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Title: DISCUSS AND CONSIDER THE VISION PLAN FOR THE 640 ACRES SURROUNDING THE 157 ACRE FORMER CAL COMPACT SITE (CITY COUNCIL)

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Attachments: 1. Exhibit No. 1 - Vision Plan, 2. Exhibit No. 2 - 2016-041, 3. Exhibit No. 3 - Carson Vision Plan, 4. Exhibit No. 4 - Carson Vision Comments, 5. Exhibit No. 5 - EIFD_legend, 6. Exhibit No. 6 - Reso 16-122

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Report to Mayor and City Council

Tuesday, September 06, 2016

Discussion

SUBJECT:

DISCUSS AND CONSIDER THE VISION PLAN FOR THE 640 ACRES SURROUNDING THE 157 ACRE FORMER CAL COMPACT SITE (CITY COUNCIL)

I. SUMMARY

In January 2016, the Carson City Council placed a moratorium on land use approvals on 640 acres surrounding the former Cal Compact 157 acre site. Since that time, staff has been preparing a new Vision Plan to guide future development in the moratorium area. With the assistance of PlaceWorks and Kosmont Companies, staff met with property owners to evaluate existing conditions and consider economic development opportunities for the area. The Vision Plan includes a cohesive future development plan for the project area that considers land use, mobility, urban design, and infrastructure. The Vision Plan is the first step in transitioning the area into more upscale land uses and identifies implementation steps to achieve this goal (Exhibit No. 1).

II. RECOMMENDATION

WAIVE FURTHER READING AND ADOPT RESOLUTION NO. 16-122, ENTITLED "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON APPROVING THE VISION PLAN, DIRECTING STAFF TO TAKE ALL NECESSARY STEPS TO IMPLEMENT

THE VISION PLAN INCLUDING PREPARATION OF A GENERAL PLAN UPDATE, A ZONING CODE UPDATE, SPECIFIC PLANS, A FEASIBILITY ANALYSIS FOR FORMATION OF THE ENHANCED INFRASTRUCTURE FINANCING DISTRICT, ALL NECESSARY CALIFORNIA ENVIRONMENTAL QUALITY ACT ANALYSIS RELATED TO THESE ACTIONS, AND EXTENSION OF THE TEMPORARY MORATORIUM FOR THE VISION PLAN AREA TO FROM DECEMBER 15, 2016 TO DECEMBER 15, 2017”

III. ALTERNATIVES

None

IV. BACKGROUND

On December 15, 2015, the Carson City Council extended a temporary moratorium on new development within the 640-acre area around the 157-acre former Cal Compact landfill site until December 15, 2016 (Exhibit No. 2). Initially, the purpose of the moratorium was to develop land use strategies with the anticipated development of the NFL stadium. As the NFL decided to locate the stadium elsewhere, the City Council still determined the moratorium was necessary to develop different land use strategies surrounding the 157 acre site which is now owned by the Carson Reclamation Authority.

On December 15, 2015, the City Council authorized the preparation of the Vision Plan. The City engaged PlaceWorks, a planning firm, and Kosmont Companies, a financial advisory and economic development firm to assist staff in preparing the Vision Plan. Staff and the consultants (Staff) worked strategically with the community and property owners to prepare a cohesive future development plan for the project area that considers land use, mobility, urban design, and infrastructure. The Carson Vision Plan is the foundation of future efforts to set the stage for the revitalization of the area. On July 26, 2016, the Planning Commission considered the Vision Plan and recommended its approval to the City Council (Exhibit No. 3).

There are two catalysts for the revitalization of this area. First is the opening of the Porsche Experience Center on October 1, 2016. The second is the future development plans for the 157 acres. On July 5, 2016, the City entered into an Exclusive Negotiating Agreement with CAM-CARSON LLC, an entity of Macerich, one of the largest shopping center developers and owners in the country. Macerich is proposing to develop a 585,000 square foot, high fashion regional outlet mall, immediately adjacent to the I-405 Freeway on a 46-acre portion of the 157 acres. The outlet mall will include 150 stores and provide 1,800 permanent jobs and 1,700 construction jobs.

