



Staff Report

July 21, 2004

TO: Business and Economic Development Commission

FROM: Bill Emlen, Community Development Director
Katherine Hess, Community Development Administrator

SUBJECT: Covell Village Application

Recommendation

Staff recommends the Business and Economic Development Commission listen to an applicant presentation, take any public comment, and if time allows, provide comments on the project or add to the list of issues.

Staff would anticipate the project applications to return to the BEDC for formal recommendations this fall.

Background

The city is processing applications for the “Covell Village” development proposal, at the northwest corner of Covell Boulevard and Pole Line Road. The project includes 1,475 residential units and 210,000 square feet of non-residential uses, plus parks and open space, a school site, and a fire station site. The total developed land would be 383 acres. More detailed information on all components of the project is at www.cityofdavis.org/covell. The project would require support of both the City Council and the voters to be approved.

The applications are being considered through three processing tracks:

- **CEQA** – An Environmental Impact Report is underway, as required by the California Environmental Quality Act. The environmental consultant should have the Draft EIR available for public review in fall 2004.
- **Policy** – Extensive public outreach is proposed for the policy review. The project applications will be scheduled for review by several city commissions, including the BEDC.
- **Technical** – City staff are evaluating issues such as street width, accommodations for waste removal, street lighting, and zoning standards. This track also includes an analysis of the likely impacts the project would have on the City of Davis capital and operating budgets.



The environmental review is proceeding ahead of the policy review so that the information from the EIR will be available during commission and public discussions.

BEDC Issues

The primary aspect of the project that relates to the BEDC's mission is the "Village Center" area. The mixed-use area would include the following uses:

Use	Total Sq. Feet
Retail	58,212
Office	43,300
Work/Live Business	29,150
Work/Live Residence	26,400
Apartments	16,550
Church	9,720
Health Club	30,000
Meeting	11,250
Daycare	2,800
Hotel	38,655
Restaurant	6,000
Gas Station (west of main Village Center)	3,600

A preliminary site plan is included in Attachment 1.

Staff has identified the following issues as deserving of BEDC review:

1. Are the amount and type of retail consistent with City goals? What changes to the project should be considered? What components should be retained?
2. Is there an appropriate interrelationship with Oak Tree Plaza and any potential retail proposed for Con-Agra site? Could retail uses be more effectively situated and configured if the sites were planned in a joint fashion?
3. Are there appropriate opportunities for job-generating activities?
4. How much flexibility is desired in zoning for nonresidential areas?

Specific questions asked of the BEDC for this meeting are:

1. Should we add to or refine the list of issues?
2. What additional information will be required for the Commission to make recommendations on these issues to the City Council?
3. Do commissioners have any preliminary comments on resolution of these issues?

The remainder of the staff report provides background information on each of the four issues.

1. Are the amount and type of retail consistent with City goals? What changes to the project should be considered? What components should be retained?

Policy Background

- Develop a broad range of services and businesses to meet the daily needs of Davis citizens for employment, shopping, education, and recreation. (General Plan Vision 7)
- Site local services, retail and recreation strategically to minimize the lengths of trips and to facilitate walking, bicycling and transit use as alternatives to auto use. (General Plan Principles Used in Creating Land Use Map 6)
- Focus community-serving retail uses in the Core Area and to a limited extent in areas designated Neighborhood Retail and General Commercial. General Commercial areas are intended to provide for primarily commercial service uses and may allow moderate size community retail stores subject to discretionary review. (General Plan Principles Used in Creating Land Use Map 18)
- Maintain and enhance the Core Area as a vibrant, healthy downtown that serves as the city's social, cultural and entertainment center and primary, but not exclusive, retail and business district. (General Plan Goal ED 1)

Staff notes

- The conceptual site plan could accommodate two 12-15,000 square foot retail uses, although this is not reflected in the preliminary building layout.
- The applicant has raised the possibility of including an extended stay hotel in the project. A small hotel of this nature would not be expected to include its own restaurant and gym, but might contract with nearby businesses to provide these services.

2. Is there an appropriate interrelationship with Oak Tree Plaza and any potential retail proposed for Con-Agra site? Could retail uses be more effectively situated and configured if the sites were planned in a joint fashion?

