



## Legislation Text

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**File #:** 19-127, **Version:** 1

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**SUBJECT:** Second Reading - Adoption of Ordinance Approving a Mitigated Negative Declaration for Environmental Review #18-02 and Site Utilization Plan Revision #38 to Planned Development (P-D) #1 Allowing the Renovation of the Merced Mall and Theatre, Including the Possibility of Relocating the Theatre Adjacent to the Merced Mall Building

### REPORT IN BRIEF

Adoption of previously introduced Ordinance No. 2499 and considers approving a Site Utilization Plan Revision for Planned Development (P-D) #1, a Mitigated Negative Declaration for Environmental Review #8-02 and Site Utilization Plan #38 allowing renovations to the Merced Mall located at 851 West Olive Avenue and the United Artists movie theater located at 645 Fairfield Drive, including possible relocation.

### RECOMMENDATION

**City Council** - Adopt a motion adopting **Ordinance 2499**, an Ordinance of the City of Merced, California approving a Mitigated Negative Declaration for Environmental Review #18-02 and Site Utilization Plan Revision #38 to Planned Development (P-D) #1 allowing the Renovation of the Merced Mall and Theatre, including the possibility of relocating the theatre adjacent to the Merced Mall building.

### ALTERNATIVES

1. Approve as recommended by the Planning Commission and staff; or,
2. Approve, subject to modifications by the City Council; or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in motion).

### AUTHORITY

Merced Municipal Code Section 20.20.020 (N) grants the City Council authority to approve revisions to a Planned Development.

### CITY COUNCIL PRIORITIES

FY 2018/19 Council Goals and Priorities identifies "Economic Development" under "Future Planning."

### DISCUSSION

The Merced Mall, located at 851 West Olive Avenue, is seeking approval for a renovation and

expansion of their existing building, including the possibility of relocating the theater adjacent to the Mall building. The proposed renovation would add additional floor area to the Mall and the theater. The proposed renovation would be done in two phases and would include the parcel where the Mall is located (APN: 236-220-038) along with the parcels where the theater and Michael's are located as well as the retail space adjacent to Big Lots (APN's: 236-220-016; -015; -014). A description of each phase as well as the two Alternatives proposed for Phase II are provided below.

### *Phase I*

Phase I of the proposed project would expand the buildings located along the southern elevation of the shopping center south towards West Olive Avenue by an additional 80 feet. The new frontage would be constructed in an updated and contemporary design. The height of the new frontage would increase the building mass and would be approximately 50 feet tall. This would increase the gross leasable area (GLA) of the project site by approximately 50,000 square feet. The southern parking lot would be reconfigured, repaved, restriped, and relandscaped. The total parking within the project site under Phase I would decrease by 232 parking spaces for a total of 2,867 parking spaces.

### *Phase II*

Phase II of the proposed project would include construction of a 72,000-square-foot movie theater containing up to 3,000 seats. The project applicant has proposed two alternatives under Phase II which would result in the location of a new movie theater at one of two locations within the project site.

#### *Phase II, Alternative 1*

Phase II, Alternative 1, would add an at-grade 72,000-square-foot theater between the existing JC Penny and Kohl's stores in the main shopping center building. In addition, this Phase would remove the enclosed mall roof between JC Penney and Kohl's, and result in a pedestrian mall and open courtyard in front of the new theater. The design and height of the movie theater addition would be integrated into the existing shopping center building and would be consistent with the exterior additions completed under Phase I. The height of the movie theater would be approximately 50 feet. The existing United Artists movie theater would be demolished and replaced with a new retail building of similar size. The total GLA of the project site after Phase I and Phase II, Alternative 1, would be approximately 660,097 square feet. The total number of parking spaces within the project site following completion of Phase I and Phase II, Alternative 1, would decrease by 232 parking spaces for a total of 2,810 parking spaces.

#### *Phase II, Alternative 2*

Phase II, Alternative 2, would demolish the existing United Artists Theater and two retail stores located along the eastern boundary of the project site and would construct a 72,000-square-foot at-grade theater at that location. The design and height of the movie theater would be consistent with the exterior additions completed under Phase I and would be approximately 50 feet tall. The existing theater is approximately 22,680 square feet in size, and the existing retail stores are approximately 25,416 square feet in size. As a result, the total GLA would increase by approximately 23,904 square feet for a total GLA of 612,001 square feet under Phase I and Phase II, Alternative 2. Construction of Phase II, Alternative 2, would include reconfigured parking for the theater. The existing 3,099 parking

spaces would decrease by 124 parking spaces under Phase I and Phase II, Alternative 2, resulting in a total of 2,975 parking spaces.

### Traffic/Circulation

The proposed renovation does not include any changes to the access and driveways to the site. The project site currently has 11 vehicle ingress/egress driveways providing access to and from West Olive Avenue, R Street, Loughborough Drive, and Fairfield Drive. As noted above, the parking lot facing West Olive Avenue would be reconfigured, repaved, and restriped with the renovation.

As part of the Environmental Review process for this project, a Traffic Impact Analysis was prepared by LSA Associates, Inc. (Initial Study #18-02, including the traffic analysis at Appendix C, is available for review on the City's website or in the City Clerk's office). The traffic analysis concluded that the proposed changes would not result in a decrease to the Level of Service (LOS) for the roadways and intersections studied. Although, one intersection - Olive Avenue and Pepperwood Lane - currently operates at an LOS F, which is below the City Standard of LOS D. However, since the major street (Olive Avenue) at this intersection has unimpeded through movements on low delays; for this reason, the impact at this intersection would not be considered a significant CEQA impact. Therefore, the City does not recommend any mitigation for this intersection. All other study intersections are forecast to operate at a satisfactory LOS in all scenarios and no significant delay is forecast at any of the signalized intersections. Additionally, all roadway segments would operate at an LOS D or better.

