

Planning Commission Agenda Report

February 27, 2019
Item 6.b.

- SUBJECT:** Workshop for P18-0340: Stoneridge Mall Expansion and Renovation
- APPLICANT/
PROPERTY OWNER:** Stoneridge Properties, LLC (Simon Property Group)
- PURPOSE:** Workshop to review and receive comments on an application for Design Review approval to demolish the existing Sears Department store (approximately 177,930-square-feet) and parking structure and construct a 258,000-square-foot development including new retail, grocery, cinema, and specialty lifestyle health club uses (net increase of 80,070 square feet).
- LOCATION:** Stoneridge Shopping Center (1008-1700 Stoneridge Mall Road)
- GENERAL PLAN:** Retail/Highway/Service Commercial, Business and Professional Offices and Mixed Use
- ZONING:** C-R(M) – (Regional Commercial – Mall) and PUD–MU (Planned Unit Development – Mixed Use)
- EXHIBITS:**
- A. Planning Commission Work Session Topics
 - B. Development Plans and Narrative dated “Received January 17, 2019”
 - C. Development Agreement
 - D. Location and Notification Map

STAFF RECOMMENDATION

Staff recommends that the Planning Commission review the attached materials, hear public comment, and provide comments to staff and the applicant on the project.

EXECUTIVE SUMMARY

The applicant, Simon Properties, is proposing to demolish the existing approximately 178,000 square foot Sears Department store and parking structure and construct 258,000-square-feet of new buildings containing retail, grocery, cinema, and specialty lifestyle health club uses. The application is being presented to the Commission as a work session, providing the Commission with an opportunity to review the project, hear public comment, and give direction to staff and the applicant. A list of discussion topics and questions are included in the body of this report and in Exhibit A. No formal action will be taken on the application at

this time. Design review applications of this nature are subject to review and approval by the Planning Commission.

BACKGROUND

The Stoneridge Mall

The Stoneridge Mall Regional Shopping Center (Stoneridge Mall) is part of the overall mixed-use retail/office/hotel development located in the northwest area of Pleasanton defined by I-580, I-680, Stoneridge Drive, and Foothill Road. The central mall building containing a variety of restaurants, shops, and services is owned by Simon Properties and is located on its own property. Attached to and interconnected with the central mall building are five department stores, each located on its own property, including Macy's Men's Store, Macy's Women's Store, J.C. Penney, Nordstrom, and Sears (recently closed and purchased by Simon Properties).

Construction of Stoneridge Mall began in 1979 with the central mall building and the J.C. Penney, Emporium Capwell, and Macy's department stores. Nordstrom was added in 1989, Sears and its parking structure were added in 1995, and Cheesecake Factory and P. F. Chang's China Bistro were added in 2005.

Development Agreement

The Stoneridge Mall is governed by a development agreement, amended since its original approval which grants to the mall ownership vested rights to certain entitlements. In 1992, the City and The Taubman Company – original owners of the Stoneridge Mall – entered into a Development Agreement, which granted rights to the mall to expand by 178,000 square feet. In January 1998, the City approved the first Amendment to Development Agreement to further increase the Stoneridge Shopping Center by an additional 202,000 square feet, allowing for a total of 380,000 square feet of additional floor area.

In summary, the original and amended Development Agreement granted the following entitlements and restrictions to the owners of the shopping center and their successors:

- Permitted the expansion of the shopping center floor area by a total of 380,000 square feet. (The additional to-be-developed area has been “drawn down” to 362,790 square feet of floor area due to the construction of the P.F. Chang's and Cheesecake Factory restaurants.)
- Reserved 10,000 gallons per day of sewer capacity for the entire shopping center. (This capacity has been used completely by the present Stoneridge Mall retail businesses and restaurants.)
- Referenced the permitted and conditional uses of the C-R(M) District of the Pleasanton Municipal Code (PMC) for the shopping center with the applicable City approvals.
- Established parking ratios between 4.5 and 3.5 parking spaces per 1,000 square feet of floor area for retail categories unless the City approves a lesser ratio. (These parking ratios exceed the City's retail parking standard of 3.33 parking spaces per 1,000 square feet.) No other uses are specified. The City has made the interpretation that all other uses not specified as retail in the Development Agreement refer back to the Pleasanton Municipal Code.