Policy Background

- Make decisions on City policy with an understanding of regional impacts. (General Plan Vision 12)
- Integrate land use, economic development, environmental, and transportation planning. (General Plan Goal LU 3)
- Address transportation policy-making in a balanced, objective way. (General Plan Goal MOB 7)

Staff notes

- Oak Tree Plaza includes the 40,000 square foot Nugget Market, Long's Drugs, and approximately 50,000 square feet of other retail and office uses.
- The Covell Village proposal includes pedestrian/bicycle tunnels under Covell Boulevard to Oak Tree Plaza, and significant improvements to Covell Boulevard itself.
- The Con Agra site includes 50 developed and 50 undeveloped acres. Currently, sole vehicle access to the site is from the Covell Boulevard entrance opposite J Street.
- The Covell Village proposal would allow vehicle connections to the Con Agra site at the Picasso, Donner, and Moore extensions.
- Because it is already within the city limits, future development on the Con-Agra site is not subject to Measure J voter approval.
- On Friday July 16, Lewis Planned Communities submitted a pre-application for a development with 25 acres of community serving retail, 15 acres of office/business park, 15 acres of parks and open space, and 45 acres of higher-density residential. Lewis Operating Corp. states a desire to cooperatively plan for open space, and internal circulation, and other elements for the two future neighborhoods.

3. Are there appropriate opportunities for job-generating activities?

Policy Background

- Promote economic vitality by developing a diversity of business enterprises. (General Plan Vision 7)
- Retain existing businesses and encourage new ones as means to increase higher paying jobs, create greater job diversification, and create a more balanced economy for all economic segments of the community, while also maintaining the City's fiscal and environmental integrity. (General Plan Goal ED 3)
- Provide economic development to satisfy the needs of the community, including retail development and diverse job opportunities, and to assist in the fiscal stability of the city. (City Council draft goals 2004-06)

Staff notes

- The project proposal includes 43,300 square feet of office uses and 29,150 square feet of "work/live business" in addition to the health club, hotel, restaurant, and other retail.
- The applicant has stated a goal of providing opportunities for purchase of smaller office, retail, and mixed-use buildings by individual business owners and investors.

4. How much flexibility is desired in zoning for nonresidential areas?

Policy Background

- Maintain the General Plan and the City's overall planning process as a dynamic, responsive document. (General Plan Goal IMP 1)
- Promote progressive, innovative and effective citizen-based planning and participation. (General Plan Goal IMP 2)
- Encourage innovative and high-quality building and landscaping design throughout the city. (City Council draft goals 2004-06)
- ...baseline project features and requirements such as recreation facilities, public facilities, significant project design features, sequencing or phasing, or similar features...cannot be eliminated, reduced or significantly modified without subsequent voter approval. (Measure J)

Staff notes

- The applicant's proposal provides extensive detail on design and square footage of various uses in the Village Center. The extent to which the identified uses are "frozen" in land use entitlements depends on the amount of flexibility provided in the Measure J description and zoning for a project.
- The applicant is preparing draft zoning and design guidelines to be incorporated into the application package. Processes for review of individual buildings and uses have not been established.

Attachments

Applicant information on Covell Village and Village Center
Covell Village FAQ



Commercial

July 17, 2004

VILLAGE CENTER

The applicants seek to create a “walkable” pedestrian and bicycle friendly village hub, implementing “New Urbanism” concepts as set forth in the SmartCode. The Village Center is located in the southeast portion of the site and includes mixed neighborhood commercial and residential uses that complement and strengthen the adjacent Oak Tree Plaza. Desired businesses for Covell Village which can bring needed tax revenue to the city include cafes, hairdressers, copy shop, convenience store, specialty retail, cleaners, service station, restaurants, and other similar businesses. There is space for two mid-sized retail stores ranging in size from 12,000 to 20,000 square feet each. A variety of mixed uses such as offices, live-work units, art venues, non-profits, postal services, and medical clinics are also expected to be located within the Village Center. These facilities are clustered into a central mixed-use core. Approximately 40 small apartments would be located in the upper floors above retail and office spaces. A conceptual plan for the Village area has been prepared and appears as the attached Conceptual Village Plan .

