

REQUEST FOR Planning Commission Action



PLANNING COMMISSION MEETING DATE:

MAY 13, 2019

TITLE:

**PUBLIC HEARING – ENVIRONMENTAL REVIEW
NO. 2018-72, AMENDMENT APPLICATION NO. 2018-04,
DEVELOPMENT AGREEMENT NO. 2018-02, AND
TENTATIVE PARCEL MAP NO. 2018-01 FOR THE
MAINPLACE TRANSFORMATION PROJECT SPECIFIC
PLAN LOCATED AT 2800 NORTH MAIN STREET
{STRATEGIC PLAN NOS. 3, 2; 5, 3; 5, 4}**

PLANNING COMMISSION SECRETARY

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Set Public Hearing For _____

DENIED

- ☐ Applicant's Request
- ☐ Staff Recommendation

Prepared by Ali Pezeshkpour, AICP

CONTINUED TO _____


Executive Director


Planning Manager

RECOMMENDED ACTION

1. Adopt a resolution recommending that the City Council: (1) adopt a resolution approving and adopting an addendum to the Environment Impact Report for the Fashion Square Commercial Center Project (SCH NO. 1983021103) and re-adoption of a mitigation monitoring and reporting program; (2) adopt an ordinance approving Amendment Application No. 2018-04 to establish the MainPlace Specific Plan No. 4; (3) adopt an ordinance approving Development Agreement No. 2018-02; and (4) adopt a resolution approving Tentative Parcel Map No. 2018-01, as conditioned.

Executive Summary

Margit Allen, representing MainPlace Shoppingtown, LLC, is requesting approval of several entitlements to facilitate a phased mixed-use development master plan at MainPlace Mall, located at 2800 North Main Street. Specifically, the applicant is requesting an amendment application to rezone the property from General Commercial (C-2) to Specific Plan No. 4 (SP-4), a tentative parcel map to subdivide the site into 10 developable parcels, and a development agreement. Staff is recommending approval of the project as the proposed specific plan will facilitate the transformation and redevelopment of the existing MainPlace Mall into a regional, mixed-use village with additional commercial, office, residential, and hotel projects that will be carefully integrated with the existing community.

Project Location and Site Description

The subject site contains approximately 49 acres generally located northeast of the corner of Main Street and Main Place Drive. The site is surrounded by the Santa Ana (I-5) Freeway to the west, the Garden Grove (SR-22) Freeway to the north, Main Street and commercial and mixed-use land uses to east, and Main Place Drive and commercial-office land uses to the south. The subject site does not include the “Time and Temperature” midrise office building adjacent to the site at 2700 North Main Street.

The site is currently improved with the 1,130,000-square foot MainPlace Mall regional shopping center, three parking structures, and surface parking lots. MainPlace Mall contains two anchor tenants, Macy’s and J.C. Penney, a vacant anchor store previously tenanted by Nordstrom, interior mall corridor tenants, restaurants, a cinema, an indoor recreation venue, and a fitness club.

Table 1: Project Location Information

| Item | Information | |
|---------------------------------|--|--|
| Project Address | 2800 North Main Street | |
| Nearest Intersection | Main Street and Main Place Drive | |
| General Plan Designation | Existing: General Commercial (GC) | Proposed: General Commercial (GC) (no change proposed) |
| Zoning Designation | Existing: General Commercial (C-2) | Proposed: Specific Plan No. 4 (SP-4) |
| Surrounding Land Uses | North | Garden Grove (SR-22) Freeway |
| | East | Commercial and Mixed-Use |
| | South | Commercial and Office |
| | West | Santa Ana (I-5) Freeway |
| Property Size | 49.04 acres (gross) | |
| Existing Site Development | The site contains a 1,130,000-square foot regional mall, three parking structures, and surface parking lots. | |
| Applicable Zoning Code Sections | Existing: SAMC Chapter 41, Article III, Division 13 (General Commercial) | Proposed: SAMC Chapter 41, Article III, Division 25 (Specific Plan) |
| Entitlements | SAMC Chapter 41, Article V, Division II (Amendments and Change to District Boundaries) | |

Project Background and Chronology

The Project site has served as a shopping destination since 1958 when the area was known as the Santa Ana Fashion Square. In 1983, the Santa Ana Fashion Square development consisted of an approximately 512,595-square foot open-air retail mall on the Project site. The Fashion Square Commercial Center Subsequent Final Environmental Impact Report (EIR) was prepared in 1983 to

evaluate the potential impacts associated with the rehabilitation and redevelopment of the site as a mixed-use commercial center with 1,600,000 square feet of retail space, 1,500,000 square feet of office space, and 1,200 hotel rooms. The 1983 EIR was certified by the City of Santa Ana Redevelopment Agency in 1983. In 1987, the majority of the Fashion Square was transformed into what is currently MainPlace Mall.

