

<b>#.4</b>	<b>Project Name:</b>	<b>Mandela Grand Mixed Use Development Project</b>
	<b>Location:</b>	West Oakland – Generally two blocks at the southeast corner of Mandela Parkway and West Grand Avenue. The project site is bordered by Mandela Parkway on the west, West Grand Avenue on the north, Poplar Street on the east, and 18 <sup>th</sup> Street on the south. APNs: various
	<b>Proposal:</b>	<b>Public Hearing</b> on the Draft Environmental Impact Report (DEIR) for the redevelopment of 13.3 acres of land as an industrial village containing 300,702 square feet of custom and light industrial uses, and commercial and retail uses. Also included are 1,577 residential units above the ground floor in structures ranging from 72 to 300 feet in height. All buildings on the site will be demolished except for the original 47,000 s.f. Pacific Pipe Building, which will be adaptively reused. Approximately 2,322 parking spaces will be provided in underground parking garages and on surface lots.
<b>Owner/Applicant:</b>		KS Properties One, LLC
<b>Contact Person/Phone Number:</b>		Richard Hannum, AIA Hannum Associates (415) 646-0100
<b>Case File Number:</b>		<b>ER 06-008</b>
<b>Planning Permits Required:</b>		General Plan Amendment, West Oakland Redevelopment Plan Land Use Map Amendment, Rezoning (text and map), Vesting Tentative Map, Preliminary Development Plan, including Design Review Guidelines
<b>General Plan:</b>		Business Mix
<b>Zoning:</b>		M-30 (General Industrial Zone) and M-30/S-4 (General Industrial Zone/Design Review Combining Zone)
<b>Environmental Determination:</b>		Draft Environmental Impact Report published December 18, 2006. Public review comment period from December 18, 2006 to February 6, 2007 (50 days).
<b>Historic Status:</b>		Pacific Pipe Building, 2000 Mandela Parkway, Preliminary Rating Cb (PDHP) American Steel Shop/Warehouse, 1930-60 Mandela Parkway, Rating D3/6Z American Steel Company Building, 1901 Poplar Street, Rating Dc3/6Z (PDHP)
<b>Service Delivery District:</b>		West Oakland 1
<b>City Council District:</b>		3, Nancy Nadel
<b>Status:</b>		DEIR public comment period 12/18/06 to 2/6/07
<b>Action to be Taken:</b>		Receive public and Commission comments about information and analysis in the Draft Environmental Impact Report
<b>Finality of Decision:</b>		Request for Information Only
<b>For Further Information:</b>		Contact Project Planner <b>Margaret Stanzione</b> at <b>(510) 238-4932</b> or by email at <b>mstanzione@oaklandnet.com</b>

**SUMMARY**

KS Properties One, LLC filed an application for environmental review on March 13, 2006. A Draft Environmental Impact Report (DEIR) was prepared and released for public comment on

December 18, 2006. The purpose of this hearing is to provide an opportunity for the Planning Commission and the public to review the information in the DEIR and provide comments on the specific information, issues and analysis contained in the document.

The project proposes the redevelopment of an underutilized industrial site for a new mixed use industrial village project on approximately 13.3 acres of land in West Oakland. The proposed project would contain approximately 300,702 square feet of predominantly custom industrial and light industrial uses and limited commercial and retail uses on the first two levels of the proposed buildings. High-density residential uses (1,577 units) are proposed above the ground floor industrial and commercial uses. Residential units will be included in eight buildings, including three 300-foot residential towers. The project would provide approximately 2,322 parking spaces in underground parking garages, above ground parking structures, and on surface lots.

Most of the existing structures on the site will be demolished (the American Steel Building and portions of the Pacific Pipe Building Complex) and eight new buildings will be constructed. The project would adaptively reuse the 47,000 square-foot original timber-frame structure of the Pacific Pipe Building. The total amount of industrial and commercial space proposed is approximately 52,000 square feet less than currently exists.

A Notice of Preparation (NOP) was issued for the project on March 21, 2006 and reissued on April 5, 2006 to account for changes to the project description. The DEIR was then prepared under the requirements of the California Environmental Quality Act (CEQA), pursuant to Public Resources Code Section 21000 *et. seq.* The purpose of the CEQA review is to identify the significant effects of a project on the environment, to identify alternatives to the project, and to indicate the manner in which those significant effects can be mitigated or avoided.

The DEIR was released for a 50-day public review period from December 18, 2006 to February 6, 2007. After the DEIR public comment period closes, all comments received will be responded to in the Final EIR along with any clarifications, corrections and minor changes. Thereafter, the Planning Commission and City Council will use the information contained in the EIR as the merits of the project are reviewed.

## **PROJECT BACKGROUND**

The project sponsor, KS Properties One, LLC, proposes a unique combination of uses on a large, centrally located West Oakland site that includes custom and light industrial, commercial and retail uses, high-density housing, open space and parking. It is envisioned as an industrial-commercial urban village, linking the mixed uses surrounding the site into a new comprehensively planned community. According to the ten stated project objectives, (DEIR pages III-7 and III-8), the project desires to provide opportunities for new employment, foster infill residential development, adaptively reuse the Pacific Pipe building, and implement feasible and sustainable development standards, among other objectives. Performance and operational standards proposed in the draft Mandela Grand Zoning District regulations will ensure the compatibility of these uses within the site and with the surrounding area.

The proposed project requires amendments to the General Plan *Land Use and Transportation Element*, the West Oakland Redevelopment Plan, a rezoning and zoning code amendment,

preliminary and final development plans including design review guidelines and approval, and vesting tentative and final subdivision maps.

### **PROJECT SITE AND SURROUNDING AREA**

The 13.3 acre site is situated at the intersection of West Grand Avenue and Mandela Parkway, one of the most prominent intersections in West Oakland. Located approximately 1.25 miles from downtown Oakland, the site is bordered by Mandela Parkway on the west, West Grand Avenue on the north, Poplar Street on the east, and 18<sup>th</sup> Street on the south.

Approximately 60% of the relatively flat site is currently occupied with several buildings: The 250,000 s.f. American Steel Properties Building and the 102,000 s.f. Pacific Pipe Building Complex. All structures will be demolished with the exception of the original 47,000 s.f. portion of the original Pacific Pipe Building. The existing railroad spurs on the site will also be removed.

The existing buildings on the site are approximately 45 percent occupied. Eight tenants, with a total of 45 employees, occupy approximately 157,738 s.f. of space. The current uses include a variety of light industrial uses including storage/warehousing, trucking/bus travel, and metal fabrication.

West Oakland is an older, urbanized area with a diverse mix of residential, industrial, and commercial land uses, often in close proximity to each other. A variety of land uses surround the site. These include light to heavy industrial and commercial uses, particularly to the north and south of the project site, between Poplar Street and Mandela Parkway. Directly east of the site is the East Bay Municipal Utility District (EBMUD) construction and maintenance yard. The predominant land uses to the southeast and southwest are single-family residential, with multifamily development located at the southern end of Mandela Parkway as it approaches 7<sup>th</sup> Street.

There are a number of vacant and underutilized industrial buildings in the area, and there is a lack of neighborhood-serving commercial facilities. The 1,557 unit Wood Street Mixed Use Project is located approximately four blocks west of the project site in the Oakland Army Base Redevelopment Project Area.

The nearby residential neighborhood is served by Prescott Elementary, Cole Middle School, and McClymonds High School, and a number of private schools. Major community facilities include several public parks, a branch library, and community center. Nearby public transportation service includes the West Oakland BART Station located approximately one mile south of the project site, and multiple AC Transit bus lines. The I-880 freeway is four blocks to the west of the project site.

### **DETAILED PROJECT DESCRIPTION**

The Mandela Grand Mixed Use Project is an industrial village development that would redevelop and revitalize approximately 13.3 acres of underutilized industrial and commercial land at the intersection of Mandela Parkway and West Grand Avenue in West Oakland. The project would construct eight new buildings and would adaptively reuse the 47,000 square foot original timber-frame structure of the Pacific Pipe Building. The development would contain

predominantly custom and light industrial uses<sup>1</sup> (approximately 216,702 to 176,702 square feet) with limited commercial and retail uses<sup>2</sup> (approximately 53,000 to 93,000 square feet) on the ground and second floors of each of the buildings. High-density residential uses would occur on building levels above the industrial and commercial uses (with the exception of the Pacific Pipe Building).

