



**Planning Commission  
Staff Report**

May 8, 2013  
Item 5.a.

- SUBJECT:** P12-1820
- APPLICANT:** Stoneridge Properties, LLC (Simon Property Group)
- PROPERTY OWNER:** Stoneridge Properties, LLC (Simon Property Group)
- PURPOSE:** Application to amend the Development Agreement for an additional five years regarding an approximately 362,790 square foot expansion to the Stoneridge Shopping Center.
- GENERAL PLAN:** Retail/Highway/Service Commercial, Business and Professional Offices
- ZONING:** CR(M) – (Regional Commercial – Mall) and PUD–MU (Planned Unit Development – Mixed Use) District.
- LOCATION:** Stoneridge Shopping Center (1 – 1700 Stoneridge Mall Road).
- EXHIBIT:**
- A. Draft Amendment to the Development Agreement for the Stoneridge Shopping Center, dated May 8, 2013.
  - B. Original Development Agreement, dated November 5, 1992.
  - C. First Amendment to Development Agreement, dated January 6, 1998.
  - D. Pleasanton General Plan 2005-2025 Environmental Impact Report (EIR), and Housing Element and Climate Action Plan, General Plan Amendment and Rezonings Supplemental Environmental Impact Report (EIR) and Adopted Findings including Statement of Overriding Considerations (available upon request)
  - E. Location and Notification Maps

## **I. BACKGROUND**

### **Proposal**

The applicant, Stoneridge Properties, LLC (Simon Property Group), proposes to amend the development agreement for the Stoneridge Shopping Center by extending the term of this agreement by five years until December 2017. The applicant's proposal would be the second amendment to the previously approved Development Agreement.

### **Background**

The Stoneridge Shopping Center was constructed in the early 1980's by the Taubman Company. As consideration for the City's approval of this regional shopping center, the shopping center participated in funding portions of the I-680/Stoneridge Drive freeway interchange, construction of improvements to the nearby City streets and intersections that accessed the shopping center from the I-580 and I-680 freeways, and Fire Station No. 2 (6300 Stoneridge Mall Road).

### **Development Agreement**

In November 1992, the City Council approved the Development Agreement (Exhibit B) for the Stoneridge Shopping Center, which granted rights to expand the shopping center by approximately 178,000 square feet, and approved a Sewer Agreement that addressed the allocation of sewer capacity for the uses in the shopping center.

In January 1998, the City approved the First Amendment to Development Agreement (Exhibit C) to further increase the Stoneridge Shopping Center by an additional 202,000 square feet, thereby totaling 380,000 square feet of floor area, and approved an amendment to the Sewer Agreement that reserved 10,000 gallons of sewer capacity for the shopping center.

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

- Permitted the expansion of the shopping center floor area by a total of 380,000 square feet. (Reduced to 362,790 square feet of floor area by the construction of the P. F. Chang's and Cheesecake Factory restaurants.)
- Reserved 10,000 gallons per day of sewer capacity for the entire shopping center. (This capacity has been used completely by the present Stoneridge Mall retail businesses and restaurants.)
- Referenced the permitted and conditional uses of the CR(M) District of the Pleasanton Municipal Code for the shopping center with the applicable City approvals.

- Required parking ratios of 4.5 parking spaces per 1,000 square feet of floor area for department stores and mall stores and 3.5 parking spaces per 1,000 square feet for specialty stores. (These parking ratios exceed the City's retail parking standard of 3.3 parking spaces per 1,000 square feet.)
- Required the Stoneridge Mall shopping center to participate in mitigation measures identified by the City to offset the anticipated traffic impacts if the I-680/West Las Positas Road freeway interchange is not built.
- Defined the maximum height for all new shopping center buildings as 68 feet.
- Permitted parking decks up to a maximum height of three levels above grade.
- Identified traffic improvements to nearby intersections to be required by the Traffic Engineer based on levels-of-service to mitigate the impact of the additional floor area.

## II. SITE AND SURROUNDING AREA

The entire shopping center is located on an oval-shaped property defined entirely by Stoneridge Mall Road. Figure 1, below, shows the entire Stoneridge Shopping Center and portions of the I-580 freeway and Foothill Road.



Figure 1: Stoneridge Shopping Center and Surrounding Land Uses

The peripheral properties located between Stoneridge Mall Road and I-580 freeway, I-680 freeway, Stoneridge Drive, and Foothill Road are developed with a variety of office, hotel, medical, restaurant, and retail uses. Except for the BART station property, located northeasterly of the Stoneridge Shopping Center (the Windstar site), and the vacant Kaiser property, which is one of the sites that was recently rezoned to accommodate high-density housing, the peripheral properties are built-out.

### **III. PROJECT DESCRIPTION**

The applicant requests that the Development Agreement for the Stoneridge Shopping Center be amended to vest the right to construct 362,790 square feet of floor area – the remaining floor area after subtracting the 17,210 square feet floor area for the P.F. Chang's and Cheesecake Factory restaurants from the previous entitlement of 380,000 square feet – and to extend the expiration date of the development agreement to December 2017.

