DATE: July 21, 2014

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Heather Hines, Planning Manager

SUBJECT: Resolutions certifying a Final Environmental Impact Report (FEIR), Making Findings of Fact, and adopting a Mitigation Monitoring and Reporting Program, Introduction (First Reading) of an Ordinance to Approve a Zoning Map Amendment to rezone the property to T4, T-5, T-6, and Civic Space, and Resolution approving a 144-lot Phased Tentative Subdivision Map for the Riverfront Mixed Use Development located at 500 Hopper Street within the boundaries of the Petaluma Central Petaluma Specific Plan.

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolutions for the Riverfront Mixed Use Development:

- Resolution certifying a Final Environmental Impact Report (FEIR) for the Riverfront Mixed-Use Development (Attachment 1); and

- Resolution Making Findings and Adopting a Mitigation Monitoring and Reporting Program (Attachment 2); and

- It is also recommended that the City Council introduce the attached ordinance approving a Zoning Map Amendment to rezone the property located at 500 Hopper from the conceptual zoning boundaries to T-4, T-5, T-6 and Civic Space (Attachment 3); and

- Resolution approving the 144-lot Phased Tentative Subdivision Map (TSM) for the Riverfront Mixed Use Development, APN 136-010-027 (Attachment 4).

BACKGROUND

Planning Commission
The Planning Commission considered the Final EIR, the proposed Zoning Map Amendment, and the Tentative Subdivision Map for the Riverfront Mixed-Use Development at a noticed public hearing on June 24, 2014. At this hearing, the Commission approved resolutions recommending that the City Council certify the EIR, adopt an Ordinance approving the Zoning Map

Agenda Review:

City Attorney Finance Director City Manager
Amendment for the project site, and approve the Tentative Subdivision Map (Attachments 5, 6 and 7).

The Planning Commission found the project in conformance with requirements of relevant plans and documents including the 2025 General Plan, Central Petaluma Specific Plan (CPSP), and the SmartCode. All three resolutions were approved with a unanimous vote (5-0 with Miller and Marzo absent), and before the Commission voiced support of the conceptual site plan and renderings as reflective of the vision and goals of the CPSP.

The Commission heard public comment from six individuals; four representatives of construction trades labor unions (sheet metal, IBEW), one representative from Labor Issues Solutions, LLC, and one representative from the law firm Adams Broadwell Joseph & Cardozo. An approximately 20 page letter from Adams Broadwell Joseph & Cardozo dated June 24, 2014, was delivered at 4:00 pm the day of the hearing (Attachment 10). Although there was not a written response to the Adams Broadwell letter available at the time of the Planning Commission hearing, the Commission did consider the points made in the written comment letter as part of their deliberations.

Oral public testimony at the Planning Commission hearing included concerns about the methodology for soil sampling taken as part of the hazardous materials analysis and methodology for establishing the construction period for purposes of the air quality analysis. One commenter focused on concern about the chemicals once stored and possibly left behind on the adjacent Pomeroy property and their impact to Riverfront. The commenter representing the Labor Issues Solutions, LLC, expressed concern that opposition from construction labor unions across the state was obstructing the public review process by presenting challenge to CEQA documents as a negotiation tactic.

More detailed discussion of public comments as they relate to the EIR, including response to the Adams Broadwell letter is included in the Environmental Review Section below.

Several items were of particular focus during the Planning Commission’s deliberations, including:

- Emissions during project construction
- Noise attenuation recommendations
- Development phasing
- Project implementation
- Active Park Field Surface

Planning Commission discussion on the first two items resulted in conditions of approval in the Tentative Subdivision Map resolution to ensure that the development timeline remained consistent with the project description and analysis in the EIR and to make recommendations on the hierarchy of noise attenuation methods during the design level noise analysis (Attachment 4, Conditions 23 and 25 respectively). The Planning Commission added a third condition of approval (no. 24) to the TSM resolution to require implementation of best management practices during construction activities adjacent to the Riverfront Park as discussed in the EIR. Although
not identified as a potential impact in the FEIR, the applicant voluntarily agreed to these preventative recommendations.

Development phasing and project implementation was discussed at length during the Planning Commission hearing. Although eight phases are identified on the Tentative Subdivision Map (Attachment 13), there is no outline of timing or sequencing of those phases. The applicant indicated that this was largely to allow adequate flexibility to respond to market fluctuation during the buildout of the project. Additionally, the Commission indicated strong support of the overall vision and proposed design of the project and wanted assurances that future Site Plan and Architectural Review applications for specific buildings would maintain and honor that vision. Conditions of approval are included in the Tentative Subdivision Map resolution to facilitate ongoing review and discussion to ensure this vision is carried through building siting and design (Attachment 4, Exhibit A).

During the hearing the applicant indicated a desire for a natural grass field in order to create an active park that can also serve as a neighborhood park for residents of the development. Some members of the Commission expressed a strong preference for installation of an artificial turf field to meet the demands of Petaluma's recreational programs and to carry forward the recommendation of the Recreation, Music, and Parks Commission from their earlier review of the project in 2013. No change was made to the proposed condition (Attachment 7, Condition of Approval 60) prior to adoption of the Tentative Subdivision Map Resolution No. 2014-17. Since the Planning Commission meeting the applicant has submitted a written request and justification for the grass field (Attachment 11), which is discussed in more detail in the discussion section below.

**Recent History**
The Riverfront Mixed Use Development has been under preliminary planning review since 2009 with a formal application filed on February 8, 2011 by Basin Street Properties. The Tentative Map application for the project was deemed complete in February 2013. Table 1 illustrates the recent meetings and actions that have occurred in the last year.