TOWN CENTER PARKING REQUIRED AND PROVIDED

<u>Parking Lot</u>	<u>Number of Spaces</u>
Lot A	141
Lot B	105
Lot C	61
Lot D	85
Lot E	74
Off-Street Parking	215
Total	681

	<u>Total Sq. Feet</u>	<u>Required Parking</u>	<u>Provided</u>		
Retail	58,212	194	194		
Office	43,300	108	108		
Work/Live Business	29,150	73	73		
Work/Live Residence	26,400	30	30		
Apartments	16,550	30	50		
* Church	9,720	50	0		
Health Club	30,000	50	50		
Meeting	11,250	50	50		
Daycare	2,800	6	6		
Hotel	38,655	60	60		
Restaurant	6,000	60	60		
** Gas Station	3,600	NA	NA		
Total	275,637	711	681	Deficit	30

- * Off-Peak parking
- ** Required parking on-site

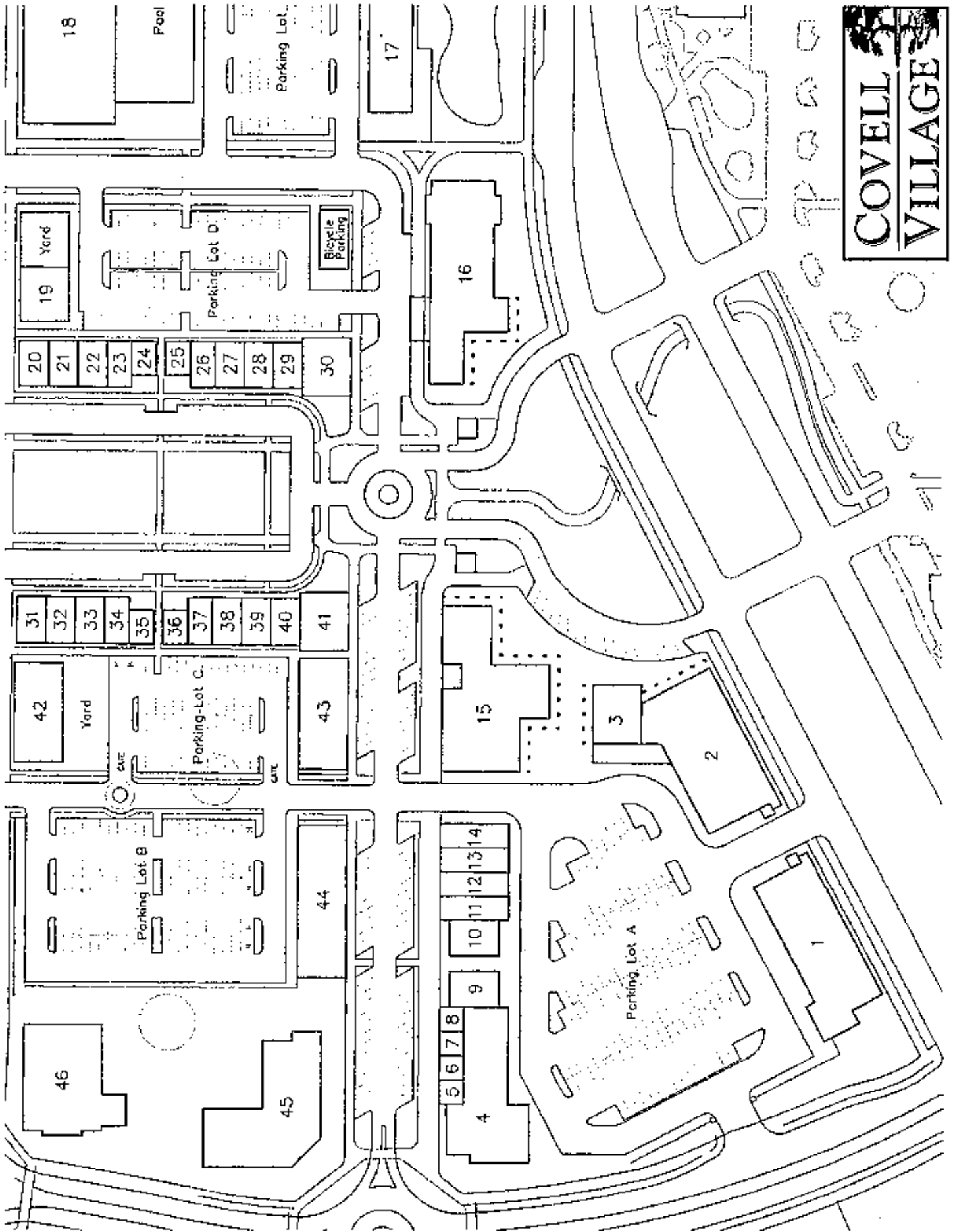


July 19, 2004

TOWN CENTER BUILDING SQUARE FOOTAGES - July 19, 2004

	<u>First Floor (Sq.Ft.)</u>	<u>Second Floor (Sq.Ft.)</u>	<u>Third Floor (Sq.Ft.)</u>
1 Retail	10,242		
- Retail	12,820		
Retail w/office above	2,700	3,400	
4 Retail	8,415		
5 Retail	565		
6 Retail	565		
7 Retail	565		
8 Retail	565		
9 Retail	1,640		
10 Retail	1,640		
11 Retail	1,575		
12 Retail	1,575		
13 Retail	1,575		
14 Retail	1,575		
15 Retail w/office(2nd) & apts.(3rd)	11,655	12,300	5,625
16 Hotel	12,885	12,885	12,885
17 Restaurant	6,000		
18 Health Club	18,330	11,670	
19 Daycare	2,800		
20 Work/Live	1,425	1,300	
21 Work/Live	1,425	1,300	
22 Work/Live	1,425	1,300	
23 Work/Live	1,425	1,300	
24 Work/Live	875	750	
25 Work/Live	875	750	
26 Work/Live	1,425	1,300	
27 Work/Live	1,425	1,300	
28 Work/Live	1,425	1,300	
29 Work/Live	1,425	1,300	
30 Work/Live	1,425	1,300	
31 Work/Live	1,425	1,300	
32 Work/Live	1,425	1,300	
33 Work/Live	1,425	1,300	
34 Work/Live	1,425	1,300	
35 Work/Live	875	750	
36 Work/Live	875	750	
37 Work/Live	1,425	1,300	
38 Work/Live	1,425	1,300	
39 Work/Live	1,425	1,300	
40 Work/Live	1,425	1,300	
41 Work/Live	1,425	1,300	