In 1996, the City of Santa Ana prepared Addendum (ER No. 96-033) to the 1983 EIR to evaluate a proposed retail expansion of the project site. While the proposed retail expansion was never fully implemented, in 2000 the City relied on the 1996 Addendum and 1983 EIR to approve a site plan and vesting tentative parcel map. These entitlements permitted up to 1,509,255 square feet of retail, 1,500,000 square feet of office space, and 400 hotel rooms. A final parcel map consistent with the 2000 entitlements was approved and recorded in October 2002. However, the improvements related to the parcel map and 2000 entitlements were never implemented.

MainPlace Mall is today comprised of 1,130,000 square feet of commercial and retail uses within an enclosed two- and three-story mall building. There are 4,882 parking spaces in six surface parking lots and three onsite parking structures. Table 2: Previous and Current Entitlements, below, illustrates the site's existing development capacity.

Table 2: Previous and Current Entitlements

| Land Use | 1983 EIR | Net Year 2000 Change | 2000 Parcel Map |
|-----------------|-------------------|-----------------------------|------------------------|
| Commercial | 1,600,000 sq. ft. | -90,745 sq. ft. | 1,509,255 sq. ft. |
| Office | 1,500,000 sq. ft. | 0 | 1,500,000 sq. ft. |
| Hotel | 1,200 rooms | -800 rooms | 400 rooms |
| Residential | (None) | (None) | (None) |

Project Description

The applicant is proposing modify the current entitlements listed in Table 2 to establish a new Specific Plan zoning designation on the site. The proposed Specific Plan, SP-4, is implementing a mitigation measure (No. 5.1-1) from the 1983 EIR and would facilitate phased redevelopment and revitalization of the mall into a mixed-use urban village with commercial, office, hotel, and residential uses. The proposed, revised entitlements and net changes are outlined in Table 3: Proposed Entitlements and Net Change on the following page.

Table 3: Proposed Entitlements and Net Change

| Land Use | 1983 EIR | 2000 Parcel Map | 2019 Specific Plan Proposal | Proposed 2019 Net Entitlement Change |
|-------------|-------------------|-------------------|-----------------------------|--------------------------------------|
| Commercial | 1,600,000 sq. ft. | 1,509,255 sq. ft. | 1,400,000 sq. ft. | -109,255 sq. ft. |
| Office | 1,500,000 sq. ft. | 1,500,000 sq. ft. | 750,000 sq. ft. | -750,000 sq. ft. |
| Hotel | 1,200 rooms | 400 rooms | 400 rooms | 0 |
| Residential | None | None | 1,900 units | +1,900 units |

Currently there are 1,130,000 square-feet of commercial. With the existing commercial and proposed entitlements and net changes detailed in Table 3, the proposed MainPlace Mall Specific Plan would still accommodate an additional 270,000 square feet of new commercial development. Because the site currently contains no office, hotel, or residential components, the Specific Plan would also allow up to 750,000 square feet of office space, 400 hotel rooms, and 1,900 residential units.

Specific Plan

A specific plan is a zoning tool available to local jurisdictions to establish a master plan that ensures high-quality, long-term development over a defined area. The specific plan has been identified as the appropriate zoning tool for the MainPlace project site due to the presence of the existing mall, the desire to introduce new uses over time, to ensure high-quality streetscape, open space, architectural, and landscape design, and to reflect the single ownership of the entire project site. In addition, the specific plan is implementing a mitigation measure of the 1983 EIR, which states that development of the project site should occur through the specific plan process.

