.

As a fundamental part of the project, the City will perform demolition within the Harbor Basin area in

order to remove nonfunctional and dilapidated infrastructure and materials and ensure that the area is functional, safe, clean and environmentally sound. Such demolition will be performed in a manner and scope as approved by the City Council and applicable public agencies. Additionally, no changes to the existing Horatio's restaurant and Marina Inn are included in the proposal.

The proposed Disposition and Development Agreement and amendments to the General Plan and Zoning Map reflect the updated Shoreline Development Concept Plan and lay the groundwork for future planning approvals. These Amendments will be followed by more precise development plans for Planning Commission and City Council consideration at subsequent public hearings. The proposed changes to the Concept Plan are necessary to make the project more resilient to projected sea level rise, to prioritize housing over office space, and to expand parkland along the waterfront on Mulford Point.

General Plan Text Amendment

The proposed General Plan Text Amendment (Attachment 1) would update the Land Use Element to reflect the City Council's updated vision for the Shoreline area and ensure consistency with the proposed Land Use Map Amendments. The Shoreline section of the Land Use Element was drafted in 2016 as part of the 2035 General Plan Update and reflected the vision in place at that time. This section is proposed to be updated to reflect the evolution of the Shoreline Development Project that has occurred since 2016. Land Use Goal LU-9 and Action LU-9.4.A are also proposed to be updated to reflect the modified Concept Plan, which no longer includes Class A office space due to changing market conditions and physical site constraints.

General Plan Land Use Map Amendment and Zoning Map Amendment

The proposed General Plan Land Use Map Amendment, as shown in Attachment 2, would reduce the General Commercial (CG) designated area west of Monarch Bay Drive from 31 acres to 16 acres and replace it with an increased Parks and Recreation (PR) designation, from 7.2 acres to 15.5 acres. In addition, approximately 6.8 acres of land currently designated CG would change to High Density Residential (RH) to accommodate the proposed apartment use on the southern portion of the project site. East of Monarch Bay Drive, the PR area would be reduced from 30.7 acres to 24.4 acres in order to accommodate a revised 9-hole executive golf course and single-family/townhouse element within the Medium Density Residential (RM) acreage, proposed to be increased from 13.1 to 19.4 acres.

Similarly, as shown in Attachment 3, the proposed Zoning Map Amendment would reduce the Community Commercial (Planned Development) (CC(PD)) area west of Monarch Bay Drive from 38.2 acres to 16 acres. The Zoning Map Amendment would establish 15.5 acres of Commercial Recreation (CR) area west of Monarch Bay Drive to accommodate planned recreational areas, including a nine-acre community park on Mulford Point. Approximately 6.8 acres of land designated CC(PD) would be rezoned as Residential Multi-Family (24 dwellings per gross acre) (Planned Development) (RM-1800(PD)) to accommodate the proposed apartment building. East of Monarch Bay Drive, the 29.5-acre Commercial Recreation (CR) area would be reduced to 23.1 acres to accommodate the redesigned 9-hole golf course. The Residential Multi-Family (22 dwellings per

gross acre) (Planned Development) RM-2000(PD) acreage east of Monarch Bay Drive would increase from 13.1 to 19.4 acres to accommodate the single-family/townhouse residential element. The proposed Zoning Map Amendment would also expand the existing PD Overlay Zone by approximately 6.3 acres.

Future development of the Shoreline area will be subject to City review of planning applications likely to include a Planned Development Project, a Tentative Map, a Site Plan Review, and Conditional Use Permit applications.

Disposition & Development Agreement

The Disposition and Development Agreement (DDA) with Cal-Coast includes a 10-year term and outlines key elements of the public-private partnership, including:

- Project elements defined;
- Developer responsibilities (Single-Family, Multi-Family, Hotel, Restaurant, Market, Golf Course, Public Art);
- City responsibilities (Park, Library, Harbor Demolition);
- Shared responsibilities (Infrastructure, Landscaping);
- Inclusionary housing requirements for the up to 485 units: construct at least 10% (or 20 units) of the minimum 200 for sale single-family/townhome component to serve workforce (135% area median income) and moderate income(120% AMI) levels, supplemented by a pro-rata in-lieu fee of \$10 per residential gross floor area; and the payment of an in-lieu fee for the 285 unit multifamily rental housing component at \$5 per rentable square feet;
- Sustainability requirements including:
 - Single Family/Townhouse photovoltaic solar panels on roofs;
 - Hotel and Apartments LEED Certified;
 - Construction Waste Diversion Recycling - 65% recycled;
 - All buildings must perform 15% better than 2019 Energy Codes, which require window efficacy; low energy lighting; lighting occupancy sensors; wall, floor and attic insulation; efficient heating and cooling systems; water heater requirements; VOC Emissions reduced for use of construction material; water conservation for landscaping and building use;
 - Transportation demand management (parking passes, shuttle, etc.); and
 - Use of reclaimed water for single-family/townhouse element landscaping
- Community Facilities District (CFD) requirement to contribute towards ongoing City Shoreline maintenance costs;
- Labor agreement requirements;
- Schedule of performance and bond payments;
- Compliance with CEQA mitigations, including requirements to limit greenhouse gas emissions, lessen traffic impacts, ensure soil stability, and protection of the Monarch Butterfly habitat and other safeguards for bird and aquatic species;
- Construction Management Plan, addressing construction timelines, traffic, staging/parking, and community communication;
- Required future applications for Tentative Parcel Map and planning approvals (entitlements) for specific project elements, including building design, sign planning, parking, etc.; and