- Required the Stoneridge Mall shopping center to participate in mitigation measures identified by the City to offset the anticipated traffic impacts if the I-680/West Las Positas Road freeway interchange is not built.
- Defined the maximum height for all new shopping center buildings as not to exceed the height of the tallest existing department store, which is currently 68 feet.
- Permitted parking decks up to a maximum height of three levels above grade.
- Identified traffic improvements to nearby intersections that could be required by the Traffic Engineer to mitigate the impact of the additional floor area on traffic operations.

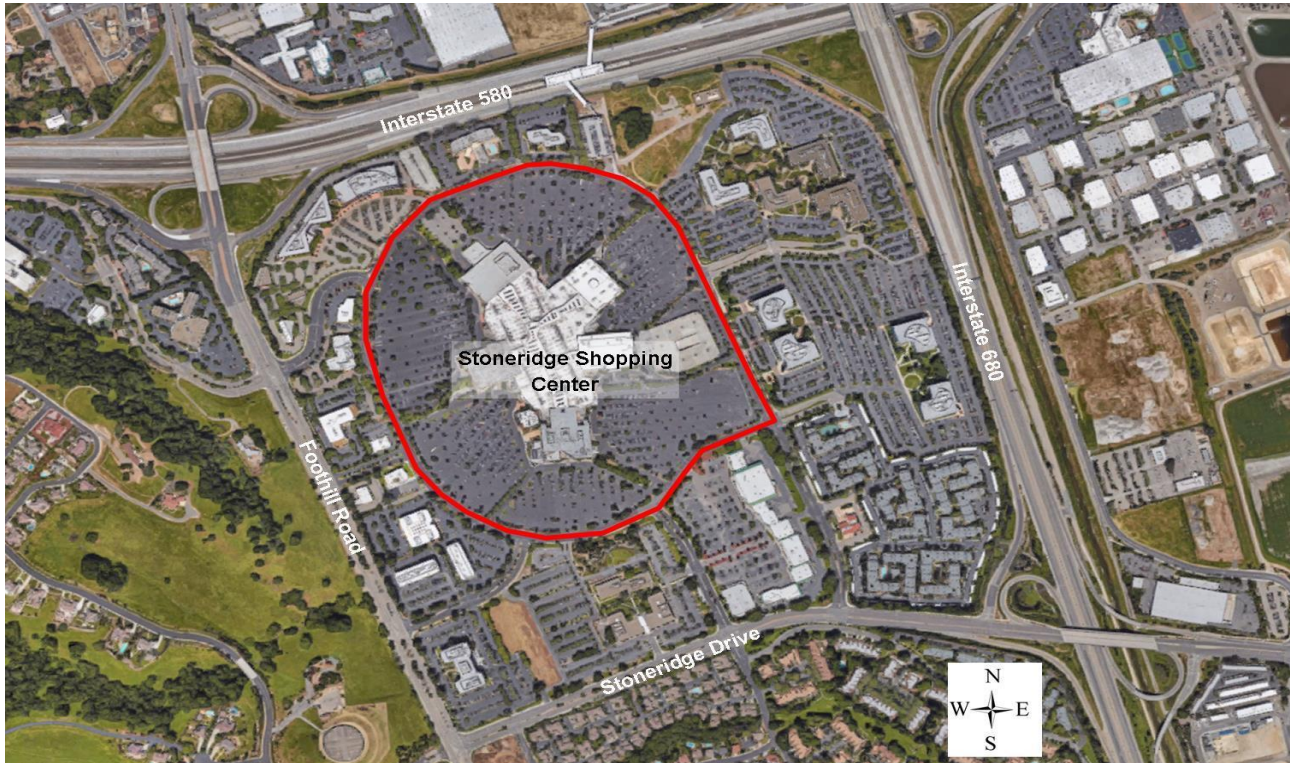
On April 21, 2018, the City Council approved an amendment to the Development Agreement to extend the term of the agreement until December 2022.

Environmental review for the Development Agreement was completed with an Initial Study/Negative Declaration and included traffic analyses which determined that the mall's traffic with the expansion will occur primarily off-peak and, therefore, would not impact surrounding streets and intersections during the critical a.m./p.m. peak-commute hours. The traffic analyses also identified improvements to Stoneridge Drive, Stoneridge Mall Road, and Foothill Road to handle the increased traffic resulting from the build-out of the building expansions allowed by the development agreements. These improvements were constructed and paid for by the major property owners on Stoneridge Mall Drive including Stoneridge Mall, Safeway, etc., through cost-sharing agreements. Staff notes that the traffic resulting from the total permitted floor area of 380,000 square feet is factored into the City's Baseline Traffic Reports and into the level-of-service (LOS) analyses for the City's General Plan update.

