



REPORT TO PLANNING COMMISSION City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
January 13, 2011

To: Members of the Planning Commission

Subject: Informational Report on the 700 Block Project (P10-087)

Location/Council District:

The 700 Block project is the half block on the south side of K Street between 7th and 8th Streets. Assessor's Parcel Number: 006-0096-002, 006-0096-003, 006-0096-004, 006-0096-005, 006-0096-006, 006-0096-007, 006-0096-008, 006-0096-009, 006-0096-010, 006-0096-018, and 006-0096-019

Council District 1

Recommendation: Staff requests the Commission review and comment on the attached proposal for the 700 Block Project. The proposal includes 153 rental apartments, 63,780 square feet of retail including restaurants and clubs, and a 28,973 square foot parking structure.

Contact: Evan Compton, Associate Planner, (916) 808-5260
Stacia Cosgrove, Senior Planner, (916) 808-7110

Applicant: Bay Miry, 700 Block Investors, LP, 1006 4th Street, Suite 701, Sacramento, CA 95814.

Owner: Redevelopment Agency, City of Sacramento, 915 I Street, Sacramento, CA 95814. (Attention: Beth Tincher)

Summary: The applicant is proposing to redevelop a half block on the south side of K Street between 7th and 8th Streets. The site currently is developed with storefront buildings that were previously retail and restaurant establishments with office and residential uses on the upper floors. The project proposes to rehabilitate the historic facades and to demolish the portion of the site adjacent to the alley for construction of a new five story apartment building over a two-level parking structure. The project site currently has 11 parcels which will be merged into one parcel.

