REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Consent
November 20, 2007

Honorable Mayor and
Members of the City Council

Title: Sacramento Railyards P05-097

Location/Council District: Generally east of the Sacramento River, south of the City Water Treatment Plant and North B Street, west of 12th Street, north and west of the Alkali Flat neighborhood, north of H Street between 5th and 7th Street, and northwest of 5th & I Street. Council District 1

Recommendation: 1) review a **Resolution** certifying the Environmental Impact Report and adopting Findings of Fact, Statements of Overriding Considerations and the Mitigation Monitoring Plan; 2) review a **Resolution** amending the General Plan Circulation Element to relocate the Intermodal Facility; 3) review a **Resolution** amending the Central City Community Plan to incorporate the Sacramento Railyards Specific Plan; 4) review a **Resolution** amending the 1994 Facility Element of the Railyards Specific Plan and the Richards Boulevard Area Plan to revise the Circulation and Light Rail network; 5) review a **Resolution** amending the Bikeway Master Plan for the Railyards Specific Plan Area; 6) review a **Resolution** repealing the 1994 Railyards Specific Plan and adopting the Sacramento Railyards Specific Plan; 7) review a **Resolution** adopting the Sacramento Railyards Design Guidelines; 8) review an **Ordinance** establishing the Sacramento Railyards Design Review District; 9) review an **Ordinance** amending Sections 17.20.010 and 17.20.030 and Chapter 17.124 of Title 17 of the Sacramento City Code (The Zoning Code) relating to the Sacramento Railyards Special Planning District; 10) review an **Ordinance** adding Section 15.148.195 to Title 15 of the Sacramento City Code relating to signs in the Sacramento Railyards Special Planning District; 11) review an **Ordinance** placing the Central Shops Historic District in the Sacramento Register of Historic and Cultural Resources; 12) review a **Resolution** adopting the Railyards Specific Plan Public Facilities Financing Plan;13) review a **Resolution** approving the Railyards Inclusionary Housing Plan; 14) review an **Ordinance** approving the development agreement with S. Thomas Enterprises of Sacramento, LLC; 15) review an **Ordinance** repealing Ordinance No. 95-063 and amending section 18.16.010 of the Sacramento City Code regarding the procedures for adoption and review of Development Agreements in the Sacramento Railyards; 16) adopt an **Ordinance** rezoning from C-3 SPD and M-2 SPD to ORMU-SPD, RCMU-SPD, RMU-SPD; 17) review a **Resolution** approving the Sacramento Railyards Tentative Master Parcel Map and Subdivision Modifications; 18) review a **Resolution** rescinding Resolutions No. 94-737

and 2000-578 and approving a Memorandum of Understanding regarding remediation of the Sacramento Railyards; 19) review an **Ordinance** repealing Chapter 18.48 of the Sacramento City Code, Development in Downtown Railyards; 20) review a **Resolution** approving the Water Assessment Report for the Sacramento Railyards Project; and 21) pass for publication the Ordinance titles as required by City Charter 32c to be adopted December 11, 2007.

Contact: Nedziene Ferrario, Senior Planner, (916) 808-7826; Greg Bitter, Principal Planner (916) 808-7816.

Presenters: Greg Bitter, Principal Planner

Department: Development Services

Division: Current Planning

Organization No: 4881

Description/Analysis

Issue: The 244-acre Sacramento Railyards Specific Plan proposes development of a transit oriented mixed use urban environment that would include between 10,000 - 12,100 dwelling units, 2.3 million square feet of office, 1.3 million square feet of retail, 1,100 hotel rooms, 491,000 square feet of mixed use flex space, 485,390 square feet of historic/cultural uses, and 46 acres of open space. There are four main governing documents proposed to form the policy and regulatory framework for this project. These documents are the Sacramento Railyards Specific Plan, the Sacramento Railyards Design Guidelines, the Sacramento Railyards Special Planning District and the Central Shops Historic District Ordinance. Other key entitlements necessary for the development of the Sacramento Railyards include; an Inclusionary Housing Plan, the Public Facilities Finance Plan, a Development Agreement between S. Thomas Enterprises of Sacramento, LLC and the City of Sacramento, a rezone of the property consistent with the Specific Plan, and a master tentative parcel map to subdivide the approximately 244 acre site into 108 parcels. There are several other plan and code amendments necessary to allow the development of the Sacramento Railyards. A full description and analysis of all the proposed entitlements is provided in the List of Entitlements and Background section of this report (pages 8-26 of this report).

Staff is bringing this project forward to City Council in a series of three public hearings, on November 20, 2007, December 4, 2007 and December 11, 2007. The public hearing on November 20, 2007 is scheduled to focus on the major planning and land use entitlements, including the Specific Plan, Design Guidelines, Special Planning District, Historic District Nomination, Inclusionary Housing Plan, rezone and the various plan/code conformity entitlements, and the Development Agreement provisions that relate to these entitlements. The public hearing on December 4, 2007 is scheduled to focus on the proposed Public Facilities Finance Plan and the City and Redevelopment Agency funding commitments in the Development Agreement and Owner Participation Agreement. Staff is not requesting the Council to take any formal action until the December 11, 2007 public hearing.

Policy Considerations: The Sacramento City Council adopted a set of Smart Growth Principles in December 2001 to promote growth that is economically sound, environmentally friendly, and supportive of community livability. The proposed project is consistent with the Smart Growth Principles in that it: provides a high intensity transit oriented mix of land uses that creates a range of housing opportunities and choices with a diversity of affordable housing near employment centers, concentrated new development and targeting infrastructure investments within the urban core of the region; fosters a walkable community; emphasizes multi-modal transportation and land use patterns that support walking, cycling, and public transit, provides a variety of transportation choices for people to bike, walk, take transit, or drive. This project has regional benefits and is a poster child for the Sacramento Blueprint effort. Support for such projects allows for progressive growth management.