AREA AND SITE DESCRIPTION

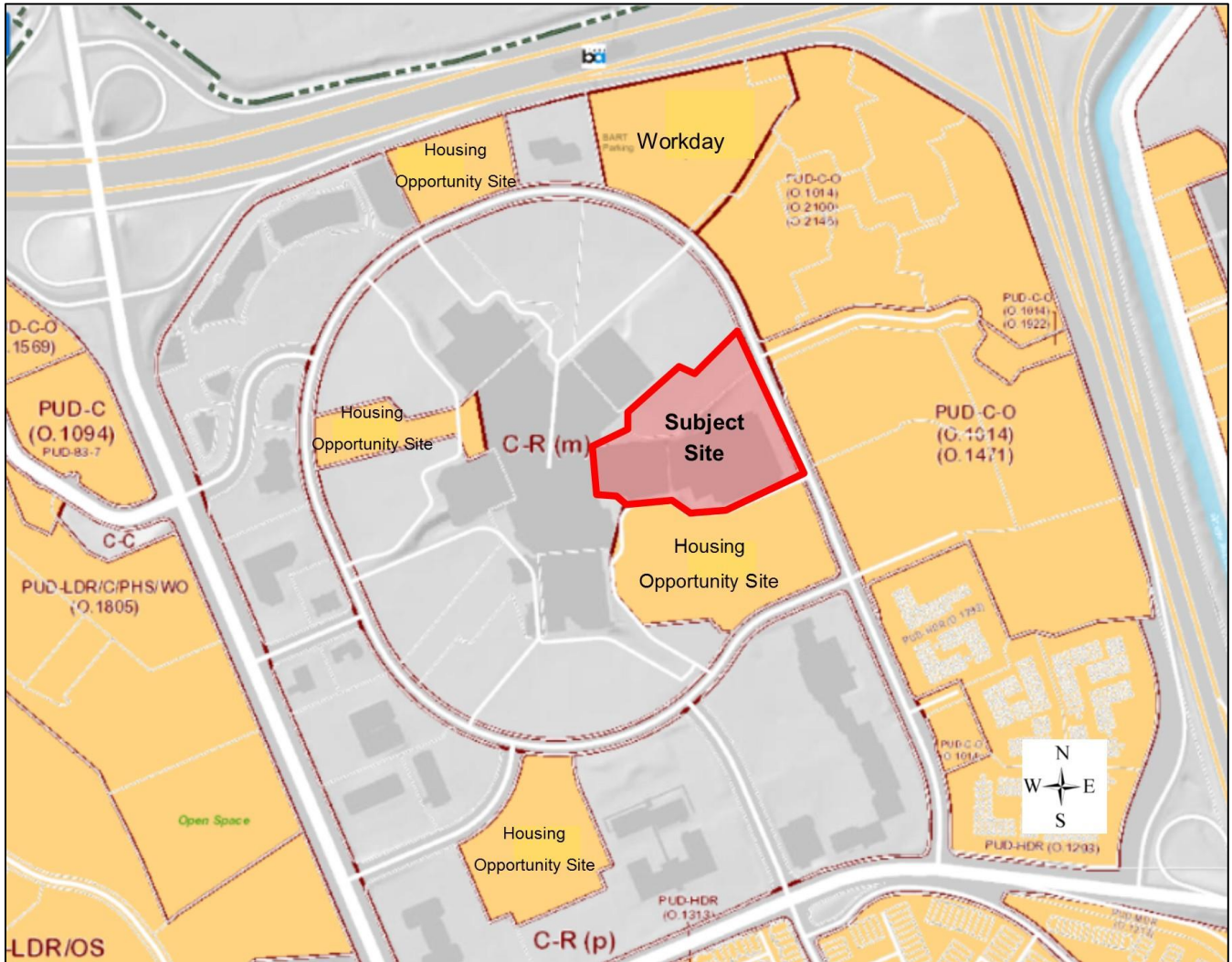
The entire shopping center is located on an oval-shaped site, comprising several individual parcels, defined entirely by Stoneridge Mall Road. Figure 1, below, shows the entire Stoneridge Shopping Center and portions of the I-580 and I-680 freeways and Foothill Road.