The specific plan will contain the minimum components required by the State of California. Section 65451 of the Government Code mandates that a specific plan contain the following components:

- | | |
|---|--|
| I. Introductory Plan Information | VII. Relationship of the Specific Plan's Environmental Document to Subsequent Discretionary Projects |
| II. Summary | VIII. Specific Plan Administration |
| III. Introduction | IX. Specific Plan Enforcement |
| IV. Land Use Planning and Regulatory Provisions | X. Appendices |
| V. Infrastructure Plan | |
| VI. Program of Implementation Measures | |

The proposed MainPlace Mall Specific Plan, Specific Plan No. 4 (SP-4), contains the required components listed above. The Specific Plan details the site's context and setting, including its

relationship with the surrounding community and its intent of creating a regional mixed-use village with commercial, employment, residential, open space, and visitor amenities and components.

SP-4 contains four guiding principles that are intended to realize the success of MainPlace as a regional destination and as a contributor to the existing community. The four guiding principles are:

1. *Enhance the Mall as an Iconic Local Shopping Destination.* This will be realized through reinvestment in the mall and significant upgrades to the overall site through new sidewalks, bicycle lanes, landscaping, roadways, and parking.
2. *Create a Unique Lifestyle and Entertainment Experience.* This will be realized creating a mixed-use village consisting of retail, office, multi-family, and hospitality uses in an urban setting.
3. *Promote a Diverse Mixture of Uses.* This will be realized through careful curation of uses allowed both inside the existing mall and in new projects constructed around the mall.
4. *Enhancing the North Santa Ana Cultural Experience.* This guiding principle does not directly affect physical development at MainPlace but will be realized through additional uses at MainPlace that will complement existing regional draws such as the Bowers Museum and Discovery Science Center.

When fully implemented, the Specific Plan will result in changes to the MainPlace site that include the following:

1. Ten (10) developable parcels for mixed-use and commercial development, including the existing MainPlace Mall building;
2. New onsite roadways with sidewalks, landscaping, and plaza areas depending on building type and use;
3. Creation of a new central, open-space plaza adjacent to the former Nordstrom space;
4. Enhancement of Main Place Drive to add bicycle lanes and enhance landscaping;
5. Realignment of Main Place Drive between Main Street and Bedford Road to create a rectangular-shaped, developable parcel intended for mixed-use development; and
6. Realignment of the loop road surrounding MainPlace Mall to anticipate a westward expansion of the mall for a regional “edutainment” tenant.

The Specific Plan establishes a vision for a dynamic, mixed-use environment consisting of a regional mall surrounded by a mixed-use urban village containing residential, commercial, hotel, and office components. Moreover, the Specific Plan maintains the ability of the existing mall to expand. New land uses would be introduced to the site over time as market conditions warrant. Implementing projects would be submitted to the City for review on a case-by-case basis, requiring administrative review unless thresholds are met to require review and approval by the Planning Commission and/or City Council. Development regulations within the Specific Plan will ensure that projects are constructed pursuant to standards establishing setbacks and pedestrian zones,

parking, and height. Allowable uses are defined for different sub-districts within the Specific Plan. Design Guidelines and Implementation sections within the Specific Plan will ensure that implementing projects are high-quality and reviewed consistently, streamlining the process for new developments in the Specific Plan area. Finally, implementing projects will be required to submit development impact fees and meet any inclusionary housing requirements in the Housing Opportunity Ordinance in place at the time of construction permits issuance.

Analysis of the Issues

The applicant is requesting approval of a Specific Plan, Tentative Parcel Map, and Development Agreement to facilitate construction of a master-planned, mixed-use village at MainPlace Mall. An analysis of issues is presented in Table 4 on the following pages.