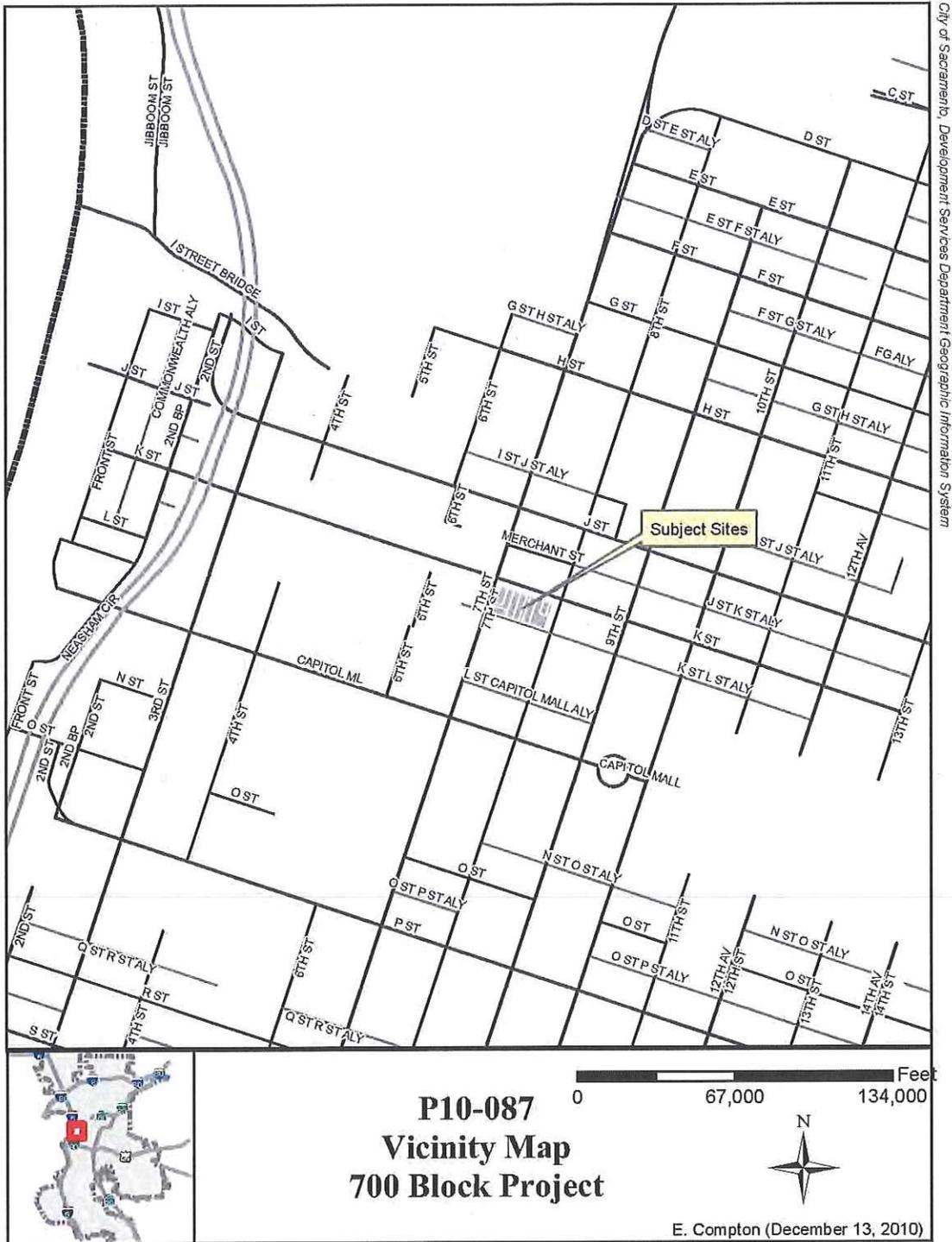


Table 1: Project Information for 700 Block Project
General Plan designation: Central Business District
Existing zoning of site: Central Business District (C-3)
Existing use of site: Existing Storefronts with Office/Residential on Upper Floors
Property area: 1.175 ± acres or 51,200 square feet
Density: 131± dwelling units/acre

Background Information: The 700 block of K Street was identified in the Merged Downtown Sacramento Redevelopment and Implementation Plan as contributing to blight which is characterized by vacant parcels, deteriorated buildings, uneconomic land uses, and unsafe sidewalks. In 2004, the JKL Corridor Workshop identified this site as a critical location for revitalization of K Street with a focus on mixed use development including ground floor retail, housing, and cultural uses to eliminate blight, stimulate economic growth, and provide for a range of housing types. Over the past few years, the Redevelopment Agency has been assembling property located on the 700 and 800 block of K Street. On July 13, 2010, the City Council adopted Resolution 2010-030 which selected D&S Development and CFY Development as the preferred developer for the south side of the 700 Block of K Street and David Taylor Interests, The Cim Group, and Domus Development as the preferred developer for the 800 Block of K and L Streets. This review and comment report is related only to the 700 Block site.

Public/Neighborhood Outreach and Comments: The planning application for the 700 Block Project was submitted December 10, 2010. The proposal was routed for early review to the Downtown Sacramento Partnership, Sacramento Old City Association, Neighborhood Advisory Group (NAG), Alkali Mansion Flats Neighborhood Association, the Preservation Roundtable, and the Environmental Council of Sacramento (ECOS). The site was posted and staff notified property owners within 500 feet of the subject site about the Review and Comment hearings scheduled in front of the Preservation Commission on January 5, 2011 and the Planning Commission on January 13, 2011. At the time of writing this report, no comments had been received.

Environmental Considerations: The Redevelopment Agency of the City of Sacramento (Agency) and the City of Sacramento (City) will be co-lead agencies for the preparation of an Environmental Impact Report (EIR) for the redevelopment of the 700 Block of K Street. As required by the California Environmental Quality Act (CEQA) Guidelines, Section 15121, the document will assess the potential environmental impacts resulting from the approval, construction, and implementation of the proposed project and identify mitigation measures to either eliminate or reduce the potentially significant environmental effects, where feasible.

Land Use

The following land uses are summarized below for the 700 Block Development. The project narrative (See Attachment 2) has additional information.

Table 2: Land Uses for the 700 Block Project		
Address	Building Reference	Proposed Land Uses
700 K Street (<i>HISTORIC LANDMARK</i>)	Men's Warehouse	Live music venue with roof terrace
704 K Street	Joe Sun	Restaurant/Bar and Retail
708 K Street	Former Flagstone Hotel	Restaurant/Bar, Retail, and 4 apartments
712 K Street	Galleria	Retail or Salon, and 3 apartments
716 K Street (<i>HISTORIC LANDMARK</i>)	Morelia	Bakery or Coffee Shop, and 2 apartments
718 K Street	Tattoo	Restaurant/Bar/Lounge, and 4 apartments
724 K Street	W.T. Grant	Restaurant/Bar, and 4 apartments
726 K Street	Tower Records	Retail/Commercial
730 K Street	Market	Retail, and 2 apartments
New Construction on Alley	N/A	5 story apartment building over 2 level parking garage
Future Kiosks on K Street	N/A	To be determined

Setbacks, Height, and Ground Floor Retail Requirements

In the Central Business District, the setbacks may be zero feet on all elevations. There are also no height restrictions except as noted in the Capitol View Protection Ordinance which states the western half of this block has a height limit of 450 feet and the eastern half has a height limit of 400 feet. The site also has a 75% ground floor retail requirement along 7th Street, K Street, and 8th Street.

Access, Circulation, and Parking: The project site is bounded by a public street on three sides: K Street to the north, 7th Street to the west, and 8th Street to the east. A 20 foot wide public alley runs along the south property line.

This segment of K Street does not allow vehicular traffic. 7th Street is one-way with traffic traveling south. 8th Street is a one-way with traffic traveling north. The light rail tracks run on the north, west, and east side of the subject site.

Table 3: Parking Requirements for the 700 Block Project			
Land Uses	Required Spaces	Spaces Provided	Difference?
Retail, Bars, and Restaurants*	0 spaces	0 spaces	No
Residential	153 spaces (1 space per residential unit)	91 spaces	Yes
Residential Guests	10 spaces (1 space per 15 residential units)	0 spaces	Yes
Office**	0 spaces	0 spaces	No
Total Parking	163 total parking	91 parking spaces	- 72 spaces

*For retail, restaurant, and bar uses in the Central Business District, onsite parking is not required. Only residential, hotels, motels, and office uses require parking.