Figure 1: Stoneridge Shopping Center Aerial



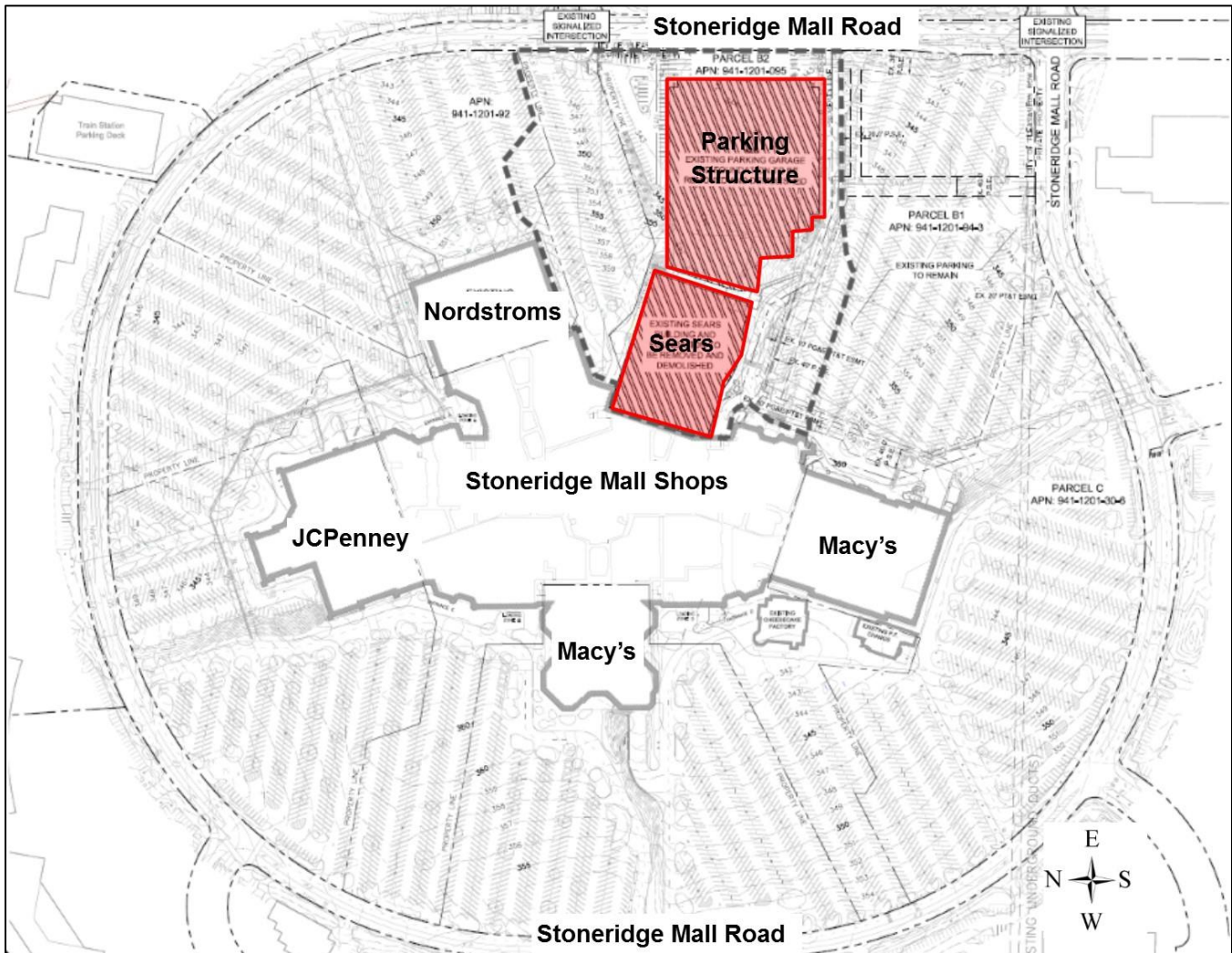
There are two areas within the mall complex that include housing opportunity sites that were rezoned to Mixed-Use as part of the Housing Element process including the parcel directly adjacent to the subject site as shown in Figure 2. Peripheral properties located between Stoneridge Mall Road and I-580, I-680, Stoneridge Drive, and Foothill Road are developed with a variety of office, hotel, medical, restaurant, and retail uses and are generally built-out.

Figure 2: Stoneridge Shopping Center and Surrounding Land Uses



The Sears parcel is located on the east side of the center and includes a 177,930-square-foot department store that closed in January 2019 and a 1,189 stall, two-level parking garage as shown below in Figure 3.

