

AGENDA REPORT

Meeting of the San Marcos Planning Commission

MEETING DATE: January 17, 2017
SUBJECT: University District Holdings II, LLC - Corner@2Oaks ("Phase 1" commercial center with restaurant/retail and office uses)
CASE Projects: P 16-0023: SDP 16-004/ND 15-005
Assessor Parcel Numbers (APNs 220-190-54-00, 220-190-55-00, 220-190-56-00)

Recommendation

Recommend to the City Council approval of a Site Development Plan and adoption of a Mitigated Negative Declaration (ND15-005) with a Mitigation Monitoring & Reporting Program to allow the development of a 13,499 square foot two story office/retail building and a single story 6,500 s.f. of restaurant.

Introduction

Since 2007, the City has approved three variations of site plans to allow development on the roughly twenty acre site that is generally located between San Marcos Boulevard, Twin Oaks Valley Road, SR-78 and the Meadowlark Apartments (to the west), with the most recent approval in 2014. Uses in the project vicinity include a gas station, union hall, and commercial center to the north; Civic Center Plaza (i.e., commercial/retail) to the east; medium high density residential (Meadowlark Apartments) and San Marcos Creek to the west; and Highway 78 to the south.

Discussion

The existing entitlement that is in place (SDP 14-005, TPM 14-002 and Conditional Use Permit (CUP 14-008)) allows for development of the 19.26 acre site in two phases (i.e., "Phase 1" and "Phase 2"), with Phase 1 generally being the northern portion of the site and Phase 2 on the southern portion of the site (as shown in Attachment G). The Phase 1 portion of the site included a four story, 116 room hotel (currently under construction), a three-story Class "A" office building with 39,674 square feet, and a single-story retail building consisting of 8,031 square feet. Phase 2 consisted of 35,000 square feet of office use, 15,000 square feet of retail shops and 5,000 square feet of restaurant uses. The approvals indicated the developer would refine the architectural and site plan configuration for Phase 2 at a later date. Since the project site was supposed to function as a cohesive office/commercial complex, the site shared driveway access points on San Marcos Boulevard and Twin Oaks Valley Road. The project was approved with shared parking between Phase 1 and Phase



2. The project required the shared parking between Phase 1 and Phase 2 be recorded in CC&Rs, which was completed in 2015.

In 2016, the applicant proposed to modify the Site Development Plan that was approved in 2014 to remove the acreage of the Phase 2 portion of the site and to modify the mixture of land uses in Phase 1, as noted in the table below. It should be noted the applicant was issued grading, improvement, and landscaping plans in accordance with the 2014 approvals; work is active on the site and it is anticipated the hotel will be completed in early 2017. In 2015, a separate application was submitted by CR TOVR Associates, LLC (P15-0012) to change the land uses on the Phase 2 portion of the site from the approved mixture of office, commercial and retail with 118 townhomes. That application is being processed concurrently with this proposal.

The project proposes to develop the remaining undeveloped portion of Phase 1 with a two-story 13,499 s.f. of office/retail building and a free-standing 6,500 s.f. of restaurant building. The table below summarizes the requested changes in uses of Phase 1 under the proposed project.

Approved and Proposed Land Use

Use	Phase 1 Approved SDP (14-005)	Phase 1 Proposed (SDP 16-004)
Standard Commercial Office	19,837 s.f.	(see combined office/retail(**))
Medical Office	19,837 s.f.	0 s.f.
Retail Shops	4,016 s.f.	(see combined office/retail(**))
Combined Office/Retail(**)	43,690 s.f.	13,499 s.f.(**)
Restaurant	4,015.5 s.f.	6,500 s.f.
Hotel(*)	116 rooms	116 rooms

(*) The hotel is currently under construction and is regulated by CUP 14-009.

The project would emphasize pedestrian access within the project, along with pedestrian access to the Civic Center Plaza, City Hall complex, and is in close proximity to the SPRINTER station on San Marcos Boulevard. The project includes a single east/west marked pedestrian crosswalk on the north leg of the Twin Oaks Valley Road/Project Access-Civic Center Plaza intersection.

