

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** FEBRUARY 22, 1999

**FROM:** CYNTHIA J. KURTZ, CITY MANAGER

**SUBJECT:** PREDEVELOPMENT PLAN REVIEW FOR THE PEPPERMILL PROJECT WHICH IS FOR A GENERAL PLAN AMENDMENT FOR A 214 UNIT APARTMENT BUILDING AT THE NORTHEAST CORNER OF WALNUT AND HUDSON STREETS

## **RECOMMENDATION:**

This report is being provided for information purposes only at this time.

## **BACKGROUND:**

As part of the development review process the City requires a Predevelopment Plan Review (PPR) meeting with applicants in which City departments give direction to developers on projects. The City Council approved on September 21, 1998 a new PPR process, to review projects of community-wide significance. The Peppermill Project is the first proposal to be reviewed by the Council under this process.

Trammell Crow Residential has applied for a General Plan Amendment for the subarea of the Central District that includes the Peppermill Restaurant in order to develop a 214-unit apartment building at the northeast corner of Walnut and Hudson Streets. The site currently contains the Peppermill Restaurant, a small office building and three single family housing units. The City is not providing any financial assistance for the proposed project and all of the units will be market rental rates.

The architectural firm for the project is Van Tilburg, Banvard & Soderbergh, which designed the Holly Street Apartments. The apartments are in three buildings with access to the site from Walnut and Hudson Streets. A total of 373 parking spaces are provided on-site with 21 at grade level and 352 in a subterranean parking garage. The Zoning Code requires a minimum of 352 parking spaces. The applicants have indicated they will apply

for an undetermined amount of additional spaces. There will be a mixture of apartment sizes with 106 one-bedroomed units, 86 two-bedroomed units and 21 three-bedroomed units (Attachment 1).

The project site is in the General Plan subarea "a5 Lake Avenue Office Area – Del Mar/Cordova to the Freeway" (Attachment 2). This subarea permits a total of 1,225,000 square feet of nonresidential uses including offices and commercial uses in buildings up to six stories in height. The zoning designation for the subarea is Central District 14, which permits residential uses and these nonresidential uses. However, the General Plan subarea does not list residential uses as a permitted use. Therefore, the purpose of the General Plan Amendment will be to permit the development of residential uses in this subarea and to establish a unit allocation.

The PPR was conducted on December 1, 1998 for the proposal. A neighborhood meeting was conducted January 14, 1999 with 22 neighbors and property owners in attendance. Future projects of community-wide significance will be reviewed by the City Council prior to a neighborhood meeting. Concerns were raised about parking and traffic conditions in the neighborhood, but there was not significant opposition to the concept of housing in this area. A public hearing on the General Plan Amendment is scheduled for the Planning Commission of February 24, 1999. Following review for the Planning Commission, the General Plan Amendment will return to the City Council in the second half of March 1999 with a public hearing. The applicants will also need to apply for a variance before a hearing officer and design review before the Design Commission. The following is a timeline showing major stages in the process:

Dec. 2	PPR Meeting with Applicant and City Departments
Jan. 12	Neighborhood Meeting
Feb. 22	PPR Report to City Council as Information Item
Feb. 24	Public Hearing before Planning Commission for General Plan Amendment
March 2	Applicants files for Variance for Tandem Parking
March 2	Applicant files Application for Design Review
March 22	Public Hearing before City Council for General Plan Amendment
April 7	Public Hearing before Hearing Officer for Variance
April 12	Public Hearing Before Design Commission

#### **PPR SUMMARY:**

At the PPR meeting concerns were raised over circulation and parking for the proposal, landscaping, design of the buildings and demolition of existing buildings. The applicant was required to prepare a traffic and parking study to address these concerns. This study concluded that the project will not add significant traffic in the area but that the Locust and Hudson Streets intersection should be studied to determine if a traffic signal should be installed.

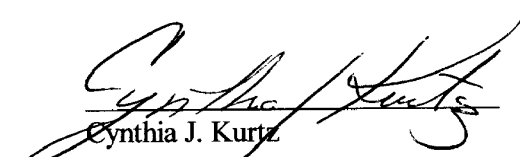
The applicants are being required to submit a landscaping plan. The existing on-site trees are to be removed as part of the proposal but replacements on-site are being required. In addition, 40% of the lot area not dedicated to lot coverage and paving shall be in landscaping. The buildings will be subject to design review by the Design Commission. The applicants have already secured Certificates of Appropriateness from the Cultural Heritage Commission for building demolitions.

An additional concern this project brings forward is the possible Hudson Street extension. This project would effectively prevent this traffic improvement from occurring. Should this project be approved it would be necessary for the City to identify alternative traffic improvements and/or project design changes that would mitigate long-term South Lake traffic congestion. Concurrent with the processing of this proposal the city staff will be evaluating project design alternatives, and traffic system design alternatives. While it is too early in the develop process to project this issue as a major project impediment, it could become such.

**FISCAL IMPACT:**

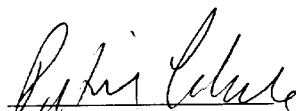
The applicants have paid all fees applicable to the City for General Plan Amendment. If this is approved by the City Council, the applicants will be required to pay fees for building permits and other related fees upon submission of an application for plan check. It has not been determined at this point what those would fees would amount to.

Respectfully submitted,



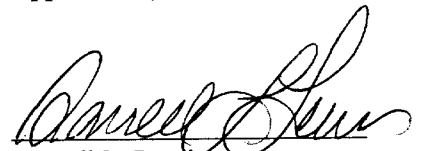
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