Figure 3: Buildings to be Demolished



PROJECT DESCRIPTION

The proposed project represents the first major addition/change to Stoneridge Mall since the construction of the Cheesecake Factory and PF Chang’s in 2005. The proposal as shown in Figure 4 includes the following:

- Demolition of the existing Sears Department store (approximately 177,930-square-foot) and parking structure.
- Construction of the following:
 - Three new two-story retail buildings with two levels of new mall stores, totaling approximately 59,700 square feet that will include exterior pedestrian walkways connecting to both floors of the mall.
 - A new two-story mixed-use building with an approximately 23,000-square-foot specialty grocery market and two restaurants on the ground floor and an approximately 40,000-square-foot cinema above. The cinema will also include

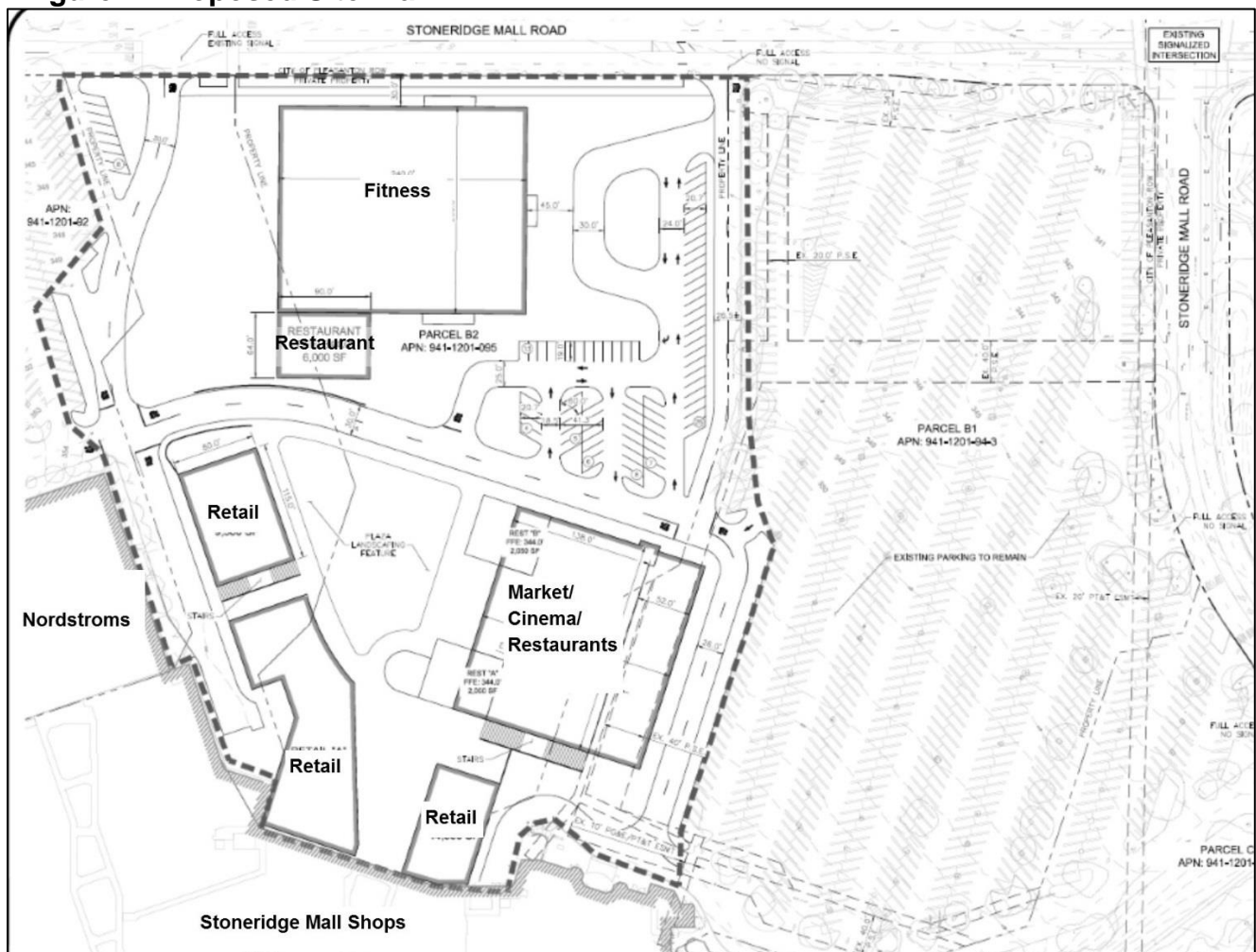
access and circulation from the retail buildings through the exterior walkway on the second floor.