42 Office	5,100	5,100	
43 Office w/apartments above	5,700	5,500	
44 Office w/apartments above	7,850	7,650	
45 Meeting	11,250		
46 Church	9,720		





COVELL VILLAGE

**Covell Village Application Review
Frequently Asked Questions
July 2004**

Why are you processing the EIR so quickly? Doesn't the project require voter approval to go forward?

The purpose of the Environmental Impact Report is to provide information to the decisionmakers for a project. The California Environmental Quality Act (CEQA) doesn't prohibit approval of a project that may harm the environment - but it does require that a public entity identify potential impacts and disclose them. We believe that it would not be fair to the voters to ask them to make a decision on a project without have the data on the environmental impacts.

Measure J requires that the environmental review be completed before a project is submitted for a vote. The City Council must also approve a project for it to go forward for Measure J vote, and California law requires the environmental review be completed before the City Council can take action on a project.

How big is the project? How does that compare to other recent developments?

The proposal includes approximately 1,475 residential units and 210,000 square feet of non-residential uses, plus parks and open space, a school site, and a fire station site. The total developed land would be 383 acres.

Some other developments in Davis include

Aspen: 321 single-family and 347 multifamily units, plus park, school, office, and pond sites. The project is 111 acres for all land uses.

Wildhorse: 642 single-family and 209 multifamily units, plus golf course, neighborhood parks, and school site/Nugget Fields. The project is 424 acres, including the golf course and horse ranch.

