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DATE: March 18, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Kent Carothers, P.E. – City Engineer, Public Works & Utilities (PW&U)  
Andrew Trippel, AICP – Planning Manager

SUBJECT: Resolution Authorizing Grading Prior to Final Map Approval for the Oyster Cove Mixed-Use Subdivision Project

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**RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution authorizing grading prior to final map approval for the Oyster Cove Mixed-Use Subdivision Project.

**BACKGROUND**

The Oyster Cove Mix-Use project is located at 100 East D Street (Subdivision). The project comprises 132 residential condominium units arranged in 21 three to four-story buildings. The project also includes public improvements included in the discussion. The Subdivision received Tentative Map approval by the City Council on September 18, 2023. The City approved the Mitigated Negative Declaration and General Plan Amendment at the same meeting. The developer, Brookfield Properties, requests permission to commence the grading activity on the subdivision site before final map approval.

According to section 20.36.010 of the Petaluma Municipal Code, no permanent improvement work shall be commenced until improvement plans and profiles have been approved by the City Engineer and a subdivision improvement contract has been executed in writing between the subdivider and the City. These approvals follow the Council’s approval of the final map, which has not yet occurred. While grading is not considered a permanent improvement as defined in this Chapter, the City requires the developer to enter into a grading agreement and typically provide a surety to secure the performance of any grading work that occurs prior to the final subdivision improvement contract.

**DISCUSSION**

The purpose of this proposed resolution is to allow the site to be rough graded and the underlying soils to be prepared for construction before the issuance of permits for site and building

improvements, which are currently scheduled to start in the spring of 2025. The geotechnical report documents the need and process to surcharge and consolidate the existing soils to prepare the site for development. The review indicates that the project geotechnical report recommendations are appropriate for the grading request and final development. The timing of the surcharge is 12 months and allows the necessary financial underwriting of the Subdivision. Please see Attachment 2.

Suppose the subdivider fails to secure final map approval, or the project is abandoned after the grading is complete. In that case, the subdivider is required to restore the area graded to its prior condition as stated in the grading agreement.

As proposed, the project will fund and construct public improvements that would provide community-level benefits to Petaluma and support the continuing success of Petaluma's Downtown area, including:

- A new multi-use trail along the Petaluma River;
- A new multi-use path with a dedicated bike lane and shopfronts along East D Street;
- 20 new affordable housing units in the Downtown area;
- A new signalized intersection at East D Street and Copeland;
- New onsite parking dedicated to Steamer Landing Park and the Heritage Center;
- Renovation and adaptive reuse of the Oyster Shed building as a public amenity that acts as an entry/draw for the Petaluma River Park and increases public access to the river;
- Residential living opportunities for existing and new public transit users within walking distance to the Transit stations.
- East D Street activation with shopfronts and multi-modal infrastructure; and
- Improved access to the Steamer Landing and Petaluma River Parks.

## **PUBLIC OUTREACH**

The Oyster Cove project was presented to the City's Bicycle and Pedestrian Advisory Committee on June 1, 2022, and to the Planning Commission on June 28, 2022, during study sessions conducted at public meetings of the Committee and Commission. In addition, as required by the City Ordinance, the applicant completed a Neighborhood Meeting on June 8, 2022, and provided additional opportunities for community comment and feedback at meetings organized by Know Before You Grow.

This agenda item appeared on the City's tentative agenda document on March 11, 2024, which was a publicly noticed meeting.

## **COUNCIL GOAL ALIGNMENT**

The proposed project complies with Citywide goals and priorities contained in the City of Petaluma General Plan 2025, the City of Petaluma Bicycle and Pedestrian Plan 2008, adopted as an appendix to the General Plan (see Mobility Chapter discussion), the River Access and Enhancement Plan adopted May 1996, the Central Petaluma Specific Plan (CPSP) adopted June 2, 2003, and the Petaluma SMART Rail Station Areas: TOD Master Plan, and Station Areas

Master Plan (2013). In addition to the project’s consistency with adopted policy documents, the project also implements the following Citywide Goals and Priorities:

- Item 103 - Prioritize and incentivize sustainable infill development.
- Item 119 - Establish bicycle and walking paths and other river access amenities along the Petaluma River as identified in the River Access and Enhancement Plan.
- Item 120 – Robust focus on riverfront and river-oriented development
- Item 140 - Expand the use of Transit Oriented Development (TOD) principles in new development, including greater massing allowances to facilitate thoughtful infill development proximate to TODs.

### **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

The proposed project is consistent with the Climate Emergency Framework adopted by the City Council on January 11, 2021. The goal is to eliminate greenhouse gas emissions by reducing vehicle miles traveled (VMT) through several initiatives. One way to reduce VMT is through infill development, which refers to “building within unused and underutilized lands within existing development patterns.”<sup>1</sup> This project proposes infill development on a site located in the immediate vicinity of transit and other multi-modal options, allowing the community to eat, drink, shop, and play in nearby locations. In addition, the expansion of bicycle, pedestrian, and electric vehicle charging facilities will encourage the use of non-combustion vehicles. The project is required to comply with the City’s All-Electric Ordinance. Additionally, the project incorporates several strategies to protect against the impacts of rising sea levels, consistent with the Framework.

### **ENVIRONMENTAL REVIEW**

A draft Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the project. On April 7, 2023, the City published the Notice of Availability (NOA) on the City Project webpage in the Petaluma Argus-Courier. The City filed the NOA with the Sonoma County Clerk, posted the NOA to CEQAnet, and mailed the NOA to all residents and property owners within 1,000 feet of the Project to inform the public and interested parties about the required 30-day public comment period commencing April 7, 2023, and ending May 8, 2023. The IS/MND concluded that the project could significantly impact Air Quality, Biological Resources, Cultural Resources, Geology/Soils, Hazards/Hazardous Materials, Hydrology/Water Quality, Noise, and Tribal Cultural Resources. The IS/MND concluded that all project impacts would be mitigated to less than significant levels by implementing recommended mitigation measures or through compliance with existing Municipal Code requirements and City standards. Several public comments were received in response to the IS/MND Notice of Availability. The City Council Adopted the Initial Study and Mitigated Negative Declaration on September 18, 2023.

The grading of the site was analyzed as part of the IS/MND and falls within the IS/MND approval.

### **FINANCIAL IMPACTS**

The Oyster Cove Mixed-Use Subdivision's final map and improvement plan applications are subject to cost recovery. Costs for staff time spent reviewing the grading plan prior to final map

approval and the final map and improvement plan review are 100% recovered through application deposits submitted by the developer. This action does not impact the General Fund.

**ATTACHMENTS**

1. Resolution with Exhibit A (Grading Agreement)
2. Early Grading Justification Letter to City