

Agenda Report

April 8, 2013

TO: Honorable Mayor and City Council

FROM: Planning & Community Development Department

SUBJECT: CONDITIONAL USE PERMIT #5804 TO ALLOW THE UPGRADING OF A MAJOR UTILITY, VARIANCE FOR EXHAUST STACK HEIGHT, MINOR VARIANCE FOR A WALL HEIGHT, MINOR VARIANCE FOR A GATE HEIGHT AND STREET CLOSURE (WITHOUT VACATION) OF EAST STATE STREET FOR THE GLENARM POWER PLANT REPOWERING PROJECT

72 EAST GLENARM STREET

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt a Resolution certifying the Final Environmental Impact Report (EIR) prepared for the Glenarm Power Plant Repowering Project (SCH #2011091056) (Attachment 1), Adopting Findings Pursuant to the California Environmental Quality Act (CEQA), and Adopting a Mitigation Monitoring and Reporting Program;
2. Adopt a Resolution Setting Forth the Statement of Overriding Considerations;
3. Adopt the findings as shown in Attachment 2 and approve Conditional Use Permit #5804 in accordance with conditions of approval listed in Attachment 3 to allow the proposed installation of a new 71-megawatt combined-cycle power-generating unit GT-5 to replace the existing steam-generating Unit B-3, and ancillary site improvements;
4. Adopt the findings as shown in Attachment 2 and approve a Variance in accordance with conditions of approval listed in Attachment 3, to allow the proposed 125-foot high exhaust stack to exceed the 56-foot height limit in the IG-SP2-HL-56 zoning district;
5. Adopt the findings as shown in Attachment 2 and approve a Minor Variance in accordance with conditions of approval listed in Attachment 3 to allow the proposed 10-foot high wall along South Fair Oaks Avenue where the maximum height allowed is four feet when in front of a structure;

6. Adopt the findings as shown in Attachment 2 and approve a Minor Variance in accordance with conditions of approval as shown in Attachment 3 to allow the proposed 10-foot high gate across East State Street after its closure, where the maximum height allowed is six feet when not located in front of a structure;
7. Take the appropriate action and make the appropriate findings to close, without street vacation, the subject East State Street from South Fair Oaks Avenue to the Metropolitan Transportation Authority Right-of-Way (MTA ROW), in accordance with the requirements and recommendations contained in this report and subject to the conditions herein;
8. Find that the subject portion of East State Street proposed for closure is consistent with the General Plan Mobility Element and is unnecessary for present public use for street purposes;
9. Adopt a resolution of order to close, without street vacation, the subject portion of East State Street in accordance with the requirements and recommendations contained in this report and subject to the conditions herein;
10. After hearing and findings hereon, adopt a resolution of order to close, without street vacation, the subject portion of East State Street; and
11. Direct the City Clerk to file a Notice of Determination within five days.

PLANNING COMMISSION RECOMMENDATION:

After a public hearing on March 13, 2013, the Planning Commission recommended that the City Council certify the Final EIR that analyzed Alternative 3A, the Preferred Alternative, and the land use applications for the Glenarm Power Plant Repowering Project, adopt the findings and approve Conditional Use Permit #5804, Height Variance for the 125-foot-tall stack to exceed the 56-foot height limit, Minor Variance for the 10-foot-tall gate across East State Street, and to approve and order the street closure (without vacation) of East State Street. A Minor Variance for a proposed 12-foot tall wall along the South Fair Oaks frontage was also recommended for approval, with a reduced height of ten feet to address the Commission's concern about the visual impact of the original request. The staff recommendation above incorporates this change.

EXECUTIVE SUMMARY:

The Glenarm Power Plant Repowering Project involves replacing one existing steam-generating Unit B-3 (located on the Broadway Plant site) with a new, local natural gas-fueled, combined cycle power-generating unit of equivalent size (71 megawatts), Unit GT-5, equipped with a state-of-the-art air pollution control system. The actions recommended by this report would allow the Pasadena Water and Power Department (PWP) to meet the objectives of the City's Integrated Resources Plan, including, among others, the objective of producing reliable, efficient and environmentally-responsible electricity for the City's businesses and residents.

The project proposed herein is referred to as the "Preferred Alternative," was developed during the preparation of the Final EIR, and it is referred to as "Alternative 3A" in the Final EIR. The ballooning cost of hazardous materials abatement [specifically asbestos-containing materials (ACMs)] and structural work within the Glenarm Building prompted PWP to more closely consider the consolidation of control room support elsewhere on the plant site. The Preferred Alternative proposes a temporary modular building to house new consolidated control room facilities, in the event that reuse of the Glenarm Building ultimately proves economically infeasible. The Preferred Alternative also addresses comments from the community and the Planning Commission and proposes landscape enhancements and minor changes in the location of future parking.