**Table 1. Recent Meetings**

<table>
<thead>
<tr>
<th>Date</th>
<th>Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 6, 2013</td>
<td>City Council (CC) reviews Riverfront FEIA</td>
</tr>
<tr>
<td>June 17, 2013</td>
<td>CC introduces the 2013 SmartCode amendments</td>
</tr>
<tr>
<td>July 1, 2013</td>
<td>CC – 2nd reading adopts 2013 SmartCode</td>
</tr>
<tr>
<td>July 9, 2013</td>
<td>PC reviews Riverfront project and IS/MND</td>
</tr>
<tr>
<td>July 11, 2013</td>
<td>PUC approves Caulfield Lane crossing</td>
</tr>
<tr>
<td>August 13, 2013</td>
<td>PC continues Riverfront to date uncertain</td>
</tr>
<tr>
<td>Sept 17 - Oct 29, 2013</td>
<td>Notice of Preparation comment period for DEIR</td>
</tr>
<tr>
<td>October 29, 2013</td>
<td>NOP public scoping meeting</td>
</tr>
<tr>
<td>December 19, 2013</td>
<td>DEIR released for public review</td>
</tr>
<tr>
<td>February 6, 2014</td>
<td>Close of public comment period on DEIR</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>January 14, 2014</td>
<td>PC public hearing on the DEIR</td>
</tr>
<tr>
<td>February 3, 2014</td>
<td>CC public hearing on the DEIR</td>
</tr>
<tr>
<td>June 12, 2014</td>
<td>FEIR Released</td>
</tr>
<tr>
<td>June 24, 2014</td>
<td>PC public hearing on the FEIR, ZMA &amp; TSM</td>
</tr>
</tbody>
</table>

In June 2013, the City Council approved language providing a hybrid approach to the existing and amended SmartCode for the Riverfront Project as specified below:

**SmartCode Section 2.** Section 2 of the ordinance adopting the Amended SmartCode provides as follows: "Adoption. The City Council hereby adopts the Amended SmartCode; provided, however, that notwithstanding anything to the contrary in the Amended SmartCode, Section 4 of the Amended SmartCode, entitled Urban Standards, will not apply to applications for projects within the Central Petaluma Specific Plan area that are subject to the Subdivision Map Act (California Government Code §66410 and following) and that are complete pursuant to the Subdivision Map Act prior to the effective date of the Amended SmartCode, until the earlier of: six (6) years following the effective date of the Amended SmartCode, or until all buildings of such projects that require certificates of occupancy are completed and issued certificates of occupancy. All other applications for projects within the Central Petaluma Specific Plan will be subject to all provisions in the Amended SmartCode upon the effective date of the Amended SmartCode, subject to applicable law."

The above provision is limited to the Riverfront Mixed Use Development as currently proposed, as it was the only complete application within the plan area at the time of adoption of the amended SmartCode. Should the subdivision map not be approved, or the project not be built out within six years of adoption or July 1, 2019, any future project proposal at this location would be processed in full compliance with the amended SmartCode.

**Project Description**

The proposed project consists of a mixed-use development on approximately 35.7 acres (39.5 acres including the offsite Riverfront Park). As proposed, a total of approximately 19 acres will be developed with a mix of residential, hotel, commercial and office uses, with approximately 13 acres for right-of-way dedication and 3.7 acres for civic spaces as summarized in Table 2 below.

Future development includes a mix of residential and commercial land uses, including 90,000 square feet of commercial space (30,000 square feet of retail and 60,000 square feet of office), a 120-room hotel, approximately 4.0 acres of parks, a system of multi-use trails and the dedication of a parcel to the City for potential future development of a community boathouse adjacent to the Petaluma River by the Petaluma Small Craft Center.
Table 2. Land Use Summary

<table>
<thead>
<tr>
<th>COMMERCIAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>60,000 s.f.</td>
</tr>
<tr>
<td>Retail/Restaurants</td>
<td>30,000 s.f.</td>
</tr>
<tr>
<td>Hotel - 120 rooms</td>
<td>40,000 s.f.</td>
</tr>
<tr>
<td>Total Commercial Square Footage</td>
<td>130,000 s.f.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESIDENTIAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>100 units over the Retail/Restaurants</td>
</tr>
<tr>
<td>Townhouses</td>
<td>39 units (including 4 live/work units)</td>
</tr>
<tr>
<td>Single-Family</td>
<td>134 lots</td>
</tr>
<tr>
<td>Total Residential and Live/Work Units</td>
<td>273</td>
</tr>
<tr>
<td>Parcel A – Active Park</td>
<td>98,916 s.f.</td>
</tr>
<tr>
<td>Parcel B – Central Green</td>
<td>16,448 s.f.</td>
</tr>
<tr>
<td>Parcel C – Public Path</td>
<td>50,662 s.f.</td>
</tr>
<tr>
<td>Parcel D – Future Small Craft Facility</td>
<td>6,878 s.f.</td>
</tr>
</tbody>
</table>

**Land Uses**
Detached single-family residential lots occupy the majority of the southern portion of the site adjacent to the State-owned property along the Petaluma River with medium-density townhome development located in the northeastern corner. The hotel and office complex are located in the northwestern portion of the site and separated from the single-family residential area by an active park and sports field. In the central portion of the site, the Central Green, an urban park, would be encircled by mixed-use development; ground-floor neighborhood serving commercial and up to 100 apartments on second and third floors. A parcel in the southeast corner of the site will be dedicated to the City for the potential future development of a community boathouse and launch operated by the Petaluma Small Craft Center (PSCC) for small craft access to the Petaluma River.