- An approximately 125,000-square-foot lifestyle fitness facility with 6,000-square-foot restaurant located adjacent to Stoneridge Mall Road.
- Construction of surface-level parking, totaling 78 parking spaces, located on the south side of the new lifestyle fitness facility.
- Reconfiguration of existing parking/driveway areas to close six of the nine existing driveway openings onto Stoneridge Mall Road, and create new pedestrian and bicycle access lanes along the inner side of the Stoneridge Mall Road loop

The design application includes the preliminary design plans for all new buildings.

The overall proposal will add a net increase of approximately 80,070 square feet of building area to Stoneridge Mall, and will increase the size of the mall from 1,300,935 square feet to 1,381,005 square feet; will increase its floor area ratio from 39.9% to 42.4% – 1,381,005 square feet of total floor area on the 74.7-acre mall property; and will provide a total of 5,360 surface parking spaces, with no structured parking.

Figure 4: Proposed Site Plan



General Plan Conformance

The Pleasanton General Plan land use designation for this site is Retail/Highway/Service Commercial, Business, and Professional Offices. The maximum Floor Area Ratio (FAR) for this land use designation is 60%. The proposed FAR is 42.4%, which conforms to this standard.

Site Access, Layout and Parking

Site Access and Layout

The entire parking area will be redesigned and rebuilt in the project area. Access from Stoneridge Mall Road will be provided by three driveway openings, reduced from the nine existing driveway openings that currently serve Sears and the parking structure. On-site circulation will be configured with two main driveways from Stoneridge Mall Road to the development (one at the signalized intersection of Stoneridge Mall Road and Embarcadero Court) with connecting vehicular access and circulation into the existing adjacent parking fields. The driveway in front of the new lifestyle fitness building will function as a drop-off point for customers. The development will also include an internal road that will loop through the project and provide customer and delivery loading and unloading access for the new businesses.

The proposal would place buildings closer to Stoneridge Mall Road than those that exist today. As measured based on the site plan, the lifestyle fitness building would be set back from Stoneridge Mall Road approximately 30 feet, a decrease from that of the closest existing building, the parking structure, which is set back approximately 60 feet. New pedestrian sidewalks, bike paths, landscaping, and driveways will be located in the area between the building and Stoneridge Mall Road. As currently shown on the plans, the area between the street and building would include an 8.5-foot wide landscape strip, 12-foot wide pedestrian/bike path and 10-foot wide landscaped area. The new pedestrian/bike path and planter strip along the inner part of Stoneridge Mall Road would serve as the prototype for all future development within the inner loop of the Mall creating greater pedestrian access and safety from the BART station and surrounding uses.

Staff has requested the applicant provide additional area to be dedicated for right-of-way purposes for future widening of Stoneridge Mall Road. This additional dedication would require the building location to be shifted further into the interior of the site which may change the final configuration of the site and building layout.

Parking

The project would result in a total of 5,360 parking spaces for the entire Stoneridge Mall, a reduction of 1,251 spaces from what currently exists. The applicant is preparing a detailed traffic and parking study; however, staff has developed an initial analysis of parking, outlined below.

In accordance with the Development Agreement, required parking for the existing and proposed uses at Stoneridge Mall is determined as follows:

- Department stores and mall stores: 1,155,603 square feet of floor area at 4.5 parking spaces per 1,000 square feet totaling 5,200 parking spaces. (Note: restaurants, specialty grocery store, cinema floor area, and the lifestyle fitness were subtracted from the proposal's overall floor area).

- Specialty Grocery Store: 23,100 square feet of floor area at 6.7 parking spaces per 1,000 square feet totaling 155 parking spaces.
- Restaurants: 37,202 square feet of floor area at 5 parking spaces per 1,000 square feet totaling 186 parking spaces.
- Cinema: 1,000 seats at one parking space per six seats totaling 167 parking spaces.
- Lifestyle Fitness Center: Parking requirements for the proposed fitness center use are not listed within the PMC and, therefore, are considered on a case-by-case basis.

Without knowing the parking requirements for the lifestyle fitness facility at this time, the exact total number of required parking stalls for Stoneridge Mall cannot be stated with certainty. However, the other specified uses would require a total of approximately 5,708 parking stalls, with the bulk of this demand (5,200 spaces) associated with the DA's required 4.5 spaces per 1,000 square feet of department store and mall store area. The proposed 5,360 parking spaces, the overall proposal would be at least 348 parking spaces short of the number required based on parking standards established in the DA, as interpreted by the City.

