



Downtown Transit Oriented Development (TOD) Strategy Citizen Advisory Committee (CAC) Meeting 6 Meeting Notes August 22, 2006

6:40 p.m. – CALL TO ORDER

Attendance

CAC Members Present: Alcantar, Brannan, Chi, Cuellas, Finberg, Flynn, Helmbrecht, Holcomb, Hopkinson, Markham, Mobley-Maundu, Stensgard, Storer, Talley, Tannam, Trujillo, Ward

CAC Members Absent: Free, Houston, Kaplan, Kleebauer, Mellen, Raposo, Sidari, Sykes

Staff: Hanson Hom, **Community Development Director**, Kathleen Livermore, **Senior Planner and TOD Project Manager**

Other: Michael Smiley, **BMS Design Group**, Tim Hurley, **BMS Design Group**, Ron Golem, **Bay Area Economics**

Item 1: Welcome

Anna Brannan, CAC Chair, opened the meeting and asked that both CAC members and members of the public sign in.

City Council Member O.B. Badger welcomed the Committee members and noted he saw many new faces in addition to some familiar ones. He commented that the CAC is doing very important work and thanked them. He spoke of the importance of transit oriented development, which helps alleviate congestion and helps those without cars and dependant on public transportation.

Michael Smiley, BMS Design Group introduced the consultant team members present.

Anna Brannan gave an overview of the evening's agenda and asked for roll call to be taken, which established that a quorum was present for the meeting.

Item 2: CAC Business

Brannan asked for a motion to approve the meeting notes. CAC member **Talley** moved and CAC member **Flynn** seconded the motion to approve the meeting notes. The meeting notes were approved unanimously.

Brannan reminded the group of the vacant position of Vice-Chair and asked for nominations from the floor. CAC member **Chi** nominated herself and CAC member **Hopkinson** seconded the motion. There were no other nominations and the nominations were closed. The vote for CAC member **Chi** to be Vice-Chair was unanimous.

Item 3: Development Status of Opportunity Sites

Hanson Hom presented development status information on the three opportunity sites presented in the Prototype Development Projects Financial Feasibility Analysis working paper. In terms of the BART/Westlake site, there is no application at this time. City staff is in discussion with both BART and the Westlake property owner to develop the site under a master developer. Westlake is interested in putting together a development team for the master developer.

CAC member **Flynn** asked if they would have to abide by our rules. **Hom** explained the issue of timing of any development at the site and the timing of the preparation of the Downtown TOD Strategy. If an application were to happen during the development of the Strategy, the CAC could comment on it. CAC member **Talley** asked if any parcels were owned by the railroad. **Hom** clarified that the railroad property was not included at this time because of the complexities of acquiring the property in a timely fashion. Following a question by CAC member **Cuellas**, **Hom** clarified that the CAC will be making recommendations to the Planning Commission and City Council on the various policies of the Downtown TOD Strategy.

Hom talked about the Townhall Square project next. The Olson Company has an exclusive right to negotiate with the Redevelopment Agency for the development of the site. The City's Redevelopment Agency has acquired several properties and that effort is currently at a standstill with issues related to acquisition of the remaining properties. At best, it will take a couple of years to acquire the various parcels. CAC member **Storer** noted the success of the Chevron Station and **Hom** acknowledged this and explained the sales price of the property included the value of both the land and the business.

Hom then explained that the Albertsons site currently has a development application for a Grocery Outlet store. The establishment of the store would require a conditional use permit and the application is currently incomplete. A use permit is required for any new retail greater in size than 10,000 square feet in the Commercial Downtown zoning district, **Hom** explained. A completed application will require a public hearing before the Board of Zoning Adjustments. A lengthy discussion ensued with several CAC members expressing the need for a higher end retail establishment at that key opportunity site. A Grocery Outlet did not seem to have the right aura for a downtown trying to attract higher end retail. Having the site for an upscale restaurant or

something like a Red Lobster would be good for the location and important for the downtown. Several CAC members expressed frustration that this application was happening now, before the Strategy for the Downtown had been completed. Responding to a question, Hom noted the City had 6 months to make a decision on a completed application. Brannan encourage CAC members to talk to Council Members about their concerns prior to any public hearing.

Item 4: Presentation of Financial Feasibility Analysis

Brannan reviewed the ground rules, asking the public to hold their questions and comments to the public hearing portion of the meeting. She asked the CAC to hold their questions and comments to the end of each presentation of an opportunity site.