- Procedures for default, remedies & termination, cooperation & implementation, transfers & assignments, etc.

Exhibits to the DDA include a Purchase and Sale Agreement (PSA) for the Single-Family element, which provides for the sale of approximately 16 acres of land on a portion of the nine-hole golf course and the construction of approximately 200 single-family and townhomes.

Key business terms of the PSA include:

- Sale price based on appraisal and number of single-family homes and townhouse lots approved through City's entitlements process (approx. \$29 million);
- Developer must fund and reconstruct the existing nine-hole golf course with a City-approved design that includes public outreach;
- Developer must be prepared to begin construction and have golf course design approved by the City prior to property sale closing;
- Developer must complete golf course before completing sale of all of the homes to ensure golf course is operational prior to end of single-family construction;
- Developer responsible for Monarch Bay Drive and related infrastructure improvements, including a Class I bicycle lane; and
- Improvements within the single-family element will be privately constructed and maintained, with the formation of a Homeowners Association (HOA).

The DDA exhibits also include lease agreements with Cal Coast for the Hotel, Multifamily, Restaurant, and Market elements. The leases will be approved as to form and are subject to refinement once sub-tenants are identified.

Key business terms for the leases include:

- Hotel and Multi-Family subject to 55-year lease terms, with extensions that could add up to a total lease term of 99 years;
- Restaurant and Market subject to 34-year lease terms, with extensions that could add up to a total lease term of 50 years;
- Minimum rent, plus percentage rent based on revenues, where appropriate;
- Minimum rent increases annually, to be readjusted every 10 years with parcels reappraised at set time frames during lease;
- Minimum rent will be set by market conditions and would vary by land use and size of development, including:
 - Hotel: approximately \$400,000 per year, based on number of rooms
 - Multi-family: approximately \$855,000 per year, based on number of units
 - Restaurant: approximately \$120,000 per year
 - Market: approximately \$20,000, dependent on specific tenant
- Developer performance and financing requirements prior to entering into leases;
- Required schedule of performance during buildout; and
- Specific maintenance and reserve requirements throughout term to ensure property is well maintained and remains a quality asset for the City.

STAFF ANALYSIS

Pursuant to Government Code Section 65358, the City Council may amend the General Plan if such

amendments are deemed to be in the public interest. Staff prepared recommended findings of fact in support of the proposed amendments, so that the City Council may find the amendments are in the public interest to make the project resilient to projected sea level rise, the amendments are in the public interest because they prioritize housing over office space, and the amendments are in the public interest because they expand parkland along the waterfront on Mulford Point.

General Plan Map Amendment

The proposed General Plan Map Amendment would align the General Plan Land Use designations for the Shoreline site with the City Council's updated vision for development of the area, as reflected in the Concept Plan included as Exhibit B to the attached draft Ordinance. The proposed General Plan Map Amendments are in the public interest as they lay the groundwork for future development of the Shoreline area with a self-sustaining mix of housing, recreation, public amenities, and hospitality consistent with the General Plan's stated goals and policies, including but not limited to:

Goal LU-9. Reinforce the San Leandro Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood with housing, retail, and office uses.

Policy LU-9.1 Waterfront Enhancement. Enhance the San Leandro waterfront as a distinguished recreational shoreline and conservation area, with complementary activities that boost its appeal as a destination for San Leandro residents and visitors. Future development at the Shoreline should be compatible with the area's scenic and recreational qualities.

Policy LU-9.3. Public Amenities in Shoreline Development. Ensure that future development at the Shoreline includes complementary amenities that benefit San Leandro residents and current shoreline users, such as improved park space, restaurants, pedestrian and bicycle paths, and access to the Bay Trail.