However, the DA includes a specific provision allowing the City to consider parking at a lesser ratio than that stated. The Planning Commission is granted a significant degree of flexibility by the Pleasanton Municipal Code for parking requirements in the C-R District. Section 18.88.030.B.2. states:

“C-R District – Parking requirements shall be established by the Zoning Administrator and/or the Planning Commission on a case by case basis in accordance with the purposes of Chapter 18.20 of this title.”

The applicant proposes use of the Pleasanton Municipal Code's required parking ratios, as an alternative to use of the DA's standards, and believes that adequate parking will be provided for the existing mall uses and the mall expansion. The Planning Commission can determine with its design review action the parking requirements to use for the various uses of this proposal based on the City's parking ratios listed in the PMC as proposed, or other parking ratios, it determines to be appropriate.

The parking ratios stated in the Development Agreement exceed (i.e. require more parking) than the City's parking standard of 3.33 parking spaces per 1,000 square feet for retail uses. If the PMC's parking ratios were used, parking for the retail components of the mall would be reduced by 1,352 stalls (5,200 stalls required by the DA, versus 3,848 stalls required by the PMC), for a total of approximately 4,356 parking spaces. This total parking demand does not include the additional parking spaces required for the lifestyle fitness center, but the total PMC-required parking including the fitness center is unlikely to exceed the 5,360 parking spaces proposed. Using the PMC parking requirements, the required parking would be as follows:

- Department stores and mall stores: 1,155,603 square feet of floor area at 3.33 parking spaces per 1,000 square feet totaling 3,848 parking spaces.
- Specialty Grocery Store: 155 parking spaces (same as above).

- Restaurants: 186 parking spaces (same as above).
- Cinema: 167 parking spaces (same as above).
- Lifestyle Fitness Center: To be determined

As stated above, parking requirements for the proposed fitness center use are not listed within the PMC and therefore are considered on a case-by-case basis. Staff has requested a site-specific parking study for the proposed development including the fitness center to determine its parking demand. The parking study will be presented to the Planning Commission with staff's recommendation at a future public hearing.

Architecture

The Stoneridge Mall is visually defined by the architecture of its department stores, with the central mall building functioning as their "backdrop." All of the mall's department stores employ a combination of the following features in their designs:

- Building design elements have substantial vertical and horizontal plane changes creating a "sculptured" appearance.
- The predominant building material is a warm-toned, cream-colored brick applied in various patterns, e.g., running-bond, stacked bond, Flemish bond, soldier course, etc.
- Building entries are defined by projections, canopies, raised landscape planters, etc.
- Landscape planters located between the buildings and sidewalks functioning as the "building base" for the mall and providing a pedestrian scaled element along the sidewalk areas.

The new development will provide modernized mall design standards that will continue to provide defined projections, canopies, and entry features as shown in elevation examples in Figure 5. For complete elevations please see Exhibit B. The various building entrances will be two stories tall leading to an entrance lobby and are further distinguished by being recessed and curved. Stucco, patterned brick treatments with wood and metal accents, as well as detailing, and banding will be integrated into building walls as separate components, thereby creating variation and interest in the wall surfaces.

As proposed, the buildings will vary in height with Retail Buildings A and B approximately 50-feet tall, Retail Building C approximately 40-feet tall, the Grocery/Cinema Building approximately 62-feet tall, and the lifestyle fitness facility approximately 65-feet tall. All buildings would be less than the 68-foot maximum height of existing mall buildings. Substantial landscape areas are provided along Stoneridge Mall Road as well as within the interior courtyard areas creating a "green" base for the buildings consistent with the existing shopping center. While following a more modern standard design, the development has been designed to complement the mall's existing design program. Additional photo simulations for the site will be presented to the Planning Commission with staff's recommendation at a future public hearing.

Figure 5: Elevations



CONSIDERATIONS FOR THE WORKSHOP

The following section provides potential discussion topics and analysis of key items related to the project. This workshop will allow the Planning Commission to provide direction to the applicant and staff regarding any items it wishes to be addressed before the project application is formally presented to the Planning Commission. The first two questions below are topical areas where staff would find the Commission's input most helpful and the third and final question is open-ended. A list of these discussion topics and specific questions regarding the proposal are also attached to this report as Exhibit A for the Planning Commission's consideration and discussion.

Discussion Points

Site Layout and Design

The site plan has been designed so that the buildings are located along the sides of the project area creating a central courtyard open space area, and an attractive and active pedestrian and bike friendly streetscape along Stoneridge Mall Road. The improved street edge conditions will help to establish a new improved pedestrian access that will be followed with all future mall development within the inner loop.

