

Agenda Report

TO: CITY COUNCIL

DATE: FEBRUARY 22, 1999

FROM: CITY MANAGER

SUBJECT: SOUTH LAKE AVENUE RETAIL DEVELOPMENT PROJECT ZONE CHANGE FROM CD-5 (CENTRAL DISTRICT) TO PD-24 (PLANNED DEVELOPMENT) AND SALES TAX INCREMENT REIMBURSEMENT AGREEMENT

RECOMMENDATION

It is recommended that the City Council, following a public hearing, rescind previous approvals and re-approve the South Lake Avenue Retail Development Project by taking the following actions:

1. Adopt a Resolution of the City Council of the City of Pasadena Rescinding Previous Findings of Fact, Mitigation Measures and Conditions of Approval, and Making New Findings Required by Public Resources Code Section 21081 and Pasadena Municipal Code Section 17.100.070, Including a Statement of Overriding Considerations as Required by Title 14 California Code of Regulations Section 15071, and Adopting a Mitigation Monitoring Program and Conditions of Approval for the South Lake Avenue Retail Development Project.
2. Adopt (by first reading and subsequent second reading and adoption) an Ordinance of the City Council of the City of Pasadena, Rescinding Ordinance No. 6747 and Amending the Official Zoning Map of the City of Pasadena Established by Section 17.08.040 of the Pasadena Municipal Code to Reclassify Certain Property in the CD-5, Area 2, Subareas A, B, E & F to PD-24 South Lake Avenue Retail Development, and to Amend Appendix B (PD District Development Standards) of Title 17 of the Pasadena Municipal Code, the Revised Zoning Code, to Establish the Development Standards and Land Use Regulations for PD-24.
3. Rescind the prior City Council approval on March 2, 1998 and re-approve the terms and provisions of a Sales Tax Increment Reimbursement Agreement (the "Agreement") by and between the City of Pasadena and Forest City Development, Inc., subject to execution by Forest City Development California, Inc., and authorize the City Manager to execute and the City Clerk to attest the Agreement on behalf of the City. The Agreement will incorporate a revised development schedule (to reflect litigation delays) and will include the following

additional provision formulated and approved by the City Council on March 2, 1998: "Macy's shall invest sufficient funds in rehabilitating the Macy's Store in order to upgrade it consistent with an upscale retail standard and submit a plan reflecting same to the City."

4. Adopt a finding that the South Lake Retail Development Project as approved by the foregoing actions is consistent with the General Plan and with the Pasadena Zoning Code (as amended), for the reasons described in the Final EIR.
5. Direct staff to include in the FY 2000 Capital Improvement Program budget all traffic mitigation projects and funding plans referenced in this agenda report, which include \$200,000 from the developer and \$200,000 from the City's General Fund.
6. Direct the City Clerk to file a Notice of Determination and a Certificate of Fee Exemption for the California Department of Fish and Game, with the Los Angeles County Recorder.

BACKGROUND

On December 16, 1998 the Superior Court issued its final decision, ordering that the City Council's April 1998 approvals for the South Lake Avenue Retail Development Project be set aside based on the statement in the City's findings that it would be "feasible" to eliminate or redesign Building "C" (the boutiques). Although the City Council on October 12, 1998 revised the findings and clearly stated its intent to find elimination or redesign of the boutiques to be "infeasible", the Court held that the subsequent change in findings on October 12, 1998 was not adequate to remedy the defects occurring when the project was approved in April. Our legal counsel believes that this situation can be remedied and the project can be cleared to proceed by rescinding the prior approvals and adopting clear and consistent infeasibility findings prior to re-approving the project. It is the shared view of City staff, legal counsel and the applicant that no other changes to the Building "C" boutiques are necessary in light of the Court's decision. Significantly, the Court's final decision finds no deficiency in the Final EIR, and rejects the petitioners' claims of inconsistency with the General Plan.