Development agreements are public/private contracts specifically authorized by California State law with the purpose of providing to property owners more certainty about the entitlements and exactions that will apply to their property. This is achieved by the Development Agreement setting forth the rights and responsibilities between the City and the property owner/developer. Development agreements are primarily utilized on large, master planned developments that will be constructed in a phased manner over a relatively long period of time. They, therefore, encourage public and private investment, including the provision of public facilities that could not normally be required under a typical development plan review.

The development agreement statute requires that the Planning Commission provide a recommendation to the City Council.

### **IV. ANALYSIS**

The Development Agreement for the Stoneridge Shopping Center was to expire on December 31, 2012. Prior to its expiration, the Simon Property Group submitted an application to extend the term of this Agreement by five years to December 2017. Exhibit A is the amended Development Agreement that will apply to the entire shopping center.

The Planning Commission has previously requested an edited copy of development agreements, ordinances, etc., to show the additions and deletions. Since the proposal only changes the expiration date from December 2012 to December 2017, staff has not provided an edited copy of the previous development agreement. The proposed amended Development Agreement and the existing agreement are attached as Exhibit A and Exhibit B, respectively.

### **Sewer Use and Capacity**

As stated previously under the second bullet point on Page 2, the Stoneridge Mall retail businesses and restaurants have used up the 10,000 gallons per day sewer capacity that was reserved by the previous sewer agreement. On June 29, 2012, Simon Properties purchased an additional 2,798 gallons per day of sewer capacity to make-up for the water use and corresponding sewer use from the Cheesecake Factory and P.F. Chang's Restaurants. With this purchase of additional sewer capacity, the entire Stoneridge Mall is in "equilibrium" between its reserved and purchased per day sewer capacity and actual per day sewer use as of June 29, 2012.

Because there is no more reserved capacity, the Sewer Agreement is no longer required for the Stoneridge Mall. Each new project will be evaluated for its anticipated water use and corresponding increase in the required sewer capacity available to the Stoneridge Mall. If necessary, an applicant will be required to purchase additional sewer capacity prior to occupancy.

### **Nordstrom Expansion**

In November 2005, the City Planning Commission approved PDR-489, the Design Review application to add a new Nordstrom store (144,000 square feet) with a three-story parking deck, two restaurants including P. F. Chang's and the Cheesecake Factory (17,210 square feet), and to add 15,234 square feet to the existing Nordstrom store and remodel the former Nordstrom building into general retail stores. The Planning Commission also approved the concept of a multi-screen movie theater. Only the P. F. Chang's and the Cheesecake Factory restaurants and the site improvements to accommodate these restaurants were constructed. The proposed extension of the Development Agreement would not extend the City's approval of the previously approved Nordstrom store and parking structure.

### **New Projects**

New commercial projects are subject to Planning Commission Design Review approval administered at a public hearing. Payment of traffic impact fees for new commercial projects would occur as specified in the Development Agreement and as required by City Traffic Impact Fees. The proposed extension of the Development Agreement would not affect the City's rezoning of approximately 10 acres of Stoneridge Mall property to allow high-density residential uses as an alternative to additional commercial development. A residential development would be reviewed under a separate application for PUD Development Plan approval.

## **V. ENVIRONMENTAL ASSESSMENT**

The original Development Agreement was the subject of a Mitigated Negative Declaration and Initial Study approved by the City Council on November 1996 in compliance with the California Environmental Quality Act (CEQA).

The Initial Study that accompanied the Mitigated Negative Declaration included traffic analyses which determined that the shopping center's traffic with the expansion will occur primarily off-peak and, therefore, would not impact surrounding streets and

intersections during the critical a.m./p.m. peak-commute hours. Staff notes that the traffic resulting from the remaining permitted floor area of 362,790 square feet was also addressed in the City's General Plan update EIR, and again in the Housing Element Supplemental EIR, confirming the conclusions of the original analysis.

On January 4, 2012, the City Council certified a Supplemental Environmental Impact Report (SEIR) and adopted the California Environmental Quality Act (CEQA) Findings and a Statement of Overriding Considerations for the Housing Element update and Climate Action Plan General Plan Amendments and Rezonings. This SEIR was a supplement to the EIR prepared for the Pleasanton 2005-2025 General Plan which was certified in July 2009. The 362,790 –square-foot expansion of the Mall was considered and assumed to be completed in these CEQA documents, and, therefore, these previous CEQA analyses adequately evaluate the potential impacts of this extension.

## **VI. PUBLIC NOTICE**

Notice was mailed to all property owners within a 1,000-foot radius of the Stoneridge Shopping Center. Exhibit E is a copy of the noticing area. Staff has not received any verbal or written communications from the noticed property owners as of the writing of the staff report. Any public comments or concerns will be forwarded to the Planning Commission.

## **VII. CONCLUSION**

This extension will enable Stoneridge Properties to proceed with its commercial expansion of the Stoneridge Shopping Center. This extension would not alter or modify the obligations and responsibilities described in the original Development Agreement as they apply to this shopping center. Because of the current economic climate, staff supports the request for the extensions and recommends that the Planning Commission provide a positive recommendation to the City Council.