The site is located in the Central City Infill Strategy Target Area and the plan is consistent with the City's Infill policy which promotes rehabilitation, reuse of an existing asset such as recycling the 244-acre brownfield site located in Sacramento's urban core into a compact, mixed-use transit oriented development and capitalizing the historical significance of the site, specifically, by proposing to preserve the Central Shops and transforming it in to a vibrant center.

The City adopted the General Plan Update Vision and Guiding Principles in 2005 to capture a vision for the City's key values and aspirations for Sacramento's future. The plan is consistent with many of the adopted principles and the following are the highlights:

- Encourage sustainable levels of energy and resource consumption through efficient land-use, transportation, building design, construction techniques, waste management, and other infrastructure systems

- Preserve and protect important historic and cultural resources that serve as significant, visible reminders of the City's social and architectural history.

- Improve and expand the urban forest that contributes to the uniqueness of Sacramento: the City of Trees.

- Improve the jobs-housing balance by siting housing near employment centers.

- Expand and improve existing transit systems to encourage higher ridership that will lead to less dependence on the automobile and fossil fuels, and to better air quality.

- Include a mix of housing types within neighborhoods to promote a diversity of household types and housing choices for residents of all ages and income levels in order to promote stable neighborhoods.

- Recognize and preserve those areas of the City with a 'sense of place' that are based largely upon their historical and cultural resources.

- Locate and design buildings, streetscapes, and public spaces that contribute to walkable neighborhoods.

- Create a vibrant downtown that serves as a regional destination for the arts, culture, and entertainment while accommodating residents that live, work, and gather in the city center.

- Focus higher density developments and mixed-use projects in areas adjacent to transit stations, along transit corridors and commercial corridors, near job centers, and in strategic opportunity areas throughout the city.

Finally, the plan is consistent with the Preservation Element Goal of the General Plan to preserve and protect the city's heritage and recognize its importance to the city's unique character, identity, economy and quality of life.

Environmental Considerations: In accordance with California Environmental Quality Act (CEQA) Guidelines, Section 15081, the City, as Lead Agency, determined that an Environmental Impact Report (EIR) should be prepared for the proposed project. The Draft EIR (DEIR) identified significant impacts to air quality; biological resources; cultural resources; seismicity, soils, and geology; hazards and hazardous substances; hydrology and water quality; noise and vibration; parks and open space; public services; public utilities; transportation and circulation; and urban design and visual resources. Mitigation measures were identified to reduce project impacts to a less than significant impact; however, significant and unavoidable impacts remain for air quality, noise and vibration, and transportation and circulation. A Mitigation Monitoring Plan (MMP) that lists all of the mitigation measures and required implementing actions was prepared and is attached. The DEIR was prepared and released for a forty-five (45) day public review period, established by the State Clearinghouse, beginning on August 20, 2007 and ending on October 3, 2007.

Numerous comment letters were received on the DEIR. The comment letters and responses to comments are included in the Final EIR (FEIR). The FEIR responds to all comments received on the DEIR and revises text and/or analyses where warranted. Consistent with (CEQA) Guidelines Section 15025(c) where an advisory body such as a planning commission is required to make a recommendation on a project to the decision making body, the advisory body shall also review and consider the EIR. A draft resolution certifying the EIR, and approving the Mitigation Monitoring Plan and Findings of Fact and Statement of Overriding Considerations is attached as **Attachment 3** (provided in a separate document). Future development applications will be evaluated to determine whether supplemental environmental review is required or if the project's impacts were adequately addressed in this Specific Plan EIR. The nomination part of the Sacramento Railyards property as a historic district in of itself is exempt per Section 15308, Actions by Regulatory Agencies for Protection of

the Environment. Nomination of Historic Resources for listing in the Sacramento Register is not a project per Section 15378.

Commission/Committee Action: On September 26, 2007 the Preservation Director made a preliminary determination that the Central Shops Historic District nomination is eligible for listing in the Sacramento Register. On November 7, 2007, the Preservation Commission voted unanimously (5-0) to recommend approval of both the proposed Central Shops Historic District nomination and the Railyards Design Guidelines. The Planning Commission held a hearing on the plans and entitlements for the Railyards project at a special meeting on November 13, 2007 and recommended unanimously (7-0) for approval. The Planning Commission also will submit a letter outlining issues for the Council's consideration. The Design Commission was scheduled to hear and make a recommendation on the Railyards Design Guidelines and Design Review District on November 14, 2007. Staff will report out on the Design Commission actions.

The Parks and Recreation Commission reviewed the Railyards open space plan, and the Development Oversight Commission reviewed the Planning Director's Urban Design Permit process. Both Commissions are supportive of the project and letters of support are included as **Attachment 26 and 27**, respectively (pages 221and 223 of this report).

Rationale for Recommendation: The proposed project is consistent with the General Plan, City's adopted Smart Growth Principles, City's adopted Vision and Guiding Principles, and the Infill Strategy and Preservation Element of the General Plan. Additionally, the Historic District nomination is consistent with processes established in the Historic Preservation Chapter of the City Code and the property meets the eligibility criteria for listing in the Sacramento Register as a Historic District.

Financial Considerations: A separate report regarding the financial considerations of this project will be prepared for the December 4, 2007 meeting.

Emerging Small Business Development (ESBD): Not applicable

Respectfully Submitted by: David W. Kwong
David Kwong
Planning Manager

Approved by: William A. Thomas
William Thomas
Development Director

Recommendation Approved:

for Ray Kerridge
City Manager

*****The following attachments can be found with the "hearing" version of this report, on the same agenda as this item – November 20, 2007**

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