**Required onsite parking for offices in the Central Business District only applies to offices greater than 20,000 square feet.

Policy Considerations: The subject site is designated as Central Business District on the General Plan Land Use and Urban Form Diagram. The Central Business District (CBD) is Sacramento's most intensely developed area. The CBD includes a mixture of retail, office, governmental, entertainment and visitor-serving uses built on a formal framework of streets and park spaces laid out for the original Sutter Land Grant in the 1840s. The vision for the CBD is a vibrant downtown core that will continue to serve as the business, governmental, retail, and entertainment center for the city and the region. A significant element in the future CBD includes new residential uses. Increasing the residential population will add vitality to the CBD by extending the hours of activity and the built-in market for retail, services, and entertainment.

2030 General Plan Development Standards

Density: 61 units/net acre minimum to 450 units/net acre maximum.

Floor Area Ratio (FAR): Minimum 3.00 FAR to maximum 15.00 FAR.

Residential development that is a part of a mixed use building shall comply with the FAR range and is not subject to the density requirement. Stand alone residential

development shall comply with the density range. Staff believes the project as currently proposed meets all FAR requirements.

2030 General Plan Policies

LU 2.7.8 Screening of Off-street Parking. *The City shall reduce the visual prominence of parking within the public realm by requiring most off-street parking to be located behind or within structures or otherwise fully or partially screened from public view.*

LU 4.1.4 Alley Access. *The City shall encourage the use of well-designed and safe alleys to access individual parcels in neighborhoods in order to reduce the number of curb cuts, driveways, garage doors, and associated pedestrian/automobile conflicts along street frontages.*

LU 5.5.2 Transit-Oriented Development. *The City shall actively support and facilitate mixed-use retail, employment, and residential development around existing and future transit stations.*

LU 5.6.1 Downtown Center Development. *The City shall encourage development that expands the role of the CBD as the regional center for commerce, arts, culture, entertainment, and government.*

LU 5.6.3 Mixed Use Downtown Development. *The City shall support a mixed use, vibrant Central Business District by encouraging innovative mixed use development resulting in development consistent with Sacramento's commitment to environmental sustainability.*

HCR 2.1.13 Adaptive Reuse. *The City shall encourage the adaptive reuse of historic resources when the original use of the resource is no longer feasible.*

M 2.1.3 Streetscape Design. *The City shall require that pedestrian-oriented streets be designed to provide a pleasant environment for walking including shade trees; plantings; well-designed benches, trash receptacles, news racks, and other furniture; pedestrian-scaled lighting fixtures; wayfinding signage; integrated transit shelters; public art; and other amenities.*

M 6.1.4 Reduction of Parking Areas. *The City shall strive to reduce the amount of land devoted to parking through such measures as development of parking structures, the application of shared parking for mixed use developments, and the implementation of Transportation Demand Management plans to reduce parking needs.*

Central City Community Plan Policies

CC.LU 1.7 Central Business District. *The City shall improve the physical and social conditions, urban aesthetics, and general safety of the Central Business District.*

CC.HCR 1.1 Preservation. *The City shall support programs for the preservation of historically and architecturally significant structures which are important to the unique character of the Central City.*

CC.H 1.1 Mixed-Use Buildings. *The City shall provide the opportunity for mixture of housing with other uses in the same building or on the same site at selected locations to capitalize on the advantages of close-in living.*

2008-2013 Housing Element:

H-1.2.4 *The City shall actively support and encourage mixed-use retail, employment and residential development around existing and future transit stations, centers and corridors.*

Anticipated Entitlements: With the current project proposal, the following future entitlements would be necessary from the Planning Commission: Special Permit for a major project over 75,000 square feet in the Central Business District (C-3) zone; Special Permit for alcohol sales related to the nightclub/bar uses; and a Special Permit to partially waive parking for residential uses. The project would also require approval from the Preservation Commission for design-related issues.

Conclusion: Staff recommends the Planning Commission review and comment on the amount of parking provided for the land uses on the site and provide any other potential issues or concerns to be considered in the project review.

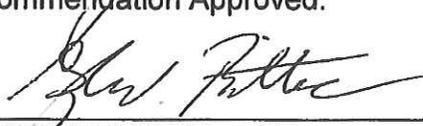
Staff anticipates bringing forward this project for final action in May 2011.