The Preferred Alternative includes the following site improvements:

1. Installation of a 125-foot-tall exhaust stack;
2. Construction of a new 3,850-square-foot modular building to house control room facilities;
3. Installation of a 10-foot-tall security and visual screening wall with new landscaping along South Fair Oaks Avenue;
4. Installation of a 10-foot-high gate across East State Street;
5. Street closure, without street vacation, of East State Street;
6. Incorporation of a one-acre parcel south of Glenarm Plant site into Plant operations;
7. Expansion of the existing 4,000-square-foot Pump Building to approximately 6,000 square feet;
8. Removal of one California pepper tree and one eucalyptus tree within the Glenarm Plant site and one palm tree from State Street at the proposed Project driveway location, subject to approval by the Urban Forestry Advisory Commission; and
9. Installation of new landscaping buffer along Arroyo Parkway frontage of the Broadway Plant site, between the southern property line and Unit B-1 and B-2 cooling towers.

The following entitlements are needed:

1. Conditional Use Permit to allow upgrading of a Major Utility use in the IG-SP2-HL-56 zoning district;
2. Variance for the 125-foot-tall exhaust stack to exceed 56-foot height limit;
3. Minor variance for the 10-foot-tall wall to exceed four-foot limit along Fair Oaks Avenue frontage;
4. Minor variance for the 10-foot-tall security gate across East State Street to exceed six-foot height limit; and
5. Street closure (without vacation) of East State Street.

Consistent with the requirements of the California Environmental Quality Act, an Environmental Impact Report (EIR) has thoroughly analyzed the project, and significant opportunities for public input have occurred during the public comment period from November 5, 2012 through January 31, 2013. In a public meeting on December 12, 2012, the Planning Commission and the public reviewed and provided comments on the Draft EIR. Responses to those comments were prepared and are provided in the Final EIR. The Preferred Alternative responds to comments received from the Planning Commission and the public during the public meeting.

BACKGROUND:

Existing Site Characteristics:

The project site is within the South Fair Oaks Specific Plan area and spans two zoning districts: the eastern portion is zoned IG-SP2-HL56 (South Fair Oaks Specific Plan, Industrial, General, with 56 feet Height Limit Overlay), and the western portion, along the South Fair Oaks Avenue frontage, is zoned IG-SP2-AD2 (South Fair Oaks Specific Plan, Industrial, General, with Alcohol Density Overlay). The City constructed the Glenarm Power Plant in 1907 to provide electricity to its residents. As the demand for power increased, the Power Plant expanded to include the Broadway Plant, where the first Broadway power-generating unit started operation in 1955. In the Glenarm site, Units GT-1 and GT-2 were built in the 1970s and Units GT-3 and GT-4 were built in 2004.

The Power Plant site consists of two groups of power-generating facilities bisected by the Metro Gold Line tracks: the 6.5-acre Glenarm site to the west and the 6.1-acre Broadway site to the east. The Glenarm site is developed with the Glenarm Building and associated Electric Fountain (a City-designated local historic monument), Pacific Electric Railway Company (PERC) Substation No. 2 (a City-designated local historic landmark), and four natural gas turbine generators (GT-1 through GT-4). The four existing exhaust stacks for GT-1 through GT-4 were installed in 2004 after obtaining approval of Conditional Use Permit #4048 and a Variance for the 125-foot height of the stacks in July 2002. The project at that time complied with the California Environmental Quality Act Guidelines with a Mitigated Negative Declaration.

The Broadway site contains two decommissioned steam-generating units (B-1 and B-2) and one active unit (B-3). Unit B-3 will be decommissioned after the proposed Unit GT-5 becomes commercially operational, but will not be demolished or removed at this time. A 1.5-acre City parking lot, which until recently was leased to and used by Jacob's Engineering, will be utilized by PWP employees and visitors after July 2013, will not necessitate any physical improvements. The only other modifications proposed for the Broadway site include a new landscaping buffer along the Arroyo Parkway frontage, between the southern property line and Unit B-1 and B-2 cooling towers.

East State Street at the southern boundary of the Glenarm Plant site is currently a cul-de-sac that ends at the Gold Line railroad right-of-way. The portion of East State Street across the Gold Line ROW was closed (without vacation) in 1998 as a safety measure for the operation of the Gold Line. On the south side of East State Street is a one-acre parcel where PWP's Pump building is located.