Policy LU-9.4. Land Use Mix. Strive for a mix of land uses in the San Leandro Shoreline area that requires little or no City investment and results in a Shoreline that is financially self-supporting. Development should be phased in a manner that is consistent with this policy, and should maximize the extent to which commercial development funds public amenities and services.

Further, the proposed amendments would add much needed market-rate and workforce housing to San Leandro, as called for in the General Plan's Housing Element Action 53.01-D:

Housing Element Action 53.01-D: Shoreline Area Housing Opportunities.

Complete a planning study for the San Leandro Marina area which includes opportunities for new housing at a variety of densities. Following consideration by the Planning Commission and City Council, make appropriate zoning changes which would enable the construction of additional housing units in this area.

General Plan Text Amendment

The proposed General Plan Text Amendment would include an updated Land Use narrative for the

Shoreline area and would amend Goal LU-9 and Action LU-9.4.A to reflect the updated vision for the Shoreline. The amendments are necessary and in the public interest because they ensure internal consistency between the General Plan Land Use Element and Land Use map as well as facilitating development of the Shoreline area with a self-sustaining mix of land uses as called for in the General Plan.

Zoning Amendments

Zoning Code Section 5-2708 states that the City Council shall make findings regarding consistency with the General Plan and purposes of the Zoning Code as outlined in Section 1-104 when considering proposed Zoning Map Amendments.

The proposed Zoning Map Amendments are consistent with the proposed General Plan Map Amendments and relevant General Plan policies regarding the Shoreline site, including but not limited to Goal LU-9, Policy LU-9.1, Policy LU-9.3, and Policy LU-9.4 as stated above. The proposed Zoning Map Amendments are also consistent with the purposes of the Zoning Code contained in Section 1-104, including but not limited to:

- Guiding physical development in accord with the policies of the General Plan in order to:
 - Preserve the character and quality of residential neighborhoods and commercial and industrial areas consistent with the character of the development districts of the City;
 - Foster convenient, harmonious, and workable relationships among land uses; and
 - Achieve progressively the land development described in the General Plan.
- Conserving and enhancing key visual features of San Leandro's setting, including the hillsides and bay front, consistent with the General Plan.
- Providing for the elimination, over time, of land uses and structures that are inconsistent with the policies of the General Plan and adversely affect other property or uses.

Section 3-1008 of the Zoning Code specifies additional procedures for Zoning Amendments that include a proposed PD Overlay District. In addition to the required findings stated above, the City Council's determination on a PD Overlay must also include a finding that a Planned Development Concept Plan is consistent with the adopted General Plan Land Use Element and is compatible with surrounding development. The proposed Planned Development Concept Plan is included as Exhibit D to the attached draft resolution and has been analyzed for conformance with the proposed General Plan and Zoning Designations. The updated Concept Plan is also consistent with the General Plan's goals, policies, and actions, as amended by PLN19-0074.

Disposition & Development Agreement

The DDA with Cal-Coast for the 75-acre Shoreline development area is a critical step forward in realizing the long-held vision for a self-sustaining, mixed-use waterfront destination at the Shoreline. The proposed DDA, PSA (Purchase and Sale Agreement for a portion of the executive golf course), and leases provide a number of benefits to the community, including:

- Fulfill the community's vision to establish the Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood with mixed-density housing;
- Build approximately 20 on-site workforce housing units, and contribute over \$2 million toward the City's affordable housing trust fund for investment in future affordable housing projects;
- Include key public improvements and recreational opportunities, including generating

approximately \$30 million dollars in property sales and park impact fees to contribute towards publicly-accessible open spaces, including a nine acre park at Mulford Point, waterfront promenades with shoreline and flood protection improvements, and a developer-funded and developer redesigned nine-hole golf course;

- Mitigate traffic impacts by requiring transportation demand management strategies (shuttle, transit passes, etc.) and contributing towards transportation infrastructure, such as new and modernized traffic signals, bicycle lanes, and portions of the Bay Trail;
- Provide a variety of sustainable features, including LEED certification for the Hotel and Multifamily components of the project, building designs 15% more efficient than code, and substantial infrastructure investment to elevate the site and stabilize it to help it withstand risks and impacts of sea level rise;
- Comply with the City's fiscal neutrality policy for the Shoreline through dedicated special tax revenues (Community Facility District); the Developer's obligation to build and fund key public infrastructure and amenities (including items described above); and profit sharing to the City through performance rents;
- Improve the structure of obligations of the City's Shoreline Fund, providing a minimum of \$1.3 million in additional rental revenue and over \$500,000 in Hotel Transit Occupancy Tax per year at stabilization, which may be utilized to offset existing capital debts and contribute toward ongoing maintenance and operations going forward;
- Provide increased annual property tax revenue which may be utilized to offset the cost of providing services to the new residents and users, with an estimated assessed valuation of over \$300 Million, of which 12% of net new property tax revenue would go to the City and the remainder primarily to the school districts and Alameda County;
- Over \$350 million in private investment for development of the project, which will generate over \$2 million in expected building permit fees to cover the cost of reviewing development proposals and ensuring compliance with applicable regulations and best practices and approximately \$10.5 million in development impact fees to offset City infrastructure costs; and
- Significant investment in public art in the project area.