Mace Ranch: 1,256 single-family and 389 multifamily units, plus park, school, and extensive commercial uses. Land for development totals 547 acres, not including the Frontier Fertilizer and Signature areas.

Who would be living in the housing that's proposed?

The proposal includes approximately 1,475 residential units. The breakdown includes

- 893 single-family detached houses
- Approximately 200 apartments, including 35% affordable units
- 185 Senior-only homes (likely single-family attached and detached)
- 7 acres to be dedicated for affordable housing
- 130 beds at the Senior Core Facility
- 94 other units, including those in mixed-use and co-housing buildings

For the fiscal analysis, we are assuming that the single-family home prices will range from \$250,000 to \$960,000 per unit. The average estimated home price would be in the range of \$600,000 per unit, based on comparable home and lot sales in the current real estate market. The senior and co-housing units are anticipated to be approximately \$400,000 per unit. Actual sales prices would depend upon market conditions at the time of development.

The applicant is proposing a Housing Trust to provide loans up to \$50,000 to buyers of up to 134 of the single-family units, with the goal of making them affordable to people who work in Davis. The City has contracted with a consultant to evaluate the proposed Housing Trust to determine whether it will provide sufficient benefit to reach the target households and whether it will be sustainable over the long term.

What's the city's position on whether the project should go forward?

The City does not have a formal position on the project. Planning staff have concluded that this location is a logical place for new development, if it is to occur. Outstanding questions are whether this is the appropriate time for that development, and whether the proposed project provides the type of development that would be desired by the City.

The City Council cannot take a position on the project until the environmental review and public hearings are completed. The Council did identify this location as a possible development site, and directed that the applications be processed through to hearing.

Traffic is already bad. Won't this project make it worse? How can the city consider that?

The project's potential impacts on traffic will be a significant component of the Environmental Impact Report for Covell Village. The EIR will include a traffic study that will describe existing traffic conditions, including a summary of the existing and planned regional and local transportation network. The traffic study will also conduct an analysis of the existing plus project scenario and cumulative traffic scenario, based on other foreseeable changes (such as Spring Lake, in Woodland and opening of the new Harper Junior High School). Should any significant traffic impacts be identified, the traffic study will propose mitigation measures to reduce impacts to a less-than-significant level. Other issues that will be addressed in the traffic study include traffic hazards due to design features, emergency access, and transit and bicycle facilities.

The City Council (and the voters, in this instance) would have the ability to approve a project, even if it makes traffic worse. The Council and community would need to determine that the benefits of the project outweigh the environmental disadvantages.

Are you doing the traffic analysis in the summer? Everybody is gone then.

The calculations for the traffic analysis are being done this summer. The analysis will use surveys and counts of existing traffic that were completed in early 2003.

How does the agriculture mitigation work?

The applicant would purchase conservation easements on the land for the agricultural mitigation parcels. If the applicant were to purchase the land outright, it could be subsequently sold subject to a conservation easement. The applicant states that the parcels to the north of the Covell Village site are under option for purchase by the applicant; whether the options are exercised would be determined through the development review process.

What determines whether a school is built on the proposed school site?
The applicant proposes that the Davis Joint Unified School District acquire ten acres within the development. The EIR envisions some type of school facility on the site. The applicant has suggested a satellite high school, similar to that envisioned for the UC Davis new neighborhood, be located on that acreage.

The Davis Joint Unified School District anticipates that if the district acquires this land, the district would incorporate it into its facilities planning and use. The timing and use would depend on what the students of the district need relative to school facilities. It is premature for the district to comment further until the discussions with Covell Village Partners have concluded.

How quickly would the project be built? What is the current city growth policy? How much development has occurred in recent years?
The applicant is proposing a 5-7 year phasing plan for the single-family residential units. The multifamily and nonresidential areas would not be subject to phasing limitations.

The City Council is considering a goal of 250 residential units per year. The documents to establish this goal are expected return to the Council this fall for formal review and adoption.

Recent development activity includes

Fiscal Year	Single-family permits	Multifamily permits
1998/99	489	505
1999/2000	414	238
2000/01	264	125
2001/02	119	55
2002/03	66	310
2003/04	77	98