

STAFF REPORT

DATE: September 9, 2015

TO: Planning Commission

FROM: Michael Webb, Assistant City Manager
Katherine Hess, Community Development Administrator
Heidi Tschudin, Contract Project Manager

SUBJECT: Mace Ranch Innovation Center Draft EIR

RECOMMENDED ACTIONS

Staff recommends that the Planning Commission take the following actions:

1. Receive a staff report regarding the Draft Environmental Impact Report (DEIR) for the Mace Ranch Innovation Center (MRIC).
2. Provide an opportunity for the public to comment on the DEIR (distributed to the Commission and public on August 13, 2015).
3. Provide comments and/or questions from members of the Planning Commission.

It should be noted that there will be no transcription of oral comments at this meeting. Comments received will be summarized by staff for inclusion in the Final EIR. Those who wish to have their verbatim comments incorporated in the Final EIR must submit their comments in writing by the deadlines described below.

Please also note that this meeting is an opportunity to provide comments and questions. If staff is able to respond we will do so, but it is more likely that immediate and/or direct answers will not be provided. This information will be provided later in writing as a part of the forthcoming Final EIR (Response to Comments) document.

The DEIR is available online at the City's website located at www.cityofdavis.org, at the Department of Community Development and Sustainability, and at the Davis Branch Library and UC Library.

REASONS FOR RECOMMENDED ACTIONS

The purpose of the hearing is to receive comments from any interested party regarding the adequacy of the subject DEIR as an informational tool for making decisions regarding the proposed MRIC project. Although a public hearing to receive oral comments on Draft EIRs is not a procedural requirement it is the City's practice to conduct one.

The state guidelines for determining the adequacy of an EIR state as follows:

An EIR should be prepared with a sufficient degree of analysis to provide decisionmakers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure. (CEQA Guidelines, Section 15151)

The California Environmental Quality Act (CEQA) Guidelines require that formal written responses be prepared and made available for relevant comments received on the DEIR, including oral comments. These responses, plus the DEIR, will comprise the Final EIR for the MRIC project.

BACKGROUND

The City has spent many years working to assess and identify opportunities to strengthen economic development activities. Below is a partial list of relevant reports, studies, and actions. As noted below, the subject application is the result of a solicitation released by the City in May of 2014.

- 2001 -- City of Davis General Plan Update
- October 2010 – The City released the Business Park Land Strategy to better understand the City’s long-term economic future and provide guidance for future decisions regarding community economic development goals for the 2010 to 2035 timeframe.
- October 2010 – The City Council established the Innovation Park Task Force to explore peripheral sites for future business park development to accommodate medium-scale businesses. The Task Force was created by the Council as an outcome of the 2010 Business Park Land Strategy. The Task Force was comprised of six members – two Council members, two Planning Commissioners, and two representatives of the Business and Economic Development Commission. This committee held their last meeting in June 2014.
- November 2012 – The City Council adopted the Studio 30 Davis Innovation Center Final Report and approved Resolution No. 12-174 which gave direction to: 1) adopt a new model for evaluating fiscal impacts and economic benefits of new innovation/research development; 2) pursue a “dispersed innovation strategy”; 3) undertake a community engagement process to pursue the recommendations of the Task Force and their report; and 4) proactively partner to promote innovation business growth.
- February 2013 – The City Council adopted Resolution No. 13-021 endorsing the Next Economy, Capital Region Prosperity Plan (2013 -2017) and authorizing the City Manager to align City economic development efforts to support implementation.