1 – Conditional Use Permit: To replace an existing steam-generating Unit B-3 with a new combined-cycle power-generating Unit GT-5. The Glenarm Power Plant falls under the land use classification Major Utilities. Staff reviewed the proposed project for compliance with development standards of the South Fair Oaks Specific Plan.

Setbacks: Non-residential projects in the South Fair Oaks Specific Plan area (SP2) are not required to provide any setbacks. The proposed new 3,850-square-foot modular building is located approximately eight feet from the property line along South Fair Oaks Avenue while the 2,000 square foot Pump Building expansion will occur inside the existing building, thus, will have no effect on any required setback. Unit GT-5 will be approximately 45 feet from the same property line.

Height: The proposed new modular building and Pump Building expansion will be located in that portion of the Glenarm Plant site that is in the IG-SP2-AD2 zoning district where the height limit is 45 feet. The proposed one-story modular building is approximately 15 feet in height while the Pump Building expansion will occur inside the building; therefore both comply with the height limit. On the other hand, the exhaust stack of the proposed Unit GT-5 is 125 feet tall, where the height limit is 56 feet. Therefore, a Variance application is included as part of this application.

Parking/Loading: Parking and loading requirements for a Major Utility use is addressed through the Conditional Use Permit process. There are 45 employees who currently use the Broadway parking lot. PWP has indicated that the project will not result in any new or increase in number of employees, and therefore, no additional parking will be necessary. The existing parking lot located in the Broadway site has been and will continue to be used for PWP employee parking. There are 124 parking spaces in the Broadway site, which until July 2013 is shared with Jacobs Engineering. After the shared parking agreement period, PWP will have full use and control over the parking lot, which has more than sufficient spaces for the use of the Glenarm Plant employees.

The new proposed modular building is designed to provide one handicapped parking as required by Building Code, and one loading space as required by the Zoning Code. These spaces are to be accessed from a driveway off the State Street cul-de-sac.

2 – Stack Height Variance: To allow a 125-foot-tall exhaust stack that exceeds 56-foot height limit in the IG-SP2-HL56 zoning district.

The maximum height permitted for the site is 56 feet. Emission density on the ground from stacks is a function of their height. The taller the stack, the lower the emission density is by the time it reaches the ground. The Dispersion Modeling performed to simulate the operation of the heat recovery boiler (Once-Through Steam Generator) showed that a 125-foot tall stack, similar to the existing gas turbine units, would result in sufficient dispersion of air pollutants at concentrations that would not exceed the ambient air quality standards at ground level.

There are four existing stacks in the site that exceed this height limit. A height variance was approved for the GT-3 and GT-4 stacks in July 2002. The proposed exhaust stack will match the height, color, material and general appearance of the existing stacks, and will not detract from the existing visual character of the Plant site. Design review is not required for the new equipment and stack because these do not constitute new building square footage.

A Variance to exceed the 56-foot height limit is needed for the project to proceed with the replacement of an aging, inefficient generating unit with the more efficient generator equipped with cleaner technology. Because the stack must be of a certain height to achieve the mandated air quality conditions, it is staff's assessment that the variance findings can be made.

3 – Wall Height Minor Variance: To allow a 10-foot-high wall along South Fair Oaks Avenue where the Zoning Code height limit is four feet when not in front of a structure.

The maximum wall height allowed for non-residential developments is four feet when in front of a building. However, State regulations require that the height of an enclosure for high voltage electrical installations shall not be less than eight feet. In addition, PWP originally requested a higher wall of 12 feet to provide additional security and screening, for a length of 390 feet along South Fair Oaks Avenue. However, the Planning Commission was concerned with the visual impact of a 12-foot tall wall, thus, recommends approval of the Minor Variance with a reduced height of ten feet. PWP staff finds this change to be acceptable.

The wall will have a stucco finish and is proposed to zigzag at certain segments so it can be set back up to five feet from the property line to allow for additional shrubbery in front. Where there are trees to protect, the wall will be pushed out to the property line, then set back five feet again in an interval, until it ends at a point just south of the Electric Fountain space. There are two driveways on the South Fair Oaks frontage that

will remain, and will be used only for emergency access. These driveways will be required to meet the visibility corridor requirement of the Zoning Code.

Specific findings must be made to approve a Variance request supporting that exceptional or unusual circumstances apply to the property that do not apply generally to other properties in the vicinity or in the same zoning district. The site is the only site in its vicinity that is used as a major utility, where the generating units and their ancillary parts, due to their specific operational needs are not necessarily housed within buildings that could shield them from public view.