The single-family residential lots average approximately 4,000 square feet and are arranged on a grid with a street directly adjacent to the State-owned property along the Petaluma River as shown on the conceptual site plan illustrated included in (Attachment 9). The 134 single-family homes range from approximately 1,200 to 2,300 square feet, with an average unit size of 1,790 square feet. The townhouse lots are served by an internal street that connects to the single-family development. Besides the single-family residential and 39 townhomes including 4 live/work units, there will be up to 100 rental apartments as part of the mixed-use component. Thus, the proposed project would allow for a maximum project build out of 273 residential units.

**Offsite Improvements**
The project includes several off-site improvements including an Emergency Vehicle Access (EVA) to connect D Street to Hopper Street, widening of Hopper Street to meet Fire Department requirements, and development of a “Riverfront Park,” an approximately 3.7 acre passive use park on state-owned property which would include walking trails, overlooks and landscaping.

Detailed design plans for the development of the Riverfront Park have not yet been prepared, however the riverfront pathway is expected to be approximately 10 feet wide and proposed
conditions of project approval require that it be constructed pursuant to the Petaluma Bicycle and Pedestrian Plan and the Petaluma River Access and Enhancement Plan and operational prior to the 80th certificate of occupancy granted to the single-family detached houses and/or townhomes.

The preliminary plan includes preservation of existing trees, the addition of overlooks on the future riverfront park parcel and plantings of additional riparian trees to enhance the area. The linear park will pass near the potential future community boathouse that will be designed and constructed at a later date and will be subject to environmental as well as Site Plan and Architectural Review. The onsite street grid provides bike and pedestrian access as does the project perimeter trail system running along the SMART Corridor Line and Hopper Street and around both the eastern and western boundaries of the site connecting to the Riverfront multiuse path.

Due to proposed changes to Hopper Street, a number of changes to the Primary Influent Pump Station (PIPS) part of the wastewater disposal facility on the adjacent City-owned property to the west are required, including an automatic controlled slide access gate to the PIPS facility wide enough to allow a 55 foot long truck trailer access into the pump station. Because of the potential for odor complaints about the PIPS facility, the applicant will provide funds to replace the mechanical odor control unit, and required to replace the odor control bed. Other site improvements at the PIPS facility will include site lighting, landscaping, irrigation, signage, paving for replaced parking area, drainage, fencing, walls, security system, and building protection as required by the City.

**Vehicular Access and Circulation**
Access to the project will be provided from Hopper Street via Caulfield Lane, with secondary access off of D Street (Attachment 13, Sheet TM-13). Typically the city requires two points of public access for projects with 50 or more residential units. Hopper Street will be widened to 45 feet to accommodate two travel lanes, landscaping, and pedestrian/bicycle access from Caulfield Lane to the project site as proposed by the project.

The project plans also provide an internal network of streets that consists of one primary north-south street and several minor north-south connections. Most onsite streets will provide on-street parking. The primary north-south street through the project site will provide for the future extension of Caulfield Lane through the site to Petaluma Boulevard South to the south of the Petaluma River as described in the City’s General Plan. Several grid-pattern streets would serve the residential uses in the southern portion of the site, including one running parallel to the north bank of the Petaluma River. In addition, the existing and future sewers together with proposed project utilities will be located in the public right of way and not in an easement.

The General Plan calls for a bridge across the river to provide a southern crossing. This future bridge would cross the Petaluma River in alignment with the proposed central roadway that extends from the Central Green and connects to Petaluma Boulevard South. Although the project will contribute to the construction of the southern crossing through traffic impact fees, the construction of the bridge is not part of this project. The roadway has however been designed to facilitate future completion of the bridge in terms of alignment and elevation.
Until such time as the Southern Crossing Bridge is built, the required second point of emergency access would be provided through an emergency vehicle access (EVA) route from Hopper Street to a new EVA that enters the project site from the west via Pomeroy /URS property, south of the City-owned property (Attachment 13, Sheet TM-12). The EVA consists of improvements along Hopper Street and a joint EVA and public access point off of D Street connecting two-way traffic to Hopper Street. The EVA connection from D Street to Hopper Street varies from 26 to 30 feet in width.

The at-grade crossing of the SMART rail tracks at Lakeville Street has been relocated to Caulfield Lane northeast of the project site and been given final California Public Utilities Commission approval. The applicant will provide agreed upon financial contribution to the cost of the crossing gate for the at-grade crossing, as conditioned. On-street parallel parking would be provided along both sides of all internal streets except for the alleys behind the retail-residential mixed use area, on the street between the Central Green and the frontage road along the river.

Parking
The project is within the Central Petaluma Specific Plan boundaries and is subject to the parking standards contained in Chapter 4 of the 2003 Smart Code until the six year period from the date of the Amended SmartCode adoption applicable to Riverfront concludes, as discussed previously. The 2003 parking requirement is one space for each residential dwelling unit, one parking space for each hotel room, and one parking space for each 300 square feet of commercial space (office and retail). The project requires 378 parking spaces for the commercial land uses (60,000 s.f. office, 30,000 s.f. retail/commercial and 120 room hotel). All of the townhomes and single-family homes will have two car garages, while each apartment will have one covered space.

The preliminary parking layouts provided as part of the Tentative Subdivision Map (Attachment 13, TM-15), provide 155 on-site parking spaces and 129 on-street parking spaces within the commercial areas for a total 284 spaces. On-street parallel parking occurs along both sides of all internal streets except for the alleys behind the retail-residential mixed-use area and between the Central Green and River Road as shown on the cross sections on Sheet TM-7 of Attachment 13. The CPSP allows the frontage on-street parking to be counted toward the number of required spaces. There are an additional 280 on-street parking spaces within the residential portions of the project site. This results in a total public parking supply of 564 spaces.