The Shoreline development is the culmination of a unique and extensive community-based planning process that began in 2008 and continued for over 10 years. As demonstrated above, the Disposition and Development Agreement and proposed General Plan and Zoning Map Amendments serve the public interest and lay the foundation for development of the Shoreline area with a resilient and self-sustaining mix of housing, recreation, public amenities, and hospitality consistent with the General Plan. Future planning applications, a Planned Development Project, Tentative Map, Site Plan Review, Conditional Use Permit, and a Development Agreement will provide additional opportunities for the Board of Zoning Adjustments/Planning Commission and City Council to review details related to site improvements, resiliency, energy-efficiency, livability, and architectural design.

ENVIRONMENTAL REVIEW

On July 20, 2015, the City Council adopted Resolution No. 2015-125 certifying an EIR entitled, "San Leandro Shoreline Development Project EIR (SCH # 2013072011)." In conjunction with the certification of the Certified EIR, a Mitigation Monitoring and Report Program (MMRP) was adopted for the Project.

The California Environmental Quality Act (CEQA), Public Resources Code Section 21000, et seq.,

and the State CEQA Guidelines Section 15162 require that when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, that one or more of the following exists:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions to the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with exercise of reasonable diligence at the time of the previous EIR was certified as complete shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measures or alternative.

Staff reviewed the proposed project and analyzed it based upon Section 15162 of the CEQA Guidelines. Pursuant to CEQA and the CEQA Guidelines, the City completed an Addendum (Exhibit C to the draft Resolution) to the San Leandro Shoreline Development Project Final Environmental Impact Report (EIR). The Addendum includes an environmental analysis checklist, based on Appendix G of the CEQA Guidelines, which analyzed the changes to the Shoreline Development Project and whether the environmental effects from the proposed project would be any different from those disclosed in the Certified EIR. The Addendum concluded that the proposed project would not result in any new significant impacts or substantially increase the severity of any significant impacts identified in the Certified EIR. No new information of substantial importance was identified and no new mitigation measures would be necessary to reduce significant impacts. Applicable mitigation measures from the Certified EIR will be included as conditions of approval when the proposed project is processed for planning approvals.

PUBLIC OUTREACH

In December 2008, a Shoreline Citizens Advisory Committee (Shoreline CAC) was formed to advise the City Council and staff on the vision for the Shoreline development area. The Shoreline CAC fulfilled its mission and was disbanded in Spring 2011 when the City Council signed an Exclusive Negotiation Agreement with Cal-Coast Developers. In 2012, the City Council Shoreline-Marina

Committee approved a Shoreline Advisory Group to provide continuing community input to the City Council and staff on the comprehensive master plan for the Shoreline development area.

To date, the redevelopment of the Shoreline site was the subject of over 75 public meetings, most recently:

- January 15 - Shoreline Advisory Group Meeting
- January 21 - City Council Presentation
- January 28 - Community Meeting

In accord with the statutory requirements for General Plan and Zoning Map Amendments, a legal advertisement for the City Council public hearing was placed in the East Bay Times' Daily Review newspaper on February 14, 2020 and the agenda item was posted in advance of the meeting.

Approximately 90 members of the public attended the Community Meeting on January 28. Public comments largely focused on:

- Construction impacts;
- The future of the marina;
- Sustainability measures;
- Monarch butterflies; and
- Parking and traffic impacts.

Staff addressed the public comments raised at the meeting and provided a summary of the comments received to the Planning Commission.

PLANNING COMMISSION REVIEW AND ACTIONS

The Planning Commission held a duly noticed public hearing on the proposed General Plan Text Amendment, General Plan Map Amendment, Zoning Map Amendment, and EIR Addendum on February 6, 2020. At the public hearing, the Commission asked clarifying questions and provided comments largely focused on:

- Removal of office space from the Shoreline Development concept plan;
- Support for future uses that would draw community members to the site, including additional restaurants;
- Sustainability, resiliency, and biological mitigations;
- Fiscal sustainability and revenue generation;
- School impacts;
- Parking impacts;
- Housing affordability; and
- Bicycle and pedestrian improvements.