- May 2014 -- The City issued a “Request for Expressions of Interest” (RFEI) from parties interested in developing Innovation Centers that would serve the Davis research and technology sectors and create a place for Davis technology companies to continue to grow. The purpose of the RFEI was to gauge market interest and alternative options to be considered by the City and its partner agencies.
- July 2014 – The Innovation Office staff reported to the City Council on the results of the RFEI process. Three responses were received and two were invited to submit applications (the subject Mace Ranch Innovation Center proposal and the Davis Innovation Center proposal west of SR 113). The City Council appointed a two-member Council Innovation Center Subcommittee (Rochelle Swanson and Mayor Pro Tem Robb Davis) to provide additional guidance, initial policy direction, and Council updates during the project review process.
- The Mace Ranch Innovation Center (MRIC) application was accepted for filing on September 25, 2014. The applicant is Yolo 101 Joint Venture (JV) and R&B Delta, LLC represented by Dan Ramos of Ramco Enterprises, Troy Estacio of Buzz Oates Group of Companies, Dana Perry of Reynolds and Brown, and Matt Keasling of Taylor and Wiley. The Notice of Preparation was issued November 7, 2014 and a scoping meeting was held November 17, 2014. Comments on the scope of the EIR were received through December 8, 2014.
- The Davis Innovation Center application was accepted for filing on November 3, 2014. The applicant is SKK Developments and Hines Company, represented by Sotiris Kolokotronis of SKK Developments, John Hodgson of The Hodgson Company, and Kirk Khasigian of Hines. The Notice of Preparation was issued November 20, 2014 and a scoping meeting was held December 15, 2014. Comments on the scope of the EIR were received through December 22, 2014.
- On December 16, 2014, the City Council approved the use of Guiding Principles to evaluate the merits of the innovation center applications.
- The applicant of the Davis Innovation Center placed the project “on hold” on May 12, 2015. Processing of the application was suspended at that time.
- The MRIC DEIR was released August 13, 2015.

On a separate track, the City, UC Davis, Yolo County, and the Nishi property owner have been collaborating to explore development of the Nishi property as a mixed-use innovation district. Formal applications were submitted in October 2014. The Draft EIR for the Nishi Gateway project is scheduled for public release on September 9, 2015.

PROJECT DESCRIPTION

The MRIC project site is located northeast of Mace Boulevard and Interstate 80, on both sides of County Road (CR) 32A, within unincorporated Yolo County, east of the City of Davis city limits.

The 229-acre project site consists of:

- 212-acre MRIC site (Assessor's Parcel Numbers (APNs) 033-630-009; 033-650-009, and -026).
- 16.49-acre Mace Triangle site (APNs 033-630-006; -011; and -012).

There are two separate components to the proposed project:

- 1) MRIC site -- The proposed Innovation Center component of the project would include up to 2,654,000 square feet of innovation center uses and dedication of 64.6 acres of green space (including parks and open space) on a 212-acre site. Building space would be allocated in the following general manner: approximately 1,510,000 square feet for research/office/R&D uses; approximately 884,000 square feet for manufacturing and research uses; up to 260,000 square feet (10 percent) for supportive commercial uses, including a 160,000-square foot hotel/conference center and 100,000 square feet of supportive retail throughout the MRIC.
- 2) Mace Triangle site -- The City of Davis has included the 16.5-acre Mace Triangle within the overall project boundaries to ensure that an agricultural and unincorporated island is not created and to allow the continuation and expansion of existing uses. The EIR evaluates development of up to 71,056 square feet of general commercial uses including up to 45,900 square feet of research, office, and R&D, and up to 25,155 square feet of retail on the two privately owned parcels that make up a portion of the Mace Triangle properties.

Approval of the following entitlements is necessary for the project to proceed:

Lead Agency Approvals – City of Davis

- General Plan Amendment
- Rezoning
- Preliminary Planned Development (PPD)
- Site Plan and Architectural Review
- Development Agreement
- Action by the City Council to call for an election and set the baseline features of the project

Responsible Agency Approvals – Yolo LAFCO

- Combined Municipal Service Review (MSR) and Sphere of Influence (SOI) Amendment
- Annexation
- Detachment from the East Davis County Fire Protection District.