For additional information regarding the traffic analysis, please refer to the "Traffic/Circulation" section of Planning Commission Staff Report #19-04 at Attachment 9.

### Parking

Parking for the site would be modified with both Phase 1 and Phase 2 (either alternative). With the additional floor area being added, additional parking spaces are required. However, based on the existing number of spaces, there would still be sufficient parking available to meet the demands of the uses within the Mall and the theater. For more information on the parking changes and parking requirements, please refer to the Planning Commission Staff Report #19-04 at Attachment 9.

### Building Design

#### Phase 1

The existing Mall structure would remain, but would be modified and updated to a more contemporary look. The proposed improvements for Phase I would include extending the southern elevation to the south approximately 80 feet to add additional floor and pedestrian area. The vacant retail space located to the east of the main Mall entrance (previously occupied by CVS) would be reconfigured and leased to new retailers and restaurants, some of which would have storefronts facing the parking lot adjacent to West Olive Avenue. Refer to Attachment 6 for the conceptual design of the building elevations for Phase 1 and Phase II, Alternative 1.

The building elevations would be updated to a more contemporary design. Instead of the elevations being a consistent color and design, there will be a mixture of materials and colors, as well as the use of awnings and other architectural features to provide a more interesting and appealing aesthetic. The height of the new frontage would increase the building mass and would be approximately 50 feet

tall.

### Phase II

Phase II, Alternative 1, would add the theater to the existing building between JC Penny's and Kohl's Department Stores. The roof would be opened to create a pedestrian Mall and open courtyard in front of the new theater. The height of the new theater would be approximately 50 feet tall and would continue the use of a more modern design for the building elevations.

Phase II, Alternative 2, would demolish the existing theater and two retail spaces to the east of the Merced Mall. Specific elevations for the proposed 70,000 square-foot theater have not been provided, the design and height of the movie theater would be consistent with the exterior additions completed under Phase I and would be approximately 50 feet tall.

The building elevations and site design at Attachments 3 through 6 are very preliminary and conceptual only. The final designs would be approved by the Site Plan Review Committee prior to building permit issuance.

### Site Design

The general layout of the site would not be changed with the proposed renovations. The driveway access would remain the same as well as the location of the parking areas. However, the parking lot on the south side of the Mall would be reconfigured as part of Phase I to allow for the proposed expansion.

The overall site would be more welcoming for pedestrians and bicyclists. Condition #12 of Planning Commission Resolution #4014 requires pedestrian access between all buildings and connections to the public ways. Condition #13 of Planning Commission Resolution #4014 requires that all walking paths, bicycle and vehicle parking areas, and recreational areas shall be provided with sufficient lighting to ensure a safe environment.

With Phase II, Alternative 1, the roof of the Mall would be opened up to allow the construction of the theater and the creation of a pedestrian courtyard area as well as an outdoor dining area (refer to the drawings at Attachment 6).

Phase II, Alternative 2, would modify the eastern portion of the site by demolishing the existing theater, Michael's, and the vacant retail space adjacent to Big Lots. As described in the Parking section above, this alternative would reduce and reconfigure the parking on between the Mall and theater. It would also slightly modify the circulation of the site by providing a drive aisle and compact parking spaces along the south side of the Big Lots building. A pedestrian path is provided between the Mall and the theater.

### Signage

Specific signs have not been proposed with this project. However, in the future, it's likely the applicant would request a modification to the City's Sign Ordinance to allow the existing Merced Mall pylon sign to be modified and updated. Currently, the existing free-standing pylon sign along Olive Avenue does not comply with the City's Sign Ordinance and therefore, could not be modified without

being brought into compliance with the sign code regulations. Because the current sign ordinance would not allow a sign with a changeable marquee, the existing sign is not being modified at this time. All other signs on the site would be required to comply with the North Merced Sign Ordinance.

### Environmental Review

The Planning staff has conducted an environmental review (Initial Study #18-02, available on the City's website or at the City Clerk's office; a copy has been provided to City Council) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Mitigated Negative Declaration (i.e., no significant effects in this case because of the mitigation measures and/or modifications described in Initial Study #18-02) is being recommended. A Mitigation Monitoring Program would also be adopted.

### Planning Commission Action

The Planning Commission held a duly noticed public hearing on this matter on January 23, 2019. At the meeting, the project proponent, Bill Kenney spoke in favor of the project. No one spoke in opposition. The Planning Commission unanimously voted to recommend approval of Environmental Review #18-02, including the Mitigation Monitoring Program, and Site Utilization Plan Revision #38 to Planned Development (P-D) #1. Planning Commission Resolution #4014 is provided at Attachment 7 and Planning Commission Staff Report #19-04 is provided at Attachment 8. An excerpt from the minutes of the Planning Commission meeting are provided at Attachment 9.

### City Council Action

The Planning Commission and Planning Staff recommend approval of Environmental Review #18-02, including the adoption of the mitigation monitoring program, and Site Utilization Plan Revision #38 to Planned Development (P-D) #1. In order for the Council to approve these items, a motion should be made to adopt Ordinance 2499.

## **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed.

## **ATTACHMENTS**

1. Ordinance 2499