The proposed land uses are allowed within the Town Center designation of the Heart of the City Specific Plan. The overall massing of the structures that were anticipated and approved with the 2014 Site Development Plan will be scaled down to be consistent with what the applicant has indicated the market can support. As such, the proposal includes a single story 6,500 square foot



restaurant structure on the northwest corner of the site and a two story 13,499 square foot office/retail building that will be located along Twin Oaks Valley Road. The exterior of this building was designed to incorporate a wide sidewalk that could accommodate outside seating. Additionally, the office building design includes a second story outdoor walkway that is oriented towards the interior parking lot in order to provide an open feel for the second story tenants. The buildings are designed to provide a variety of building materials (stone veneer, glass, stucco) to complement the hotel and the proposed residential townhomes to the south.

In 2014, the Site Development Plan was approved with a setback reduction along the frontage of both San Marcos Boulevard and Twin Oaks Valley Road reducing the required setbacks from 45 feet to 25 feet from the public right-of-way for both buildings and parking stalls. Under the Phase 1 proposed site plan the applicant is maintaining a minimum 25 foot setback for the parking spaces and structures along San Marcos Boulevard. Landscaping will be planted along San Marcos Boulevard which will also provide some screening of the parking lot.

Traffic/Project Access

Phase 1 is accessible from two (2) access driveways, one on San Marcos Boulevard and one on Twin Oaks Valley Road. Signal modifications to the intersection of San Marcos Boulevard and Pico Avenue and the installation of a new signal on Twin Oaks Valley Road are currently under construction in conjunction with previously approved entitlements on the project site. Improvements currently under construction include widening of both Twin Oaks Valley Road and San Marcos Boulevard along the project frontage, the addition of a 2nd eastbound right turn lane on San Marcos Boulevard at its intersection with Twin Oaks Valley Road, modifications to the signal at Pico Avenue and San Marcos Boulevard, and the installation of a new traffic signal on Twin Oaks Valley Road and the project access/LA Fitness driveway. A new project feature proposed with this modification is the addition of an east-west crosswalk across the midblock of Twin Oaks Valley Road at the new signal. Additional analysis was performed based on the land use change and it was determined that the intersections are forecast to operate at an acceptable level of service (LOS), LOS D or better, during the peak hours through the year 2030.



The additional analysis included both this modification in Phase 1 (retail/office reduction) and the Phase 2 land-use change (from Town Center to residential) as both were being processed at the same time. Analysis results (Urban Systems Associates (USA), Inc, 2016) concluded that the proposed changes in land use for the project would result in a decrease in trip generation and peak hour trips (19% reduction in the AM peak and 27% reduction in the PM peak). Due to the addition of the crosswalk, a queuing analysis for both project access intersections and the intersection of San Marcos Boulevard and Twin Oaks Valley Road was completed. To provide a conservative analysis, a.m. and p.m. peak hour traffic volumes were used to evaluate the impacts. The analysis did not identify any storage deficiencies for any of the intersections. It should be noted that coordination of the project access signals and the San Marcos Boulevard corridor will be necessary to optimize the signals and the cost will be borne by the applicant. Cumulative impacts that were identified in the previous MND (SCH No. 2014101043) are still applicable and fair share contributions are required at the identified locations. However, due to the reduction in trip generation, the project's proportionate fair share toward the recommended mitigation measures at these locations is lower and will be adjusted.

In summary, the proposed project would add fewer trips to the roadway network and overall impacts would be reduced. Since the proposed project would result in fewer trips than analyzed in the previous traffic impact analysis, no new traffic impacts would occur as a result of the project. No modifications to the improvements already under construction are required.

Parking

As mentioned previously in the report, in 2014 Phase 1 & 2 was under a single ownership and Urban Systems Associates, Inc. generated a traffic impact and parking analysis utilizing the Urban Land Institute (ULI) methodology to allow shared parking. The analysis concluded that shared parking would be required between Phase 1 and Phase 2 in order to meet parking demand, and a reciprocal parking agreement would be required. The CC&Rs that were recorded in 2015 included a provision for shared parking, maintenance and access.