Bicycle and Pedestrian Connectivity
The project includes a network of pedestrian and bicycle facilities that are consistent with the goals of the Petaluma River Access and Enhancement Plan (1996), the City’s Bicycle and Trail Plan (2008), and the Central Petaluma Specific Plan (2003).

An approximately 10-foot wide, Class I multi-use path is proposed around the perimeter of the site and would connect to other planned paths in the area as illustrated on Sheet TM-5 of Attachment 13. The proposed street through the middle of the site would serve as a Class II bicycle and pedestrian facility that connects the multi-use path within the proposed Riverfront Park to Hopper Street. There is an existing easement for general public vehicular, pedestrian and
bicycle access that runs north-south through the site that will be relocated to align with the Class II path leading to the future bridge to connect to Petaluma Boulevard South.

**Transit**
Due to the proximity to bus stops located near the Caulfield Lane/Lakeville Highway intersection (1,000 feet walking distance to the site), the size of the project, and anticipated transit usage (348 jobs and 565 residents estimated by the Fiscal and Economic Impact Analysis for the project), there was sufficient nexus with the project to provide for the purchase and installation of a new bus shelter at the nearest bus stop to the site. Providing funds to purchase and install a new bus shelter at the Caulfield/Lakeville intersection (southbound Lakeville) to meet the transit usage demand created by the project is a condition of approval. This new shelter will provide access to both the existing transit system and the planned SMART downtown station located .77 miles to the northwest, directly across D Street on Lakeville Highway.

**DISCUSSION**

The Planning Commission found the Riverfront Mixed-Use Development to be consistent with applicable policies contained in the General Plan, Central Petaluma Specific Plan (CSP), the SmartCode and other relevant documents as detailed on pages 9-23 of the Planning Commission Staff Report (Attachment 8). The proposed project will implement CSP goals and policies by providing a viable mix of land uses that engage the river and link both the east and west sides of the City in a pedestrian and bicycle friendly neighborhood. The conceptual plans increase the density and intensity of development, while providing a variety of public recreational opportunities and minimizing the focus on the automobile. Siting and architectural design for individual buildings will be considered through future SPAR review at the discretion of the Planning Commission and consistent with the vision presented in the conceptual site plan and renderings presented by the applicant (Attachment 15). The following provides analysis of the entitlements currently before the City Council for consideration and forwards the recommendation of the Planning Commission.

**Zoning Map Amendment**

The requested Zoning Map Amendment changing the current “conceptual area boundary” zoning from Urban Center (T-5), Urban Core (T-6) and Civic Space (CS) zoning districts to General Urban (T-4), Urban Center (T-5), Urban Core (T-6) and Civic Space (CS) complies with Implementing Zoning Ordinance Section 25.050.B, which requires that the Planning Commission find the amendment to be in conformance with the Petaluma General Plan and consistent with the public necessity, convenience and general welfare. The Planning Commission determined that these finding could be made for the following reasons:

- The Urban Center (T-5), Urban Core (T-6) and Civic Space (CS) zoning districts directly comply with the proposed districts in the SmartCode which implements zoning for development within the Central Petaluma Specific Plan area. The zoning will facilitate mixed-use development proposed by the Plan and several areas of public open space.
- The General Urban (T-4) zoning designation will allow for the development of single family and townhome residential development to complement the commercial, office and multifamily uses.
• Approval of the requested zoning map amendment facilitates implementation of the General Plan 2025, the Central Petaluma Specific Plan, the SmartCode, the Bicycle and Pedestrian Plan, the River Access and Enhancement Plan. The zoning amendment serves the public convenience, necessity, and general welfare by implementing zoning consistent with adopted plans, policies, and zoning code regulations.

**Tentative Subdivision Map**
The project satisfies all the requirements of the City of Petaluma’s Subdivision Ordinance per Chapter 20.15 of the Municipal Code. As required by the city’s subdivision ordinance, the City Engineer prepared a written report to the Planning Commission with recommended conditions for approval of the Tentative Subdivision Map. Those recommendations along with recommended conditions from the Planning Department, Fire Marshall, and advisory committees were incorporated into the TSM resolution approved by the Planning Commission (Attachment 7).

In 2013, Council adopted the amended SmartCode which allows the use of warrants (deviations) from applicable development standards under certain situations (Amended SmartCode Section 8.10.020.H). As part of the Riverfront Mixed Use Development, the applicant has requested approval of several warrants which are outlined on Supplemental Map Sheet TM-8A. The warrants summarized below and more specifically detailed in the Planning Commission staff report (Attachment 8, pages 23-27) were considered and recommended for approval by the Planning Commission as part of the Tentative Subdivision Map. The warrants are intended to create certainty and consistency between approval of the map and future of site planning for the phased buildout of the Riverfront development.

The requested warrants meet the intent of the SmartCode and will preserve a balance between:

• maintaining an appropriate project density and mix of uses
• maintaining a walkable and inviting streetscape envisioned in the CPSP
• ensuring that the project is economically viable

Architecture, park design, landscaping, lighting, signage and similar elements will require future Site Plan and Architectural Review for each individual development components. Consistency with the warrants granted as part of the TSM will be part of SPAR consideration to ensure implementation of the current vision of the project.