Four speakers, including the applicant, spoke at the hearing. The applicant spoke in favor of the project and provided responses to several items raised by the Commission. Public comments addressed:

- Compatibility of open space and multi-family residential land uses;
- Modification of the golf course;
- Impacts of development on the monarch butterflies;
- Sea level rise and groundwater inundation; and

- Soil stability and buildings that might block airspace.

Staff and the City's CEQA consultant responded to the public comments and highlighted mandatory mitigation measures that address the concerns expressed.

The Commission voted to recommend approval of the project to the City Council on a 5-1 vote (one absence) and adopted a resolution confirming its action.

ATTACHMENTS

Attachments to Staff Report

1. Proposed General Plan Text Amendments (redlined)
2. Proposed General Plan Land Use Map Amendments
3. Proposed Zoning Map Amendments

Attachments to Resolution

- Exhibit A - General Plan Text Amendments (clean)
- Exhibit B - General Plan Land Use Map Amendments (clean)
- Exhibit C - CEQA Addendum

Attachments to Ordinance

- Exhibit A - Zoning Map Amendments (clean)
- Exhibit B - Planned Development Concept Plan

Attachments to Resolutions

- Exhibit A - Disposition and Development Agreement (DDA), including the Purchase and Sale Agreement and Leases

PREPARED BY:

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Katie Bowman, AICP, Economic Development Manager

ATTACHMENT 1

General Plan Text Amendments (redlined)

PLN2019-0074

While economic diversification is encouraged, existing industrial uses will also be supported. The Economic Development Element identifies measures to nurture existing businesses, such as one-stop permitting, business development assistance funds for renovation, utility tax and personal property tax rebates, and design assistance. The City also strongly supports business to business relationships among local industries, and actions to bolster corporate citizenship and stewardship.

Further direction for the industrial/innovation districts is provided in the Focus Area discussion later in this chapter.

Office Districts

Historically, San Leandro has not been a major regional office center. However, completion of Creekside Plaza in the early 2000s and development of the San Leandro Tech Campus in 2016 suggests this may be changing. As of 2016, most offices are local-serving, providing space for medical and professional firms, banks, finance and insurance companies, and other small businesses. The greatest concentration of offices is in and around Downtown and along Davis Street. Small office buildings also exist along many of the city's thoroughfares and in the area immediately east of Downtown. There is also a growing inventory of office-flex space within the city's industrial districts.



San Leandro will establish a clearer identity as an office market in the future. This will not only enable the city to attract higher-quality jobs, it will also allow local firms to remain and expand in San Leandro. Although there are several potential locations in the city where a regionally recognized office district might be established, the Downtown BART Station area offers the best prospect.

In addition to the Tech Campus, several other sites along Alvarado Street west of the BART station hold the potential for office development. The proximity to BART creates the potential for easy commuting via transit, and could result in far fewer vehicle trips per employee than suburban office park development. The area is also a short walk from Downtown San Leandro, providing potential customers for Downtown businesses and restaurants.

With relatively affordable rents and a large inventory of light industrial buildings, San Leandro will also continue to have a dynamic office-flex market. The LINKS shuttle service between the industrial areas and the Downtown BART Station provides easy access throughout West San Leandro. ~~Other potential office areas include the San Leandro Shoreline, and is the Bay Fair area, which. The Shoreline offers easy access to Oakland Airport, waterfront vistas, and access to the Bay Trail, golf course, and planned restaurant and entertainment uses. Bay Fair offers easy access to BART and to nearby retail development.~~

Elsewhere in the city, smaller and more locally-oriented offices will continue to be incorporated in mixed use projects along corridor streets such as East 14th and MacArthur. In the area east of Downtown, existing office buildings should be upgraded over time to make them more appealing to prospective tenants. The area's proximity to BART and smaller office configurations makes it appealing for start-ups, smaller companies, and local service providers.

Retail, Service, and Entertainment Districts

Retail and service uses represent a major part of San Leandro's economy. In 2015, about 6,000 persons worked in the City's retail sector and another 3,000 worked in restaurants and hospitality-related sectors. Most of San Leandro's retail/service businesses are located in regional, community, and neighborhood shopping areas, and along commercial corridors such as East 14th Street. General Plan policies seek to establish a stronger identity and market niche for each retail/service area, thereby bolstering

Corridors

San Leandro has several major thoroughfares which have historically been zoned for commercial uses. These include East 14th Street, MacArthur Boulevard, Hesperian Boulevard, and Washington Avenue. In the 1940s and 1950s, strip commercial corridors evolved along these thoroughfares, with retail and service businesses, shopping centers, gas stations, restaurants, car dealerships, auto body shops, and other auto-oriented commercial uses.