The building heights throughout the site would vary to create a distinctive architectural profile when viewed from distant vantage points. The two-story podium base is approximately 30 feet tall and would accommodate custom/light industrial and commercial/retail uses and provide suitable buffers between residential and non residential uses.

Residential uses would be located on residential floors above the podium that range from four to nine stories (72 to 132 feet above grade). Additionally, three high-rise towers of 27 residential floors over the two-story podium (up to 300 feet tall above grade) would be constructed. Two of the three high-rise towers would be located on the eastern half of the project site, along Poplar Street and set back from West Grand Avenue. The third tower would be located in the southern portion of the site but oriented so as not to shadow the pool and fields located in the adjacent DeFremery Park or the adjacent outdoor play area of Bunche Continuation School. No high-rise towers are proposed along Mandela Parkway or West Grand Avenue. The mid-rise and mid/low-rise buildings would be dispersed around the perimeter of the site. A total of four pedestrian bridges would occur at the podium level, approximately 30 feet above grade. Two bridges would occur between buildings along Poplar Street, and two bridges would occur between buildings along Mandela Parkway. The bridges would span publicly-accessible private streets within the project site.

The project proposes to construct 1,577 residential units above the podium level of most of the structures, and 1,123 of those units would be located in three high-rise towers. Approximately 30 percent of the units are proposed as one-bedroom (900 s.f.), 60 percent as two-bedroom (1,250 s.f.), and 10 percent as three-bedroom (1,500 s.f.). The residential density is approximately 118 dwelling units per gross acre, based on a 13.3 acre site. The units are proposed as market-rate, ownership units. Upon completion, the project would have a residential population of approximately 3,180 residents.

The original portion of the Pacific Pipe Building, containing 47,000 square feet, will be adaptively reused. The exterior façade of the structure would be removed and the original timber frame would be exposed, cleaned, and refurbished. A new exterior façade and roof suitable for the possible reuses would be added. The 55-foot tall, original timber structure will be the centerpiece of the project. No development is proposed on top of the Pacific Pipe Building; its original building form will remain. Incorporating the Pacific Pipe Building into the proposed

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<sup>1</sup> Custom and Light Industrial Uses could include a mix of manufacturing, assembly, storage, showroom, sales, and office functions in the following types of business: Light industrial, Custom manufacturing, Artisans workshops, Construction-related, Kitchen/food preparation/processing, Research and development/biotech, High tech, Architecture/design/engineering studies, and Commercial services.

<sup>2</sup> Commercial and Retail Uses could include a grocery store (up to 16,000 square feet in the Industrial Village Scenario and up to 55,000 square feet in the Community Grocery Store Scenario), General retail/services (food shops, retail shops, local services), Eating and drinking (restaurant, café), and Small offices (medical/health-related, real estate/financial/insurance, professional services, etc).

project is also designed to reflect the historic industrial activities of the part of Oakland. The envisioned reuses of the building include a light industrial/commercial center or a public retail market or grocery store to serve the neighborhood.

### *Project Scenarios*

The project sponsor is considering two scenarios of the proposed project: an “Industrial Village Scenario” and a “Community Grocery Store Scenario.” Both of these scenarios have been analyzed in an equal level of detail in the DEIR. The two scenarios share similar key characteristics (total building area, residential unit count and density, parking, open space). They vary primarily in terms of the proportional distribution of custom and light industrial floor area, and commercial and retail floor area. Custom and light use space would comprise approximately 80 percent of the Industrial Village Scenario and approximately 65 percent of the Community Grocery Store Scenario. The scenarios also vary in the scale of the proposed grocery store and the physical alterations that would occur to the Pacific Pipe Building structure to adapt it for reuse. Residential development in both scenarios is the same as described above.

*Industrial Village Scenario* – This scenario proposes approximately 269,702 s.f. of flexible space on the ground and second floors to allow for a mix of custom/light industrial and retail/commercial uses. Approximately 80% of the project would be devoted to custom/light industrial uses, and the remaining 20 percent would be developed for retail/commercial uses. Approximately 31,000 s.f. of residential- and community-serving space is proposed on the residential building podium levels. Potential uses that could be accommodated in this area include day care, after-school programs, gym/fitness center, building management or other small offices, meeting room(s), lounge, laundry, community center/club house, café or snack bar, and/or a police substation or other civic use, or serve as a community center/meeting place.

The Pacific Pipe Building would be adaptively reused as a combination custom/light industrial/commercial center, a small-scaled public market place, and/or a small-scaled grocery store (16,000 s.f.). No residential units would be constructed within or on top of the Pacific Pipe Building, and the basic form of the original timber structure would remain intact.

*Community Grocery Store Scenario* – This scenario would reduce the total amount of space devoted to custom and light industrial use from 216,702 (in the Industrial Village Scenario) to 176,702 square feet, or from approximately 80% to 65% of the ground level and second floor space. To fill a longstanding neighborhood need for a community-serving grocery store, the project sponsor is also proposing to renovate the Pacific Pipe building to accommodate a larger grocery store of up to 55,000 s.f. (versus the 16,000 s.f. grocery store in the Industrial Village Scenario). All other aspects of the project, including the proposed uses, would remain the same. If the Community Grocery Store Scenario is not built, the maximum retail/commercial percentage would remain at 20 percent (as in the Industrial Village Scenario), which establishes a minimum area of industrial uses of 80% for any scenario of development on the site.

### *Vehicular Access, Circulation and Traffic Control*

The project site currently has vehicular access from Mandela Parkway, West Grand Avenue, and Poplar Street. Driveway cuts exist on 18<sup>th</sup> Street to access the American Steel Building.

Primary access is from Mandela Parkway via a City-owned length of 20<sup>th</sup> Street and from Poplar Street via a privately-owned driveway aligned with 20<sup>th</sup> Street. Internal site circulation is configured to ensure vehicular access to all underground and above-ground parking structures and surface parking from all site access points.

The existing streets that currently serve the project site would continue to be the principal means of accessing the site, including the western length of 20<sup>th</sup> Street (from Mandela Parkway) that the project has requested the City vacate and transfer to the project sponsor's control. The proposed primary access points for the project would be driveways from West Grand Avenue, Mandela Parkway, and Poplar Street. The only signal-controlled point of access would occur at the 20<sup>th</sup> Street entrance from Mandela parkway, which the project sponsor is implementing as part of the project.

Emergency access would be accommodated along all public street frontages of the site. Additionally, emergency vehicles would be able to access the interior of the project site from each of the surrounding streets. All internal roadways, driveways, service lanes, and site access points would be designed in accordance with all City standards to ensure all emergency vehicles could access all areas of the site without encroaching onto pedestrian facilities, landscaping, parking, and all other site improvements. All internal streets on the project site would be privately-owned with public access easements.

***Parking and Loading***

The project would provide approximately 2,322 parking spaces. Approximately 96 percent of the total onsite parking spaces would be contained in underground garages and three above-ground, three-story parking garages. The remaining spaces would be provided in surface parking lots. Traffic associated with all uses on the site would be permitted to use any of the site's access points. Residential-only parking zones, however, would be designated within the parking garages, and all remaining parking areas would be available for all uses on the site.

Upon buildout, approximately 79 on-site surface parking spaces would be provided. A surface parking lot would be located along West Grand Avenue, immediately north of the Pacific Pipe Building, and would be accessed primarily from the West Grand Avenue driveway entrance.

Loading areas would be located within existing buildings or underground and designed in accordance with all City standards to avoid conflicts with all roadways, driveways, and service lanes. Loading and service area facilities would also be located as to avoid pedestrian facilities, open spaces, and residential uses onsite.

***Pedestrian and Bicycle Circulation***

The project proposes a number of pedestrian pathways and open areas between the proposed buildings, radiating out from the centrally-located publicly-accessible open space. This pattern is intended to improve pedestrian access to the site and to create linkages across the site between the neighborhood and parks located west of Mandela Parkway and community facilities located east and south of the project site. The project proposes on-site bicycle pathways that would connect the existing bikeway network along West Grand Avenue and Mandela Parkway.