SUMMARY OF DEIR

An EIR is an informational document that examines and discloses the potential for adverse environmental impacts to result from any given action. Pursuant to CEQA, the City has prepared a Draft EIR which analyzes the potential adverse environmental impacts associated with development of the proposed MRIC project. The DEIR for the MRIC provides a detailed analysis of the potential for impacts in 15 topical areas under multiple scenarios including:

- Full project build-out
- Project build-out plus other cumulative growth

The DEIR also provides information about development of Phase 1 of the MRIC component alone.

A Final EIR (Response to Comments) document will be prepared following public review and comment. This subsequent volume will include responses to comments received on the DEIR, errata and/or other changes, modifications, or clarifications of the DEIR, identification of any other pertinent data or information, and a mitigation monitoring and reporting plan (MMRP). The City will consider this information when deliberating the project. Following certification of the Final EIR, the City may take action on the project application.

The DEIR identifies adverse environmental impacts that may result from development of the project as proposed. It also concludes that most of the identified impacts can be mitigated by specific actions called mitigation measures. However, some of the adverse impacts are likely to occur even with implementation of identified mitigation. These include impacts in the following areas:

- Visual character (Impacts 4.1-2 and 5-1)
- Agriculture (Impacts 4.2-1, 4.2-3, 4.2-4, and 5-3)
- Air Quality (Impacts 4.3-2 and 5-4)
- Biological Resources (Impacts 4.4-5 and 5-5)
- Greenhouse Gas Emissions (Impacts 4.7-1, 4.7-2, and 5-9)
- Traffic and Circulation (Impacts 4.14-2, 4.14-5, 5-21, 5-22, and 5-23)
- Population and Housing (Impacts 4.12-1 and 5-18)
- Cumulative Fire Protection Services (Impact 5-19)
- Growth Inducement (Impact 6.2.1)

DEIR Project Alternatives

The DEIR examines seven project alternatives which provide additional important information and context for the community and Council to consider:

- No Project (No Build)
- Reduced Site Size
- Reduced Project
- Off-Site A (Davis Innovation Center Site)
- Off-Site B (Covell Property)
- Infill
- Mixed Use

The Draft EIR identifies the Mixed Use alternative as the environmentally superior alternative that also best meets all of the project objectives. The DEIR notes that because this alternative includes housing it is not consistent with the City's expressed goal of having only non-residential uses within the innovation center.

While the Mixed Use Alternative is identified as the Environmentally Superior alternative under CEQA, the ultimate decision regarding feasibility of the alternatives lies with the City Council. The Council will make findings regarding the desirability of the proposed project and the feasibility of each alternative. In their deliberations the Council may consider the following related to the feasibility of each alternative:

- Attainment of Project Objectives
- Avoidance or Substantial Lessening of Significant Effects
- Suitability of Alternative Sites or Site Layouts
- Economic Viability
- Availability of Infrastructure
- General Plan Consistency
- Other Plans or Regulatory Limitations
- Jurisdictional Boundaries/Regional Context
- Property Ownership and Control
- Other Reasons for Rejecting as Infeasible

An assessment of how these factors apply to each alternative will be prepared for the Council to consider and adopt at the time final action is taken on the project.

Cumulative Growth

The DEIR evaluates impacts of the project combined with other reasonably foreseeable development. This DEIR assesses two cumulative scenarios, as follows:

- "CEQA" Cumulative Analysis – This scenario assumes full build-out of MRIC/Mace Triangle, General Plan, Nishi, and the Davis Innovation Center.
- "Modified" Cumulative Analysis – This scenario assumes full build-out of MRIC/Mace

Triangle, General Plan, and Nishi. This scenario does not include the Davis Innovation Center.

The Davis Innovation Center was placed on hold by the applicant in May, with no indications of re-initiating the project. As such staff believes the Modified Cumulative Analysis presents a more realistic assessment of cumulative impacts.

Deadlines for Community and Agency Comments

The DEIR was released August 13, 2015 for review and comment. The document is available online at the City's website located at www.cityofdavis.org, at the Department of Community Development and Sustainability, and at the Davis Branch Library and UC Library.