Table 4: Issues Analysis

| Issue | Analysis |
|---------------|--|
| Scale | The Specific Plan is intended to produce a dynamic, mixed-use village that is integrated into and respects the surrounding community. New buildings will be limited to 10 stories in height on the western side of the specific plan area where single-family residential neighborhoods exist across the I-5 Freeway, while more intense development is allowed along the eastern portion of the Specific Plan area adjacent to existing mixed-use and commercial developments. The Specific Plan's design guidelines will ensure that new projects are built to incorporate step-backs and other features to reduce massing, while the street plans for onsite roadways will ensure sufficient buffers between roadways, sidewalks, plaza areas, and buildings. |
| Compatibility | MainPlace Mall is surrounded by commercial and mixed commercial/residential uses to the south and east and by the I-5 and SR-22 freeways to the north and west. Beyond the I-5 and SR-22 freeways are single-family residential neighborhoods in the cities of Santa Ana and Orange, approximately 350 and 300 feet away, respectively. Development regulations in the Specific Plan limit building height on the project site to 10 stories; 20-story buildings are only permitted along Main Street, away from sensitive land uses such as single-family residences. Moreover, the Specific Plan anticipates that more intense land uses such as offices and mixed-use buildings will be located closer to Main Street, away from existing single-family neighborhoods. Finally, the allowable uses in the Specific Plan document are intended to support a dynamic, mixed-use environment. Uses that may negatively impact the site and/or surrounding neighborhoods, such as industrial uses, are prohibited by the Specific Plan. |
| Density | The existing District Center (DC) General Plan land use designation permits a floor-area ratio (FAR) of up to 2.1 for the MainPlace project site. The General Plan Land Use Element provides for a density of up to 90 dwelling units per acre in most DC areas. The MainPlace Specific Plan proposes an FAR of 2.08, which is less than the 2.1 maximum allowed per the General Plan, as well as a |

| Issue | Analysis |
|--|---|
| | residential density of 39 dwelling units per acre, which is below the typical 90 dwelling units per acre maximum. The General Plan Land Use Element already references existing entitlements at MainPlace, and the equivalencies used to analyze impacts from transitioning already-entitled office square footages at the site to residential land uses will ensure that the densities do not exceed impact analyses in the General Plan. Finally, a minimum of 200 square feet of residential open space and amenity space will be required for each residential unit within the Specific Plan area, ensuring a livable environment for residents. |
| Onsite Parking | <p>The entire MainPlace Mall site currently contains 4,882 parking spaces in the form of surface parking lots and multi-level parking structures. As part of the review of the proposed Specific Plan, a parking study was prepared to survey existing onsite parking usage and peak periods. The study finds that existing parking demands are 2.19 parking spaces per 1,000 square feet of gross floor area for the existing mall. This number would increase to 2.59 if the entire mall were occupied with no vacancies, and 2.91 when adjusted for seasonal peaks (December holiday period). Additional details are provided in Attachment 15.</p> <p>The Specific Plan proposes a parking requirement that exceeds these observed demands and takes into account the mixed-use nature of the project site. The parking standards require 3.5 spaces per 1,000 square feet for commercial uses (retail, restaurant, service, health club, cinema, etc.); 1.65 spaces per residential unit, inclusive of guest parking; 1.1 spaces per hotel room; and 3 spaces per 1,000 square feet for office uses. These parking requirements ensure that sufficient parking will be provided for each land use without resulting in parking intrusion into surrounding developments. Finally, the Specific Plan allows for shared and alternative approaches to parking as technology evolves and parking demand is reduced through innovations such as parking lifts, enhanced transit and ridesharing, and conversion of existing parking structures to commercial and/or residential spaces.</p> |
| Regional Housing Needs Allocation (RHNA) | <p>The Housing Element Annual Progress Report includes a summary of Santa Ana's progress in meeting its share of the RHNA. There were a total of 1,372 building permits issued for new housing units in 2018, of which 42 percent or 577 housing units are affordable. With these new units, the City substantially exceeds the overall target for Santa Ana's RHNA 204-unit allocation, by over nine times. The MainPlace Specific Plan will create capacity for development of up to an additional 1,900 housing units in the City. Residential unit development in the Specific Plan area will be subject to the Housing Opportunity Ordinance as applicable.</p> |

Amendment Application

The subject site is currently in the General Commercial (C-2) zoning district. The C-2 zoning district permits a wide variety of commercial uses and includes all uses that are permitted in the

Community Commercial (C-1) zoning district. In addition to those uses, the C-2 zoning district permits limited wholesale, research and development, equipment sales, car washes, trailer parks and camps, thrift shops, food distribution centers, indoor swap meets, warehouse stores, and superstores. These uses are permitted by-right or are subject to approval of a conditional use permit. The existing C-2 zoning designation does not meet the goals and objectives of the project to produce a dynamic mixed-use village with residential, hotel, office, and commercial land uses.