Study Area

The majority of the study area historically functioned as a regional location for less desirable land uses (landfill, waste transfer station, recycling, storage, etc.). As a result, approximately half of the study area has some form of environmental constraint which may impact future development potential (in particular, all vacant properties in the area have environmental constraints). However, the Study Area enjoys a great location with access to two major freeways (I-405 and I-110) with high visibility from some of the South Bay's most traveled freeway corridors. Other land uses in the area include industrial, commercial, office, and open space uses.

Existing Conditions Assessment

As a starting point in development of a vision for the study area, Staff conducted a high-level analysis of existing conditions. The Staff evaluated existing uses, buildings, infrastructure, environmental constraints, accessibility, and visibility in terms of opportunities and constraints for future development.

Demographic and Market Analysis

Kosmont Co. conducted a demographic and market analysis in order to better understand the market potential based on factors such as the regional trade area, vacancy rates, rental rates, retail sales, household size, household income, and population growth. Key findings revealed that:

- There is a surplus in many retail categories;
- There are retail voids in areas such as food stores, clothing stores, and electronics and appliance stores;
- There is a limited hotel market;
- Office vacancy and rents are trending higher;
- Multifamily residential vacancy is trending lower and rents are trending higher (up 20% since 2012); and
- Industrial vacancy is trending lower and rents are trending higher.

Community Outreach

The Vision Plan is a product of discussions between the Staff and property owners. This effort is the first step in developing a cohesive land use, mobility, and economic vision for the area. In early 2016, Staff hosted two landowner workshops for the area's property owners to better understand what's working and not working for property owners, learn about any upcoming plans to expand, redevelop or relocate, and hear how they envision the future of the project area. In addition, the City staff and PlaceWorks held follow-up discussions with key stakeholders in the area.

At the March 29, 2016 Workshop, the Staff presented an overview of the Vision Plan process and described the opportunities and constraints associated with each Planning Area. Following the brief presentation, Staff facilitated a discussion with the group to

answer the questions outlined above. Based on the feedback provided, the project team prepared a Draft Vision Plan for the study area.

On May 3, 2016, Staff hosted a second workshop for property owners in the study area and presented a draft of the land uses recommended for each subarea and collect their input on the proposed uses. The team also highlighted key opportunities and constraints and identified potential implementation strategies. Landowners in attendance were generally comfortable with the uses proposed for the study area, and did not recommend any significant changes.

A series of follow-up one-on-one interviews with individual property owners within the project area were held to better understand the perspective of the variety of land user and major stakeholders. It was important to understand the needs related to health care (Kaiser), office and commercial development (Watson Land), and office development. Finally, on June 2, 2016, staff presented the Vision Plan to the Economic Development Commission (EDC), which supported the effort.

One of the most significant projects, and perhaps the first project that will be considered as part of the implementation of Vision Plan, appears to be development of Planning Area 6C. Staff has been working with the Kott Family Trust representatives on their future plans for this 14 acre parcel. The vision Plan proposes mixed use development with a combination of high density residential units and commercial development. The Kott Family Trust has provided staff with attached letter, and they are currently working on a plan that could potentially include higher intensities than proposed by the Vision Plan (Exhibit No. 4).

Vision Plan

The Vision Plan document includes the background information, analysis, community outreach, and land use vision and implementation actions (Exhibit No. 1).

Plan Areas

The study area is organized into six Planning Areas along with the gateways into the study area and the view corridors. The preparation of the Vision Plan for Carson was a collaborative process involving community members, business and property owners in the project area, the Carson City Council, and staff. Based on the Market Analysis, review of environmental constraints, and feedback received from project stakeholders, Staff developed a land use Vision Plan for the entire study area. The Vision Plan further subdivides the study area into 18 “subareas”, each with their own preferred mix of uses, implementation strategy, and associated public improvements. Proposed uses in the study area include a range of commercial, industrial, residential, and mixed-use development.