The commercial corridors present some of San Leandro’s biggest land use challenges. The strategy for the East 14th and MacArthur corridors is to more clearly define “districts,” creating a greater sense of identity and making the streetscape more attractive. Other corridors may continue to be auto-oriented in the future. Many of the services provided on the corridors, such as car dealerships and equipment rental do not lend themselves as well to pedestrian-oriented districts. These services are also important to the community and the economy, however, and should be retained.



San Leandro Shoreline

Like Downtown, the Shoreline is one of the places that distinguishes San Leandro from other cities in the East Bay. It is a community focal point and gathering place, offering a unique combination of recreation and visitor amenities. The policies in this Element encourage the City to take advantage of the area’s setting and location by accommodating additional hotels, restaurants, ~~conference facilities~~ [recreational opportunities](#), and housing. While the Marina itself is no longer considered economically viable, the boat basin remains a recreational and aesthetic amenity. Future development in this area should complement existing shoreline features, including the Bay Trail, the waterfront parklands, and the Monarch Bay Golf Course.

Additional detail on the Shoreline’s future is contained later in this chapter.

SAN LEANDRO SHORELINE

GOAL LU-9 Reinforce the San Leandro Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood ~~with housing, retail, and office uses.~~

Policy LU-9.1 Waterfront Enhancement. Enhance the San Leandro waterfront as a distinguished recreational shoreline and conservation area, with complementary activities that boost its appeal as a destination for San Leandro residents and visitors. Future development at the Shoreline should be compatible with the area's scenic and recreational qualities.

Policy LU-9.2 Harbor and Channel Maintenance. Recognize the economic uncertainty of funding for channel and harbor dredging, as well as the City's existing debt burden related to past harbor improvements and dredging, in land use decisions for the shoreline. Although the City will remain open to scenarios in which harbor operations become economically viable, municipal subsidy for dredging is considered infeasible under current conditions. Redevelopment of the harbor basin may be necessary when the channel is no longer navigable.

Policy LU-9.3 Public Amenities in Shoreline Development. Ensure that future development at the Shoreline includes complementary amenities that benefit San Leandro residents and current shoreline users, such as improved park space, restaurants, pedestrian and bicycle paths, and access to the Bay Trail.

Policy LU-9.4 Land Use Mix. Strive for a mix of land uses in the San Leandro Shoreline area that requires little or no City investment and results in a Shoreline that is financially self-supporting. Development should be phased in a manner that is consistent with this policy, and should maximize the extent to which commercial development funds public amenities and services.

Action LU-9.4.A: Shoreline Development Plans

Include the following components in the shoreline development:

- (a) A banquet ~~conference~~ facility and hotel;
- (b) Multiple restaurants;
- (c) Housing;
- ~~(d) Class A office space;~~
- ~~(e)~~ An enhanced public library and community building;
- and
- ~~(f)~~ Recreation areas and public gathering spaces.

Action LU-9.4.B: Sustainability and Sea Level Rise

Ensure that future development at the shoreline takes place in an environmentally sensitive manner, taking into consideration the potential effects of rising sea levels.

Action LU-9.4.C: Water-Oriented Recreation

Continue to explore potential water-oriented recreational activities at the San Leandro Shoreline, such as swimming, non-motorized watercraft rentals, and windsurfing.

Policy LU-9.5 Gateway Improvements. Encourage “gateway” improvements which enhance the approach routes to the Shoreline while minimizing the impacts of increased traffic on area neighborhoods. Improvements could include new signage, streetscape enhancements along Marina Boulevard and Fairway Drive, entry monuments and landscaping at the Shoreline itself, and longer-term circulation changes.

See also Policy LU-8.12 and Action LU-7.6.C

Action LU-9.5.A: Shoreline Area Roadway and Transit Improvements

Pursue roadway, sidewalk, bike lane, and transit improvements which beautify the entry to the Shoreline area, make it easier to travel to the Shoreline without a car, and more evenly distribute Shoreline-bound trips between Marina Boulevard and Fairway Drive.

Policy LU-9.6 Urban Design. Encourage cohesive urban design and high-quality architecture at the Shoreline. Buildings should be oriented to maximize water views and shoreline access. Architecture, signage, lighting, street furniture, landscaping, and other amenities, should be coordinated to achieve an integrated design theme.

Policy LU-9.7 Pedestrian and Bicycle Circulation. Promote improvements at the Shoreline which enhance pedestrian and bicycle circulation through the area, including public shoreline walkways and trail connections to adjacent regional parklands and neighborhoods.

Action LU-9.7.A: Shoreline Promenade

Require the improvement of a strip of land at least 20 feet in width along the shoreline as a public promenade, including vista points for the enjoyment of scenic views.

