

## Memorandum

December 16, 2004

**TO:** Business and Economic Development Commission

**FROM:** Bill Emlen, Community Development Director  
Katherine Hess, Community Development Administrator  
Ken Hiatt, Principal Planner and Economic Development Manager  
Mike Webb, Economic Development Coordinator

**SUBJECT:** Covell Village Project

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### **Recommendation:**

Staff recommends the BEDC make the following recommendations to the City Council on the following commercial related aspects of the proposed Covell Village project:

### **Retail/Restaurants**

Reduce the allowable retail and restaurant square footage from 64,200 to 41,000 square feet as follows:

- Neighborhood Serving Retail (500 – 5,000 sq.ft. users) – 20,000 square feet max.
- In addition, allow one “Anchor” retail use (no less than 10,000 and no more than 15,000 SF)
- One full service restaurant – 6,000 sq.ft. (limit one)

Zoning should prohibit following retail uses – specialty/”boutique” retail, apparel, cultural/entertainment uses, book stores

### Justification:

Largest neighborhood center in Davis is 118,000 sq.ft. (OakShade). Oak Tree is currently 101,000 sq.ft. With Covell as proposed it would effectively increase to 175,000 sq.ft. This would disproportionately allocate neighborhood retail to this “center” – potentially hindering other neighborhood centers, particularly Mace/Alhambra and Davis Manor.

Staff initially requested that community serving retail, larger format retail, be considered by the applicants. In response, the applicants modified the project to include a retail component. However, the village concept as proposed does not adequately accommodate community serving retail. It is intentionally designed and described to emphasize smaller/neighborhood serving retail. Such smaller uses in such a large concentration could be detrimental to other neighborhood centers and the downtown. Furthermore, since Covell Village was first submitted, additional community and neighborhood serving retail opportunities have been presented (Second and Mace, ConAgra). While not yet approved, the potential for these projects is a factor in the recommendation to reduce the amount of retail in the Covell project.

### **Office**

Reduce office component from 43,300 SF to no more than 10,000 SF total. Emphasis in zoning should be neighborhood serving office type uses including medical, dental, vision, exercise studio, therapy, counseling, real estate, etc.. Office space proposed above the retail should be converted to residential. This will also help to increase the overall density and housing variety in the project.

#### *Exception:*

If an exceptional opportunity were to arise, such as a proposal to relocate and integrate the School District Offices into the Village Center, *and* if this relocation facilitated the redevelopment of the District Office site, staff would likely be supportive of additional office space. Short of such circumstances, staff believes the proposed reductions are necessary.

#### *Justification:*

Do not believe there is sufficient demand for 43,300 sq.ft. of office space. If built it will directly compete with downtown redevelopment efforts as the proposed office space is substantially similar to office space built and planned for downtown. Furthermore, Lewis project will likely include a substantial amount of office space that can serve to provide employment uses in close proximity to housing.

### **Gas Station**

Limit one station (8 pumps). Integrate station/mini mart building with retail at village center, do not build as not stand alone station. Also, land uses should be reconfigured so that the gas station is not immediately adjacent to residential.

### **Hotel**

Concur with subcommittee, but more affirmatively state that only if it is an “extended stay” hotel. As part of planning application for the hotel, a feasibility and economic impact study shall be required. If studies indicate such a hotel is not supportable, site should be considered for higher density housing.

### **Live/Work**

Support 20 units of live/work as proposed but they shall be constructed as for-sale units (on individual lots). Staff advises that the applicant should consult early with the Building Official to address building code requirements for multi-story live/work units.

**Health Club**

Support as proposed at 30,000.

**Site Design**

Require better integration of commercial components of the Covell Village and Lewis projects. Specifically recommend looking closely at land use and circulation (bike/pedestrian/auto) connections and the mix of land uses between the two sites. Staff does not recommend “sandwiching” apartments and a fire station between the two retail areas. This is an example where more integrated planning between the two sites could result in better transitions between land uses.

**Development Agreement.**

Covell Village partners should make a significant financial commitment toward the construction of a downtown parking structure.

**Process**

To address these proposed project changes and respect the project review timeline, staff recommends the applicants begin working with staff immediately to begin revisions to the project layout. Staff believes that the changes are within the scope of analysis prepared in the Draft EIR and additional environmental review will not be required.