SP-4 will ensure high-quality development at MainPlace and maintains the General Plan's vision for District Centers. According to the General Plan, District Centers are designed to serve as anchors to the City's commercial corridors, and to accommodate major development activity. District Centers are to be developed with an urban character that includes a mixture of high-rise office, commercial, and residential uses which provide shopping, business, cultural, education, recreation, entertainment, and housing opportunities. The Main Place/City Place District Center includes a regional shopping center and office complex, as well as high intensity housing and mixed-use development. The proposed Amendment Application (zone change) to establish a Specific Plan (SP-4) zoning designation is consistent with the goals and objectives of the project and is consistent with the goals and policies of the site's existing District Center (DC) General Plan land use designation.

The proposed Specific Plan will establish permitted uses that will be permitted by right, subject to a conditional use permit, or subject to a land use certificate. The uses are intended to create a dynamic, mixed-use environment anchored by a central commercial mall and surrounded by complementary land uses. These uses differ from those allowed by the existing C-2 zoning at the site, which permit a broader range of commercial activities, many of which do not support the stated goals and vision for the project site. Additional details are provided in Attachment 6.

Additional details on the core components of the Specific Plan are provided in Table 5: Project-Specific Development Standards, below.

Table 5: Project-Specific Development Standards

| Standard | Description |
|--------------------------------|---|
| Maximum Floor Area Ratio (FAR) | 2.1 (already permitted by the General Plan Land Use Element) |
| Maximum Building Height | Mixed-use, residential, hotel, and/or office: 10 stories maximum; 20 stories permitted along Main Street or subject to a Site Plan Review approval by the Planning Commission Parking structures: 6 levels maximum above-grade |
| Minimum Building Setbacks | 15 feet minimum from Main Street and Main Place Drive |
| Onsite Parking | Commercial (retail, service, restaurants, etc.): 3.5 spaces per 1,000 sq. ft. gross floor area |

| Standard | Description |
|-----------------------------------|---|
| | Residential: 1.5 spaces per unit, plus 0.15 spaces per unit for guest parking (1.65 gross parking spaces per unit) Hotel: 1.1 spaces per room Office: 3.0 spaces per 1,000 sq. ft. gross floor area |
| Onsite Open Space and Landscaping | Minimum 200 square feet onsite per each residential unit; Minimum 15 percent open space for each planning area within the Specific Plan. |

Tentative Parcel Map

The applicant has submitted a tentative parcel map to subdivide the project site into 10 parcels to create developable sites within the Specific Plan area. The 10 parcels include MainPlace Mall, which will remain at the core of the Specific Plan area. The remaining 9 parcels will surround the mall building, creating sites for mixed-use, residential, hotel, parking structure, and/or office developments to be submitted individually in the future.

The tentative parcel map details roadway and utility improvements, as well as realignment of Main Place Drive in Parcel 1 to create a standard, rectangular-shaped parcel for future mixed-use development. These improvements will require a vacation of a portion of Main Place Drive near the Macy's building and vacation of smaller roadway segments due to various street improvements proposed along Main Place Drive for bike lanes and utility infrastructure. CC&Rs will be adopted to define the operating and maintenance requirements. They will also maintain a property owner's association responsible for maintenance and enforcement of the CC&Rs and will ensure that parking and access can be shared throughout the entire Specific Plan area

The tentative parcel map leaves the Macy's parcel as-is, as it is an existing condition. The parcel is currently under separate ownership and is subject to a long-term lease, which render possible adjustments to the parcel as part of the tentative map impossible. The Specific Plan addresses any potential redevelopment that could take place on that parcel should Macy's reevaluate its presence at the site.

Development Agreement

The applicant has requested approval of a development agreement (DA), which is a contract between the City and a developer that provides assurances and public benefits for both parties. The development agreement addresses the term of the agreement, possible extensions, indemnification, incentives for buildout of the non-residential and residential components of the project, requirements for recording conditions, covenants, and restrictions (CC&Rs), public art, City access to onsite open space areas, positive local impacts, overcrowding mitigation plans, and monitoring and reporting. These terms have been crafted to ensure high-quality development at the project site with positive financial impacts to the City. Additional details are provided in the summary of major deal points in Table 6, Development Agreement Major Deal Points.