## **VIII. STAFF RECOMMENDATION**

Staff recommends that the Planning Commission adopt a resolution recommending that (1) the City Council find that the General Plan EIR and Supplemental EIR (and associated findings and Statement of Overriding Considerations) provide adequate CEQA analysis for the extension; and (2) the City Council approve this extension of the Development Agreement as set forth in Exhibit A.

**RECORDING REQUESTED BY:  
CITY OF PLEASANTON**

When Recorded, Return to:  
Office of the City Clerk  
City of Pleasanton  
P.O. Box 520  
Pleasanton, CA 94566

Recording requested Pursuant to  
Government Code Sections  
27383 & 6103

**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT**

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (the “Amendment”) is made and entered into as of \_\_\_\_\_, 2013, by and between the CITY OF PLEASANTON, a municipal corporation of the State of California (“City”), and STONERIDGE PROPERTIES LLC, a Delaware limited liability company, doing business in California as STONERIDGE ASSOCIATES, LLC, successor in interest to SECURITY TRUST COMPANY, as TRUSTEE under TRUST NO. 1860-0 (“Developer”), pursuant to the authority of California Government Code Sections 65864-65869.5.

**RECITALS:**

A. The City and Developer are parties to a Development Agreement (the “Agreement”) dated as of November 5, 1992, as approved by the City Council under Ordinance No. 1578. The Agreement was recorded on April 2, 1993 under Instrument No. 93103418 in the Official Records of Alameda County. (Capitalized terms not otherwise defined in this Amendment shall have the meanings given to them in the Agreement; all references to the Agreement shall refer to the same as modified by this Amendment.)

B. The parties entered into the First Amendment to Development Agreement (the “First Amendment”), dated as of January 6, 1998, as approved by the City Council by its Ordinance No. 1732. The First Amendment to Development Agreement was recorded on February 5, 1998 under Instrument No. 98048535 in the Official Records of Alameda County.

C. The City and Developer desire to extend the term of the Agreement and First Amendment thereto. In order to strengthen the public planning process, encourage private participation in comprehensive planning, secure the orderly development of the Project and provide greater opportunities for traffic management and cohesive, attractive site design and improvements and related economic benefits to the City, the City has determined that this Second Amendment is an appropriate supplement to the Agreement and First Amendment thereto.

D. The City has examined the environmental effects of the Project as modified and, based on the Initial Environmental Study and the Traffic Mitigation Improvements, has determined that the Project will have no significant adverse effect on the environment, on the basis of which a negative declaration was adopted by the City Council.

E. On \_\_\_\_\_, 2013, after conducting a duly noticed public hearing, the City Planning Commission recommended that the City Council approve this Second Amendment, based on the following findings and determinations: that this Second Amendment is consistent with the objectives, policies, general land uses and programs specified in the City's General Plan; is compatible with the uses authorized in and the regulations prescribed for the land use district (C-R (Regional Commercial)) in which the Property is located; is in conformity with public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and general welfare of the City or the region surrounding the City; will not adversely affect the orderly development of property or the preservation of property values within the City; and will promote and encourage the development of the Project by providing a greater degree of certainty with respect thereto.

F. Thereafter, on \_\_\_\_\_, 2013, the City Council held a duly noticed public hearing on this Second Amendment and made the same findings and determinations as the Planning Commission. On that same date, the City Council made a decision to approve this Second Amendment by introducing Ordinance No. \_\_\_\_\_. On \_\_\_\_\_, 2013, the City Council adopted Ordinance No. \_\_\_\_\_.

NOW, THEREFORE, pursuant to the authority contained in California Government Code Sections 65864-65869.5, and in consideration of the mutual covenants and promises of the parties herein contained, the parties agree as follows:

1. Section 2.2 is hereby amended and restated as follows:
  - 2.2 Term. The term of this Agreement and Developer's rights and obligations hereunder shall terminate on December 31, 2017.
2. Except as expressly modified by this Second Amendment, the City and Developer hereby ratify and confirm the terms and conditions of the Agreement and First Amendment, which are fully incorporated herein by reference and shall continue in full force and effect.
3. This Second Amendment may be executed in multiple counterparts, all of which taken together shall constitute one and the same instrument. This Second Amendment shall be duly recorded in the Official Records of Alameda County.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the day and year first above written.

“City”

CITY OF PLEASANTON, a  
Municipal corporation of the  
State of California

Attest:

\_\_\_\_\_  
Karen Diaz, City Clerk

By: \_\_\_\_\_  
Nelson Fialho  
City Manager

Approved as to Form:

By: \_\_\_\_\_  
Jonathan Lowell  
City Attorney

“Developer”

STONERIDGE PROPERTIES LLC, a Delaware  
limited liability company, doing business in  
California as STONERIDGE ASSOCIATES,  
LLC

By: MILLS SUPER-REGIONAL MALLS GP,  
L.L.C., a Delaware limited liability  
company, its Managing Member

By: \_\_\_\_\_

Title: \_\_\_\_\_