



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 7, 2019

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: La Cumbre Plaza Area Specific Plan

RECOMMENDATION:

That Council receive a staff report on the General Plan guidance for redevelopment of the La Cumbre Plaza area and consider initiation of a Specific Plan.

EXECUTIVE SUMMARY:

With the recent closing of the Sears department store at La Cumbre Plaza, it is timely to consider options for the eventual redevelopment of the entire 31-acre shopping center. In the context of a policy for "Sustainable Neighborhood Planning", which is aimed at building complete neighborhoods to help in "reducing the community's carbon footprint," the General Plan calls for establishing an initial framework for a future La Cumbre Plaza Specific Plan to guide coordinated redevelopment of the area. Staff recommends this approach rather than allowing piecemeal redevelopment of individual parcels.

DISCUSSION:

La Cumbre Plaza (Plaza) has existed as a regional outdoor shopping center since 1967. With Sears' closure, one of two major department store tenants in the Plaza, it is appropriate to consider options for re-use of the 9.45-acre Sears site and the potential for planned redevelopment of the Plaza as a whole.

The primary commercial retail portion of the Plaza is bounded to the north and south by two large department store buildings, with an open shopping mall in between. Including the large grocery store building, most recently occupied by Vons, and the small strip mall directly to the north, the entire Plaza encompasses approximately 31 acres (Attachment 1 – Vicinity Map). The Plaza is accessed by vehicles from Calle Real, La Cumbre Road, State Street, and Hope Avenue.

Property Ownership

There are currently two underlying property owners for the area commonly referred to as La Cumbre Plaza. Macerich La Cumbre, LLC has a long-term lease and manages the interior portion currently developed with the smaller mall stores, the large grocery store, and the strip mall to the north. Five other owners control the parcels abutting La Cumbre Plaza Lane, near La Cumbre Road. The mix in property ownership and existing leases with retail occupants can complicate efforts to plan comprehensively for redevelopment of the sites, but it is feasible.

Options for Redevelopment

The Upper State Street Study (Study), adopted by City Council in May 2007, recognized the potential for redevelopment of La Cumbre Plaza (Attachment 2 – Upper State Street Study). Due to its large size and location, this site presents a unique opportunity to improve the transportation network and provide open space, parkland, and housing. The Study identifies circulation improvements on the La Cumbre Plaza site, including the potential for new east-west streets connecting La Cumbre Road to Hope Avenue, and pedestrian trails along Arroyo Burro Creek. The Study also calls for locations to be identified for public parks and open space, specifically at the Plaza. Redevelopment of the site can partially address larger City land use objectives to develop additional affordable and market-rate housing near commercial services and public transit.

The entire Plaza area is currently zoned C-G (Commercial General)/USS (Upper State Street Study Overlay Zone), which allows a range of commercial, office, and residential uses, and is subject to the following development standards, among others:

Table 1: C-G and USS Zone Development Standards

Allowed Uses	See SBMC §30.25.020
Maximum Height	45'
Residential Density	<ul style="list-style-type: none"> • 1 unit per 3,500 square feet of lot area, or • Average Unit-Size Density Incentive Program <ul style="list-style-type: none"> ○ <i>Commercial/High Density Residential (28-36 units/acre)</i> ○ <i>Priority Housing Overlay (37-63 units/acre)</i>
Minimum Setbacks <ul style="list-style-type: none"> • Front: • Interior: 	10' for structures not exceeding 15 feet in height; 20' for any portion of a structure more than 15 feet in height Residential = 6' for first and second stories; 10' above second story Nonresidential/Mixed-Use = 0'
Parking	Based on specific uses. See SBMC §30.175.040

Option 1: Piecemeal Redevelopment

Piecemeal redevelopment of each site within the Plaza is technically possible under current rules, but complicated by property lines and reciprocal parking and access agreements. Under a piecemeal redevelopment scenario, each site would be subject to

General Plan policies, zoning designations, and development standards in place at the time of redevelopment. Unless lots are merged to reduce the number of parcels, building setbacks would be required from property lines located throughout the Plaza. External and internal site circulation (vehicle, pedestrian, and bicycle), open space, parking facilities, creek restoration, and stormwater management would not be optimized with piecemeal redevelopment, and the City's ability to exact public improvements (e.g., streets, street lighting, sidewalks, pedestrian trail) would be limited. Furthermore, the ability to appropriately situate larger building masses and place compatible uses near one another is more limited if sites are designed and developed independently. Moreover, the Council must consider General Plan Policy LG15 and Implementation Action LG15.2, discussed below, in order to determine which actions are consistent with the General Plan.

Option 2: Development Agreement(s)

The owners of the 9.45-acre Sears site are considering redeveloping the property with a mix of residential and commercial uses. The site is zoned C-G and is within the boundaries of the Average Unit-Size Density (AUD) Incentive Program. Given that the majority of the site is within the Priority Housing Overlay of the AUD Incentive Program, the owners could propose up to approximately 550 rental housing units, depending on average unit size, building height, the amount of commercial square footage proposed, and the site area available for redevelopment after accounting for setbacks, vehicle circulation and parking, open yard area, stormwater management, and a buffer from adjacent Arroyo Burro Creek. The Sears site is currently developed with approximately 150,000 square feet of nonresidential floor area and 639 parking spaces, and can be directly accessed from La Cumbre Road and Calle Real.

City staff have met with one of the owners and their agents to generally discuss their development proposal and, in February 2019, the owners' agent submitted a draft outline for a Development Agreement to guide future redevelopment of the site (Attachment 4 – Letter from Michael Pfau). The owners are interested in a Development Agreement because of concerns about termination or alteration of the AUD Incentive Program.