Warrants currently being requested as part of the TSM include:

• Rear yard setbacks (garages)
• Side yard setbacks and lot coverage (townhomes)
• Parking in first and second layers (frontage, front façade vicinity) of Lot 134
• Street sections

**Request: Reduced rear yard setback for garages on 92 single family lots in T-4 Zone**
The modified rear setbacks are consistent with the T-4 Zone description and balance the competing needs to:

• Achieve the desired densities of the CPSP
- Create a walkable interconnected neighborhood that provides access to alternative transportation corridors and modes (bike, bus, pedestrian)
- De-emphasize the auto by placing garages accessible by alley at the back of lots

The inclusion of smaller residential lots to achieve appropriate density is consistent with the intent of the CPSP. Compliance with the 20-foot rear yard setback standard would be possible for nearly all lots in the Riverfront project if garages were moved to the front of each lot. Such a design, however, is at odds with the fundamental tenet of the CPSP to de-emphasize the automobile and maximize the pedestrian-oriented nature of the streetscape.

**Request: Reduce setbacks for townhomes in T-4 Zone**
- Reduce side yard setbacks to zero (0) for townhomes on lots 131, 132 and 138 in the T-4 Zoning District.

Townhomes or rowhouses are attached single-family structures that share a common party wall with other townhomes and require a zero (0) side yard setback. Compliance with the required side yard setbacks would preclude inclusion of this housing type, although the townhome component of the Riverfront development provides variation in housing types and is consistent with the more dense residential development envisioned in the CPSP.

**Request: Increase lot coverage for townhomes in T-4 Zone**
- Increase lot coverage for three townhome lots 131, 132 and 138 in the T-4 Zoning District to 80%. The 2003 SmartCode sets a maximum of 60% for lot coverage.

Townhomes (attached single-family units) typically consume most of an individual lot with common areas for driveways and open space. Compliance with the maximum 60% lot coverage would likely preclude inclusion of this housing type, although the townhome component of the Riverfront development provides variation in housing types and is consistent with the more dense residential development envisioned in the CPSP.

**Request: Parking in the First and Second Layer**
- Allow parking spaces within the surface parking lot adjacent to the hotel and office complex and north of the active park to be located within the first and second layer.

The SmartCode T-5 Zone does not permit parking in the first layer (the area between the frontage line and façade line) or the second layer (the area from the façade line to 20 feet back from the façade). The applicant is requesting to provide parking within all three layers on Lot 134 to provide shared parking for the office, hotel and proposed active use park. The nature of the mixed-use project and the central location of the playfield (civic use), hotel, office and mixed-use components require that surface parking be visible and conveniently located to all three uses. Specifically, visibility of the surface lot from the playfield is paramount to the success of the parking being utilized by playfield attendees to avoid overburdening the neighborhoods during high use periods. Shared parking for multiple users is consistent with the vision of the CPSP.
Request: Modified Street Sections
The Riverfront mixed-use project proposes street sections that differ from those illustrated in the SmartCode. More specifically, variations are proposed for the local residential streets, a portion of the Caulfield Extension between the Pomeroy property and the Central Green, and the main street extending from the Central Green to the Petaluma River.

The overall width of the right-of-way required for these streets is consistent with Section 5 Thoroughfare Standards of the SmartCode requirements. However, the applicant proposes modifications to the components within the right-of-way (bike lane, landscaping, sidewalks and paths) as outlined in greater detail in the Planning Commission staff report (Attachment 8, Table 3) and as illustrated on Sheet TM-7 of Attachment 13. In addition, the extension of Hopper Street requires modifications to the right-of-way and components within the right-of-way due to physical constraints (City sewer pump station and SMART right-of-way) and the desire to provide a Class I bike/pedestrian path along the north side of the Riverfront site.

Staff believes that the proposed deviations are justified to meet Fire and Public Works standards and code requirements while still meeting the intent of the SmartCode to create a pleasing streetscape and provide a pedestrian and bicycle-friendly environment.

Active Park Field
During preliminary review of the project in 2013 the Recreation, Music and Parks Commission indicated a strong desire for an artificial turf field in the proposed active park to accommodate year round use and to provide a tournament level field for soccer and other sports. The Planning Commission echoed this direction and approved the recommending resolution for the TSM with Condition of Approval 60 which requires an artificial turf field.

In a letter dated July 1, 2014 (Attachment 11), and submitted after the Planning Commission hearing, Basin Street Properties outlines their request to install a natural grass field instead of the current requirement for an artificial turf field. The letter includes costs and a comparison of the benefits and cost of the two different field surfaces for the Council’s consideration.

Consistent with the recommendation of both the Recreation, Music, and Parks Commission and the Planning Commission, staff recommends the Council maintain the condition as proposed with final design of the field to include artificial turf and require review by the Recreation, Music, and Parks Commission prior to final map approval.

CalTrans Easement
The applicant expressed opposition to the inclusion of TSM Resolution No. 2014-17 Condition of Approval #78, which requires the applicant to grant an easement to SCTA and CalTrans across parcel C. The applicant has indicated that Basin Street is currently involved in litigation with CalTans on this issue and wants the results of that litigation to decide the issue as opposed to a condition of project approval. Basin Street has also argued that there is no legal nexus for the city to require the easement as part of the Riverfront project. Although discussed at the Planning Commission hearing, the Commission directed that the condition remain in the resolution with direction to staff to consult with the city attorney’s office on the appropriateness of the condition, and to forward that recommendation to Council with the final TSM resolution.
Based on the project information provided by staff and also legal counsel representing CalTrans, the City Attorney’s office agrees with the applicant that there is not an adequate nexus between the project impacts and the proposed condition. Therefore, staff has removed the condition from the draft TSM resolution before the Council for consideration. It appears, based on communications with CalTrans counsel, applicant counsel and City staff that revisions to conditions 56 and 81 in the TSM resolution will be sufficient to provide access to the fee property to be dedicated to the City as part of the project from the public road system to be built as part of the project. If in the future CalTrans and/or SCTA require access across the fee parcel dedicated to the City such revised conditions will preserve the City’s ability to grant such access without the need for additional improvements such as new curb cuts, ramps, or outlets to connect to the project’s public road system.

