

Sandy Akerley

From: Laura Sainz [lsainz@cityofsacramento.org]
Sent: Friday, December 15, 2000 4:56 PM
To: Sandy Akerley
Subject: City of Sacramento Comments



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City of Sacramento Comments on Lent Ranch

draft EIR. Made one change.
Thanks.

The EIR refers to the Lent Ranch Marketplace project as being previously examined by the County of Sacramento. It also identifies that Sacramento County was the previous lead agency for this EIR and that the County Board of Supervisors did not consider the project nor the EIR. Although the Board did not consider the case, it is our understanding that the County Policy Planning Commission denied the project and therefore this project had not progress forward to the Board of Supervisors at the time the incorporation occurred.

If background information is to be provided, then additional background should be provided in regard to the County's actions on the project. The County Policy Planning Commission's previous actions and its findings for denial should be publicly disclosed in this EIR. This identification of previous actions directly and recently affecting this project and EIR furthers the public disclosure process. It also furthers the intent of using this EIR to serve as an information document that informs public agency decision-makers and the general public of the potential environmental impacts of the project in approving or denying the project.

With that goal in mind, it seems reasonable that the City of Elk Grove make comparative analyses between the conclusions of this EIR and the environmental documentation previously prepared by Sacramento County.

Transportation

The DEIR identifies on pages 2.0-6, 11, and 13 that there are traffic mitigation measures identified as infeasible due to right-of-way costs. What is the basis for this reasoning? Have those costs been estimated? How were they determined to be infeasible? What are the funding alternatives necessary to ultimately mitigate those impacts? Subsequently, will the local government be requesting limited regional transportation funds to fund the mitigation of these deficiencies?

Many intersections were evaluated in the DEIR, however, It does not appear that the intersection of I-5 and Elk Grove Boulevard-- northbound and southbound ramps were analyzed, what was the basis for this decision and will it be further analyzed? If not, why?

Land use

Was this project site considered a part of the County's "South County Habitat Conservation Plan (HCP)"? If yes, will it be proposed for amendment into that process and project? If not, are the mitigation measures proposed in this EIR superior to that of the South County HCP?

What is being proposed differently between the vesting tentative map as opposed to the Development Agreement in regard to land use restrictions, prohibitions, or conversely, allowances for complying with conditions of approvals and similarly reflected mitigation measures. Should a conflict between the vesting map and the development agreement occur, i.e., timing for the implementation of needed

infrastructure, which legal instrument will take precedent. Specification and identification of timing of the mitigation of impacts is essential to mitigating impacts in a timely manner.

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Economic and Social Effects

Most of the economic impact analysis is based on the study completed by Bay Area Economics (BAE). The City has not had a chance to review this study and comment on whether or not we agree with its conclusions. In addition, the study did not take into account in any of its renditions, including the final update dated October 2000, the potential impacts of the Roseville Galleria on either Arden Fair Mall and/or the Downtown Plaza. The retail environment has changed significantly with the introduction of another regional mall, and the changes and potential impacts need to be incorporated into the overall study.

In relation to Arden Fair Mall, the survey completed indicates that twenty three percent of the south Sacramento County survey respondents viewed Arden Fair as their top destination for comparison shopping activities. However, the BAE study stated that the loss of sales to Arden Fair Mall due to Lent Ranch would not significantly impact the viability of Arden Fair. These two statements draw conflicting opinions and should be investigated more fully. Again, the scenario does not incorporate any impact from the Roseville Galleria, which in addition to the impact from Lent Ranch, may significantly impact the viability of Arden Fair.

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In relation to the Downtown Plaza Mall, the survey of South Sacramento County residents indicated again that seven percent of those residents surveyed shop downtown. The overall analysis needs to incorporate the current impact of the Roseville Galleria on the Downtown Plaza as well as what the cumulative impact will be with the potential mall at Lent Ranch.