Michael Smiley began the presentation with a brief review of the goals of the project, a reminder of the extent of the Study Area, and a quick summary of the definition of Transit Oriented Development. This review was followed by a reminder of the three Land Use Alternatives that had been reviewed by the CAC in June, as well as the process the consulting team had gone through with the CAC and City staff to choose the three project areas that were used to develop the prototype projects that would be reviewed at this CAC meeting. He noted one of the criteria was ability to develop in the near term.

CAC member **Finberg** asked what is near term. **Michael Smiley** and **Ron Golem** responded that near term would be considered 5 years.

Following Smiley's introductory remarks, **Ron Golem** and **Tim Hurley** presented the prototype projects and the financial feasibility analysis. **Golem** began this part of the presentation with an overview of the method, terms and some limitations of the financial analysis. It was also noted that for each of the three prototype projects, a baseline prototype was studied to establish the basic parameters of possible development on the site, using the Land Use Alternatives as a guide to the type and intensity of development. An alternate prototype study was then conducted to test the results of changes in certain elements of the baseline program. With this as a background, **Golem** and **Hurley** presented the project at the former Albertsons site, referred to as the Downtown South Gateway Project Area.

The Downtown South Gateway baseline prototype included 132 for-sale condominium dwelling units configured in a four-story, podium-style structure, 22,000 square feet of retail at ground level facing E. 14th Street, and parking located in one below-grade level and a partial at-grade level. Parking was allocated at 1.5 spaces per dwelling unit and 2.0 spaces per 1,000 square feet of retail use. These allocation ratios are below current city standards. The financial analysis of this program concluded that it is a feasible project, with sufficient value remaining after all development costs to fund purchase of the site.

The alternate program for the Downtown South Gateway Project Area studied the effects of eliminating below-grade parking in favor of at- and above-grade parking, with dwelling unit counts and retail square footage remaining the same. Because below-grade parking can cost approximately \$30,000 per parking space, this study was pursued to better understand the cost

implications of less expensive podium parking. From a physical perspective, pushing the parking above grade results in the need to add one story of building height to accommodate the program in a configuration similar to the baseline study. Because of the height reached with this configuration, the building construction type would change, resulting in higher construction costs, despite savings achieved by eliminating below-grade parking. Although the project would retain positive value, this value would be insufficient to acquire the property, making this alternative program infeasible.

CAC member **Helmbrecht** commented that the 1.5 spaces for residential for the BART area was high but was about right for downtown. He wondered if parking can be shared with retail and residential users. **Hurley** responded that each unit has one allocated space with the .5 being available for other uses, perhaps to buy an additional space, for guest parking or for sharing. He noted the traffic and parking study would delve into this issue in more detail. **Golem** discussed the efficiencies that could be created by sharing parking. **Smiley** reminded the group we'll get more information at the next meeting and then we'll develop a strategy.

CAC member **Talley** commented that the site was small for mixed use and it should be all residential. **Hurley** responded that the site is 1.7 acres and the site, with Pelton Center, anchors the south downtown core area. CAC member **Hopkinson** hoped that multiple entrances would be available for various uses and wondered about green and recreational spaces. **Hurley** responded frontages were available on both Dolores and Juana Avenues in addition to E. 14th Street for multiple entrances and the podium could offer opportunities for lawn panels, pools and/or spas. **Smiley** noted that amenities on the podium at that price range were appropriate. CAC member **Hopkinson** stated the need for 2 parking spaces at that price range. CAC member **Markham** stressed the need for innovative strategies for parking and looking at the price of parking. CAC member **Alcantar** felt it was too crowded, there should be less volume and wanted family housing that would be affordable. **Golem** noted the need for at least 3 stories in height. CAC member **Flynn** identified the need for a certain population density to attract retail. CAC member **Helmbrecht** asked for a blending of the 2 projects as an alternative; a little less development and less parking. **Golem** confirmed that parking does affect the cost and the existing building also affects the cost.

Smiley asked the group to be open minded and noted he was detecting concerns that the site was too small and had a little too much development. He asked if people were comfortable with that density at that height. The answer was generally yes. CAC member **Tannam** asked about the number of residents. **Golem** responded that 132 two-bedroom units would yield about 200-242 residents. Vice-Chair **Chi** wondered if the development could work on the Albertsons site, how could the applicant be convinced to develop that or sell to someone who would develop it like this? CAC member **Hopkinson** suggested a 1 ½ bedroom concept which would increase the value without increasing the parking requirement.