Respectfully submitted by: 
EVAN COMPTON
Associate Planner

Approved by:


STACIA COSGROVE
Senior Planner

Recommendation Approved:


GREGORY BITTER, AICP
Principal Planner

Subject: 700 Block Project (P10-087)

January 13, 2011

Attachments:

Attachment 1	Land Use Map
Attachment 2	Applicant's Project Narrative
Attachment 3	Photos of the Existing Buildings
Attachment 4	Project Plans

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Attachment 2: Applicant's Narrative



December 9, 2010

PROJECT NARRATIVE

700 Block of K Street
Sacramento, California

The 700 Block of K Street will contribute to making the Sacramento city center a unique and special place through the incorporation of established as well as visionary urban design principals. Using the current city "Pedestrian Friendly Street Standards" as well as the strong community planning traditions of Sacramento's historic and long-established neighborhoods, the project has been integrally woven into the fabric of the community. It is our intent to provide residents with a strong sense of place, a high quality of life and to provide a vibrant and successful neighborhood retail center.

The project site consists of eleven parcels, containing a total of approximately 1.175 acres. The project site is bordered by a 20-foot wide alley and the existing Greyhound bus depot to the south (The bus depot is to be moved in 2011), 7th Street and Downtown Plaza Shopping Center to the west, K Street Mall, Lima Park and some retail buildings to the north, and 8th Street and proposed new development to the east.

The perimeter public way is primarily level along K Street, drops about 6 feet on 7th Street and on 8th Street down to the alley, and the alley drops down a few more feet at it's center. The project site is built out with buildings that were constructed from the late 1800's and well into the 20th century. Two of the existing buildings are registered historic structures. The ground floors of the buildings were previously used as retail and restaurant establishments. All of these buildings have full basements and all have second levels. Most of the basements were previously used for storage. Some of the ground floor retail spaces extended down into the basements. Some of the existing buildings have a third level. These upper levels were previously used as apartments and offices.

The proposed project would combine the eleven parcels into one parcel. The proposed project would be mixed-use including 153 rental apartments, 63,780 square-feet of retail space including restaurants and clubs, and a 28,973 square-foot structured parking garage. A 500-occupant live music venue is proposed. The proposed project would also include support facilities such as community resources for the apartment residents and rooftop gardens.

The north half of the property is proposed to be renovated. Many of the existing buildings include fine defining historic characteristics such as brick masonry and woodwork. The south



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half of the property is proposed to be cleared and a 5-story apartment building over a 2-level parking garage is proposed to be constructed.

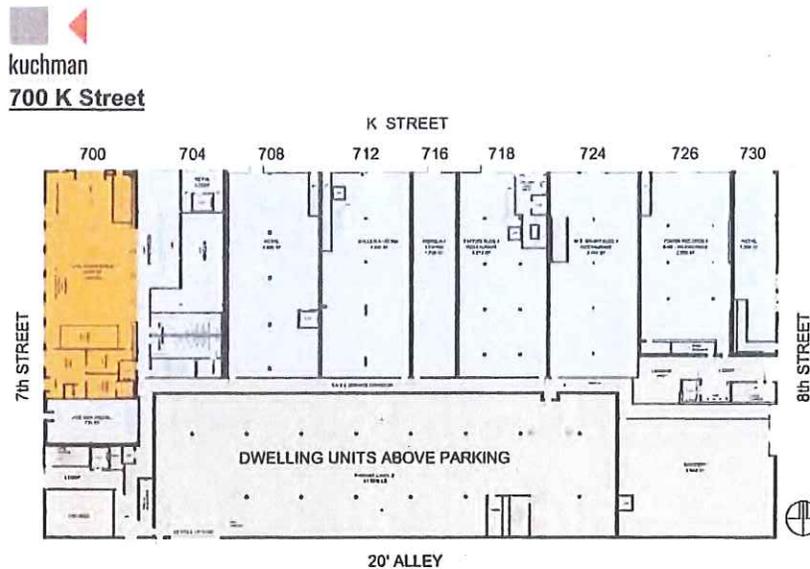
This would be a transit-oriented development (TOD). Two objectives of the project are to bring high density, mixed use development to enhance the pedestrian environment and to be closely linked to transit. There is a light rail station on 7th street immediately adjacent the project site. Bus stops are also an easy walk (less than ¼ mile) from the site.

Other objectives of the project are to promote compatibility between new and existing development, maintain and enhance community identity and quality of life, to create a safer downtown, to activate the street, to use sustainable strategies in the design and to work with City Preservation Department staff toward preservation of the historic hollow sidewalks.

The proposed retail areas would primarily face out on K Street to reactivate this area. There is also retail proposed to front 8th Street. Access to the proposed 91-space parking garage would be from the alley where it would be the least disruptive to pedestrian activities. Apartments over the existing buildings would be accessed from varying points along K Street and 8th Street. The new mid-rise apartments on the south side of the parcel would be accessed through a main entrance on 8th Street and through a secondary entrance on 7th Street.

This proposed transformative, high quality design would remove uneconomical land uses and would replace them with a vibrant mixed-use community.