Table 6: Development Agreement Major Deal Points

| Item | Description |
|--|---|
| Term and Extensions | The initial term of the DA is 10 years. The term may be automatically extended to 15 years if the developer completes construction or redevelopment of certain components within the first 7 to 8 years, including the central open space, the Nordstrom box building, large-format educational/entertainment use, parking, and site improvements, and hotel rooms. |
| Non-Residential Development Incentives | Completing non-residential components of the project, including construction or redevelopment of central open space, the Nordstrom box building, large-format educational/entertainment use, parking, and site improvements, and/or hotel rooms, will result in automatic extensions to the DA from 10 to up to 20 years. Completion of non-residential development components will also allow issuance of building permits for additional residential units on the site, ensuring a balance of revenue-generating uses for the City. |
| City Access to Open Spaces | The DA ensures that the City will be provided usage of the Central Plaza, Entry Plaza, or other mutually-accepted space at least 12 days each calendar year for events that are reasonably compatible with the project programming. The owner will also be required to provide at least 10 free events each year for the general public. |
| Public Art | The DA requires that public art be created, installed, and maintained on the project with a value equivalent to one-half of one percent (0.5%) of the total construction cost of the project. The public art component must also include at least two publicly-accessible water features on the project site. |
| Positive Local Impacts | The DA requires that the owner shall submit a plan for ongoing engagement and support of local philanthropic activities in Santa Ana relating to education, culture, and the arts, as well as local live-work preference for the rental or sale of residential units on the project site, and a local sourcing plan to hire and procure locally. |

California Environmental Quality Act

The MainPlace Transformation Project required preparation of studies relating to traffic, noise, air quality, greenhouse gas emissions, geologic and seismic hazards, hydrology and hydraulics, and sewer capacity. In addition, a health risk assessment, water supply assessment, water quality management plan, and fiscal impact and economic benefit analysis were prepared. All studies evaluate the changes of the proposed revisions as compared to the existing entitlements and were reviewed for content and accuracy by the City. The technical studies evidenced that an EIR Addendum to the previously-certified 1983 EIR is the appropriate CEQA document to evaluate and disclose the project's impacts.

An addendum to a previously certified EIR is prepared when a lead agency is asked to approve modifications to an existing project for which an EIR has already been certified. An addendum evaluates the requested modifications and determines whether subsequent EIR review is required.

Pursuant to CEQA case law, an addendum applies the same thresholds as the original, certified EIR. (Citizens Against Airport Pollution v. City of San Jose (2014) 227 Cal.App.4th 788.) Moreover, pursuant to Public Resources Code section 21166 and State CEQA Guidelines section 15162, when an EIR has been certified for a project, the City shall not require a subsequent or supplemental EIR or negative declaration for the project unless the lead agency determines that one or more of the following conditions are met:

1. Substantial project changes proposed that would result in new or substantially more severe impacts than disclosed in the previous EIR;
2. Substantial changes in circumstances that would result in new or substantially more severe impacts than disclosed in the previous EIR; or
3. Significant new information has come to light that shows there will be new or substantially more severe impacts than disclosed in the previous EIR.

If some changes or additions to the previously prepared EIR are necessary, but none of the conditions specified above are met, the lead agency shall prepare an Addendum. In accordance with the State CEQA Guidelines, since none of the conditions specified in section 15162 are present, an Addendum to the previously certified 1983 EIR is the appropriate form of environmental review for the MainPlace Transformation Project.

The Addendum focuses on the potential environmental impacts associated with the MainPlace Transformation Project that might cause a change in the conclusions of the certified 1983 EIR, including changes in circumstances or new information of substantial importance that would substantially change those conclusions. The Addendum considers whether the project result in new or substantially more severe impacts than were disclosed in the 1983 EIR and finds that no supplemental or subsequent EIR is required for the MainPlace Transformation Project.

Pursuant to State CEQA Guidelines section 15164(b), an addendum to a previously-certified EIR is not circulated for public review. The Addendum is included with this staff report as Attachment 9. Pursuant to State CEQA Guidelines section 15164(d), the City Council must consider the Addendum together with the 1983 EIR before making a decision on the MainPlace Transformation Project.

Previous CEQA Documentation

The 1983 EIR was prepared to evaluate the potential impacts associated with the rehabilitation and redevelopment of Fashion Square as a mixed-use commercial center with 1,600,000 square feet of retail space, 1,500,000 square feet of office space, and 1,200 hotel rooms. The 1983 EIR was certified by the City of Santa Ana Redevelopment Agency in 1983.