4 – Gate Height Minor Variance: To allow a 10-foot-tall gate across East State Street where the height limit is six feet when not in front of a structure.

A new 10-foot-tall rolling security gate across East State Street immediately south of the Glenarm Plant site is proposed. The maximum wall or gate height allowed by the Zoning Code for non-residential developments is six feet when not in front of a building. However, State regulations require that the height of an enclosure for high voltage electrical installations shall not be less than eight feet. In addition, PWP needs additional height to provide enhanced security. The proposed gate is intended to control access to the Glenarm Plant site. It is a necessary security measure in regulating the movement of materials and personnel into and out of the Plant site, considering the significant function of the Power Plant in ensuring the City's electricity supply and related critical functions.

As conditioned by the Department of Public Works, the proposed gate shall have a minimum 20-foot wide opening, and will be equipped with continuous surveillance system and a call button to enable request for access to the site by affected agencies. East State Street is approximately 40 feet wide, curb to curb, with a 50-foot wide Right-of-Way (ROW). The proposed sliding gate is approximately 24 feet wide to accommodate a 20-foot wide opening. The rolling gate will retract into the north side of the ROW. The Department of Public Works also required that the security gate be set back 40 feet from South Fair Oaks Avenue to provide sufficient space for vehicles waiting for the gate to open.

The proposed gate will be similar in material (closely knitted chain link fence with ½" mesh) to the existing access gate on the north side of East State Street, leading to the existing Units GT-3 and GT-4.

5 – Street Closure of E. State Street (without vacation):

In a Street Closure without vacation, the City does not rescind its rights to the use of the street right-of-way, but only permits the closure to vehicular and/or pedestrian traffic, at a specific location. This enables the City to retain access and the right to reopen the area as a public street in the future. The proposed street closure is consistent with the City's title, interest or estate in the underlying public right-of-way. The proposed closure is legally described in Exhibit "A" and is shown on Exhibit "B" (Department of Public Works Drawing No. 6059), both attached hereto.

The Street Closure process involves two steps: The first step requires that the City Council adopt a Resolution of Intent to Close (without vacation) the subject street, which was achieved with the adoption of Resolution #9270 on March 18, 2013. The second step involves the adoption of a Resolution of Order to Close (without vacation) the subject street, which is part of the recommendations in this report.

The Department of Public Works reviewed the request for Street Closure (without vacation), which involved consultation with other City departments and outside utility companies, such as: telephone companies (AT&T, Verizon), Southern California Edison, Southern California Gas Company, and others. All agencies consulted provided their respective conditions that are included as conditions of approval to the Street Closure (without vacation) request.

As part of the Conditions of Approval, PWP will be required to either construct a standard drive approach or to reduce the street opening by means of curb bulb-outs or chokers. This will improve safety by eliminating an intersection on the east side of South Fair Oaks Avenue. Drivers will no longer find themselves on a dead end street only to have to make a U-turn to navigate to South Fair Oaks Avenue. In addition, pedestrians will be further protected from vehicles with the extended sidewalk.

Prior to the operation of the Gold Line, East State Street was a through street from South Fair Oaks Avenue to the 110 Freeway ramp. In 1998, a resolution was adopted by the City Council to close the portion of East State Street that intersects the MTA Right-of-Way (ROW), without street vacation, as a safety measure to eliminate any potential conflicts between vehicular or pedestrian traffic and the light rail trains at the grade crossing. Said intersection at East State Street was officially closed in 2002 when construction of the Gold Line began. The portion of East State Street that remains is approximately 320 feet long, ends with a cul-de-sac and is separated from the MTA ROW by a chain link fence.

Since East State Street from South Fair Oaks Avenue to the MTA ROW has been permanently closed to through-traffic since 2002 (when construction of the Gold Line tracks started), the Department of Public Works has determined that the proposed closure will have no adverse impact on traffic circulation in the area.

COUNCIL POLICY CONSIDERATION:

The proposed Glenarm Power Plant Repowering Project advances the following City policies, goals and objectives:

- Urban Accords Goals: Action 3 – Climate Change, towards the 25% reduction goal in greenhouse gas emissions from utility-supplied energy.
- General Plan Land Use Element policies and objectives:

- Objective 13 (Adequate Services): provide adequate support for businesses and institutions that serve the needs of Pasadena's diverse residents and families.
- Objective 18 (Improved Environment): improve the quality of the environment for Pasadena and the region.
- Policy 18.1 (Air Quality): Improve the air quality in Pasadena and in the region.
- Policy 7.4 (Infrastructure Improvements): foster continued implementation of capital improvements which will maintain or rehabilitate infrastructure.
- Pasadena Water and Power (PWP) specific goals: The Integrated Resources Plan (IRP) reconfigures the City's electricity portfolio that necessitates replacing existing ageing and inefficient Unit B-3 with a new combined-cycle gas turbine generator that uses local natural gas and equipped with more advanced air pollution control system. The proposed project supports the City's commitment to provide power supply that is reliable, cost-effective and environmentally responsible.