More specific project details are in the pages to follow:

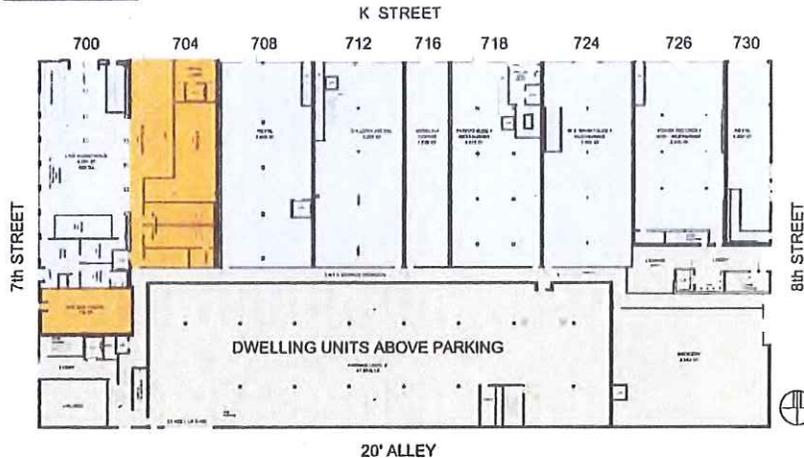


The Men's Warehouse building is a registered historic landmark and one of the most architecturally prominent buildings on the block. The proposed use for this building is a live music venue, which would celebrate the grandeur of this historic structure and serve as a commercial anchor for the development. Additional benefits for situating the music venue in this location are its proximity to nearby parking, building frontage along 7th St for an exterior line that would not disturb adjacent businesses, sound mitigation for surrounding uses, ability to achieve optimal occupancy by expanding into first- and second-floor space of the adjacent building, expanded interior volume for better audience experience, auxiliary access on 7th St for band and personnel entry, and proximity to the alley for easier delivery of equipment.

The Men's Warehouse building is 2-story structure. A portion of the second-floor will be removed to create additional volume for the venue and allow for the remainder of the floor to be used for additional seating, bar area, restrooms, storage and more.

The exterior façade will be restored to its historically significant appearance. Some space from the adjacent Joe Sun building will be incorporated into the venue. Columns on the demising wall to the east will be reconstructed to maintain a distinct separation between the two buildings. The design of these reconstructed columns and the new taller ceiling will depict by means of new construction... the form, features and detailing of the non-surviving building characteristics.

The roof of the Men's Warehouse shall be converted into a 3,225 square-foot roof terrace to be accessed by two new stairways and an elevator from the new live music venue below.



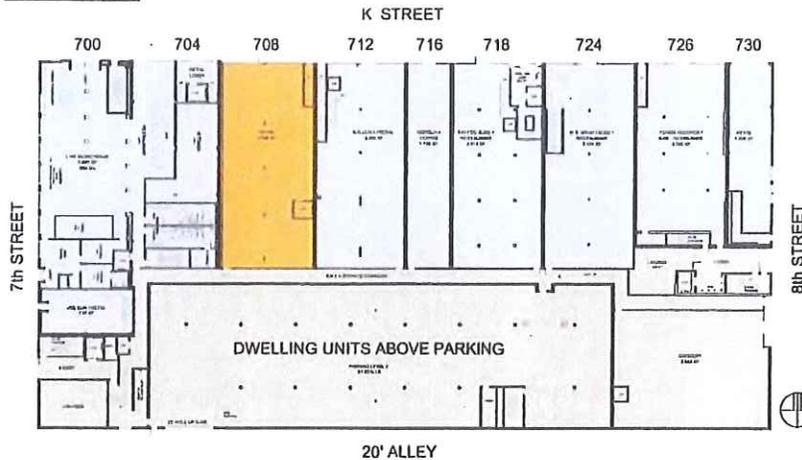
The Joe Sun building is a 2-story structure, which includes the most spacious basement on the block (11'-2" ceiling height). Portions of the demising wall between the Joe Sun and Men's Warehouse building will be opened up, allowing space on both the first- and second-floors to be used as part of the music venue. In addition to providing additional viewing area, this space will allow for a restaurant and bar that will be open seven days a week, helping enliven sections of the venue during the day and on nights when there won't be performances. The detailing of the demising wall and new openings will depict by means of new construction... the form, features and detailing of the non-surviving building characteristics.

Separate from the venue, a lobby will be created on the K St level with access to two separate spaces: the 3,600 square-foot basement and a 1,200 square-foot space on the second-floor. The basement will be occupied by a business that is able to complement the neighboring music venue and take advantage of the unique character of this subterranean space. The second-floor space will be occupied by a separate and distinct retail business, creating a buffer between the music venue and the apartments on the second-floor of the neighboring Flagstone Building (708 K Street).

The brick façade of the Joe Sun frontage on 7th Street shall be retained, rehabilitated and incorporated into the exterior of the new mid-rise apartment building.