ENVIRONMENTAL REVIEW

DEIR Summary

The Draft EIR for the Riverfront Project was made available for a 45-day public comment period on December 19, 2013. A notice of completion and availability was published in the Argus Courier and sent to residents and property owners within 1,000 feet of the subject property, as well as interested parties, individuals who submitted comments on the NOP, the State Clearinghouse and the Sonoma County Clerk.

The Draft Environmental Impact Report (DEIR) for the Riverfront Mixed Use Development identifies potentially significant impacts to the following categories: Air Quality/Greenhouse Gas Emissions, Biological Resources, Cultural Resources, Geology/Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, and Traffic Circulation/Transportation. Analysis in the DEIR includes an overview of the existing conditions compared to the proposed project and applies thresholds of significance based on CEQA guidelines and other regulatory criteria to assess whether or not the project will have an impact and, if so, the significance of that impact. The DEIR finds that all of the impacts identified as potentially significant can be reduced to a less-than-significant level with the incorporation of mitigation measures. The DEIR did not identify any potentially significant impacts on the environment that cannot be mitigated. As such, there are no significant and unavoidable impacts identified for the proposed Riverfront Mixed-Use Project that would result in need for a Statement of Overriding Considerations.

During the public review period there were two public hearings, one before the Planning Commission on January 14, 2014 and one before the City Council on February 3, 2014. Commissioners and Councilmembers provided comments on the DEIR and public comments were heard at the Planning Commission meeting. There were no public comments at the City Council meeting.

By the close of the public review period (February 6, 2014) on the Draft Environmental Impact Report for the Riverfront Project, staff received written comment from the following agencies, organization and individuals:

1. California State Clearinghouse
2. California State Lands Commission
3. California Department of Fish and Wildlife (formerly Fish and Game)
4. Adams Broadwell Joseph & Cardozo
5. Rachel Starr

FEIR Summary
The Final EIR for the Riverfront Mixed Use Development was made available on June 12, 2014. A notice of hearing was published in the Argus Courier and sent to residents and property owners within 1,000 feet of the subject property, as well as interested parties. A copy of the FEIR was posted at the City of Petaluma Public Library, Community Center, and made available at City Hall with the City Clerk and at the Planning Division counter.

The FEIR, hand-delivered separately, addresses all comments raised on environmental issues and provides clarification and revisions to the Draft EIR where appropriate. A total of 5 comment letters were received during the 45-day public comment period on the DEIR. Copies of all written comments received on the Draft EIR, a record of oral comments made at the Planning Commission meeting on January 14, 2014 and the City Council meeting on February 3, 2014, are contained within the FEIR.

The FEIR Chapter 3 identifies text in the DEIR that has been changed. Minor modifications to the DEIR include clarification on the project description, specific wording in Air Quality, Geology and Noise mitigation measures, and updated text and tables for air quality emissions and screening levels for hazardous materials. Additionally, the narrative for the geology and soils discussion was expanded to include the findings of a peer review that was conducted and the hydrology and water quality discussion was enhanced to include additional information on sea level rise.

The FEIR includes all comments and itemized responses in Chapter 4 as well as Appendices A-E. Appendix A contains the Mitigation Monitoring and Reporting Program, which identifies each mitigation measure and sets forth the requirement for implementation and identifies the party responsible for ensuring compliance. A Geotechnical Peer Review Letter is included in Appendix B that provides an independent third party assessment of the adequacy of the geotechnical report and the feasibility of the proposed geotechnical recommendations. A supplemental Air Quality Memo and Noise Review are included in Appendices C and D respectively. The additional modeling provides documentation to further support findings of the DEIR and to describe the methodology approach and modeling assumptions. Appendix E contains responses from IRIS Environmental that addresses comments raised relating to Hazardous Materials. The Appendices to the FEIR are included to provide clarification on comments raised and do not identify any new impacts or result in substantial new information not previously identified in the DEIR.

A detailed outline of the common topics raised in public comments during the DEIR comment period is included in the Planning Commission staff report (Attachment 8, pages 31-35). No new significant impacts or other information requiring recirculation were identified as part of the responses to comments. The FEIR concludes that the clarification provided in response to specific comments do not meet any of the tests for recirculation in CEQA Guidelines section
15088.5 as no significant new information has been added, no new significant impacts identified, and no considerably different mitigation measures have been added. None of the changes, revisions, or clarifications results in significant new information that would warrant recirculation.

Late Comments Received

In addition to comments received on the Draft EIR, for which responses were provided in the Final EIR, an additional letter was received on the date of the Planning Commission meeting (June 24, 2014) from Adams Broadwell Joseph & Cardozo. The letter did not raise new issues that weren’t already addressed in the DEIR and/or FEIR as summarized below.

The comment letter was provided via email to Planning Commissioners and a hardcopy was also provided at time of the public meeting. As described above, the Commission hearing included discussion regarding several of the areas of concern raised in the letter. No other comment letters on the FEIR have been received from the public as of the writing of this report.