The 1983 EIR considers the environmental impacts relating to land use, soils and geology, hydrology, biological resources, archaeology, traffic and circulation, noise, air quality, aesthetics (including shade/shadow, solar glare, and illumination), housing/population, John Wayne Airport, public services and utilities (including natural gas, electricity, communications, water, sewer, solid waste, police protection, and fire protection), energy conservation, irreversible environmental changes, and growth inducement. It determined that the original, 1983 entitlements would not result in any potentially significant impacts relating to soil and geology, hydrology, archaeology, noise, air quality, housing/population, John Wayne Airport, natural gas, electricity, communications, water, sewer, and solid waste.

In 1996, the City prepared *Addendum (ER 96-033) to the Environmental Impact Report for Proposed MainPlace/Santa Ana Expansion* to the 1983 EIR to evaluate a proposed expansion of the original, 1983 entitlements' commercial uses. The 1996 Addendum evaluated each topical issue addressed in the 1983 EIR and included updated air quality and traffic analyses. The 1996 Addendum concluded that no subsequent environmental impact report was required under CEQA because the proposed retail expansion did not result in new or substantially more severe significant impacts than were disclosed in the 1983 EIR. While the 1996 proposed retail expansion was never fully implemented, in 2000 the City relied on the 1996 Addendum and 1983 EIR to approve a site plan and vesting tentative parcel map. These entitlements permitted up to 1,509,255 square feet of retail, 1,500,000 square feet of office space, and 400 hotel rooms. A final parcel map consistent with the 2000 entitlements was approved and recorded in October 2002. However, the improvements related to the parcel map and 2000 entitlements were never implemented.

Mitigation Measures and Addendum Conclusions

The City has prepared an updated Mitigation Monitoring and Reporting Program (MMRP) for the MainPlace Specific Plan. The original MMRP contained 19 mitigation measures, of which 8 are ongoing and applicable and 11 are no longer applicable because they have been completed or have been superseded by changes to various laws or codes.

An updated MMRP has been prepared to for the MainPlace Transformation Project Specific Plan. The mitigation measures from the 1983 EIR include measures that are not applicable to the proposed MainPlace Mall Transformation Project, require modifications to reflect the current status of development at the Project site, or have been implemented and do not need to be carried forward. The 1996 Addendum did not identify any additional mitigation measures. The 1983 EIR mitigation measures are listed in the updated MMRP after each topical section. Where any clarifications to the 1983 EIR mitigation measures were necessary, ~~strikeout text~~ is used in the updated MMRP to show deleted wording and underline text is used to indicate wording that has been added.

The MainPlace Transformation Project Addendum concludes no new or substantially greater impacts would occur with implementation of the proposed Project when compared to those identified in the 1983 EIR or the 1996 Addendum for: land use; soils and geology; hydrology; biota; archaeology; transportation and circulation; noise; air quality; shade/shadow, solar glare, and illumination; aesthetics; housing and population; airport; public services and utilities; energy conservation; irreversible environmental changes; and growth inducement. The updated MMRP will continue to mitigate or lessen any impacts already identified by the 1983 EIR, and any mitigation measures that are no longer applicable have been identified.

Economic Analysis

At the City's request, the applicant prepared an economic analysis to outline net positive and negative economic and fiscal impacts resulting from the MainPlace Transformation Project. The Net Fiscal Impact & Economic Benefit Analysis, prepared by Kosmont Companies, was peer-reviewed by AECOM and details retail market trends, fiscal impacts, and economic impacts and job benefits.

Kosmont's analysis indicates that the entire Specific Plan area at buildout would generate approximately \$9.3 million in annual gross fiscal revenues but would create \$2.8 million annual gross expenditures, resulting in a net \$6.5 million in positive net fiscal impacts. This figure is projected to grow to \$8.9 million with Measure X between 2019 and 2028, and \$8.1 million thereafter until 2038.

In addition to fiscal impacts, Kosmont's analysis indicates that the project is expected to generate over 3,600 full-time jobs during its first phase, which would increase to 12,700 full-time jobs at full buildout. Additional details are provided in the Net Fiscal Impact & Economic Benefit Analysis, included as Attachment 13 to this staff report.