In general, there appears to be conflicting statements regarding the impact on sales at both Arden Fair Mall and the Downtown Plaza Mall and. The EIR should have included more analysis and discussion regarding growth and potential sales both short term (2000 to 2005) and longer term. Given the fact that both of these Malls are substantial revenue generator for the City of Sacramento, any impact on sales needs to be reviewed more carefully, especially given the potential impact to revenue and the City's ability to provide services. Finally, sales impact and trip generation will have an overall impact not just on the Malls, but also on the retailers surrounding the Mall areas. This issue was ignored completely in terms of impact on retail areas in the City of Sacramento.

13. Letter from City of Sacramento, Laura Sainz, dated December 15, 2000

Response 1

This comment is acknowledged and is incorporated herein for use by decision-making body for consideration involving this project. It is important to note that the County's EIR only reached the draft stage and was never certified by the County Board of Supervisors as adequate and complete. Since now the City has prepared an entirely new EIR under their independent judgement, the County's Draft EIR prepared for this project in the past and the decisions reached by the County Planning Commission have no bearing on this new process being undertaken by the City of Elk Grove. In addition, because the commentor has not indicated specific topical areas of interest that should be compared and has not indicated the specific purpose behind such a comparison other than to provide additional background information, the City does not believe that a specific and meaningful comparison is warranted.

Response 2

The mitigation measures for Impact 4.2-1, 4.2-17, and 4.2-22 (widening of Elk Grove Boulevard between East Stockton Boulevard and Elk Grove-Florin Road) are infeasible due to right-of-way costs and impacts associated with acquisition and dislocation of existing commercial developments on both sides of Elk Grove Boulevard, and due to the location of Heritage Oaks, along and adjacent to, the roadway at the Elk Grove Boulevard/Elk Grove Florin Road intersection. (refer to pages 4,2-30, 4,2-52, and 4,2-70 of the Draft EIR). The unfeasibility of the proposed improvements was determined by City of Elk Grove Transportation Division staff (Mr. Jeff Clark) based on their knowledge and familiarity with conditions along this corridor. The location of the commercial development and the presence of the Heritage Oaks were field verified, which is standard protocol for environmental documents.

Response 3

The scope of the Draft EIR traffic analysis was developed under the direction of City of Elk Grove and Sacramento County staff. The project is located more closely to the Grant Line Road interchange; therefore, most freeway-related trips are expected to use this interchange rather than the I-5/Elk Grove Boulevard interchange. Draft EIR Figure 4.2-5 shows the expected distribution of project trips through the I-5/Elk Grove Boulevard interchange. The project's impact on these intersections is de minimis because the interchange serves only I-5 and limited land use west of I-5, and drivers currently experience relatively little delay at the ramp-terminal intersections. Consequently, the ramp-terminal intersections were not included for further analysis.

Response 4

The South Sacramento Habitat Conservation Plan (SSHCP) is being developed by Sacramento County as a regional approach to addressing urban development, habitat conservation, and regulatory compliance and has not been adopted by the City of Elk Grove. The proposed boundaries of the SSHCP are Highway 50 on the north and Interstate 5 on the west and encompass 315,000 acres, excluding the cities of Galt and Sacramento and the entitled areas of Elk Grove and Laguna. The project site lies within the proposed boundaries of the SSHCP. The draft framework plan for the SSHCP currently recommends a fee range of \$2,600.00 to \$3,900.00 per acre for the protection of approximately 7,000 acres within the USB, and approximately 41,000 acres outside the USB. The draft framework plan provided for the development of 49,000 acres within the USB. Participation in the SSHCP would be voluntary and is focused on protections and enhancement of upland and wetland habitat, and would involve 51 plant and animal species. The draft SSHCP is planned to be released in June 2001, with County Board of Supervisor adoption anticipated in December 2001. The City of Elk Grove has yet to considered participating in the SSHCP. The commentor asks if the mitigation measures proposed in this EIR are superior to that of the SSHCP. The SSHCP, if approved, would provide a single fee that would be used to mitigate impacts to biological resources. The SSHCP would not provide specific mitigation measures. The Draft EIR, independent of the proposed SSHCP, contains mitigation measures that reduce project specific impacts to a less-than-significant level. This mitigation course is appropriate given that the SSHCP has not been adopted by the City. It should be also be noted that the project site is designated for urban development and not open space or agriculture that would be more appropriated for preservation under the SSHCP.