Bicycle pathways would also link to adjacent streets along 18<sup>th</sup> Street at Poplar Street and mid-block (between Mandela Parkway and Poplar Street). Pedestrian and bicycle circulation would also be provided along all public streets. Bicycle traffic would share the public streets adjacent to the project site.

### ***Open Space and Landscaped Areas***

The proposed project incorporates publicly-accessible open space and landscaped pathways to encourage public access across the project site. Specifically, the site is configured to create pedestrian linkages between nearby community facilities and amenities, namely Raimondi Park and DeFremery Park and the Wood Street Mixed Use Project to public parks, schools, and library facilities.

Approximately 3.8 acres of publicly-accessible open space, landscaped gathering areas and plazas are proposed and consists of 2.5 acres on the ground level and 1.3 acres on the podium levels. The primary open space features would be an approximately 2.0-acre central open space, plaza, and landscaped walkway south of the Pacific Pipe Building.

The project would also provide approximately 0.91 acres of private, share open space on the podium levels as well as landscaped areas on the roofs of certain mid-rise buildings. These areas would not be accessible to the public and would be for use by project tenants and residents only.

### ***Stormwater Detention and Off-site Improvements***

An underground Stormwater detention facility is proposed beneath the central open space south of the Pacific Pipe Buildings. The facility would be designed to detain stormwater runoff from the project onsite.

Offsite improvements include curbs, gutters, and sidewalks that border the site. Additional improvements include street trees, lighting, and undergrounding of overhead utilities along the perimeter of the project site. Improvements would be implemented along the already improved West Grand Avenue and Mandela Parkway to the extent that existing improvements require repair or replacement due to damage during construction.

### ***Site Remediation***

The project site requires environmental cleanup in accordance with all applicable laws and regulations. The Phase I report indicates evidence of underground fuel storage tanks, waste oil, and staining from solvents and other hazardous materials that have been stored in above ground storage tanks. Soil samples revealed evidence of gasoline, diesel, motor oil, kerosene, lead, and chlorinate solvents in the soil and groundwater on portions of the site. Remediation may address closure or removal of subsurface structures, excavation and disposal of contaminated materials, remediation of soil and groundwater, and consideration of capping areas using clean soil or materials. The plan will be approved by the Department of Toxic Substances Control.

### ***Sustainable Design and Construction***

A number of sustainable design and construction principles will be incorporated into the proposed project. These include construction techniques, building foundations, building orientation, and exterior and interior building materials and designs. The adaptive reuse of the Pacific Pipe Building is consistent with these principles. A list of the sustainable approaches to be implemented with the project is listed on pages III-31 and III-32 of the DEIR.

## **PROJECT PHASING**

The project would be developed in four phases over approximately 15 years: 2007 to 2022. Each phase of the project development includes four major components of work: Remediation, Demolition, On-site Improvements, and Off-site Improvements. Table III-6 shows the development that would occur in each of the four phases. Detailed site plans of each phase (including phasing for the basement parking garage) are provided in Figures III-17 through III-21 on pages III-33 to III-40 of the DEIR.

### Phase I – Estimated late 2007 to early 2012

All existing buildings and structures on the site, with the exception of the Pacific Pipe Building, would be demolished during this phase. Buildings I and J, two of the residential high-rise towers would be completed and the Pacific Pipe Building (Building A) would be adaptively reused. Approximately 129,270 square feet of industrial and commercial area, 787 residential units (644 in towers), and 1,008 parking spaces (859 in Building J and I garages) would be constructed. The central open space and plaza area south of the Pacific Pipe Building would be developed and the new traffic signal at the 20<sup>th</sup> Street and Mandela Parkway entrance to the site would be installed. Approximately 500 piles would be required for Phase I development and would occur for approximately 26 days throughout the nearly five-year phase.

The construction staging area for Phase I would be located in the southeast quadrant of the project site. A temporary tree farm containing landscaping materials (potted and in-ground) to be used primarily in Phase I and II would be created in the southwest quadrant of the site. A temporary 85-space surface parking lot would be developed west of the Pacific Pipe Building along Mandela Parkway and removed in Phase IV to accommodate new buildings B and C. An additional 32 space surface parking lot would be developed along West Grand Avenue, immediately north of the Pacific Pipe Building and would remain as part of the project.

### Phase II – Estimated late 2011 to early 2014

Three new buildings (D, E and F) would be completed. Approximately 95,430 square feet of industrial and commercial area, 566 residential units (343 in Building F, the high-rise tower), and 797 parking spaces (789 in building garages) would occur. The major landscaped pedestrian access way from the corner of 18<sup>th</sup> and Poplar Streets to the central open space and plaza developed in Phase I also would be completed in this phase. Approximately 260 piles would be required for Phase II development and would occur for approximately 13 days throughout the nearly three-year phase. The construction staging area would be located in the southeast corner of the project site on Phase III parcels.

### Phase III – Estimated late 2014 to mid-2017

Two new buildings (G and H) would be constructed at the southeast corner of the site. Approximately 35,100 square feet of industrial and commercial area, 104 residential units, and

411 parking spaces (404 in building garages) would be constructed. Two podium-level pedestrian bridges between Buildings H and I, and between Buildings I and J would be constructed. The podium levels of each of these buildings (H, I and J) would be developed to provide 31,000 square feet of residential-serving and/or community serving uses. No piles would be required during Phase III. The construction staging area for Phase III would be located within the open space area between Phase II and Phase III areas.

#### Phase IV – Estimated mid-2017 to early 2022

Buildings B and C would be constructed on the temporary surface parking lot west of the Pacific Pipe Building. Approximately 40,200 square feet of industrial and commercial area, 120 residential units, and 106 net new parking spaces (191 provided; 85 removed with Phase I surface lot) would occur. Approximately 230 piles would be required for Phase IV development and would occur for approximately 11 days throughout the nearly four-year phase. The construction staging area for Phase IV would be located within the driveway immediate west of the Pacific Pipe Building.

### **OVERVIEW OF REQUIRED APPROVALS**

Approvals for the proposed project are required from the City of Oakland and other County, State, and Federal Agencies as described below.

#### **CITY OF OAKLAND**

**General Plan Amendment.** The project sponsor is requesting an amendment to the General Plan text and land use map. The request is to amend the General Plan from the current designation of *Business Mix* to a new designation of *Business Mix-Urban Residential* which would allow residential uses with industrial and commercial land uses on the site. Application of the proposed classification would allow residential uses to coexist with the custom/light industrial and commercial/retail uses and allow the proposed intensity of development on the project site. A General Plan Amendment requires review and recommendation by the Planning Commission with final approval by the City Council.

#### **West Oakland Redevelopment Plan Amendments.**

Land Use Map: The project site is located within the area governed by the West Oakland Redevelopment Plan. Amendments would need to be made to the plan to conform the land use changes to the proposed General Plan Amendment and the proposed “Mandela Grand Zoning District.” The Redevelopment Plan Amendments would require approval by the Oakland Redevelopment Agency and the City Council.

Inclusionary Housing Requirements: The California Community Redevelopment Law (Health & Safety Code Section 33000, et seq.) requires that at least 15% of all new and substantially rehabilitated housing units developed within a redevelopment project area be affordable to low and moderate income households. At least 40% of these units (or 6% of the total) must be affordable to very low income households. For the 1,577 units being built in the proposed Mandela Grand Mixed Use Project, and constructed within the West Oakland Redevelopment area, the Redevelopment Agency would be required to assure that at least 237 low- to moderate-

income units would be constructed within 10 years with at least 95 of these units affordable to very low-income households.

These affordable housing obligations must be met by an agency for each project area over the life of the Redevelopment Plan, and for each 10-year period during the plan's life. The law requires that the 5-year implementation plan for each project area include a strategy to comply with these affordable housing requirements. If the requirements are not met during a 10-year compliance period, the agency must meet the goals on an annual basis until the requirements for the 10-year period are met. If the agency has exceeded the requirements, any excess units can be counted toward satisfying the requirements for the next 10-year period.