Policy LU-9.8 Special Events. Promote special activities, such as golf tournaments, farmers markets, and community events, in the Shoreline area as a means of increasing awareness and appreciation of the Shoreline as a community resource.

Policy LU-9.9 Neighborhood Impacts. Maintain an ongoing dialogue with residents of neighborhoods adjacent to the Shoreline to address traffic, noise, and other issues associated with future development. Early and frequent opportunities for neighborhood input should be provided in Shoreline development decisions.

A. SAN LEANDRO SHORELINE

Located at the west end of Marina Boulevard along San Francisco Bay, the San Leandro Shoreline is the city's largest recreation area. It currently contains a mix of active recreational and commercial uses, including a hotel, two large restaurants, a 27-hole golf course, a 462-berth marina, two yacht clubs, and a boat launch. The marina was constructed in the early 1960s with fill dredged from San Francisco Bay. The boat basin is connected to the navigable waters of San Francisco Bay by a two-mile channel, which is prone to siltation. Due to the high cost of dredging and the loss of federal funds, the City no longer maintains the channel, and the marina is becoming less viable for most motorized boats.

Goal LU-9 presents goals, policies, and actions for the Shoreline. The City has identified a core area of approximately ~~50~~⁷⁵ acres at the heart of the 900-acre shoreline recreation area for commercial and residential development. While the area's role as a water-oriented hotel and restaurant district has been a part of City plans for five decades, the full potential of the site has yet to be realized. The City has long aspired for a more robust mix of activities that capitalize on the waterfront location, panoramic views, golf course, and park, as well as the proximity to Oakland Airport just a few miles to the north.

In 2008, a developer was selected to work with the City on plans for the site. A Shoreline Citizen Advisory Committee was created, and met for three years to provide input. One of the foundational principles was that development should be self-sustaining and not depend on municipal subsidies to operate. Revenue from the development should help support amenities and services that benefit the entire San Leandro community. Another principle is that the development should be compatible with nearby residential and industrial uses, and improve connections between nearby neighborhoods and the shoreline.





~~A General Plan Amendment for the Shoreline Development Project (SDP), including an Environmental Impact Report, was approved in 2015.~~ The overarching objective ~~of the SDP~~ for the Shoreline is to build an economically viable and vibrant mixed use development which provides needed amenities and services for San Leandro residents. The Shoreline is envisioned as a regional destination for dining, lodging, entertainment, and recreation. Development at this location should also include opportunities for new housing and should improve waterfront access and access to scenic views.

~~The SDP is 52 acres, and includes the following preliminary components:~~

- ~~➤ A 150,000 square foot waterfront office campus~~
- ~~➤ A 200 room hotel, including various amenities for guests~~
- ~~➤ A 15,000 square foot banquet and conference facility, and three new restaurants~~
- ~~➤ A 3 story parking structure with 800 spaces~~
- ~~➤ A 20 foot wide pedestrian promenade along the shoreline.~~
- ~~➤ 354 housing units, including 61 mixed use condominiums, 159 multi-family units, 92 townhomes, and 42 single family detached homes. The townhomes and single family homes described above would be accommodated through a redesign of five holes at the Monarch Bay Golf Course.~~

~~A variety of public amenities are planned as part of the project, including an aquatic center, bocce ball, picnic areas, a beach, pedestrian piers, a small amphitheater, boardwalks and lookouts, a small boat launch, a kayak storage facility, and two miles of waterfront promenade. The SDP also includes provisions to rebuild the Mulford Marina library, either on its current site or on a new site within the development. The Plan also includes improvements to surface parking, resulting in a net gain of 100 spaces, and a grand total of over 2,000 parking spaces at the site.~~

The Marina will be maintained as long as financially feasible. It is assumed that the boat slips will be removed as the channel becomes less navigable, and that the basin will ultimately become suitable for non-motorized watercraft only. However, shoreline land use decisions should not preclude the possibility that a funding source for dredging will be identified in the long-term future, and that more active boating could become feasible again at some point. Over the years, studies of commuter ferry service on San Francisco Bay have identified the Marina as a potential stop. Looking ahead 20 years, this possibility should not be ruled out entirely.

Planning for the Shoreline area must consider the potential impacts of rising sea level. New development will be required to be elevated above projected coastal flood hazard levels. Design features should ensure that improvements are resilient and sufficiently protected from potential impacts. Improvements to water, sewer, storm drainage, and energy utilities also are planned.