Response 5

The mitigation monitoring plan to be prepared by the City of Elk Grove for this project will guide all mitigation of environmental impacts created by the proposed project.

Response 6

Please refer to **Topical Response 5 - Availability of Documents Utilized in the Preparation of the Draft EIR**, for a discussion of October 2000 BAE study.

The Draft EIR's analysis of economic and social effects of the project more than satisfies CEQA's limited requirements for such analysis. As a general rule, CEQA only requires an analysis of the *environmental* impacts of a project, and economic and social effects of a project are not treated as significant effects on the environment. *CEQA Guidelines*, §15131(a). Impacts analyzed in an EIR must be "related to a physical

change” in the environment. *CEQA Guidelines*, §15358(b). Nevertheless, physical changes to the environment caused by a project’s economic or social effects are secondary impacts that must be included in an EIR’s impact analysis *if those physical changes are significant*. *CEQA Guidelines*, §15064(e). In situations where a project could conceivably result in business closures that in turn result in a significant physical deterioration in existing business centers, an EIR should analyze the potential for this effect. For the purposes of CEQA, the project would be deemed to have a significant impact on the environment if the economic impacts of the project translate into significant physical changes in the environment.

Section 4.13 of the Draft EIR, Economic and Social Effects, cites several economic analyses: (1) *Lent Ranch Marketplace Economic Impact Analysis*, prepared by Bay Area Economics, dated July 1998 and updated in June (2) *Florin Road Corridor Market Analysis and Alternative Use Strategy, Phase I Report: Market Analysis*, June 1997, prepared by BAE (the “Florin Road Study”), and (3) *Regional Retail Demand Attraction and Development* by the City of Sacramento, California, March 2000, prepared by ERA (the “ERA Study”); and a new study prepared by BAE in October and November 2000 for the City of Elk Grove to serve as background information in support of the City’s review of the proposed project (the “2000 Economic Impact Study”).

The Draft EIR summarizes the findings of these economic reports concerning the potential market overlap between the Project and existing retail areas as well as the potential loss of sales to existing retail areas as a result of the project to four existing retail areas: (1) Old Elk Grove, (2) the Florin Mall, (3) Downtown Plaza, and (4) the Arden Fair Mall. In addition, the potential impacts from competition to existing neighborhood and community retail developments in the City of Elk Grove are addressed.

The analysis of the market effects of the project, as well as the application of this analysis to the CEQA issue of whether these market effects would result in a physical deterioration or blight at existing retail centers, is consistent with CEQA requirements. While commentors may disagree with the conclusions of the economic analyses (although the commentator has not demonstrated that those conclusions are incorrect), such a disagreement alone does not render the economic analyses “defective” or place the Draft EIR in violation of CEQA for citing these reports. Under CEQA, the existence of differing opinions arising from the same pool of information is not a basis for finding an EIR to be inadequate. See *Greenebaum v. City of Los Angeles*, 153 Cal. App.3d 391 (1984).

The comment notes that the 2000 Economic Impact Study did not consider the potential impacts of the Roseville Galleria on the Downtown Plaza and Arden Fair malls in addition to the potential impacts of the proposed project. Because of the extreme complexity of a retail marketplace that involves both Sacramento and Placer Counties and hundreds of potentially competitive businesses, it would be

impossible to arrive at a reliable quantification of the cumulative impacts of the Galleria mall and the proposed project. However, the 2000 Economic Impact Study considered the following. In regard to the cumulative impacts on Downtown Plaza from the opening of the Roseville Galleria, it is not expected that impacts would be significant. This is because there were already two major malls (Arden Fair and Sunrise Mall) between the Galleria and Downtown Plaza, which competed with Downtown Plaza for shoppers from areas now served by the new Roseville mall. If shoppers were likely to be diverted from Downtown Plaza due to the presence of a competing mall to the north/northeast, most of these shopper diversions would be expected to have occurred prior to the Galleria opening due to the presence of Arden Fair and Sunrise Malls. This is consistent with a comment attributed to Marilyn Slipe, General Manager of Downtown Plaza in the November 20, 2000 Sacramento Business Journal, which stated that “she notes that Downtown Plaza has increased sales every month this year - even after Roseville’s Galleria opened in August.”⁵ Likewise, a September 25, 2000 article in the Sacramento Business Journal contained information indicating that there was less than a one percent drop in shopper visits at Arden Fair after the Galleria opened in August. While this anecdotal information was provided not long after the Galleria’s initial opening, it is common for new retail facilities to have their most noticeable impact on existing facilities at their opening, when publicity for the new facilities is highest and when shoppers make their initial trips to the new facilities out of curiosity and a desire for a new experience. Then, there is usually at least a partial restoration of previous shopper traffic patterns at older centers once the novelty of the new facility wears off.