The law does not require that an agency impose the 15% obligation on each housing project (although the law and the West Oakland Redevelopment Plan permit the Agency to do this at the Agency's discretion). Rather, the Redevelopment Agency is required to meet this obligation within the project area as a whole during the compliance period. The specifics of how this project affects the West Oakland Redevelopment Plan obligations for affordable housing have yet to be determined.

**Zoning Code Amendment and Rezoning.** A new zoning district and new zoning map designation would be required to implement the proposed project consistent with the proposed *Business Mix – Urban Residential* General Plan land use classification. The applicant has prepared the draft "Mandela Grand Zoning District" regulations to be applied to the project site (the proposed zoning district will be discussed in another section of this staff report). Application of the Mandela Grand Zoning District would require review and recommendation by the Planning Commission with final approval by the City Council.

**Preliminary and Final Development Plans and Design Review.** Preliminary and Final development plans will be required to develop any portion of the project site, as set forth in the proposed draft Mandela Grand Zoning District regulations. The project sponsor is requesting approval of a Preliminary Development Plan for the entire site along with the other requested project approvals. Future construction will require approval of a Final Development Plan consistent with the Preliminary Development Plan. The project sponsor is also preparing Design Review Guidelines for all construction on the site to be approved along with the Preliminary Development Plan. Consistent with other Planned Unit Developments (PUD), the Planning Commission will review and approve the Preliminary Development Plan, Design Guidelines, and future Final Development Plans.

**Vesting Tentative and Final Map.** The project sponsor is requesting approval of a vesting tentative map which will divide the project site into 17 parcels. The Vesting Tentative Map would require approval by the Planning Commission, and the Final Vesting Map would require approval by the City Council.

**Street Vacation.** The City owns a portion of 20<sup>th</sup> Street east of Mandela Parkway that extends approximately halfway into the center of the site. The project sponsor is requesting that the City vacate this portion of the street. Street vacations require approval by the City Council.

Construction of the project will also require various **Encroachment Permits, Demolition Permits, and other Building Permits.**

#### OTHER AGENCY APPROVALS AND CONSIDERATIONS

The proposed project is also subject to approval and/or consideration by the Alameda County Airport Land Use Commission (ALUC) and Federal Aviation Administration (FAA); Alameda-Contra Costa Transit District (AC Transit); Alameda County Environmental Health Department (ACEHD); Bay Area Air Quality Management District (BAAQMD); California Department of Conservation, Geological Survey (CGS); California Department of Toxic Substances Control (DTSC); California Department of Transportation (Caltrans); California State Water Resources Control Board (RWQCB); and East Bay Municipal Utility District (EBMUD).

#### PLANNING PROCESS TO DATE

The project sponsor filed an Environmental Review application on March 13, 2006. Environmental Impact Report (EIR) scoping meetings were held before the Landmarks Preservation Advisory Board on April 17, 2006 and the Planning Commission on April 19, 2006. A presentation on the DEIR was made to the West Oakland Project Area Committee (WOPAC), Planning and Projects Subcommittee on January 4, 2007.

Additionally, the project sponsor conducted five community outreach meetings between March and November, 2006.

#### Planning Commission Comments – 4/19/2006

The Planning Commission commented about the following:

- The potential incompatibility of the proposed land uses
- Recognizes that the proposed project is challenging, but exciting
- Types of light industrial uses contemplated in project
- Whether affordable housing would be provided
- Concern about high rise residential towers
- Concern about aesthetics and the skyline
- Impacts on surrounding industrial areas
- What happens to the rest of the Mandela Parkway?
- Need to resolve industrial land retention issues first prior to considering a specific project
- Need to adopt new zoning districts for General Plan industrial land use classifications prior to considering a specific project
- West Oakland needs a comprehensive plan of its own, particularly regarding industrial land
- Support for reuse of the Pacific Pipe Building
- Will residential development be subsidizing the industrial/commercial uses?

- What are the impacts on schools? How many school-age children are estimated to be living in the project?
- Concerned about social and economic issues
- Development standards will be a challenge, particularly the vertical and horizontal buffers

#### Landmarks Preservation Advisory Board Comments – 4/17/2006

The LPAB commented on the following:

- Alterations to the interior of the Pacific Pipe Building
- Types of light industrial uses contemplated
- Residential density
- Relationship of project to historic preservation and meeting the Secretary of Interior requirements
- Impact of project on parks and community services
- Visual impact of the residential towers
- The need to have LPAB approve the new survey designation for the Pacific Pipe Building
- DEIR should treat all 3 buildings as historic resources and go through the analysis

### GENERAL PLAN ANALYSIS

Almost every Element of the Oakland General Plan includes goals, objectives, policies and/or actions that apply to the proposed project including the Land Use and Transportation Element; Historic Preservation Element; Open Space, Conservation and Recreation Element (OSCAR); Housing Element; Safety Element; Noise Element; Bicycle Master Plan, and the Pedestrian Master Plan. Chapter IV of the DEIR, “Land Use, Plans and Policies,” includes a discussion of the key goals, objectives, policies or actions from each Element that pertain to this project.

The project site is currently within the “Business Mix” General Plan land use classification. Because residential land uses are not consistent with this classification, the project sponsor is proposing a new General Plan land use classification for application to the project site. The intent of the new “**Business Mix-Urban Residential**” designation is

*“to identify, created, preserve, and enhance areas of the City that are suitable for light/custom industrial uses, as well as neighborhood-serving commercial/retail uses, to co-exist compatibly with multi-unit, mid-rise, or high-rise residential structures in locations with good access to public transportation, interstate highways, parks, schools, and other services. Businesses that are environmentally compatible with residential development and that generate jobs for local residents are desired.”*

A draft summary of the “Business Mix-Urban Residential land use classification is provided in the DEIR, Appendix B.

### ZONING ANALYSIS

As mentioned previously, the current zoning on the project site would not accommodate the mixed use project. The current zoning is M-30 General Industrial Zone and S-4 Design Review Combining Zone. Generally, the custom and light industrial and commercial uses envisioned by the proposed project are consistent with the M-30 and S-4 zoning designations on the site. The M-30 zone, however, does not permit residential uses.

The project sponsor is proposing a new zone and associated regulations for the 13.3 acre site. The proposed zoning district, the **Mandela Grand Zoning District**, is a “master plan” zone that will be applied to the Mandela Grand mixed use development project. The intent of the new zoning district is to encourage the creation of an industrial village whereby a variety of light industrial, artisan, entrepreneurial, commercial and retail opportunities coexist and are compatible with high-density residential uses.

Appendix B of the DEIR summarizes the major provisions of the Mandela Grand Zoning District. Land uses are specified as permitted, conditionally permitted, limited, or prohibited. The zone also includes standards for residential density; non-residential square footage; street-level development standards; building heights; buffering; private open space for residential use; landscaping and paving; outdoor storage; and parking requirements.

#### PROPOSED OPERATIONAL STANDARDS

Given the mix of land uses proposed for the project, the project sponsor is developing operational standards for non-residential uses that would be incorporated into the zoning district regulations. The intent of the operational standards is to ensure the compatibility of use of the project by the public, project residents, and light industrial/commercial tenants of the project. Specifically, the draft standards would primarily apply to the industrial and commercial uses, facilities and tenants within the project. They would also address aspects of building design and facilities, such as location of uses and preferred ventilation systems.

The draft operational standards generally address the following topics:

- Air Quality – reduction of typical emissions, management of organic compounds onsite, ventilation equipment and methods, etc. The intent is to reduce typical emissions such as Volatile Organic Compounds (VOCs), Inorganic Gaseous Pollutants (CO, NO<sub>x</sub>, SO<sub>x</sub>), Greenhouse Gases (CO<sub>2</sub>, O<sub>3</sub>, CH<sub>4</sub>, N<sub>2</sub>O), particulates (PM<sub>10</sub> and PM<sub>2.5</sub>) and odors.
- Hazardous Waste Management – compost practices, pest management, CUPA-compliant risk management, etc.
- Hazardous Materials – materials storage, auto maintenance prohibition, centralized universal waste disposal (batteries, fluorescent tubes), etc.
- Water Treatment and Recycling Measures – for use of irrigation and other non-potable uses.
- Stormwater – sustainable design, onsite storage and reuse for irrigation, etc.