As part of the proposed project, Urban Systems Associates prepared an updated share parking analysis for Phase 1 as part of the 2016 memorandum (Attachment D of Appendix K of ND 16-005). Phase 1 will require a total of 226 parking spaces to be shared between visitors and employees. Parking calculations were based on the ULI, Shared Parking, Second Edition and the rates utilized did not account for any adjustments that could reduce parking demand; therefore, the number of parking spaces that will be provided is conservative. It should be noted that the proposed revision to Phase 1 (SDP 16-004) land uses will still need to rely on a reciprocal parking agreement with Phase 2. Specifically, to support the mixture of hotel and commercial uses on Phase 1, a minimum of twenty one (21) spaces within the northwest portion of the Phase 2 ownership (APN 220-190-57-00) must be reserved for the exclusive use of Phase 1. The twenty-one spaces are included in the



226 parking spaces that will be provided to support the project. The existing CC&Rs will need to be modified to address the revised shared parking agreement.

Environmental Review

In accordance with the California Environmental Quality Act (CEQA), a Negative Declaration was prepared to evaluate environmental impacts resulting from implementation of the Corner@2Oaks Phase 1 (separate application – SDP 16-004) and Phase 2 revised projects. In December 2014, the San Marcos City Council approved the Mitigated Negative Declaration (MND) for SDP 14-005 (which included Phase 1 and Phase 2 commercial/office/restaurant/hotel uses). The previous environmental analysis found that all impacts were either less than significant in relation to the identified significance threshold levels, or were to be mitigated to a level of less than significant through recommended mitigation measures.

The Negative Declaration prepared for the revised projects (Phase 1 and Phase 2) identifies there are potentially significant effects but: 1) Proposals made or agreed to by the applicant before this proposed Mitigated Negative Declaration was released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur; and 2) There is no substantial evidence that the project may have a significant effect on the environment. All potential impacts are mitigated below a level of significance.

The Mitigated Negative Declaration was posted for public review from November 22, 2016 to December 13, 2016. During that public review period, the City received comments from Caltrans, the Vallecitos Water District, and the Rincon Band of Luiseno Indians. Responses to comments have been provided in the Final Mitigated Negative Declaration, however, the comments did not result in changing the conclusions/mitigation measures of the draft mitigated negative declaration.

Public Comment

The City received public comments during the public review period for the Negative Declaration, which is noted above. No other public comments were received during the processing of the application.

Attachments

Adopting Resolution PC 17-4593

- A - Vicinity Map
- B - Aerial
- C - Requested Entitlements
- D - Site & Project Characteristics
- E - Site Plan
- F - Mitigated Negative Declaration (ND 15-005)
- G - SDP 14-005 Approved Site Plan (reference only)



Prepared by:

A handwritten signature of Garth Koller.

Garth Koller, Principal Planner

Reviewed by:

A handwritten signature of Peter Kuey.

Peter Kuey, Principal Civil Engineer

Approved by:

A handwritten signature of Karen Brindley.

Submitted by:

A handwritten signature of Dahvia Lynch.