The comment asserts that there is a conflict between the statement in the 2000 Economic Impact Study that 23 percent of south Sacramento County survey respondents viewed Arden Fair as their top destination for comparison shopping activities and the conclusion that any drop in sales at Arden Fair attributable to competition from the proposed project would not be sufficient to adversely affect Arden Fair’s long-term economic viability. This is not the case. It should first be pointed out that residents in south Sacramento County who are most likely to patronize the proposed mall comprise only a portion of the total market support for the Arden Fair Mall. In addition, as discussed on page 21 of the 2000 Economic Impact Study, the Arden Fair Mall could lose as much of 30 percent of its sales and still remain at or near the top ten percent of super-regional malls in the western U.S., in terms of gross sales. This current strength in sales performance at Arden Fair shows that the mall is an extremely competitive location and suggests that the mall is on strong footing to compete with the Galleria and any other malls that may compete with it.

⁵ Sacramento Business Journal, “Lent Ranch: Architect’s Dream,” November 20, 2000.

The commentator also asserts that there is a conflict between the 2000 Economic Impact Study's finding that some shoppers from south Sacramento County considered the Downtown Sacramento area their primary destination for comparison shopping goods and the study's conclusion that the proposed project would not lead to a loss of the economic viability of the Downtown Plaza Mall. The discussion on pages 18 and 19 of the 2000 Economic Impact Study acknowledged that a small portion of south Sacramento area shoppers consider downtown Sacramento their number one destination for comparison shopping goods and also identified overlap between the Downtown Plaza trade area and that of the proposed regional mall. Pages 19 and 20 of the 2000 Economic Impact Study provide discussion about the potential implications of the potential loss of sales at Downtown Plaza due to the proposed mall, and concluded that they would not likely be sufficient to cause the Downtown Plaza to lose its economic viability.

The commentator calls for additional analysis to ascertain the potential impact of a loss of sales tax revenues at Arden Fair and Downtown Plaza on the City of Sacramento's ability to provide services. It would be overly speculative for the Economic Impact Study to attempt to determine the potential for a loss of sales tax revenues generated at these two malls to lead to significant adverse environmental impacts due to a reduction in funding for City services. While the two facilities are likely significant sales tax generators, their contributions to the overall City budget are likely relatively small. While a loss of revenues from these two sites would lead to a reduction in the overall quantity of funding available for City services, the City budgeting process is extremely complex and decision to re-allocate funds in the wake of a loss of sales tax revenues would be at the discretion of the City Council. There are likely options for expenditure cuts that would have no effect on the physical environment, but it is impossible to predict how the City Council would make those decisions.

The 2000 Economic Impact Study evaluated potential impacts on the Arden Fair Mall and Downtown Plaza, but did not attempt to evaluate potential impacts on retailers in locations surrounding the mall areas. Given the large number of such retailers and their diversity in terms of location, size, type, existing sales performance, and marketing niches it would be impractical to do so in a reliable fashion. It is acknowledged that the shopping center help attract significant traffic to their respective areas, which benefits other nearby retailers who are not located in the malls themselves. However, the other retailers outside the malls also attract shoppers independent of people who are attracted to these areas because of the malls. Thus, any aggregate loss of sales in surrounding areas should be less, on a percentage basis, than the anticipated loss of sales in the malls themselves. In the case of the Arden Fair area, the area has one of the largest and most diverse concentrations of retail space in the Sacramento region. This variety of retailers within relatively close proximity makes the area a destination for people who do not even patronize the mall.