- Noise and Vibration

These development standards and operational standards are more prescriptive than those included in the current M-30 zone. Refer to DEIR page IV.A-18, Table IV.A-1, for a summary comparing the proposed zoning district to the existing M-30 zone.

## **ENVIRONMENTAL REVIEW**

The DEIR was released for a 50-day public review period on December 18, 2006. The document analyzes potentially significant environmental impacts in the following environmental categories:

Land Use, Plans and Policies  
Transportation, Circulation and Parking  
Air Quality  
Noise  
Cultural Resources  
Geology, Soils and Seismicity  
Hydrology and Water Quality  
Hazardous Materials  
Public Services and Recreation Facilities  
Population, Employment and Housing  
Visual Quality and Shadows  
Utilities  
Biological Resources

Table II-1, “Summary of Impacts, Mitigation Measures, Standard Conditions and Residual Impacts” (DEIR pages II-5 to II-32) summarizes the impacts and mitigation measures identified in the DEIR (see Attachment A). The table describes the potential impacts with a level of significance prior to mitigation; recommended mitigation measures; and the resulting level of significance with implementation of the required mitigation measures.

The DEIR identifies twenty significant impacts. Five are considered “significant and unavoidable” impacts and remain significant after implementation of mitigation measures and/or standard conditions of approval. These are identified below. Fifteen are considered “significant” impacts which can be reduced to less than significant with implementation of project mitigation measures and/or standard conditions of approval. The remaining impacts identified are considered less than significant, beneficial, or have no effect on the environment. A complete discussion of each impact and associated mitigation is provided in the DEIR, Chapter IV, Environmental Setting, Impacts, and Mitigation Measures.

## **SIGNIFICANT AND UNAVOIDABLE IMPACTS**

The DEIR identifies five significant and unavoidable impacts, even after the implementation of mitigation measures. Two **project-level** impacts and three **cumulative impacts** are summarized below:

**1. The DEIR states that no feasible mitigation measures have been identified that would reduce the following *project-level* impacts to a level of less than significant:**

Transportation, Circulation, and Parking

- Traffic generated by the project would affect traffic levels of service at the unsignalized intersection of *West Grand Avenue and West Street* (for the Community Grocery Store scenario)

Air Quality

- The increased number of vehicles generated by the project would contribute to increases in reactive organic gases (ROG) and particulate matter that is 10 microns or less in diameter (PM-10) that exceed Bay Area Air Quality Management District significance criteria for daily emissions

**2. The DEIR states that no feasible mitigation measures have been identified that would reduce the following *cumulative impacts* to a level of less than significant:**

Transportation, Circulation, and Parking

- Traffic generated by the project when built out, as well as other cumulative traffic in the vicinity, would worsen the intersection of *West Grand Avenue and I-880 Frontage Road* during the morning and evening peak hour traffic times
- Traffic generated by the project when built out, as well as other cumulative traffic in the vicinity, would worsen the intersection of *West Grand Avenue and Market Street* during the morning and evening peak hour traffic times

Air Quality

- The project together with anticipated future development in the area could result in long-term traffic increases that would contribute to regional air pollution

**Alternatives Considered in the Draft EIR**

CEQA requires that a range of reasonable alternatives to the proposed project, or to the location of the proposed project, be described in the DEIR. The discussion should focus on alternatives to the project or its location which are capable of avoiding or substantially lessening any

significant effects of the project. Chapter V of the Draft EIR discusses several alternatives to the proposed project including:

Alternative 1A: No Project/Existing Conditions

No development would occur on the 13.3-acre project site under the Existing Conditions Alternative. Existing conditions would continue into the future (and as they are forecast to be in the future without development of the site). This alternative would maintain the existing 334,540 square feet of industrial uses on the site.

Alternative 1B: No Project/Existing General Plan

This alternative evaluates a development scenario that could reasonably be expected to occur in the foreseeable future if the project were not approved. To craft the specific development program that could occur in the foreseeable future and be consistent with the General Plan, the City considered the overall intent, desired character and uses, overall policy framework, and development standards outlined for the existing General Plan land use classification for the site. Also considered were the relevant project site characteristics (site acreage, access, proximity to local and regional transportation network, etc.) This alternative would redevelop the site with approximately 363,000 square feet of custom/light industrial and commercial uses (276,000 s.f. of industrial; 87,000 s.f. of commercial). No residential uses would be permitted.

Alternative 2: Split Site

The Split Site Alternative includes the same combination of land uses as the proposed project, but is consistent with the traditional zoning methods that separate residential and industrial uses. This alternative would redevelop the project site with approximately 171,000 square feet of custom/light industrial uses and 1,577 residential dwelling units.

Alternative 3: No High-Rise Tower

The No High-Rise Tower Alternative would not include any high-rise residential towers or pedestrian bridges on the site (as proposed by the project), however, all other aspects of this alternative are the same as the project. This alternative would redevelop the project site with approximately 300,700 square feet of light custom/industrial and commercial/retail uses and 1,577 residential dwelling units. Since essentially the same number of units would be developed, the buildings containing residential use would be up to 170 feet tall (versus 132 feet proposed by the project).

Alternative 4: Reduced Project

The Reduced Project Alternative would include less overall development on the site. This alternative would redevelop the project site with approximately 214,000 square feet of light custom/industrial uses and 900 dwelling units.

***Environmentally Superior Alternative:*** The Draft EIR, as required by CEQA, determined that Alternative 4, the Reduced Project Alternative, would be considered environmentally superior because, when compared to the other alternatives (excluding the Existing Conditions Alternative) it would avoid or reduce to the greatest extent more of the significant and potentially significant impacts identified for the project. The key environmental topics on which this alternative would reduce effects include traffic and air quality emission, and views and shadow.

- Traffic – Compared to the proposed project, the Reduced Project Alternative would (1) avoid the significant (but mitigable) impact at the unsignalized intersection of West Grand Avenue and West Street under the Community Grocery Store Scenario; (2) avoid the project’s considerable contribution to cumulative (2025) impacts at two area intersections; and (3) reduce the peak-hour vehicle trips from the project by up to nearly one-half.
- Air Quality – Compared to the proposed project, the Reduced Project Alternative would (1) avoid the significant and unavoidable air quality impact (project and 2025 cumulative conditions) resulting from criteria air pollutant emissions ROG and PM-10. (Emission levels would be approximately 57 percent of that generated by the project.)
- Views and Shadow – Compared to the proposed project, the Reduced Project Alternative would result in the least adverse effects regarding (1) views across the site from public vantage points, and (2) shadows cast on shade-sensitive areas near the project site, particularly on Mandela Parkway Linear Park.

Refer to DEIR page V-52 to V-69, Table V-2, “Summary of Relative Impacts: Project and Alternatives” for a comparison between the proposed project and the alternatives.

## **KEY PROJECT AND ENVIRONMENTAL ISSUES**

### ***Land Use, Plans and Policies***

The proposed project is consistent with many of the goals, objectives, policies and actions in the City of Oakland’s adopted plans. Because the ground-floor levels of the new buildings will contain space for custom and light industrial, commercial and retail uses, the proposed project is consistent with the General Plan policies that specify retention of existing businesses and jobs, remediation of contaminated sites, and reuse of abandoned industrial buildings. The proposed project is also consistent with policies that encourage a mixture of land uses, including residential and residential-serving commercial uses. The proposed project, however, is not consistent with General Plan policies which encourage protecting existing industrial areas from the intrusion of potentially incompatible uses, such as high-rise residential development over light industrial uses, although the project sponsor is proposing performance and operational standards to address these potential on-site conflicts.

PROJECT AND POLICY ISSUES IDENTIFIED TO DATE:

New General Plan Classification and Zoning District

Because the City of Oakland does not have a General Plan land use category or zoning district that would permit the type of development proposed, the project sponsor is proposing a new General Plan land use designation, “Business Mix-Urban Residential,” and a new zoning district, “Mandela Grand Zoning District.” These land use designations would be specific to this 13.3 acre site and would not be applied to other areas of the city.

