

P99-001 - WATKINS SPECIAL PERMIT MODIFICATION

REQUEST: A. Environmental Determination: Exempt (CEQA 15301a)

 B. Special Permit Modification to develop 1,822 square feet,
 previously approved for retail, as office space in the C-2[R
 Street SPD] zone.

LOCATION: 1102 Q Street
 APN 006-0276-023
 Council District 4

APPLICANT:	Sue Watkins-The Watkins Company, Inc. 2829 Watt Avenue, Suite 200 Sacramento, CA 95821 Phone:(916) 488-0300
OWNER:	KIDOSE, LLC 2829 Watt Avenue, Suite 200 Sacramento, CA 95821 Phone:(916) 488-0300
APPLIC. FILED:	January 4, 1999
STAFF CONTACT:	Mark Kraft, 264-8116

SUMMARY:

The applicant is requesting an entitlement to develop 1,822 square feet, previously approved for retail, as office in the C-2[R Street SPD] zone.

RECOMMENDATION:

Staff recommends denial of the project. This recommendation is based on the project's inconsistency with the policies of the R Street Corridor Plan, and the premature timing of the request.

PROJECT INFORMATION:

General Plan Designation: Special Planning District
Central City Community Plan Designation: General Commercial
Existing Land Use of Site: Office/Retail(Under Construction)
Existing Zoning of Site: C-2[R Street SPD]

Surrounding Land Use and Zoning:

North: Office/Parking Lot; C-2
South: Office, Industrial, Residential;C-2(SPD)
East: Commercial, Residential;RMX(SPD)
West: Apartments,Commercial; RMX(SPD)

OTHER APPROVALS REQUIRED: Building Permits for tenant improvements.

BACKGROUND INFORMATION:

In October of 1991, the City Planning Commission approved entitlements to develop a project with 150,000 square feet of office, 4,560 square feet of retail space, and 262 parking spaces, at 1102 Q Street. The Commission granted time extensions for the Major Project Special Permit in December of 1993, and again in January of 1996. The project commenced construction in December of 1997, and is scheduled for completion in June of 1999.

The project, as approved, contained 4,560 square feet of retail space which ran the entire length of the Q Street ground floor frontage. The applicant is now proposing to use 1,822 square feet of this frontage as office. This 1,822 square feet of office is proposed to be used as the home office for the Watkins Company. In their justification for the request, the applicant states that it is important for them to be located within the building for management purposes of the upper floors as well as the retail area below. The applicant states that on-site management provides prompt customer service along with the ability to show vacant retail space to potential vendors. The applicant also states the position that the more occupied the ground floor appears, the greater chance of attracting other users, and that the offices would bring some life to the ground floor, rather than leaving it vacant, in an area of town with already high existing vacancies.

STAFF EVALUATION:A. Policy Considerations

The project is directly adjacent to the 13th Street Light Rail Station. The proposed request is therefore inconsistent with the vision of the R Street Corridor Plan, namely to

concentrate mixed uses around light rail stations. The project is also inconsistent with the following General Plan, Community Plan, and R Street Corridor Plan Policies, which support the development of ground floor retail:

GP Sec. 4-16 Policy 1- Strongly encourage new regional commercial and office centers to incorporate accessory uses...accessory uses include non-office ground floor retail uses...

GP Sec. 4-14 Goal B- Promote the successful development of mixed use projects in the Central City.

GP Sec. 4-14 Policy 1- Actively support and encourage mixed use commercial, office, and residential development in identified areas of opportunity.

GP Sec. 5-22 Policy 4- Encourage mixed use developments to generate greater pedestrian activity

CCCP Commercial Goal- Provide for a range of commercial activities which meet the needs of the residents, employees, and visitors to the Central City

R Street Plan Policy 2.6- Through land use designations, zoning and development standards, provide the opportunity for sufficient neighborhood commercial services to serve residents of mixed use neighborhoods.