ENVIRONMENTAL ANALYSIS:

A Draft EIR analyzed a project that included renovating and reusing approximately 18,000 square feet of the landmark-designated Glenarm Building to house a consolidated control room facilities to support the Power Plant, and designating the building as an essential facility. The project also included constructing various new parking spaces along South Fair Oaks Avenue.

Three alternatives were also analyzed in the EIR. In Alternative 3, the existing administrative facilities and the B-3 control room on the Broadway plant would continue to support the existing and proposed generating units. This alternative does not involve utilizing the Glenarm Building as a centralized control room, and does not designate it as an Essential Facility. In addition, employee parking proposed along the South Fair Oaks Avenue frontage would not be constructed. The potential impacts of Alternative 3 were analyzed in the Draft EIR, presented to the Planning Commission on December 12, 2012 and circulated during the Public Comment period (November 5, 2012 through January 31, 2013).

The Preferred Alternative (Alternative 3A) is a variation of Alternative 3. The Preferred Alternative proposes to install a new 3,850-square-foot modular building to house the control room facilities, and install a wall and a gate to provide the needed security. Alternative 3A also incorporates features in response to the comments received during the public comment period. Other important factors included the need to provide screening and security and increased costs associated with renovating and reusing the Glenarm Building.

The Planning Commission was concerned that adding the Preferred Alternative to the Final EIR might trigger the need to recirculate the EIR. Staff and the City Attorney's Office explained to the Planning Commission that, since the Preferred Alternative was

only a variation on Alternative 3, reduces the impacts of Alternative 3 further, and is the project proposed for adoption herein, CEQA's requirements for recirculation have not been triggered. The Planning Commission was comfortable with the Preferred Alternative after hearing and analyzing these explanations. Further written explanation of this position is set forth in the response to the March 13, 2013 letter from the union representative group CURE, included herewith as Attachment 4. The CEQA resolution at Section XI contains a finding, based on the evidence submitted and incorporated into the Final EIR and submitted up to the time of certification of the Final EIR does not trigger recirculation under CEQA Guidelines §15088.5.

The EIR analyzed two potential significant impacts on: Land Use and Planning, and Greenhouse Gas Emissions. Adoption of a Resolution of Statement of Overriding Consideration is recommended, pertaining to these two potential impacts. All other impacts found to be less than significant, or less than significant with mitigation are: Cultural Resources, Hazards and Hazardous Materials, Aesthetics, Air Quality, Noise and Water Supply. A Mitigation Measure Monitoring and Reporting Program is attached to the CEQA resolution.

FISCAL IMPACT:

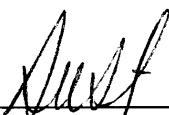
There is no fiscal impact as a result of this action and will not have any indirect or support cost requirements. Funding for the Glenarm Power Plant Repowering Project will be addressed by the utilization of future appropriations to Power Capital fund 411, CIP # 3194 "Local Generation Repowering Project-Phase II" in FY 2014 Capital Budget.

Respectfully submitted,



VINCENT P. BERTONI, AICP
Director of Planning & Community
Development Department

Concurred by:



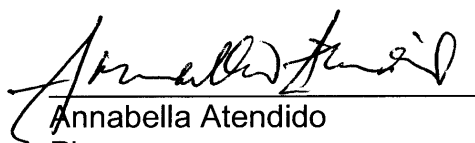
SIOBHAN FOSTER
Director
Public Works Department

Concurred by:



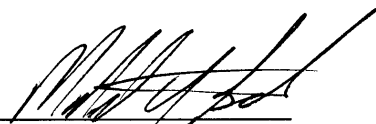
PHYLLIS E. CURRIE
General Manager
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Prepared by:



Annabella Atendido
Planner

Approved by:



MICHAEL J. BECK
City Manager

Attachments: (7)

Attachment 1 – Final EIR

Attachment 2 – Findings for Conditional Use Permit #5804, Variances and Street Closure (without vacation)

Attachment 3 – Conditions of Approval of CUP #5804, Variances and Street Closure (without vacation)

Attachment 4 - Responses to March 13, 2013 letters from CURE, and Pasadena Heritage