In 1998 the *Land Use and Transportation Element* designated a large portion of West Oakland as “Business Mix.” The intent was to allow more businesses, such as commercial and some retail, to areas that were generally industrial. Residential uses were never contemplated in areas designated “Business Mix.” The recently adopted Housing and Business Mix Zoning District (HBX), in large part, combined mixtures of housing, commercial and industrial land uses in certain locations within the City. However, the HBX zone does not contemplate the large scale, master planned village that is presently proposed for this site with regard to the mixture of uses, intensity of development, and height of the structures. There has also been general discussion of a Commercial-Industrial Mix Zone that would incorporate a certain amount of residential development in commercial and industrial areas (CIX-2). No specific development standards or other details have been drafted for such a zoning district to date. Given this existing policy context, and the Commission’s previous direction, the following issues must be addressed:

- Does the Planning Commission support the creation of a new, individual General Plan land use designation and zoning district for this site which allows residential uses?
- Does the Planning Commission wish to proceed with the review of this proposal now in light of the fact that the surrounding zoning for West Oakland has not been finalized?
- If the Commission wishes to proceed, is there support for the residential density that is being requested for this site (1,577 units; 118.6 du/gross acre)?
- If the Commission wishes to proceed, is there support for high-rise residential uses in towers up to 300 feet in height?
- How does such a unique site and central location fit in with the surrounding West Oakland neighborhoods? Does this proposal present a clear enough distinction with regard to size, location along Mandela Parkway, and mixture of uses (such as Wood Street) that it can stand on its own and not be construed to be the first of a series of redevelopment schemes that will push out other light industrial and business activities given the significant increase in value due to allowable intensification?
- How does the Commission wish to proceed with the review of these policy issues given the ongoing review and consideration of industrial land retention and land use policies in West Oakland?

Industrial Land Use Policy

In early 2005, the Planning Commission directed staff to prepare a comprehensive study on the current policies and objectives regarding the issue of industrial land retention. The Commission had been reviewing a number of development applications for non-industrial activities, including residential development, in industrial areas and indicated that they did not want to consider the conversion of industrial land on a case-by-case basis but, rather, wanted to examine a strategy for retaining industrial land.

An Industrial Land Policy report was prepared by staff. The city was divided into 17 areas with recommendations made for each subarea. The project site is situated in Subarea 16. This subarea is identified as one of the controversial areas because of the intense pressure to broaden the allowable land uses, including residential land uses. With the removal of the Cypress Freeway, and improvements to Mandela Parkway, there is pressure to allow uses other than industrial in the area, particularly along Mandela Parkway. Additional influences include the new work/live lofts that are being constructed along Mandela Parkway towards Emeryville and over the Emeryville border. Other factors include existing residential uses to the south of the site closer to the BART station, reducing land use incompatibilities, taking full advantage of the connection between Emeryville and Oakland along Mandela Parkway, and connecting and improving existing neighborhood facilities such as Raimondi Park, DeFremery Park, Lowell Park and McClymonds High School, Bunche High School, Cole Elementary School, and Prescott Elementary School, that are now isolated between large industrial tracts of land.

The report recommended that it may be appropriate to allow some residential uses in this subarea. Both the City Council Community and Economic Development Committee and the Planning Commission did not make a recommendation regarding this particular subarea and agreed that more discussion about the issues needed to occur.

Options for Planning Commission Action:

- 1) Allow the project to proceed toward formal review as proposed, including adoption of a special zoning district (Mandela Grand Zoning District) and new General Plan land use designation (Business Mix-Urban Residential).
- 2) Direct staff not to bring back the proposed project for formal consideration until after recommendations are complete on the surrounding West Oakland zoning districts and other policy changes.
- 3) Give direction to staff and the project sponsor that the project as proposed is unacceptable and the Commission will not proceed with further review.

Mixture of Light Industrial/Commercial/Retail Uses and Residential Development

As mentioned previously, the City's zoning regulations generally do not support mixed use development other than in Downtown Oakland, Jack London, and the recently approved Oak to Ninth mixed use development. The *Land Use and Transportation Element*, however, contains several goals and objectives which encourage mixed use development. Other than the recently created Housing and Business Mix Zone (HBX), the current zoning regulations have not been created or revised to include the allowable requirements and standards for this type of

development. For large scale projects, the practice has been that each mixed use development has been reviewed on its own merits.

One of the primary intentions of this proposal is to provide mechanisms that minimize or eliminate inconveniences and impacts to future project residents. For this reason the project sponsor is proposing a comprehensive master plan that will be developed in organized phases with appropriate public improvements, amenities and buffers as well as performance and operational standards for the non-residential land uses. These standards are specified in the proposed "Mandela Grand Zoning District." The standards include, but are not limited to, the types of industrial activities allowed on the site, integrating buffers between residential and non-residential uses and facilities into the building design, and performance standards for heavy machinery and light industrial uses in particular. The operational standards also address air quality, odors, hazardous materials and waste, stormwater, and noise and vibration. The integration of these types of land uses on the same site is fairly new for Oakland (and many other places in the country). If the Commission wishes to proceed with the review of this project, at least the following issues need to be addressed:

- How should this site be developed to meet the key policies and objectives of the General Plan?
- What scale, type, mix and density of development should be allowed for this site?
- Should the residential and non-residential uses be located within the same structure, or should key areas of the site remain strictly industrial or commercial?
- Should all residential development be located in the high-rise towers? The project, as proposed, shows residential uses in all buildings except for the Pacific Pipe Building (approximately 400 units will *not* be located in the high rises).
- Are the performance and operational standards enough to ensure compatibility between uses or should there be distinct, dedicated buildings for strictly industrial/commercial use (other than the Pacific Pipe building)?

### ***High Rise Construction – Views, Shadows, and Financial Feasibility***

#### **Views and Shadows**

The visual character of the project vicinity is urbanized and representative of the broader West Oakland area, with a mix of low to mid rise industrial and commercial buildings and primarily one and two family residences, all of varying age, scale and condition. There are some buildings extending to four stories, primarily where major roadways intersect.

The proposed project would include mid-rise buildings approximately 72 to 132 feet tall (four to ten stories) and high-rise towers that would sit on top of the podium levels of three mid-rise buildings and extend up to 300 feet (approximately 30 stories) from ground level. Project buildings would primarily be built to the site property lines, except along West Grand Avenue in front of the Pacific Pipe Building.

The three high-rise towers would be evenly spaced across the site and set back from Mandela Parkway and West Grand Avenue. Two of the three high-rise towers would be located on the eastern half of the project site, along Poplar Street, while the third tower would be located along 18<sup>th</sup> Street.

The project would result in extreme scale changes in visual character due to the construction of the three, 300-foot high-rise residential towers. The increased height, massing, and configuration of these towers would substantially alter the visual character of the project site and its immediate surroundings by creating new high rise building forms which would alter the skyline and silhouette of this part of West Oakland.

The DEIR analyzed the potential impacts of shadows on DeFremery Park and the swimming pool immediately southwest of the project site, Raimondi Park approximately two blocks to the west, and the Mandela Parkway linear park, particularly the pedestrian amenity areas. The project would only shade portions of Mandela Parkway linear park adjacent to the project site during winter and spring mornings. However, the linear park would be near or in full sun by noon. The longest shadow during the times studied (9:00 am, 12:00 noon, 3:00 pm) would occur in winter, spring mornings, and autumn afternoons but, except as indicated for the Mandela Parkway linear park, the new shadows would fall on existing industrial and commercial uses or other roadways. Therefore, none of these impacts have been identified as significant under CEQA.

An important question relates to the development standards regarding height and scale for this area. While there have been various arguments raised about how appropriate this change of scale would be, the more important question is how high these buildings must be in order to make this project financially feasible. This point is particularly relevant with regard to the substantive proposed changes in land use and the costs of high rise construction (over 75 feet) vs. the more conventional construction of a concrete podium with 4-5 residential stories above. The general breakdown of construction types and consequent requirements are outlined in the following section. Generally, building costs increase tremendously as the height of the structure increases.