R Street Plan Goal 3- To focus development at the four light rail stations to create discrete neighborhoods with a mix of compatible uses clustered around transit and linked by pedestrian routes.

R Street Plan Goal 4- Create an appropriate mix of residential and non-residential uses within the Corridor, with an emphasis on new housing to serve projected Central City employment growth and support an 18 hour downtown environment.

Zoning Considerations

Special Permit Modification

The City's Zoning Ordinance, Section 15, states that no modification of a project for which a Special Permit is granted may be made unless prior approval for the modification is granted by the Zoning Administrator or Planning Commission. The Ordinance further states that The Zoning Administrator or Planning Commission shall not grant a proposed modification unless the Zoning Administrator or Commission finds that the modification is granted upon sound principles of land use, will not be injurious to the public health,

safety or welfare, and is consistent with the objectives of the general or specific plan for the area in which it is to be located.

Staff does not feel that these findings can be made for the proposed modification for the following reasons:

- 1) The proposed modification would be inconsistent with the objectives of the development standards for the C-2[RStreet SPD] zone.

In order to focus mixed use development around light rail stations, to provide retail services for employees and residents, and to increase pedestrian activity in the Corridor, the R Street Corridor Special Planning District requires ground floor retail development in the C-2 zone, and further requires that 50% of the retail provided be placed on the corner most closely proximate to the light rail station. In the case of this project, the corner most closely proximate to the station would be at the southeast corner of the project, at the corner of 12th Street and Whitney Avenue. At the time that this project was originally approved, the R Street Corridor Plan had not yet been approved, so the applicant was not subject to this retail placement requirement. However the applicant is now proposing to remove the retail on the northeast corner of the project. Of the retail space originally proposed, this is the space which is located closest to the light rail station. Preserving this corner retail space is important, as it would provide a prominent, readily visible location which could provide services to both transit patrons and neighborhood residents. It would also promote pedestrian activity, particularly between the 13th Street station and the project site, and would provide the potential for a transit/neighborhood serving use which could be open after 5, consistent with R Street Plan goals to promote a vibrant "extended hour" Central City. Therefore, removal of this retail space would be counter to the objectives of the R Street Plan, now in effect for the area.

- 2) The timing of the request is premature.

The applicant has indicated that the entitlement request is partially due to the fact that demand for the originally proposed retail space is insufficient. Staff's position is that this determination is premature for two reasons:

- a) Residential projects are proposed in direct proximity to the project site, which should add significantly to the demand for retail services in the area. Capitol Park Homes, a 64 unit single family home project located directly to the northeast of the project site, has been approved and is scheduled to begin construction this year. In addition, the proposed CADA warehouse live work project, located directly to

the southwest of the project site, has moved into the preliminary design phase, and will proceed to construction next year.

b) The applicant has determined that demand is insufficient for the retail space before the project is available for occupancy. It is staff's position that the space must be available for occupancy for a reasonable amount of time, and a good faith effort must be made to lease the available space, before a determination can be made that demand does not exist for the space. The applicant has mentioned, for example, that discussions have occurred with the State of California (the main tenant for the building) concerning the possibility of placing a copy reproduction use in the space at 12th and Q. Staff has indicated support for this use, provided that the use would serve the public, as well as the tenants of the building.

In the case of the Benvenuti office project, the building had been occupied for approximately 5 years when the applicant sought entitlements to reduce the required amount of retail space. This request was granted, for a period of five years, but the request was granted on the condition that, six months prior to the expiration date, the owner initiate and document an active marketing campaign including, cold calling, posting of leasing signs, documentation of lease proposals and prospect responses, with reasons why transactions were not completed, surveys of on-site workers to identify preferred uses, and development of a sign program, with a professional sign company.

Given that the applicant has not allowed sufficient time and opportunity for aggressive marketing of the retail space, staff is opposed to granting the requested entitlement at this time.

PROJECT REVIEW PROCESS

A. Environmental Determination

The City Environmental Coordinator has determined that the proposed project is exempt from environmental review pursuant to CEQA, Section 15301{a}.