A Development Agreement is a voluntary contract between a local jurisdiction and a property owner, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property. Development Agreements grant assurance that an applicant may proceed with development in accordance with policies, rules, and regulations in effect at the time of its approval, subject to conditions to promote the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to protect the environment are achieved. Although Development Agreements are voluntary, once executed, they are binding on the parties and their successors. A Development Agreement must be found consistent with the City's General Plan, is adopted by ordinance by the City Council, and is subject to referendum. Here, a Development Agreement might be negotiated to provide the developer longer-

term assurance of its development rights in exchange for extraordinary public benefits that could not be legally compelled through the City's police power.

Executing a Development Agreement to govern redevelopment of the 9.45-acre site would not preclude the remaining sites within La Cumbre Plaza from being redeveloped individually or under a future Specific Plan. If the City Council authorizes staff to negotiate a Development Agreement with the owner of the Sears site, staff would work diligently toward an objective to integrate development of the single parcel into a longer-range plan for the site, such as a Specific Plan.

Option 3: Specific Plan

Regardless of whether a Development Agreement is proposed and potentially approved for the 9.45-acre Sears site, staff recommends preparing a Specific Plan to plan for the future redevelopment of the Plaza in its entirety (Attachment 3). A Specific Plan implements the General Plan by establishing a link between policies of the General Plan and individual development proposals in a defined area. As such, a Specific Plan must be found consistent with the City's General Plan. The City currently has ten adopted Specific Plans. Under state law, the City may recover the cost of planning efforts (such as a Specific Plan) from future developers subject to the Specific Plan.

The General Plan Land Use Element calls for an initial framework for a future La Cumbre Plaza Specific Plan.

General Plan Policy LG15:

Sustainable Neighborhood Planning. Neighborhoods shall be encouraged to preserve and enhance the sense of place, provide opportunities for healthy living and accessibility, while reducing the community's carbon footprint.

Possible Implementation Actions to Be Considered: LG15.2 – La Cumbre Plaza Specific Plan: *Prepare an initial framework for a future La Cumbre Plaza Specific Plan for the eventual redevelopment of the site based on the analysis in the Upper State Street Study, including identification of applicable parcels, and issues to be addressed in the future Specific Plan. Include consideration of a mixed commercial and residential village approach and possible public improvements such as a transit center, open space/public park, pedestrian connections, east/west vehicle circulation connections, and parking structures.*

A Specific Plan may be as general as simply establishing broad policy concepts or as detailed as providing direction on every facet of development, from the type, location, and intensity of uses, to the design and capacity of infrastructure; from the resources used to finance public improvements, to the design guidelines of individual structures. A Specific Plan provides a mechanism to comprehensively study and plan for development within a defined geographic boundary and typically streamlines environmental review for the eventual buildout of the Specific Plan area. Development envisioned by a Specific Plan can be completed all at once or phased according to the readiness of property owners.

Specific Plan Issue Areas

If City Council initiates a Specific Plan to guide future redevelopment of the La Cumbre Plaza area, staff recommends that the following topics be addressed in the Specific Plan in order to ensure orderly development while offering flexibility and creativity in what would likely be separate phases of development:

- Allowed Land Uses
- Development Standards
 - Building Height
 - Setbacks
 - Parking
 - Residential Density
 - Allocation of Nonresidential Floor Area
- Public Improvements
 - Streets/Sidewalks
 - Public Utilities
- Circulation
 - Location and Design of New Public/Private Street(s)
 - Site Ingress and Egress Points
 - Transit Improvements
 - Bicycle and Pedestrian Connections
- Design Guidelines
 - Public View Corridors
 - Architectural Style
- Creek Restoration/Buffer
- Stormwater Management Facilities
- Open Space/Landscaping

Specific Plan Process

A Specific Plan can be proposed by either the City or a property owner. If the City leads the work effort, staff and the City Council would need to identify funding and select a private consultant to manage the project through a Request for Proposals process. As such, a private developer would likely be able to initiate the work effort more quickly than the City. After public outreach, completion of technical studies, and a draft Specific Plan is proposed, the Specific Plan would be reviewed by City staff, appropriate City advisory bodies, and ultimately be subject to approval by the Planning Commission and City Council. A Specific Plan is subject to environmental review and must be found consistent with the General Plan.

BUDGET/FINANCIAL INFORMATION:

If City Council directs staff to prepare a La Cumbre Plaza Area Specific Plan, a private consultant would be sought to manage various aspects of the work effort, including public outreach, preparing technical reports, drafting the Specific Plan, and completing

environmental review. Staff estimates the work effort would take approximately two years and cost an estimated \$250,000 to \$300,000, exclusive of technical/environmental studies and in addition to City staff support. This work effort is not currently included in the Planning Division's proposed work program or budget for Fiscal Year 2020 to Fiscal Year 2021. When the contracts for consultants are brought to Council for approval, which is expected next fiscal year, staff will have identified a funding source and recommendation to Council.

California Government Code Section 65456 allows the City Council to impose a fee on applicants seeking development approval subject to a Specific Plan to defray the cost of preparation, adoption, and administration of a Specific Plan. The fee shall be a prorated amount in accordance with the applicant's relative benefit derived from the Specific Plan. This would allow the City to recover funds initially outlaid during the preparation of the Specific Plan.

ENVIRONMENTAL REVIEW:

A City Council action to initiate a Specific Plan is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21102 and CEQA Guidelines Section 15262, which includes projects involving only feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded. Environmental review would occur as part of the Specific Plan work effort, and a CEQA determination made prior to Specific Plan adoption.

- ATTACHMENT(S):**
1. Vicinity Map
 2. Upper State Street Study
 3. Proposed Specific Plan Boundary
 4. Letter from Michael Pfau, Dated April 9, 2019

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APPROVED BY: City Administrator's Office