Driveway access and circulation for the site will be through two main access driveways on each side of the development with an internal access drive aisle running north-south through the center of the project that connects the existing and proposed parking areas together. By reducing the number of driveway openings onto Stoneridge Mall Road, from nine existing openings to the three openings now proposed, staff considers this proposal to be a significant improvement over the existing circulation pattern. Reducing the number of driveway access points turning on/off of Stoneridge Mall Road in this area of the mall will improve traffic flow on Stoneridge Mall Road: access to the BART station and to the existing office developments will be improved. Staff has requested a site-specific traffic analysis for the proposed development. The parking study will be presented to the Planning Commission with staff's recommendation at a future public hearing.

Staff believes that the site plan has been thoughtfully designed to enhance the visual connectivity of the mall as well as providing a first step in improving pedestrian and bike connectivity along Stoneridge Mall Road and the surrounding area. Staff will work with the applicant to obtain the necessary details to enable review of the onsite operations such as loading and unloading of commercial vehicles as well as trash pickup and trash enclosure locations, including for the proposed grocery store which has needs that differ from the existing mall tenants. This information will be provided in conjunction with the Planning Commission's formal review of the application. Staff is requesting the Planning Commission's feedback on the overall site plan, access and circulation.

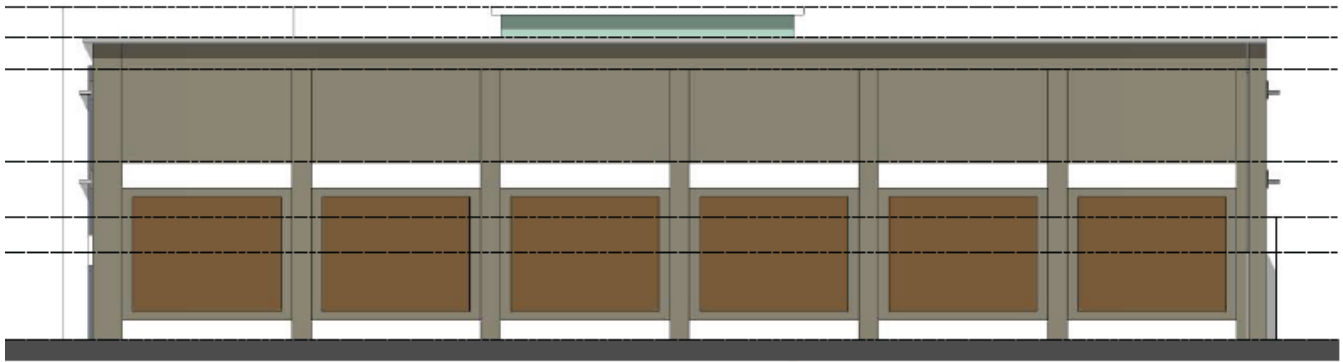
Discussion Point #1

1. *Are the overall site plan, access/circulation, and parking acceptable?*

Building Design, Colors, and Materials

The proposed project will be highly visible from Stoneridge Mall Road. The proposed building architecture and design are meant to complement the existing mall while incorporating modern design elements creating a fresh new look. The architecture provides a high-quality design with simple detailing throughout the development. While staff is supportive of the overall design theme, as currently proposed, the elevations for the fitness building do not provide articulation on all four sides of the building, specifically Stoneridge Mall Road (as shown in Figure 6). Staff recommends that the design include additional accent materials and architectural features and details on the street frontage to add relief and reduce massing. Staff is requesting the Planning Commission's feedback on the building architecture, design, colors, and materials.

Figure 6: Stoneridge Mall Road Elevation of the Fitness Building



Discussion Point #2

2. Are the building architecture, design, colors, and materials, acceptable?

Conclusion Discussion Point #3

3. Other than a traffic analysis/parking study and additional photo simulations which are being prepared, what other information would assist the Commission in its decision on the proposal? Do you have any other comments on the project?

PUBLIC NOTICE

Notice of this workshop was sent to all property owners and tenants/occupants within 1,000 feet of the site as shown in Exhibit D. At the time of report publication, Staff received no comments or concerns. Any public comments received after publication of this report will be forwarded to the Commission.

ENVIRONMENTAL ASSESSMENT

Since the Planning Commission will take no formal action on the project at the work session, no environmental document accompanies this work session report. Environmental documentation will be provided in conjunction with the Planning Commission's formal review of the Design Review application.

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