The parties to the litigation – the applicant, Pasadena Heritage, PRIDE and the neighborhood groups – have agreed to a settlement. This settlement would delete the theater component and substitute additional retail and restaurant uses in place of the theater. According to an analysis prepared by the applicant's traffic engineer, and independently reviewed by City traffic engineering staff, indicates that this modification would reduce parking requirements by more than 90 spaces, reduce daily automobile trips by 33 percent. See Consultants Report Attachment B regarding the traffic analysis. The City would be a party to the settlement agreement.

Attachment E is a revised project description which reduces the overall square feet by approximately 3,000 (153,168 s.f. to 150,216 s.f.). The height of Building "A" location of the theater at the corner of Hudson and Del Mar will be reduced by approximately 30 feet from 80 feet to 50 feet.

A major component to the settlement agreement is the commitment by the city to continue implementation of plans to protect the Southwest Pasadena neighborhoods from impacts associated with excessive traffic volumes and speeds. Attached as part of this report is a copy of the "South

Lake – Forest City Development Area Wide Traffic Control Plan - February 22, 1999” (Attachment F). The FY 2000 Capital Improvement Program budget, which will be brought to Council for adoption in late May, will recognize and appropriate funds for those projects.

The proposed Resolution (Attachment “A”) incorporates the same findings approved in April 1998, but with the changes approved by the City Council on October 12, 1998 which clearly and consistently find elimination or redesign of the Building “C” boutiques to be infeasible. The Resolution also contains a new finding confirming, based on the attached memorandum from the City’s environmental consultant (Attachment “B”), that no material changes in environmental conditions have occurred since the Final EIR was certified in April 1998. The Statement of Overriding Considerations are modified to reflect the deletion of the theater from the project. The Mitigation Monitoring Program, and Conditions of Approval remain identical to those approved in April 1998.

The proposed new PD Ordinance (Attachment “C”) is substantially the same as Ordinance No. 6747 approved in April 1998, except that it will prohibit cinemas, and except for the new provision which rescinds the previous Ordinance.

The Sales Tax Increment Reimbursement Agreement is attached as Exhibit D and was approved on March 2, 1998 with the modifications as set forth in the recommendations. The agreement should further reflect a revised development schedule.

Although an additional public hearing will be held in connection with your proposed action on these items, the City Council may rely upon information and testimony previously received related to the project, including but not limited to information and testimony presented at the hearings on March 2, 1998 and October 12, 1998. For the convenience of the Council, each Councilmember has been provided separately an additional copy of the following documents (with all attachments): (i) Ordinance no. 6747; (ii) Resolution No. 7608; (iii) Agenda Report dated April 6, 1998 regarding PD action; (iv) Agenda Report dated March 2, 1998 regarding PD and CEQA actions; and (v) Agenda Report dated March 2, 1998 regarding Sales Tax Increment Reimbursement Agreement. Additional copies of the Final EIR and other documents from the previous hearings are available from the Planning Division upon request.

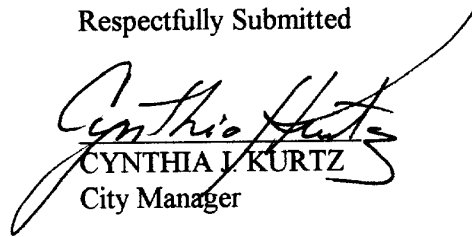
FISCAL IMPACT

It is expected that the \$200,000 City cost will come from incremental sales tax revenue projected from this project.

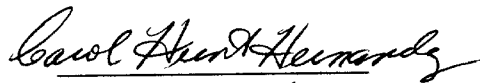
CONCLUSION

Staff recommends rescission of the previous South Lake Avenue Retail Development Project approvals and re-approval as described above.

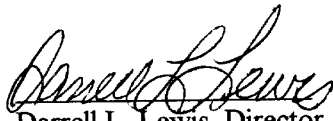
Respectfully Submitted


CYNTHIA J. KURTZ
City Manager

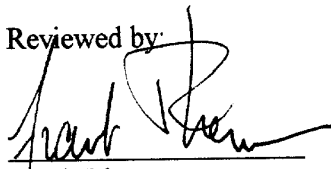
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