- Buildings up to 50 feet are generally built with conventional wood-frame construction. No extraordinary life safety or other requirements.
- Buildings 50 to 65 feet are generally constructed with concrete or steel frame with some parts wood-frame depending on design. Usually more sophisticated construction techniques are required.
- Buildings above 65 feet must be constructed with steel or concrete.

- Buildings higher than 75 feet must be constructed with steel or concrete and include significant life safety features such as fire sprinklers, smoke control systems, heating ventilation and air conditioning systems, and exit corridors. These requirements add significant costs to a project.
- Buildings higher than 200 feet are required to use steel frames. In addition to enhanced life safety systems, the water pressure must be bolstered for the proper operation of toilets and fire suppression systems, again adding to construction costs.

As a point of comparison, the Oakland Redevelopment Agency recently hired Keyser Marston Associates, Inc. to prepare a financial feasibility evaluation of a proposed high rise on one of the parcels in the Uptown Project Area. The proposed project analyzed was a 255 unit, 22 story high-rise condominium project. One of the questions for the consultant was, “Are the development costs estimated by the Developer reasonable?” The report concluded that the developer’s estimated square foot costs for high-rise structures (\$647) was within the industry range for similar building prototypes. However, the gross residential sales prices required to meet the developer’s profit margin and ensure economic feasibility would need to be in the range of \$790 per square foot (in 2009 dollars). The consultant also concluded that high-rise projects most likely to generate residential sales of \$790 per square foot in the future are likely to be located in certain downtown neighborhoods, such as in the vicinity of Lake Merritt, in Jack London Square or in Chinatown which are characterized by an established residential market and many attractive recreational amenities.

In summary, some of the dilemmas regarding the building height, particularly for the three high-rise towers, can be framed using the previous information. As building heights rise, so do the construction costs. No one within the City of Oakland has been able to feasibly construct a 30 story residential tower, even in the most proven downtown residential markets. Although many have been proposed, none have been constructed. If the heights were decreased, the associated costs would decrease as well. Even given the lack of visual and shadow impacts, questions remain about approving a 30 story building height that is not likely to be achieved in the West Oakland residential market given the current and projected gross residential sales prices. Also, is the Reduced Project Alternative feasible given the consequent construction cost reductions? We note that part of the rationale for adding this large amount of residential units is to add value to the site, thereby making the commercial and industrial uses feasible. Balancing these land uses to assure feasibility for both is a key project concern.

### ***Redevelopment Plan Requirements and Amendments***

#### Affordable Housing Requirements

The Oakland Redevelopment Agency (ORA) is required by State law to spend at least 20 percent of the tax increment generated by development within the West Oakland Redevelopment Plan Area for the provision of affordable housing. (The City sets aside 25 percent of the tax increment for affordable housing.) State law also requires that when residential units are proposed within a redevelopment area, the Agency ensure that at least 15 percent of the total number of new or rehabilitated residential units be made available as affordable housing. The Agency also has the discretion to provide affordable units outside the Redevelopment Plan Area,

provided that twice the number of affordable units (i.e. 30 percent) are provided. The affordable housing requirements apply to the Redevelopment Plan Area in the aggregate, and not to each individual project within the Redevelopment Plan Area.

The proposed project analyzed in the DEIR assumes that the 1,577 units would be developed as market-rate housing. As described previously, the Redevelopment Agency is requiring that the project sponsor meet the Agency's obligation for providing the 15% affordable housing requirement, preferably on site.

If the affordable housing was built as part of the 1,577 units proposed for the project, the requirement would be for at least 237 affordable units (15 percent of 1,577 units equals 237 units), with at least 95 of those units affordable to very low-income households (40 percent of 237 units).

If the affordable housing was built in addition to the 1,577 units in the project, the requirement would be for at least 278 affordable units in the Redevelopment Project Area (1,577 units representing 85 percent of 1,855 total units, 15 percent or 278 units of which would be affordable), with at least 111 of those units to be affordable to very low-income households (40 percent of 278 units).

If the affordable housing was built outside the Redevelopment Plan Area, the requirement would be for at least 474 affordable units (30 percent of 1,577 units equals 474 units), with at least 190 of those units affordable to very low-income households.

Redevelopment and planning staff will continue to work with the project sponsor to determine recommendations about how the Agency will assure that these affordable housing obligations will be met as the result of this project.

### ***Transportation, Circulation, and Parking***

The DEIR analyzed 41 intersections and concluded that the AM and PM peak-hour levels of service would continue to operate at an acceptable Level of Service (LOS) D or better at 40 study intersections. The PM peak-hour level of service at the side-street approach to the unsignalized intersection of West Grand Avenue and West Street would degrade from existing LOS D to LOS E with the addition of traffic generated by the Industrial Village Scenario, and would degrade from existing LOS D to LOS F with the addition of traffic generated by the Community Grocery Store Scenario. To mitigate this impact, the project sponsor is required to install a traffic signal at the intersection of *West Grand Avenue and West Street*.

The proposed project, in combination with other development projects and background growth, would contribute to cumulative traffic impacts to local and regional roadways and transit facilities. The following mitigation measures will reduce the impacts of the traffic, but not to a less than significant level.

- Fund, on a fair share basis, improvements to the intersection of West Grand Avenue and the I-880 Frontage Road and West Grand Avenue and Market Street
- Fund, on a fair share basis, the installation of a traffic signal at the unsignalized intersection of Mandela Parkway and Horton Street
- Fund, on a fair share basis, traffic signal improvements and signal phasing and timing to the intersections of 7<sup>th</sup> Street and Market Street, West Grand Avenue and West Street
- Fund, on a fair share basis, the costs of adding one or more new fare gates at the West Oakland BART Station
- Develop a Transportation Demand Management program for the industrial village including project-sponsored financial incentives for use of alternate modes and participation in the Alameda County CMA's Guaranteed Ride Home Program
- Provide a shuttle service between the project area and the West Oakland BART station

There are also a number of mitigation measures associated with reducing motor vehicle emissions discussed in the *Air Quality* chapter (DEIR, pages IV.C-23 – IV.C-24). These mitigation measures are incentives to use alternative modes of transportation to the single occupancy vehicle such as Rideshare Measures, Incentive and Parking Measures, Shuttle Measures, and Bicycle and Pedestrian Measures.

The proposed project, along with other development projects, will contribute towards funding improvements to designated intersections, installation of traffic signals, upgrading traffic signals, improvements to BART fare gates, and for a shuttle which transports people between the project site and BART. The project sponsor will also be offering incentives to residents and industrial/commercial tenants to use alternative modes of transportation. Staff is proposing that an overall transportation demand management (TDM) strategy be part of the project package, including performance measures, minimum investment in the ecopass system, or other contributions to transit. Further, with the shuttle obligations set forth in the Jack London Project, the Oak to Ninth Project and the Wood Street Project, staff will also work on coordinating these requirements together so that a coherent shuttle or bus system can be developed. Part of this strategy may involve an incentive for not having to construct structured parking in exchange for long-term commitments and meeting performance standards for transit use, particularly for the employment trips generated by the project.

### Parking

The project proposes to provide a total of 2,322 onsite parking spaces. Most of the total onsite parking spaces would be contained in underground garages and three above-ground, three-story parking garages. There will be 79 surface parking spaces: 32 spaces in a surface lot located adjacent to the Pacific Pipe Building and 47 on-street parking spaces. The overall parking ratios are one space for each residential unit and one space for every 400 square feet of non-residential development.

Traffic associated with all uses on the site would be permitted to use any of the site's access points. However, residential-only parking zones would be designated within the parking garages, and all remaining parking areas would be available for all uses on the site.

A key issue is how the onsite parking will be managed, in terms of both taking advantage of different peak time periods for residential and commercial uses and establishing an incentive system for transit and bicycle use by not building as much parking.

### *Cultural Resources*

As discussed in the Cultural Resources chapter of the DEIR (IV.E-1 to IV.E-29), none of the existing buildings on the site are defined as historic resources for the purposes of CEQA, but two of the buildings are rated historic structures by the Oakland Cultural Heritage Survey (OCHS).