Response to Late Comments Received

Staff has reviewed the comment letter on the FEIR submitted by Adams Broadwell Joseph & Cardozo on June 24, 2014 (Attachment 10). The comment letter reiterates the same areas of concern identified in the comment letter provided by Adams Broadwell Joseph & Cardozo for the DEIR and for which itemized responses are already provided as part of the FEIR. In general, the comment letter identifies the following areas of concern:

1. Adequacy of the Air Quality Impact Analysis During Construction
2. Potential Geotechnical Impacts due to Bay Mud and impacts from mitigation
3. Adequacy of Greenhouse Gas Analysis
4. Soil Testing for Surface to depths of 4 feet
5. Location of Boathouse
6. Voluntary Biological Mitigation Measures
7. Recirculation

Although CEQA does not require that individual responses be provided for late comments, staff carefully reviewed each comment to consider if any new information or new issues were raised. Staff determined that all comments were previously raised and adequately addressed in the FEIR. Nonetheless, in an effort to ensure that all comments have been fully acknowledged, staff has prepared the following responses to the late comment letter:

1. Air Quality Analysis

The comment asserts that the FEIR fails to adequately disclose, analyze and mitigate significant air quality impacts. The comments raise concerns regarding changes to the air model defaults for the construction schedule for the entire project, especially for painting, as well as not changing the default for a model run performed for the non-residential project components.

The technical analyses, included in Appendix C-1 of the DEIR and Appendix C of the FEIR, provide the results of the modeling and explain the changes in default settings. Given the eight
phases of development that would result in construction of 273 residential units, 30,000 square feet of commercial space, 60,000 square feet of office uses, and a 120-room hotel, as well as infrastructure improvements and park and recreational areas, the air quality modeling conservatively assumed a minimum five-year buildout and adjusted the model defaults for some of the construction activities as fully explained in Response to Comments 4-9, 4-10, and 4-11 in the FEIR (pages 4-108 to 4-110).

Similarly, a model run of just the non-residential portions of the project was performed to identify potential worse-case impacts and health risks to residential uses that may already have been developed (Response to Comment 4-10).

The Californian Emissions Estimator model CalEEMod (version 2013.2) was utilized in accordance with the User’s Guide. CalEEMod default assumptions represent a “default” data set that the authors intended to be modified to reflect the facts and circumstances of each unique project. The Air Quality Analysis conducted for the Riverfront Project used both default data of the model and made adjustments to reflect the project specific conditions and build out schedule. Where modifications to the model were made, such as extending the default schedule, a rationale is provided to justify each adjustment. It should also be noted that CalEEMod requires the inclusion of a narrative explanation whenever an adjustment is made to the default. The Air Quality analysis and Appendix C to the FEIR include CalEEMod output tables which contain user entered comments and non-default data notes that provide the required narrative explanation. Each deviation from the CalEEMod defaults was reasonable for the proposed project and justification for adjustments are provided in the FEIR.

One of the adjustments made in CalEEMod was to extend the duration of the architectural coating stage of construction. This extension was provided given that the default period was unreasonably short for a project of this size with distinct development phases. The extension of the schedule also provides for additional interior work including mechanical, electrical, plumbing, sheet rock etc., since these activities are typically performed in conjunction with interior painting. Accordingly, the timeframe of 325 days as adjusted for the architectural coating phase is reasonable given the scale of the proposed development and the anticipated development schedule.

2. Geotechnical Issues

The comments raise concerns regarding construction on bay mud, which is addressed in section 4.4 of the DEIR based on technical analyses included in Appendix C-4 of the DEIR, which were further subjected to a third-party peer review included as Appendix B of the FEIR and summarized in section 3.0 of the FEIR.

As indicated in Response to Comment 4-30 of the FEIR document (pages 4-133 to 4-137), the peer review concluded that feasible design recommendations have been identified to reduce impacts associated with construction on bay muds. The revised Mitigation Measure GEO-3 specifies that design-level geotechnical analysis be performed and provides for the use of lightweight fill, and or pre-loading in the event that recommended design measures are determined to be insufficient at the design level stage. These measures are standard, accepted and proven
engineering practices that address settlement of Bay Mud, are known to be feasible and have been successfully implemented throughout the Bay Area.

The EIR, including both the DEIR and FEIR, adequately characterizes site conditions and potential impacts and identify mitigation measures that would reduce soil stability and settlement impacts to a less-than-significant level.

3. **Greenhouse Gases**

The comment indicates that the GHG emissions analysis should be based on a project occupancy no later than 2019 instead of 2020. As explained in Response to Comment 4-17 of the FEIR document (pages 113-114), even with the shortest estimated construction period of five years, occupancy would not be achieved until 2020 at the earliest. The air model assumptions regarding PG&E energy rates used the most current best available information as explained in Response to Comment 4-18 of the FEIR document (pages 4-114 to 4-115).

4. **Hazardous Materials**

The commenter continues to reference photos included in the 2001 Phase I Environmental Site Assessment as suggesting potential hazardous materials contamination in the area proposed for an active park.

In addition to the information and analyses provided in section 4.5 and Appendix C-5 of the DEIR document, the FEIR fully responds to commenter's concerns, specifically regarding potential sources of contamination in Response to Comment 4-19 of the FEIR document (pages 4-116 to 4-119), including the cited photographs on page 4-118.

The comment indicates that lead could be present in higher levels in soils closer than four feet to the surface, presenting a risk to workers, residents and future users of the project site without further testing.

As indicated in Response to Comment 4-24 of the FEIR (pages 4-123 to 4-126), the 23 soil samples analyzed throughout the site including samples of soils from the surface to four feet below ground level do not suggest that lead concentrations in project soils present a risk to human health or the environment.

Response to comments 4-20 through 4-28 (pg. 4-116 through 4-132) as well as comment PH 8-1 (pg. 4-167) provide clarifying information regarding screening levels, methodology used to detect contaminants, and the evaluation of the site's potential to contain hazardous materials.

