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Staff Report for a Resolution Authorizing the City Manager to Execute a Metropolitan Transportation Commission Priority Development Area Planning Grant Funding Agreement and a Memorandum of Understanding for the Bay Fair BART Transit Village Transit Oriented Development Specific Plan

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council authorize the City Manager, or his designee, 1) to execute the Metropolitan Transportation Commission Priority Development Area Planning Grant Funding Agreement for \$440,000, and any and all other documents required or deemed necessary or appropriate to secure the grant, and all amendments thereto; and 2) to execute a Memorandum of Understanding with BART, Madison Marquette and Alameda County for payment of the local matching funds.

**BACKGROUND**

In May 2014, the Metropolitan Transportation Commission (MTC) awarded the City of San Leandro a \$440,000 Priority Development Area (PDA) Planning Grant (Grant) to prepare a Bay Fair BART Transit Village Transit Oriented Development Specific Plan (“Specific Plan”) and related California Environmental Quality Act (CEQA) environmental document. The City’s local project partners are the San Francisco Bay Area Rapid Transit District (BART), Madison Marquette, and Alameda County. The City and its local project partners committed to a local match of \$92,000 for a total project budget of \$532,000. The City and its three local partners propose to enter into a memorandum of understanding (MOU) to pay for the Specific Plan and the environmental document. Of the \$92,000, the City will provide \$50,000 as its share: \$40,000 as cash match from the City General Fund (appropriated by the City Council in the 2014-15 Budget) and \$10,000 from City in-kind staff costs (primarily for Community Development and Engineering & Transportation staff).

Given its proximity to multiple transit options, the Bay Fair BART Transit Village (see Attachment 1, Project Area Map) has exciting possibilities as a mixed-use, transit-oriented retail, commercial and residential destination. Moreover, it provides an opportunity to create connectivity to other TOD and PDA areas along the East 14<sup>th</sup> Street corridor. BART and Madison Marquette, the owners of Bayfair Center, have previously explored developing TOD opportunities on their respective surface parking lots; this MTC planning grant provides the funding to expand on that idea. The Association of Bay Area Governments (ABAG) and MTC recognized the Downtown TOD and East 14<sup>th</sup> Street corridor as certified PDAs, but the Bay Fair Transit Village does not have the designation. Key benefits for PDA certified areas are access to and/or priority for a variety of federal, State and regional funding.

Developing and implementing a sustainable and vibrant Bay Fair TOD plan will enable the City to come “full circle” in comprehensively planning and transforming the City, which began with the East 14<sup>th</sup> Street South Area Development Strategy in 2004, followed by the Downtown TOD Strategy (2007), the Next Generation Industrial Workplace District Study (2013), and the Marina Shoreline Master Plan efforts, which are currently underway.

The proposed Specific Plan area includes Bayfair Center (a regional mall) and the adjacent BART station. The area represents an important opportunity for transit-oriented development that can transform the area into a regionally sustainable and vibrant destination in support of Plan Bay Area’s goals. ABAG and MTC adopted Plan Bay Area in 2013 to address State mandated land use, transportation and greenhouse gas emission goals and requirements under Senate Bill (SB) 375.

## **Analysis**

Through the PDA Planning Grant, the proposed Specific Plan will address a wide range of development, planning and economic issues including:

- Existing and future opportunities for transit-oriented mixed-use and residential development within the study area
- A market demand analysis for TOD development
- Affordable housing and anti-displacement strategy
- Financial and market feasibility of possible development options
- Regulatory framework for achieving a preferred land use alternative (e.g. Zoning Code and/or General Plan amendments)
- Urban design goals expressed through appropriate design standards and guidelines
- Access improvements to increase non-auto access to the study area and better serve BART and AC Transit riders
- Parking and transit strategies to manage parking resources, reduce parking demand and increase transit use
- Transportation and infrastructure improvements to accommodate a preferred land use alternative
- Financing options and implementation strategies to facilitate a preferred land use alternative