Comments from state and federal agencies will be accepted through the statutory review period ending September 28, 2015 (total 47 days). Pursuant to action taken by the City Council at their September 1, 2015 meeting, comments from the community will be accepted through an extended local review period ending November 12, 2015 (total 94 days). Pursuant to Section 15088a of the CEQA Guidelines, late comments will be considered only at the City's discretion.

All comments must be directed to:

MRIC Project Planner
City of Davis Department of Community Development and Sustainability
23 Russell Boulevard, Suite 2
Davis, CA 95616
maceranchinctr@cityofdavis.org

OTHER ANALYSIS

The City is also analyzing other important aspects of the project that do not get assessed directly through the DEIR. These include:

- Fiscal and Economic Impacts
- Project Design and Architecture
- Community Benefits
- Overall Project Merit

Reports addressing these topics will be released later in the process. A report on fiscal and economic impacts will be released in early to mid-September for both the MRIC and Nishi proposals. The remaining information will be addressed by staff in subsequent staff reports to the Planning Commission and City Council. Additionally, it is anticipated that the Draft EIR for the Nishi proposal will be released on September 9, 2015.

SCHEDULED MEETINGS

At the September 9, 2015 Planning Commission meeting staff will present a summary of the MRIC DEIR and the public will have the opportunity to present verbal comments on the document. Other scheduled meetings on the DEIR include:

Aug 17	Open Space and Habitat Commission
Sep 9	Planning Commission
Sep 10	Bicycle, Transportation, Street Safety Commission
Sep 14	Finance and Budget Commission
Sep 14	Open Space and Habitat Commission
Sep 17	Recreation and Park Commission
Sep 28	Natural Resources Commission
Oct 26	Natural Resources Commission

ROLE OF COMMISSIONS

The chart on the next page summarizes the roles and responsibilities of the City’s relevant “subject matter” commissions and the Planning Commission.

OTHER UPCOMING PUBLIC OUTREACH

The City is currently scheduling public workshops to discuss the project. A calendar of these dates will be released soon.

PUBLIC HEARINGS

Under the recently revised schedule, the Planning Commission will likely consider this project in February and March of 2016 and will be asked to make a recommendation to the City Council regarding final action on the project. The City Council will likely consider and take action on this project in April 2016.

PUBLIC VOTE

Because this project involves annexation and conversion of agricultural land to urban uses, it is subject to the City’s Measure R public vote requirement. If the City Council takes action to approve the project, it will be placed on the ballot for action by the voting citizens of Davis. Based on the recently revised schedule the earliest this could occur is November 2016.

COMMISSION	RELEVANT SUBJECT MATTER	COMMISSION FOCUS	SCOPE OF PROJECT INPUT
Bicycle, Transportation, Street Safety	Transportation; transit; bicycle and pedestrian circulation; vehicular circulation; street design; traffic operations and enforcement; traffic safety; parking; transportation infrastructure	Local citizen commission formed to allow community input on relevant subject matter	Within relevant subject matter, advisory comments on: 1) Policy consistency 2) Regulatory consistency 3) Design
Finance and Budget	City finances and budget; economic issues		
Natural Resources Commission	Water quality and supply; wastewater treatment; water conservation; air quality; solid waste and recycling; renewable energy; energy conservation; global warming; toxics and hazardous substances; natural resources		
Open Space and Habitat	Open space; habitat; natural areas; wildlife; agricultural land conservation; land acquisition; regional parks; trail systems; environmental education and interpretation; project site design related to open space and habitat; project O/M related to open space and habitat		
Recreation and Park	Public recreation and park planning; public art as related to design or theme of a park		

<p>Planning</p>	<p>Land use; development; CEQA; general plan; specific plans; zoning; subdivisions</p>	<p>City planning agency authorized by state statute. Advisory to City Council on all matters related to land use and development with binding authority where authorized</p>	<p>Purview extends over all aspects of land use applications including:</p> <ol style="list-style-type: none"> 1) Policy consistency 2) Regulatory consistency 3) Planning and design 4) CEQA compliance
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