To further substantiate the record, nine soil borings that yielded 27 additional soil samples were taken from the site in the immediate vicinity of soil boring K-2 which had previously identified a lead concentration of 75 mg at an approximate four foot depth. All additional samples were taken at shallow soil depths from the surface to four feet below and were analyzed for concentration of hazardous materials. The additional samples detected lead at concentrations ranging from 1.2 to 68 mg/kg, with an average of 9.5 mg/kg for surface samples and 20 mg/kg
for samples between 0.5 feet and 4 feet below the surface. The results are consistent with previous subsurface investigation in that they were not found to contain lead concentrations of concern to human health or the environmental.

In addition to lead, the soil samples also detected arsenic at concentration ranging from 2.3 to 14 mg/kg, with an average of 5.4 mg/kg. Although arsenic concentrations exceed the Tier-1 screening level of 0.39 mg/kg and the worker screening level of 10 mg/kg, the arsenic levels onsite are consistent with background condition as described in the EIR.

Thus, the findings and conclusion of the FEIR are further substantiated. An updated memo from IRIS Environmental outlined the samples and soil analysis, including the conclusion that no unsafe concentration of contamination was found on the site. The updated IRIS Environmental memo is included as Attachment 12 to this staff report.

5. Boathouse

The comment states that the DEIR indicates that the potential future construction of a boathouse is evaluated in the EIR, but that the FEIR retreats from this statement.

The boathouse parcel created by the project and subsequent development of a boathouse was generally assessed in the DEIR where potential impacts were identified (e.g., biological resources, geology/soils, hydrology, traffic), but both the DEIR and FEIR documents are correct in stating that development of a boathouse is not part of the proposed project and would be subject to further environmental review in the future when specific siting and design plans are developed, including a potential boat launch, which will address potential exposure to 100-year flood and sea level rise risks. However, as shown on Figure 4.6-1 of the FEIR document (page 3-19), the proposed boathouse parcel is mostly outside of the 100-year floodplain/sea level rise area.

Future construction of a boat launch is further discussed in Response to Comment 3-3 of the FEIR document (pages 4-28 to 4-29). The DEIR (page 4.4-8) and Response to Comment 4-33 of the FEIR document (pages 4-137 to 4-139) indicate that geotechnical reviews have identified foundation types that could be utilized for the boathouse.

6. Biological Mitigation Measures

The comment states that “voluntary” biological measures must be mandatory, enforceable, and specific.

Construction Best Management Practices (BMPS) will be required as a Condition of Project Approval in accordance with suggestions of the California Department of Fish and Wildlife, although mitigation measures are not required as explained in Response to Comment 3-2 of the FEIR document (pages 4-27 to 4-28) since habitat for salt marsh harvest mouse has not been identified on the property.
7. Recirculation

The commenter’s request for recirculation does not meet the criteria set forth in the State CEQA Guidelines as explained in Response to Comment 4-37 of the FEIR document (pages 4-140 to 4-141); see also Response to Comment 4-3 (pages 4-102 to 4-103 of the FEIR document).

IMPACT AND DEVELOPMENT FEES

Impact and development fees are assessed on the final entitled project based on the most recent impact fee studies, which were most recently conducted in 2012. The current development assumptions proposed for the Riverfront project were included in the 2012 update. The Riverfront Mixed-Use project is subject to the following development fees plus any other fees in effect at time of Tentative Subdivision Map approval for residential:

- City Facilities
- Commercial Development Housing Linkage
- Affordable Housing In-Lieu Contribution
- Open Space Acquisition
- Park Land Acquisition (Quimby Act Projects)
- Park Land Development
- Wastewater Capacity, Water Capacity and Water Connection
- Storm Drainage
- Public Art (Ordinance No. 2202 N.C.S.)
- School Facilities
- Traffic Mitigation
- Central Petaluma Specific Plan

In an effort to respond to questions raised as part of the public hearing process on the Draft Environmental Impact Report, development fees have been estimated for the project as proposed, the “No Project” alternative, and two other alternatives representing varying levels of development intensity. Refer to pages 5-14 to 5-18 of the Draft Environmental Impact Report for a full description of the alternatives. The estimated development impact fees for each of the alternatives are as follows:

- Proposed Project $16,224,852
- Alternative 2 - Modified Subdivision Layout $15,919,896
- Alternative 3 - Reduced Project Size $14,988,618
- No Project $0

The development impact fees are due at time of issuance of building permit (commercial uses) or occupancy (residential uses) at which time, the estimated fee will be updated and other fees that are applicable to the proposed project will be required.

FINANCIAL IMPACTS

The project is subject to cost recovery with all expenses paid by the applicant. The applicant has paid $263,626.87 cost recovery fees to date.
ATTACHMENTS

1. Draft Resolution Certifying a Final Environmental Impact Report
2. Draft Resolution Making Findings of Fact and Adopting a Mitigation Monitoring and Reporting Program
3. Draft Resolution Adopting the Zoning Map Amendment
4. Draft Resolution Approving the Tentative Subdivision Map
6. Planning Commission Resolution No. 2014-16 recommending approval of the Zoning Map Amendment
7. Planning Commission Resolution No. 2014-17 recommending approval of the Tentative Subdivision Map
9. Illustrative Conceptual Site Plan
11. Letter from Basin Street Properties regarding the Active Park field surface
13. Phased Tentative Subdivision Map Plan Set (half-size)
14. FEIR and Mitigation Monitoring and Reporting Program (hand delivered separately)
15. Illustrative graphics