The next project discussed was the Town Hall Square Project Area. The baseline program for this site included three individual buildings containing 143 dwelling units, 18,900 square feet of retail space, and 1.5 acres of public open space, and also included relocating 50 parking spaces currently located at the north end of the project area. Building heights would be four to five stories. Parking was allocated at the same ratios as the previous project area. The financial value of this prototype is positive, but is insufficient to cover site acquisition costs, making it

financially infeasible. The primary factors affecting feasibility are the high costs of acquiring improved properties, and the lower quantity of new development due to the large area of open space.

The alternate program for the Town Hall Square Project Area studied two variables. One was the removal from the project area of the western parcel, which currently houses a relatively new commercial facility that would be costly to acquire for redevelopment. The second variable was an increase in the footprint size of the facility located at the corner of E. 14th and Davis Streets, while maintaining its baseline height. These changes resulted in an increase in residential to 194 units, a decrease in retail to 14,000 square feet, and reduction of open space to 0.9 acres. As a result of these modifications, the project achieves financial feasibility with sufficient resources to allow for property acquisition. However, financial feasibility aside, property acquisition remains a challenge to the implementation of a project at this site.

CAC member **Flynn** stated that we need to find ways to make the larger open space feature happen. CAC member **Finberg** expressed the importance of the having a flow between the Civic Center and the downtown. The development, as proposed, would cut off the flow. She explained the Chamber has been at that site since 1969 and it is hard to find another suitable site with those characteristics. CAC member **Helmbrecht** wondered why another parking deck on the Lorraine Street parking lot had to be an assumption. CAC member **Finberg** noted the empty, vacant lots nearby, that have been a blighting influence for 10 years, could be used for replacement parking. Hom mentioned the needs for the existing single family neighborhood for on-street parking. A discussion ensued between CAC members **Hopkinson, Mobley, Finberg, Helmbrecht** and **Cuellas** about setting back the prototype building on the E. 14th Street frontage (but not the Davis Street frontage) and the need for open space at that location to facilitate a pedestrian friendly, destination-oriented downtown that attracts residents, keeps bikes and pedestrians safe and makes connections to neighborhoods and the Civic Center. **Smiley** suggested that green space needs to be visible. CAC member **Flynn** wondered where the buses would be. **Hurley** reminded the buses are on the south side of E. 14th Street, not the north side. CAC member **Talley** stated more buildings with increased traffic and an eliminated Hays Street would require the widening of E. 14th Street. There was a discussion on any consideration given to relocate spaces for some of the tenants during construction. Sometimes phased development could facilitate swing space. CAC member **Finberg** indicated the Olson Company said they would not be able to accommodate the Chamber in the development. **Smiley** reminded the group other comments could be e-mailed to staff.

The final project presented was the BART/Westlake Project Area, a large aggregation of parcels around the San Leandro BART station. The baseline program for these sites included 350 for-sale condominiums, 180 rental dwelling apartments, 162,700 square feet of office, 15,000 square feet of retail, and 900 structured parking spaces to replace BART parking displaced by this development. Building heights would be four to five stories. Parking ratios are similar to the other prototypes, with the exception of the Westlake parcel immediately west of the BART station, where residential parking was studied at 1 space per dwelling unit. This prototype proved to have a severe lack of feasibility, primarily due to the lack of a current market for office and rental residential, and the high cost of replacement parking in structures for BART. Several strategies were proposed to mitigate these costs, including working with BART to find lower

cost solutions for replacement parking and phasing project area development to capture currently infeasible uses during a later market phase.

The alternate program for this project area studied a significant increase in residential, and changing to all for-sale residential. The residential count was increased to 840 units on the Westlake property, and remained at 180 units on the BART property east of San Leandro Blvd. In order to achieve 840 units on the Westlake property, 14 story buildings or higher would be required. With these changes, the project comes close to financial feasibility, although it may still require public assistance or program changes. Given the building height and current market conditions, this alternate program might be considered as a medium-term approach rather than near-term.

CAC member **Hopkinson** wondered if the top floors would have a bay view. Hurley responded there would be nice views of the bay and the hills. CAC member **Flynn** wondered about the needed services at that density. **Hurley** explained there might be some very minor services on-site, but that the downtown would serve the new residents. **Smiley** noted a site like this would require amenities. CAC member **Markham** asked about the payment of BART parking. **Golem** explained that the developer would build the parking structures and BART patrons would use them. This is the reason for a Master Developer concept. CAC member **Cuellas** asked if the site could be given to a non-profit developer. **Hom** explained that for-profits often partner with non-profits to provide the inclusionary requirement. CAC member **Markham** wondered about displaced taxis. **Hurley** explained the bus, shuttle, kiss and ride and taxi areas were not being changed in this scenario.