#### Pacific Pipe Company Building Complex – 2000 Mandela Parkway

The Pacific Pipe Company Building Complex is comprised of an original heavy timber structure (approximately 47,000 square feet), metal structure additions (approximately 31,000 square feet), and smaller ancillary buildings added over time (approximately 24,000 square feet). All structures, other than the original heavy timber structure, are proposed to be demolished.

The Pacific Pipe Building (47,000 s.f.) was originally surveyed and evaluated by the Oakland Cultural Heritage Survey (OCHS) as part of its citywide reconnaissance survey in 1986. OCHS later prepared a survey form for this building as part of the I-880/Cypress Freeway Replacement Project in 1990. According to the 1990 survey, OCHS assigned the building a rating of D3 (Minor historical importance, not an area of primary or secondary importance). The Oakland Landmarks Advisory Board (LPAB) met on April 17, 2006 to discuss what information needed to be included in the DEIR. The staff report prepared for that meeting reported the OCHS rating as “D3.” On April 28, 2006, OCHS prepared a new historic evaluation form for the building based on its reconnaissance of the interior of the building and recommended a revised rating of Cb (of secondary historical importance [C], possibly of major historical importance if restored [b]), citing the intact nature of the interior and the quality of its construction that were not evaluated as part of the earlier 1990 survey. (The LPAB has not yet considered OCHS’s recommended new rating for the building but will do so on January 29, 2007.)

The Pacific Pipe Building is not listed in the National Register of Historic Places. The State Office of Historic Preservation assigned this building with a rating of “6Z” (ineligible for listing in the National or California registers of historic places). According to the City’s *Historic Preservation Element*, only designated historic properties, or potential historic properties with an existing rating of “A” or “B” or that are in an Area of Primary Importance (API), are considered historic resources for the purposes of CEQA. Given its rating of “Cb,” the Pacific Pipe building is considered a Potential Designated Historic Property (PDHP<sup>3</sup>).

The proposed project would retain and adaptively reuse the original timber portion of the building as the centerpiece of the project. To accommodate reuse while acknowledging the primary features of the building, the project sponsor has specified the following design parameters for the proposed building alterations with respect to the building’s most identifiable characteristics:

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<sup>3</sup> Potential Designated Historic Properties are properties rated A, B, or C and are not already designated as Landmarks, Preservation Districts, or Heritage properties.

- The form of the building, a double bay, gable shed structure, would remain the feature design element of the completed building.
- The timber structure would remain the feature of the design and be made visible to the public.
- The exterior façade of the building would be removed and the original timber frame would be exposed, cleaned, and refurbished. A new exterior façade and roof suitable for the possible reused would be added.

American Steel Company Shop and Warehouse – 1930-1960 Mandela Parkway

The American Steel Company shop and warehouse, approximately 204,000 square feet, is a mid-20<sup>th</sup> century utilitarian factory/warehouse. OCHS assigned the building a rating of “D3” (minor historical importance; not in an area of primary or secondary importance) and has determined that the building appears to be ineligible for listing at the federal, state, or local level due to a lack of historic and architectural significance, as well as some loss of integrity due to later alterations.

American Steel Company Building – 1901 Poplar Street

This building, approximately 46,000 square feet, was constructed in 1928 and reflects 20<sup>th</sup> century industrial and commercial development in Oakland. OCHS assigned this building a local rating of “Dc3” (minor historical importance, possibly of secondary historical importance if restored, not in an area of primary or secondary importance). The building is not considered an historical resource, due to its contingency rating of “c,” but it is considered a Potential Designation Historic Property (PDHP) according to the *Historic Preservation Element* of the General Plan.

Although none of the buildings are considered historic structures for the purposes of CEQA, two of the structures are considered historic resources under the City’s *Historic Preservation Element* of the General Plan. The Landmarks Preservation Advisory Board will need to review the revised OCHS determination and the proposed alterations to the Pacific Pipe Building and make a recommendation to the Planning Commission. Issues to be considered by the LPAB include:

- Does the LPAB agree with the revised OCHS designation for the Pacific Pipe Building?
- Does the LPAB agree with the proposed alterations to the Pacific Pipe Building?

***Public Services and Recreation Facilities***

According to the DEIR, the resultant estimated population increase from the proposed project will not affect the public schools, libraries, and parks and recreation facilities. While an increase in population could increase the demand for these services, and the number of calls to the Police, Fire, and Emergency Medical Services could increase, no new facilities are needed as a result of the proposed development.

The proposed project includes 5.88 acres of open space; approximately 3.84 acres of public open space and 2.04 acres of private open space. Approximately 2.5 acres of the public open space includes the landscaped gathering areas and plazas on the ground level, and 1.3 acres on the podium levels. The primary public open space features would be a 2.0-acre central open space,

plaza, and landscaped walkway south of the Pacific Pipe Building. Approximately 2.04 acres of the proposed project are devoted to private open space. Approximately 0.91 acres of private shared open space is proposed on the podium levels as well as 1.13 acres of landscaped areas on the roofs of certain mid-rise buildings. These areas would not be accessible to the public and would be for use by project tenants and residents only.

Using adopted open space requirements of 150 square feet of usable open space per residential unit, the project would be required to provide approximately 5.43 acres of new open space, a portion of which could be met through private open space for residents. The amount of open space proposed meets this standard.

The site is configured to create pedestrian linkages between nearby community facilities and amenities, namely Raimondi Park and DeFremery Park and the Wood Street mixed use project located west of Mandela Parkway to public parks, schools, and library facilities located east of Mandela Parkway and the project site.

The question of public access, appropriate levels of maintenance, and creating safe and well designed linkages along public rights-of-way to community facilities are all issues for the Commission to consider.

### ***Population, Housing, and Employment***

The 1,577 units proposed for the project could include up to 3,180 new residents. The estimated population of school age children could be 158, 315, or 1,104 depending on the student generation rate factor used to estimate this population (see DEIR discussion on page IV.I-12). Approximately 2,270 of the future residents would be employed.

A total of approximately 650 new jobs (630 with the Industrial Village Scenario and 650 with the Community Grocery Scenario) would be created in the 300,702 square feet of industrial/commercial development. An overall net increase of 585 to 605 jobs is identified after accounting for existing tenants and employment (45) that would have to relocate from the site and the anticipated new uses and employment in the project.

### **PROPOSED REVIEW PROCESS**

Staff is providing an *estimated* timeline for the development review process. An outline of the major steps of the process is presented below. Dates in parentheses are *estimates*.

- Draft Environmental Impact Report published for public comment, 50-day review period, December 18, 2006 to February 6, 2007
- Project Application Submittal, including response to public comments and information and analysis contained in the DEIR (February – March 2007)
- Design Review Committee Meeting (March 2007)
- Final Environmental Impact Report published (April 2007)
- Landmarks Preservation Advisory Board Public Hearing (April/May 2007)

- Planning Commission Public Hearing (April/May 2007)
- West Oakland Project Area Committee (April/May 2007)
- City Council Meetings and Public Hearings on the Project, the proposed General Plan Amendment, Rezoning, and Redevelopment Plan Amendment (June/July 2007)

**STAFF RECOMMENDATION**

Staff recommends that the Planning Commission:

- 1) Receive public testimony on the DEIR, comment on the report, and provide staff and the project sponsor direction regarding issues to be addressed in the Final EIR;
- 2) Provide direction, as deemed appropriate, to address any of the policy questions or alternative actions discussed in this staff report, particularly the sequencing of this project with the industrial land use policy discussions and West Oakland rezoning efforts; the scale and height issues, and any other development standards or use restrictions that should be included in the project; and
- 3) Close the public hearing on the DEIR, and continue to accept written comments on the DEIR until 4:00 p.m. on February 6, 2007.

Prepared by:

Margaret Stanzione, Planner IV  
CEDA – Planning, Major Projects

Approved for forwarding to the  
City Planning Commission:

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CLAUDIA CAPPIO  
Director of Development

**ATTACHMENTS**

- A. Table II-1, “Summary of Impacts, Mitigation Measures, Standard Conditions and Residual Impacts” (DEIR pages II-5 to II-32)  
  
Draft Environmental Impact Report (previously distributed)

Also available at the following website:

[http://www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/mandela\\_grand\\_mixed\\_use.html](http://www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/mandela_grand_mixed_use.html)