708 K Street

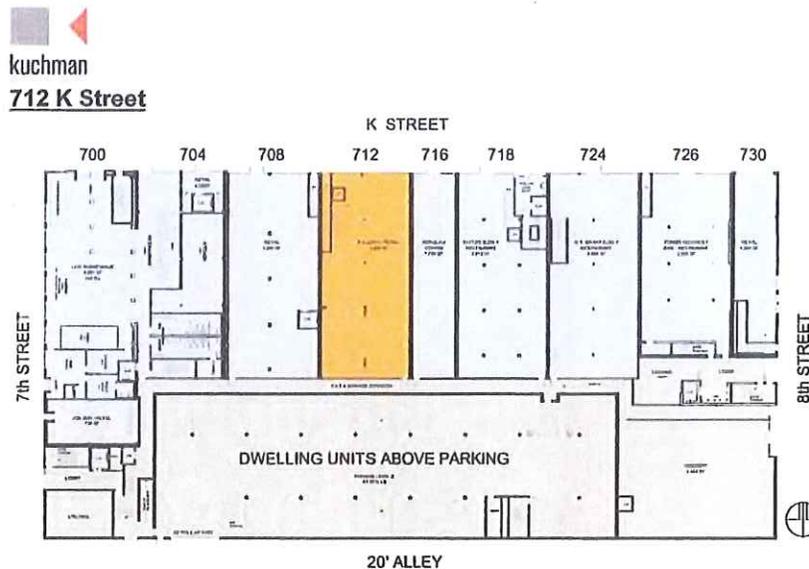


This existing structure is a 3-story building, which includes the former Flagstone Hotel residential units on the second and third floors.

The ground floor will be split into two spaces that are roughly 1,750 square-feet each. The western space is proposed to become a hip, cutting edge clothing and shoe boutique that would lend itself well to an urban, pedestrian-friendly district like K St.

The eastern ground-floor space is proposed to become a contemporary restaurant and bar. The restaurant will take advantage of this building's extraordinary roof by incorporating 2,238 square-feet of additional seating on a rooftop deck unlike any other in downtown Sacramento.

The second- and third-floors of this building will be renovated to house four 2-story rental townhomes.

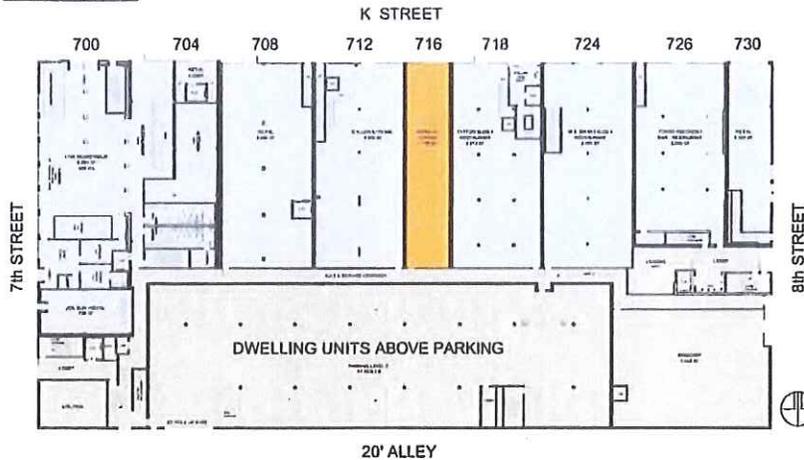


The Galleria building is a registered historic landmark and will be sensitively restored to capture the structure's historical significance. The ground floor is approximately 3,100 square feet and is proposed to include two hard good retailers such as a clothing boutique, flower shop, or salon/spa type business.

The basement of the Galleria building is rich with character, and a lobby is proposed on K St that will have access to this 3,300 square-foot space. The proposed tenant is a retailer that will take advantage of this one-of-a-kind atmosphere, further celebrating the historical significance of this unique building.

The second floor of the Galleria building will be restored to house three rental units.

The south-facing facade of this building is a character-rich brick wall facing the alley. To preserve these defining characteristics, this brick wall will be salvaged and reconstructed as an exterior wall facing into the new roof garden at the center of the project.



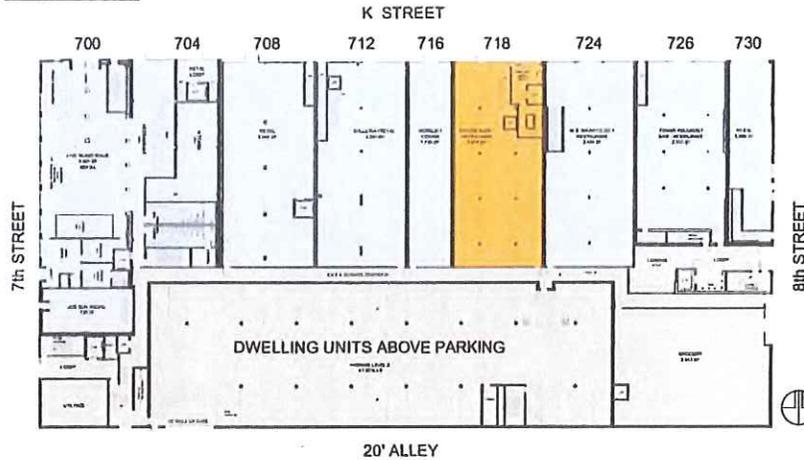
This structure is a 2-story building. The ground floor is approximately 1,800 square-feet and is well suited for a bakery/dessert diner/coffee house. This proposed tenant will be a perfect complement to the other unique, pedestrian-friendly businesses on the block, helping further diversify the proposed project's target demographic.