Smiley asked for comments on the height and density. CAC member **Ward** felt it was too dense. CAC member **Tannan** wondered about the number of school age children and could the schools accommodate them. CAC member **Ward** wondered if the rents would be affordable. **Golem** responded the rooms with views would have higher costs and lower level units would cost less. He noted the units would capture unmet demand for housing close to transit from San Leandro residents and residents of other places as well. CAC member **Finberg** felt it would be a big pull on lots of resources: police, fire, schools. **Hurley** explained that would be addressed in the Environmental Impact Report (EIR). **Flynn** wondered if higher density with easy access to BART would have an impact on crime. No one knew of a study connecting the two. CAC member **Hopkinson** wondered the height of the tallest building in this neighborhood. It was noted that 5 floors is the tallest building in the vicinity, the height limit is 75 feet and this would be almost 3 times as high at about 170-180 feet. CAC member **Helmbrecht** noted the relative parking requirements for the BART development and the downtown development. He thought there was no reason why the BART Station couldn't have the standards modified some.

Smiley noted that parking and traffic would be the focus of the next CAC meeting on September 12 and the discussion could be continued then.

Item 5: Public Comment

Chair Brannan opened the public hearing.

Bob Fox distributed pictures from the Bus Tour and some affordable housing developments. [The photos were distributed to the CAC for viewing.] He also commented that new development within the study area could impact views of existing residents.

Wafaa Aborashed objected to having the public comment section at the end of the meeting. She wondered how the City would be helping development and how the schools would be accommodated. She stated the new residents from development in the study area would come to the west part of San Leandro to shop and would cause pollution from their cars. She talked about the need to look at all of these environmental impacts, especially related to air pollution and impacts on people of color.

Golem clarified that this is just an exercise to understand the financial feasibility for the Downtown TOD Strategy and no development is proposed at this time.

Harold Perez, who lives in the Davis West neighborhood, complained about congestion and wondered how many cars from this development would be coming into the Davis West neighborhood to shop. He talked about the congestion at Pelton Center and wondered about increased car traffic there.

Juan Gonzalez posed strategic, big picture questions for the CAC, staff and consultants to consider: Why is the market failing in San Leandro, what is wrong with the market, why aren't people clamoring to come downtown? He encouraged the group and the City to think creatively and consider strategic investments to fix the problems of the past. He suggested making Hays Street one-way and didn't think it important to tie City Hall to the downtown area. He noted the downtown area is not pedestrian friendly and the space needs to be re-configured to attract the community. He encouraged the group to learn from the lessons at Fruitvale.

Diana Souza thanked the group for the opportunity to participate. She stressed the importance of kids and family in San Leandro and wondered what the impact would be on the quality of life in San Leandro if all 3 projects were built.

Lila Hussain, Urban Habitat, encouraged the group to look beyond the inclusionary housing requirements for the downtown TOD. She expressed that San Leandro residents could use this type of housing and that successful transit oriented development includes rental and affordable housing in the downtown.

Charles Long, a mixed-use in-fill developer, wondered if the CAC is going to make a recommendation to preserve options for the Albertsons site and then recommended that options be preserved for the site. He stressed the importance of certainty and consistency and the expression of expectations to the developer community. He also recommended a package of development conditions for the various sites.

Smiley reminded the group that this exercise was to test various scenarios to inform the entire Strategy. He said that the parking and traffic report will be coming on September 12. The discussion will also include how different scenarios affect transit and ridership. A few months

from now, we will all have to develop a Strategy. Different places have different regulations and the Strategy for San Leandro will be specific to San Leandro.

Livermore reminded the group of the upcoming Developer Symposium on September 8 from 11-1 in the Sister Cities Gallery and the Community Meeting on September 30 from 9 a.m. to 12 p.m. in the Karp Room in the Main Library.

Item 6: Next Steps

Vice-Chair **Chi** moved to adjourn the meeting. The motion was seconded by CAC member **Flynn**.

The meeting was adjourned at approximately 9:15 p.m.

Minutes recorded and prepared by Kathleen Livermore and Tim Hurley