B. Public/Neighborhood Association Comments

The proposed project application was routed to the Sacramento Old City Association, the Central City Alliance of Neighborhoods, the Neighborhood Association Advisory Group, and the R Street Corridor Group. Land owners within a 500 foot radius of the project site were also notified of the project proposal. Staff received one response, from the R Street Corridor Group. The response indicated that the request was premature, and recommended denial. The response indicated that, if the space cannot be leased in 2

years, then a new application should be filed. (Attachment D)

C. Summary of Agency Comments

The proposal was routed to several City Departments and other agencies. No comments were received from other agencies.

PROJECT APPROVAL PROCESS:


The Planning Commission has the authority to approve or deny items A and B. The Planning Commission action may be appealed to the City Council. The appeal must occur within 10 days of the Planning Commission action.

RECOMMENDATION:

Staff recommends the Planning Commission take the following actions:

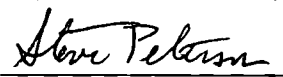
- A. Adopt the attached Notice of Decision approving the Environmental Determination: Exempt 15301(a)
- B. Adopt the attached Notice of Decision denying the Special Permit Modification to develop 1,822 square feet, previously approved for retail, as office space in the C-2[R Street SPD] zone.

Report Prepared By,



Mark Kraft
Associate Planner

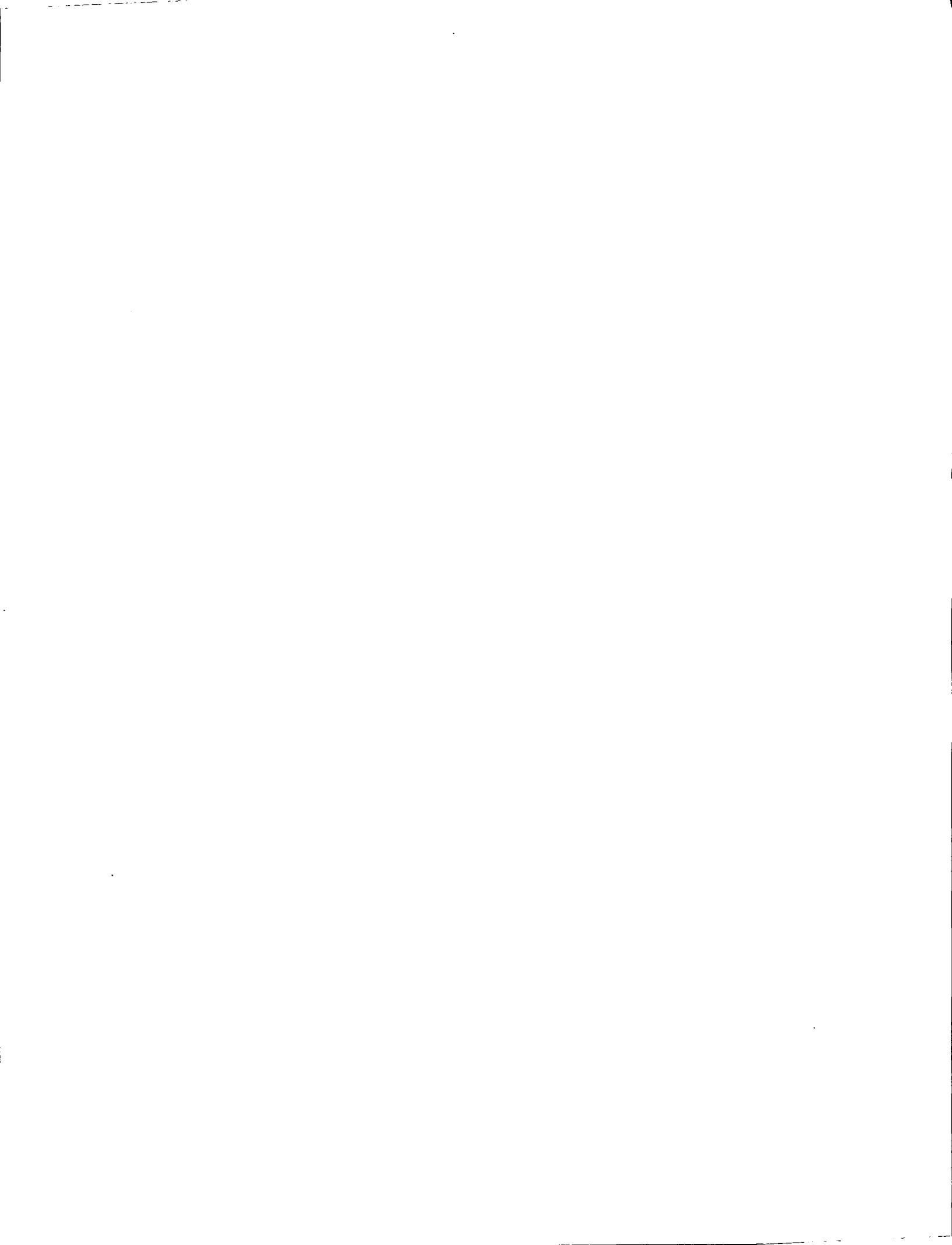
Report Reviewed By,



Steve Peterson
Senior Planner

Attachments

Attachment A	Vicinity Map
Attachment B	Land Use and Zoning Map
Attachment C	Notice of Decision
Exhibit C-1	Site Plan
Attachment D	Neighborhood Comment



ATTACHMENT C
NOTICE OF DECISION AND FINDINGS OF FACT FOR
***(Watkins Special Permit Modification)*, LOCATED ON 1102 Q Street ,**
SACRAMENTO, CALIFORNIA IN THE
(C-2[SPD]) ZONE. (P99-001)

At the regular meeting of March 11, 1999 the City Planning Commission heard and considered evidence in the above entitled matter. Based on verbal and documentary evidence at said hearing, the Planning Commission took the following actions for the location listed above:

- A. Approved the Environmental Determination: Exempt 15301(a)
- B. Denied the Special Permit Modification to develop 1,822 square feet, previously approved for retail, as office space in the C-2[R Street SPD] zone.

These actions were made based upon the following findings of fact and conditions of approval:

FINDINGS OF FACT

- A. Categorical Exemption: The City Planning Commission finds and determines that the proposed project is exempt from environmental review pursuant to Section 15301(a)
- B. The Special Permit Modification to develop 1,822 square feet, previously approved for retail, as office space in the C-2[R Street SPD] zone is hereby denied, subject to the following findings of fact:
 - 1. The project is not based upon sound principles of land use in that the project is inconsistent with policies promoting development which focuses active uses proximate to light rail stations, and which encourages ground floor retail space to increase pedestrian activity.
 - 2. The project will be detrimental to the public health, safety and welfare in that the proposed request will diminish retail opportunities for workers and residents proximate to the project.
 - 3. The project is not consistent with Goals and policies of the General Plan, Central City Community Plan and the R Street Corridor Plan.

CHAIRPERSON

ATTEST:

SECRETARY TO CITY PLANNING COMMISSION
DATE _____
(P99-001)

ATTACHMENT D

EARLY PROJECT NOTIFICATION RECEIPT

Association Name R Street Group Phone # 457-3793

Association Contact Kay Kneppath Phone # "

Please Check and Return By: 2/21/99

We have reviewed this application and: Have no comments
 Will need until _____ (date) to complete our review of this project

Our comments are below or attached: FEB 03 1999

It is premature to grant the request of the applicant and we recommend denial. If in 2 yrs. the 1200 sq. ft cannot be cleared a new app. can be filed.

Project Manager Mark Gust KIR.
Phone # 204-8116 File# 999-001

RECEIVED
CITY OF SACRAMENTO
CITY PLANNING DIVISION