The second floor will be rehabilitated to include two rental units.

This building was constructed with a bay window on the second floor. The bay window has long since been removed. As a part of this project a new bay window shall be constructed in the same location. The detailing of the new bay window will depict by means of new construction... the form and features of the non-surviving building characteristics of the original bay window.

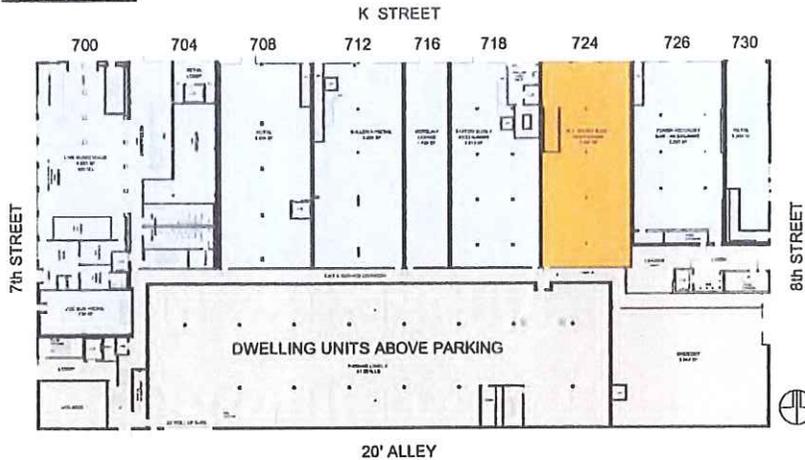


718 K Street



The existing structure is a two-story building, which includes a basement that was previously used as a nightclub. The proposed ground-floor tenant is one that will take advantage of this existing basement by creating a unique and intimate restaurant, bar, and lounge. The basement will be partially exposed to the ground floor, creating a distinct mezzanine experience, unique to downtown Sacramento.

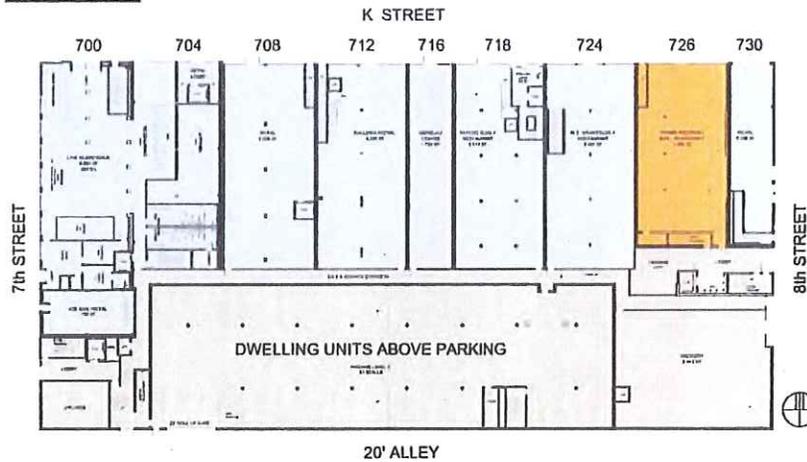
A lobby is proposed for 718 K Street that will house an entry, mailroom, and access to a second-floor corridor that connects the seventeen second-floor apartments that span across 708, 712, 716, 718 and 724 K Street. The elevator in this lobby will also have access to a basement-level laundry room, which will be shared by the tenants in these seventeen units. Of the four units proposed for the second-floor of this building, two of them are designed to be multi-level townhomes.



The W.T. Grant building is a 2-story structure and is unique for having the second-most spacious basement space on the block (10'-8" ceiling height). The proposed tenant for the ground-floor and basement space of this building is a locally-operated restaurant and bar that will vary in character from the other businesses, yet similarly be open during the day and night, seven days a week, to help promote constant energy throughout the block.

The second-floor of the building will be renovated to house four apartments.