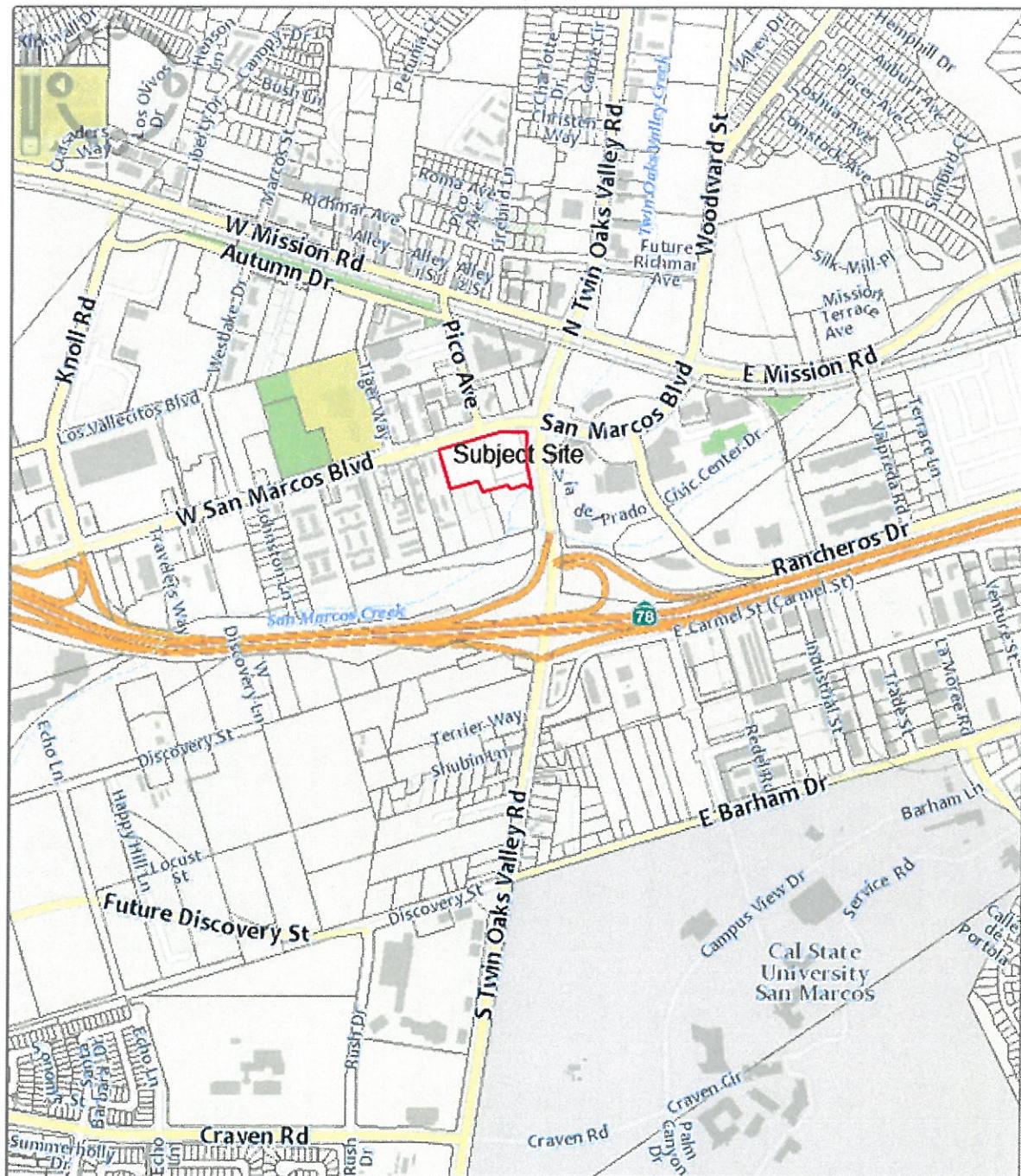
Dahvia Lynch, Development Services Director

AGENDA ITEM NO. _____



ATTACHMENT A

Vicinity Map



AGENDA ITEM NO. _____



ATTACHMENT B

Aerial



↗ North

AGENDA ITEM NO. _____



ATTACHMENT C
Requested Entitlements

- Site Development Plan (SDP 16-004)
- Adoption of Mitigated Negative Declaration (ND 15-005)