The City plans to create a citizen advisory committee (CAC) and technical advisory committee (TAC) to provide comprehensive and diverse input throughout the planning process. This is similar to the process used for the Downtown TOD Strategy planning efforts from 2005-2007 and will fulfill the community involvement strategy requirement of the Grant. The CAC will consist of City Council-approved local stakeholders from in and around the Bay Fair area, such as residents, property

owners, business owners and public service providers. The formation of the CAC is scheduled to begin in Spring 2015 and the process will be brought to the City Council for approval at that time. The TAC will consist of staff from City departments, local partners (BART, Madison Marquette and Alameda County), and other public agencies (e.g., AC Transit, MTC, ABAG, and Alameda County Transportation Commission) to provide technical expertise and guidance.

The Specific Plan will include preparation of an environmental impact report (EIR) to assess the potential development options. City staff, and the selected planning consultant, will explore during the planning process the possibility of streamlining the CEQA environmental review by coordinating with the General Plan Update EIR underway.

MTC expects the final Specific Plan to be an implementable plan that will include feasible policy and development recommendations such as Zoning Code and/or General Plan amendments. The City will adopt the Specific Plan and EIR no later than Spring 2017, pursuant to the grant's requirements.

In terms of next steps, the City and its local partners will issue a Request for Proposals for a qualified planning consultant to manage and prepare the Specific Plan and related environmental document. Below is a tentative timeline for the consultant selection process. As noted below, the City Council will have final review of the recommended consulting firm and its contractual services agreement.

- December 2014 - Issue RFP
- January 2015 - Review RFP submittals; interview top candidates; develop staff recommendation of preferred firm
- February 2015 - City Council to approve consultant service agreement with preferred firm
- March 2015 - Begin Specific Plan planning process
- Spring 2017 - City Council to review and adopt the final Specific Plan and EIR

### **Memorandum of Understanding (MOU)**

To coordinate the joint effort to prepare the Specific Plan, the City, BART, Madison Marquette and Alameda County will enter into an MOU to describe mutual goals and objectives, roles and responsibilities and financial/match commitments from each party. Listed below is a summary of the \$92,000 local match commitment by party:

- City of San Leandro (\$40,000 cash and \$10,000 in-kind staff costs primarily from Community Development and Engineering and Transportation)
- BART (\$15,000 cash)
- Madison Marquette (\$15,000 cash)
- Alameda County (\$12,000 in-kind staff costs primarily from Planning)

### **Applicable General Plan Policies**

- General Plan Policy 8.10 - Bayfair Mall: Promote the revitalization of Bayfair Mall and its environs by introducing new and compatible uses, including new shops, services, community facilities, restaurants, entertainment venues, and offices.
- General Plan Policy 15.01 - Coordination with Service Providers: Work collaboratively with AC Transit and BART to ensure that public transit service remains safe, reliable, and affordable, and

to improve service frequency and coverage within San Leandro neighborhoods and employment centers.

### **Environmental Review**

No environmental review is required for the authorization to execute the MTC PDA Planning Grant and MOU. A CEQA environmental review will be required as part of the proposed Specific Plan.

### **Legal Analysis**

The City Attorney's Office reviewed and approved the staff report and the MTC PDA Planning Grant Funding Agreement and MOU, the latter two as to form.

### **Fiscal Impacts**

The City will contribute a total of \$50,000 in local matching funds towards the MTC PDA Planning Grant and under the MOU. Forty Thousand Dollars (\$40,000) to be funded from the FY 14-15 City Manager's Contingency fund. Funds transferred to the Planning Services Division budget as follows:

- \$30,000 (010-41-001-5120) Consultant Services Agreement
- \$10,000 (010-41-001-5890) Contingency

In addition to the \$40,000 in cash match, the City will provide \$10,000 from in-kind staff time to manage the Grant implementation.

## **ATTACHMENTS**

### **Attachment to Staff Report**

- Attachment 1: Project Area Map

### **Attachments to Related Resolution**

- MTC Planning PDA Grant Funding Agreement for Transit Oriented Development Specific Plan
- Memorandum of Understanding For Bay Fair BART Transit Village TOD Specific Plan

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