AECOM's peer-review of Kosmont's analysis largely supports the findings of the study and finds that the majority of the study is based on sound methodology. The peer-review indicates that while the methodology of the hotel visitors tax analysis is sound, the average daily rate that is used to calculate tax revenue is slightly lower for the City than the Orange County Market as a whole, by roughly 20 percent. However, the peer-review indicates that the study's analyses of economic benefits, fiscal revenues, sales taxes, and expenditures for service population are consistent with established methodologies.

Strategic Plan Alignment, and Public Notification & Community Outreach

The City and applicant conducted extensive community outreach to solicit and incorporate feedback from surrounding neighborhoods, affected public agencies and school districts, and other interested

parties. Community outreach, Strategic Plan Alignment, and Public Notification details are provided in Table 6, below.

Table 6: Strategic Plan Alignment, Public Notification, and Community Outreach

| Strategic Plan Alignment, Public Notification, and Community Outreach each | |
|---|---|
| Strategic Plan Alignment | |
| Goal(s), Policy or Policies | Approval of this item supports Goal No. 3 Economic Development, Objective No. 2 (Create new opportunities for business/job growth and encourage private development through new General Plan and Zoning Ordinance policies), and Goal No. 5 Community Health, Livability, Engagement and Sustainability, Objective No. 3 (Facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods) and Objective No. 4 (Support neighborhood vitality and livability). |
| Public Notification & Community Outreach | |
| Required Measures | <p>A community meeting was held on May 31, 2018 at 5:30 p.m. at the MainPlace Mall former Nordstrom building in accordance with the provisions of the City's Sunshine Ordinance. Invitations/notices were mailed to property owners and occupants/tenants in a 600-foot radius from the project site, which exceeds the City's minimum 500-foot radius to ensure neighborhoods across the I-5 and SR-22 freeways would receive notice. Over 100 members of the public attended, as well as City staff from various agencies. The applicant provided all the required information to the City after the meeting. Details from the community meeting were posted to the project's webpage at https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-documents/main-place-mall-transformation-project and are included as Attachment 12 to this staff report.</p> <p>A public noticed was posted on the project site on May 3, 2019.</p> <p>Notification by mail was mailed to all property owners, occupants, and other interested parties within 500 feet of the project site on May 3, 2019.</p> <p>Newspaper posting was published in the Orange County Register on May 3, 2019.</p> |
| Additional Measures | <p>The applicant and City staff met with 78 interested groups, neighborhoods, and/or individuals between May 31, 2018 and March 13, 2019. Meetings include those with business leaders/organizations, City Council, Planning Commissioners, other public agency staff, Neighborhood Associations, school board members, and school districts.</p> <p>The City received numerous letters of support for the project. Letters were received from the Bowers Museum, Jack Fisher Park Neighborhood Association, the Orange County Taxpayers Association, the Santa Ana Chamber of Commerce, Santa Ana Police Officers Association, the League of United Latin American Citizens, and multiple residents in Santa Ana.</p> |

Conclusion

Based on the analysis in this report, staff is supportive of Amendment Application No. 2018-04, Development Agreement No. 2018-02, and TPM No. 2018-01 for the MainPlace Transformation Project. Moreover, the proposed Specific Plan, tentative parcel map, and development agreement have been analyzed by an EIR Addendum, which finds that no new significant impacts and/or new mitigation are required as a result of the proposed modifications to the site's existing entitlements. The project will transform an existing regional mall into a mixed-use village that will serve as a catalyst for new investment in that segment of Santa Ana and is a vital economic development strategy for the entire City.



Ali Pezeshkpour, AICP
Senior Planner

AP:sb

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Exhibits:

1. Planning Commission Resolution
2. Vicinity Zoning and Aerial View
3. Draft MainPlace Specific Plan (SP-4)
4. Tentative Parcel Map
5. 1983 EIR
6. 1996 Addendum
7. Sunshine Ordinance community meeting materials
8. Net Fiscal Impact & Economic Benefit Analysis (Kosmont)
9. Peer-review of Net Fiscal Impact & Economic Benefit Analysis (AECOM)
10. Parking study
11. Draft EIR Addendum and Technical Appendices
12. Draft Development Agreement