AGENDA ITEM NO. _____



ATTACHMENT D
Site & Project Characteristics

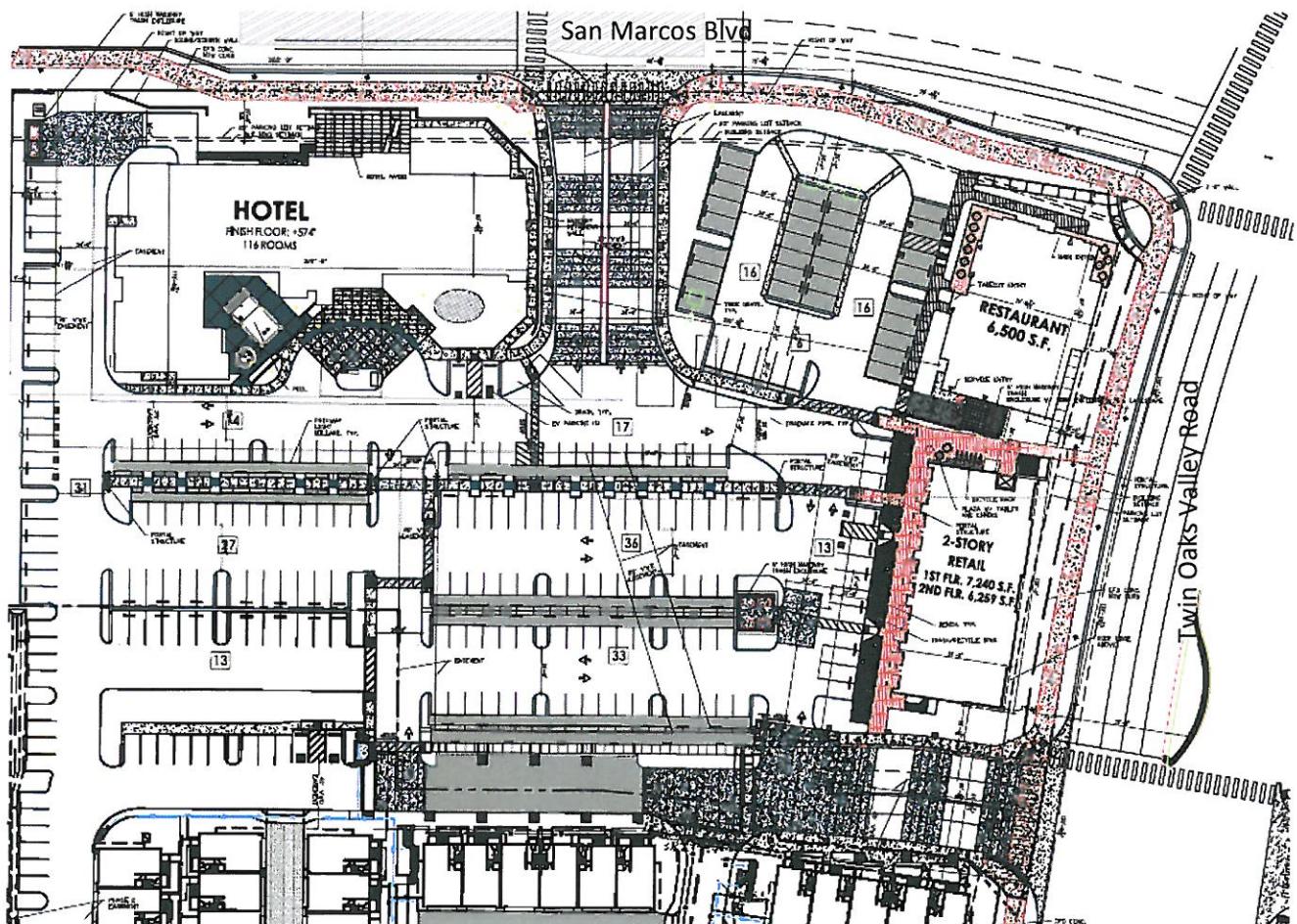
<u>Property Subject</u>	<u>Existing Land use</u>	<u>Zoning</u>	<u>General Plan Designation</u>
Subject	Vacant	SPA-HOC Town Center	SPA
North	Gas Station/Mini-mart/ Union Hall/Commercial	SPA-HOC Town Center	SPA
South	SR 78 Freeway/Office & Commercial District	University District Specific Plan/ Office & Commercial District	University District Specific Plan/ Office & Commercial District
East	Commercial Center	SPA-HOC Town Center	SPA
West	Meadowlark Apartments	R-3-6	MHDR (20-30 du/ac)
Flood Hazard Zone*	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	
Sewer	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	
Septic	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no	
Water	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	
Gen. Plan Conformance	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	
Land Use Compatibility	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	