Development will also be designed to ensure compatibility with adjacent uses, and to meet airport land use compatibility criteria. Architectural styles and forms should take advantage of the waterfront location and view opportunities, while respecting the shoreline's role as the "crown jewel" of San Leandro's park system. Future development should be sensitive to potential impacts on nearby [habitat](#), wetlands, parks, and residential areas. ~~Building heights should not exceed three stories.~~

The City envisions the Shoreline Development Project as a community focal point—a place for family gatherings and celebrations—as well as a haven for business travelers. New activities and special events should be pursued, particularly those with the potential for revenue generation. Farmers markets, golf tournaments, community fairs, and similar events could contribute to the perception of the Marina as San Leandro's playground. Historic markers that recall the area's past as an oyster farming and shipping area also should be considered.

ATTACHMENT 2

Existing General Plan Land Use Map

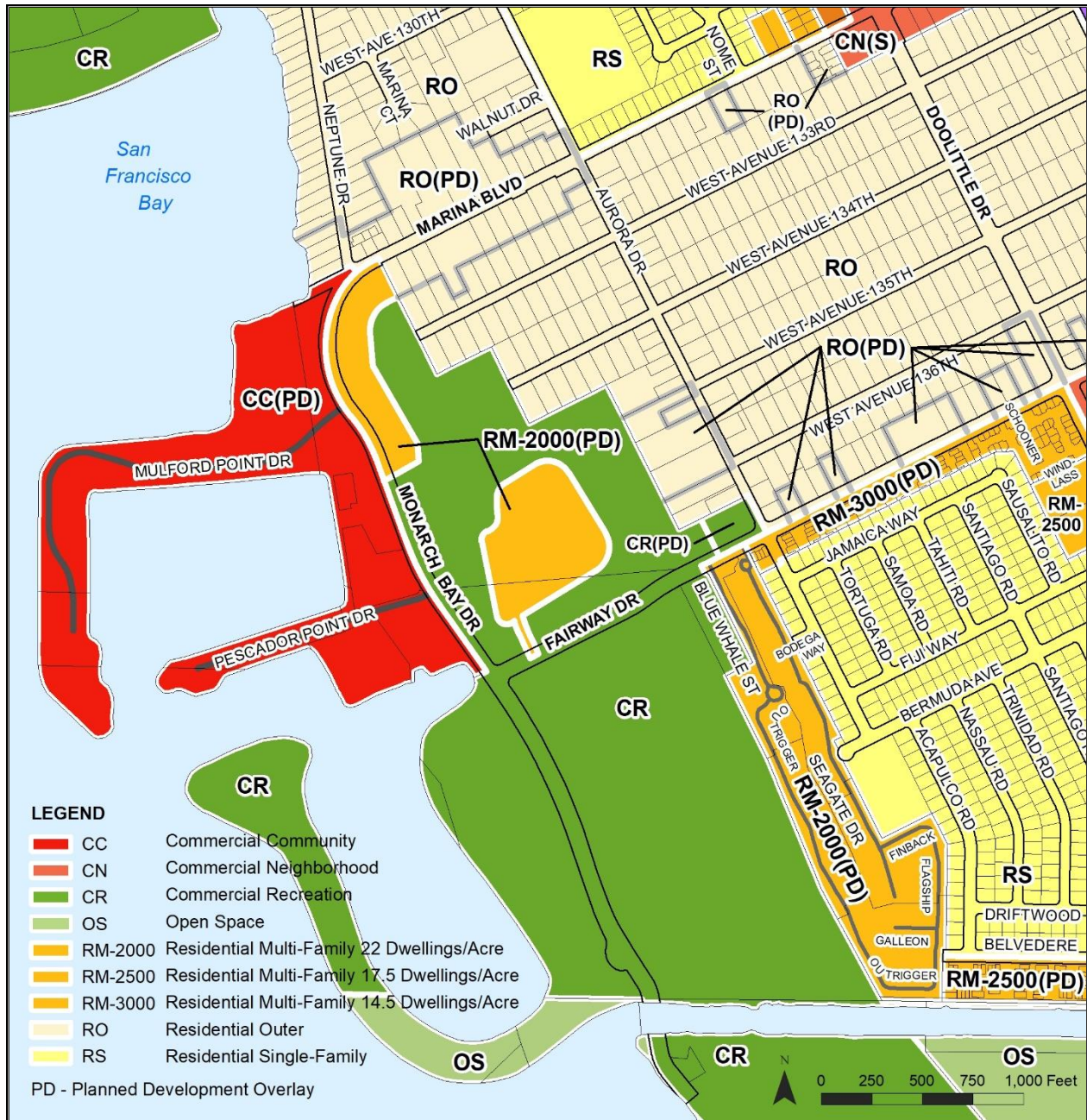


Proposed General Plan Land Use Map



ATTACHMENT 3

Existing Zoning



Proposed Zoning



ATTACHMENT 4
Shoreline Development Concept Plan



SITE PLAN

SAN LEANDRO MIXED-USE