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726 K Street



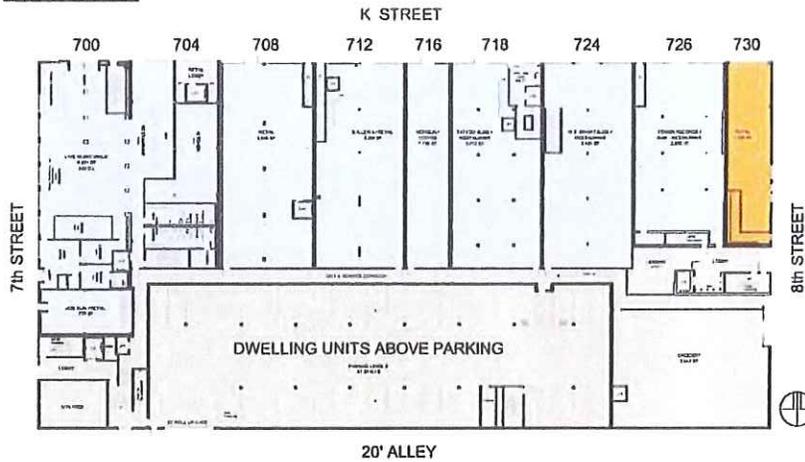
The existing building is a 2-story structure, best known for its exterior mural, which is dated to the 1970's. The proposed plan is to restore the mural and create a glass storefront on K Street that will maintain pedestrian exposure to this historic element of the block.

The interior is well suited for a two-tiered mezzanine space, which would incorporate the second floor of the building into its ground-floor commercial use. This would create another uniquely designed space, further distinguishing this block's consumer experience from any other in the region.

The basement of this building will be connected to the new, mid-rise apartments on the south side of the parcel and will include space for tenant amenities and possibly a retail area with access directly from K St.



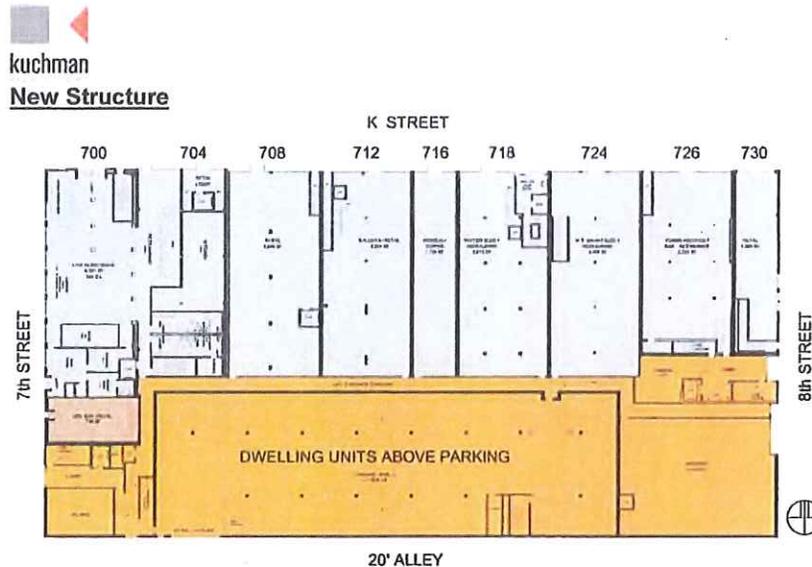
730 K Street



The existing structure is a 2-story building on the southwest corner of 8th and K Street. The ground floor allows for approximately 1,400 square feet of retail space that has high-visibility on an intersection that will soon be expanded to three-way vehicular traffic.

The proposal is for the second-floor to be renovated to two apartment units, with separate access from 8th Street.

This building will be fully preserved, as no demolition is required for construction of the new mid-rise apartment building, which will serve as its southern boundary.



Portions of the existing structures along the alley will be removed and replaced with a new mid-rise building. The base of the new building will be a 91-space, secured two-level parking garage with one parking level sloping down below grade and the other parking level sloping up, above grade. The garage will also provide shelter for bicycle and motorcycle parking, spaces for booster pumps for domestic and fire water, utility meters, and a trash and recyclables area connected by refuse chutes from each of the apartment levels above. Vehicle access to the garage will be through two openings from the alley. This parking structure is to be of Type 1A cast-in-place concrete construction. The top of this structure would be a 12-inch thick post-tensioned concrete podium.

On the concrete podium will be a 153 unit, five-level wood-framed apartment building of Type IIIA construction. Apartment units will look out in all directions from the building.

Three sets of stairs and two elevators will connect the parking levels with the apartment levels. Along the north side of the parking levels, linked to the alley will be a two-tier exit and service corridor. This corridor will provide access for delivery of goods from the alley to the retail spaces and will also provide for secondary emergency exiting from the buildings.

The main entrance vestibule to the mid-rise building will be on 8th Street. Off of this entrance will be a leasing office, property manager's office, and a mailroom. Also off of this vestibule will be a basement level community area including a billiards room, TV room, fitness room, laundry and restrooms under 726 K Street.

At street level in the southeast corner of the structure will be a 3,543 square-foot grocery market. Deliveries to this market will be from the adjacent alley to the south via a dedicated grocery loading area.



On the second level of the overall project will be a 5,069 square-foot roof garden. Apartments on the interior of the project will look out over this roof garden. The roof garden will include intimate seating areas and a gathering space at the center of the project.

The top level of the mid-rise building will include 27 apartment units that have mezzanine levels.

At the roof level on the east side of the mid-rise building will be a 1,733 square-foot roof garden with views toward the State Capital Building. This roof garden will be for the use of building residents.