*No structures are located within the Floodway/Floodplain



ATTACHMENT E

Site Plan



COMMERCIAL SITE PLAN

DATE: 11-10-2017

SITE INFORMATION

APPLICABLE CODES AND REGULATORY PLANS

VICINITY MAP

AGENDA ITEM NO. _____



ATTACHMENT F
Negative Declaration 15-005

AGENDA ITEM NO. _____

The Corner@2Oaks Phase 1 and Phase 2 Revisions

**Final Initial Study/Mitigated Negative Declaration
ND 15-005**



**City of San Marcos
January 2017**

**AGENDA ITEM
2**

TECHNICAL APPENDICES A – M

**Available on CD, City website
(www.san-marcos.net),
or upon request**

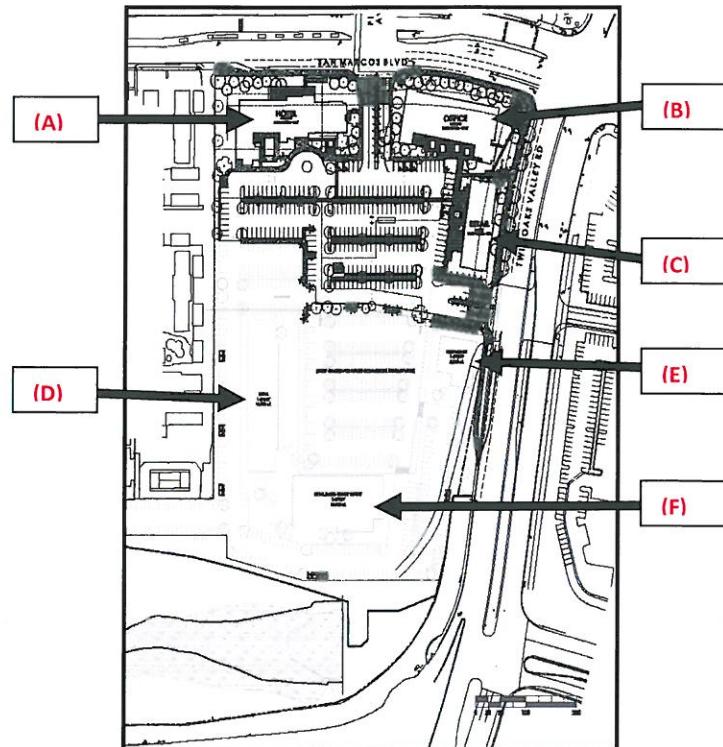
[Sign in](#) [Download](#) [...](#)

TechnicalAppendices

Name	Size	Modified
AppendixA-2014-MND	--	--
AppendixI-2014-USA-Traffic-Report	--	--
AppendixB-DraftSpecificPlanAmendment.pdf	65.66 MB	6 weeks ago
AppendixC-AirQuality.pdf	1.6 MB	2 months ago
AppendixD-HealthRiskScreening.PDF	1.1 MB	6 weeks ago
AppendixE1-GHG Memo.pdf	100.3 KB	2 months ago
AppendixE2-CAP-Worksheet.pdf	81.16 KB	2 months ago
AppendixF-Fire-Protection-Plan.pdf	2.2 MB	6 weeks ago
AppendixG-Noise.pdf	1.64 MB	2 months ago
AppendixH-Service-Provider-Letters.pdf	1.04 MB	6 weeks ago
AppendixJ-2015-MichaelBaker-Crosswalk-Memo.pdf	2.38 MB	6 weeks ago
AppendixK-2016-USA-Traffic-Memo.pdf	1.27 MB	6 weeks ago
AppendixL-2016-MichaelBaker-TrafficMemo.pdf	1.12 MB	2 months ago
AppendixM1-Water-Sewer-Study.pdf	1.02 MB	6 weeks ago
AppendixM2-Water-1Sewer-Letter.pdf	44.57 KB	6 weeks ago



ATTACHMENT G
SDP 14-005 Approved Site Plan (Phase 1 and Phase 2 reference only)



- Phase One:
 - > (A) 116 room Hotel (60,252 sq. ft.)
 - > (B) 19,837 sq. ft. of office
 - > (B) 19,837 sq. ft. of medical office
 - > (C) 4,015 sq. ft. of retail shops
& 4,015 sq. ft. of restaurant
- Phase Two (*):
 - > (D) 15,000 sq. ft. of retail shops &
(E) 5,000 sq. ft. of restaurant
 - > (F) 35,000 sq. ft. of standard commercial office