Development Potential

In order to better understand the development associated with the land uses outlined in the Vision Plan, custom target densities and intensities have been identified for each subarea. The potential development capacity for the study area, if all parcels redeveloped, could be approximately:

- 2,344 residential units

- 1.2M square feet of commercial building space
- 4.8M square feet of industrial building space
- 500K square feet of office building space
- 120K square feet of other types of building spaces
- 225 hotel rooms

Implementation Actions

The Vision Plan includes several implementation tools to assist in realizing the goals of the Vision Plan including:

- Planning and Development Actions
 - Update Existing Regulations to Incentivize New Investment
 - Support Strategic Redevelopment Opportunities
 - Development Reserve
 - Revised Interim Uses
- Funding and Financing Tools
 - Target Key Public Infrastructure and Service Needs
 - Develop Infrastructure and Services Financing Options

Next Steps

Updating General Plan and Zoning Code

The City's General Plan and the City's Zoning Code set the rules for future development of the City. In recent years the City's direction has changed toward new development. The City would like to have high quality development that is supported by adequate infrastructure and services. In addition, the City would like to create a vibrant community for the residents, people who work in the City, and its visitors. Both the General Plan and the Zoning Code need to be updated to assist the City to realize this vision.

Preparation of Specific Plans

The implementation of the Vision Plan will require preparation of at least two Specific Plans. Planning Areas 5B and 6 A, B, and C will require the preparation of specific Plans. Depending on the timing of the redevelopment of these areas, the City or the developer will have to prepare the Specific Plans to establish the land use, zoning standards, and design

guidelines.

EIFD Feasibility Analysis

These implementation measures will result in updating of the City's General Plan and Zoning Code, preparation of Specific Plans, and the preparation of the corresponding CEQA documents. In addition, establishment of an enhanced Infrastructure Financing District (EIFD) will be necessary to fund City public infrastructure such as corridor landscaping enhancements, gateway monuments, and street furniture as well as County facilities such as a fire station or expansion of the sheriff's facility. EIFDs are fairly a new financing tool that relies on tax increment based on increased values as a result of new development (somewhat similar to redevelopment tax increment). One of the major differences between EIFDs and redevelopment tax increment is that if the City wants to collect more than the City's own small property tax allocation (6.7% of the statutory 1%), it would need to negotiate with other taxing agencies such as the County and the Fire District to take part in the EIFD by pledging a portion of their property tax increment. The City would have to establish boundaries of the EIFD. These boundaries do not have to be contiguous. The Vision Plan area would naturally be included within the boundaries. Staff has also included other possible properties that may be included in the EIFD (Exhibit No. 5). It should be noted that inclusion in an EIFD does not increase the tax burden on the property owners but only serves as an allocation of the existing property tax paid by property owners.

CEQA Analysis

In order to update the City's General Plan and Zoning Code, prepare Specific Plans, and conduct the feasibility analysis for the EIFD, CEQA analysis needs to be completed for all the projects. These large projects will require preparation of at least one EIR and several environmental documents.

Additional Staff

The tasks identified above are a major undertaking for the Planning Division. The Planning staff simply does not have the resources to take on a project of this scale. A dedicated staff will be necessary to manage these projects.

Moratorium

On January 19, 2016, the City Council adopted Ordinance 16-1578 to extend a temporary moratorium for the Vision Plan Area to December 15, 2016. Since the implementation of these tasks will take additional time, in a future meeting staff will be requesting the City council to extend this moratorium to December 15, 2017 (Exhibit No. 6).

V. FISCAL IMPACT

The adoption of the Vision Plan itself does not have a fiscal impact. However, the implementation of the Vision Plan, including updating the City's General Plan and Zoning Code, EIFD feasibility analysis, and all related CEQA analysis will require significant

expenditures. Furthermore, a dedicated staff will be necessary to manage these projects. The total cost to complete these tasks will be presented to the City Council at later meeting. A major portion of this cost will be paid by the newly adopted General Plan and Zoning Code Update Surcharge, which was adopted in the 2016-17 Fiscal Year Budget.

VI. EXHIBITS

1. Vision Plan (pgs. 7-35)
2. City Council Staff Report, January 19, 2016 (pgs. 36-101)
3. Planning Commission Staff Report, July 26, 2016 (pgs. 102-106)
4. Kott Family Trust, August 25, 2016 (pg. 107)
5. Enhanced Infrastructure Financing Districts (pg. 108)
6. Resolution No. 16-122 (pgs. 109-110)

1.

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