

# STAFF REPORT

## City of Lancaster

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MVB

Date: December 11, 2012

To: Mayor Parris and City Council Members

From: Brian S. Ludicke, Planning Director

Subject: **Proposed Walmart Project at the Northwest Corner of 60<sup>th</sup> Street West and Avenue L**

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### **Recommendations:**

- A. Adopt **Resolution No. 12-72**, certifying the Final Environmental Impact Report with the Addendum and necessary environmental findings, Statement of Overriding Considerations and Mitigation Monitoring Program; and amending the General Plan land use designation on the subject property from UR (Urban Residential, 2.1 to 6.5 dwelling units per acre) to C (Commercial).
- B. Introduce **Ordinance No. 984**, rezoning the subject property from R-7,000 (single family residential, one dwelling unit per 7,000 square feet) and R-10,000 (single family residential, one dwelling unit per 10,000 square feet) to CPD (Commercial Planned Development).
- C. Adopt **Resolution No. 12-73**, approving Conditional Use Permit No. 06-09 to construct a 344,752 square-foot commercial shopping center including a 196,028 square-foot Walmart (excluding the garden center) with incidental off-sale of alcoholic beverages.
- D. Adopt **Resolution No. 12-74**, approving Tentative Parcel Map No. 68150 to create 8 parcels on the project site ranging in size from 0.68 acres to 19.99 acres in the CPD zone.

### **Fiscal Impact:**

None.

### **Discussion:**

The general plan amendment, zone change, conditional use permit, and tentative parcel map requests were originally filed on October 16, 2006. On June 14, 2007, the City issued a Notice of Preparation for the preparation of an environmental impact report (EIR) for the proposed project. The Draft Environmental Impact Report for The Commons at Quartz Hill was circulated for a 45-day public review between January 9, 2009, and February 23, 2009. Comments received during this review period were responded to as part of the Final EIR. On July 7 and 8, 2009, the Planning Commission held a public hearing on this project and after considering all testimony, certified the Final EIR, recommended to the City Council approval of GPA 06-04 and ZC 06-04, and approved CUP 06-09 and TPM 68150. The City Council subsequently called up for its review all of these actions in accordance with Section 2.44.010 of the Lancaster Municipal Code.

The City Council held a public hearing on this project on July 21 and 22, 2009. Following this hearing, the Council voted to certify the Final EIR, adopt required environmental findings under California Environmental Quality Act (CEQA), and approved all of the related actions. Opponents of the project (“Quartz Hill Cares”) subsequently challenged the adequacy of the Final EIR, along with other related procedural issues, in court.

The Los Angeles County Superior Court denied the challenge and opponents filed an appeal to the State of California Court of Appeal. This court denied all of the opponents’ arguments with the exception of the City’s rejection of the “Reduced Density Alternative”, finding on this one point that there was not sufficient evidence in the record to support the finding that this alternative was not economically viable and requiring the EIR be rescinded. The Court found all other actions of the City and findings made in relation to CEQA and the approvals related to the project to be legally adequate.

#### Economic Memorandum and EIR Addendum

As a result of the Appellate Court decision, an economic memorandum was prepared to specifically analyze the feasibility of the Reduced Density Alternative as presented in the Final EIR for The Commons at Quartz Hill. The economic memorandum, “The Commons at Quartz Hill (Lancaster, CA) – Analysis of Economic Feasibility of Reduce Commercial Density Alternative” was prepared by The Natelson Dale Group, Inc. and includes a discussion of the role of anchor tenants in shopping centers, shopping center definition and standards, and a review of retail development patterns in the Antelope Valley. Ultimately, the memorandum concludes that the prohibition of “big box” anchor tenants would limit the potential anchor tenants to grocery or drug stores, which is likely to result in a high vacancy rate. Additionally, the size of the shopping center under the Reduced Density Alternative (241,185 square feet) would classify it as a Community Shopping Center and without a “big-box” anchor it would fail to conform to typical industry standards; and the gross-leasable area of the shopping center would be substantially lower than the standard of 40-60 percent for a Community Shopping Center. This evidence supports the finding that the Reduced Density Alternative is not economically feasible.

The information contained in the economic memorandum was summarized in the Addendum to Environmental Impact Report, The Commons at Quartz Hill, Lancaster, CA (October 2012). The Addendum addressed whether changes or additions must be made to the previously adopted EIR in order to fully analyze all impacts of the project in light of the information contained in the economic memorandum. The Addendum is intended to verify that the development and operation of the project as proposed in the economic memorandum is consistent with the analysis in the EIR and to further verify that there have been no changes in circumstances or disclosures of new information, as defined by CEQA Guidelines Section 15162, requiring preparation of a Subsequent or Supplemental Environmental Impact Report.

Section 15164 of the CEQA Guidelines provides for the preparation of an Addendum to an EIR or Negative Declaration as long as all of the conditions of Section 15164 are met and that none of the circumstances identified in Section 15162 of the CEQA Guidelines are present. The Addendum summarizes the project, the findings of the new economic memorandum and explains how the current situation meets the criteria of Section 15164 and that none of the circumstances in Section 15162 are present. The Addendum does not need to be circulated for public review pursuant to Section 15164(c) of the CEQA Guidelines, which states “an addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.” Additionally, the economic memorandum that was prepared does not need to be circulated separately for public review as it is an advisory and informational document that is not a “final” act or determination subject to mandamus review.

### Proposed Project

The applicant is requesting an amendment to the City’s general plan and a concurrent zone change, to allow the subject project to be developed with a commercial center. The site is located within an area that has, over the past few years, had a significant increase in both new housing construction and approvals for new housing development. The subject property is centrally located to this area of activity. Given the lack of commercially-designated land within this area, and the central position of this site, staff believes that the subject property is an appropriate location for long-term commercial use.

The applicant is requesting a conditional use permit for the construction and operation of a 344,752 square-foot shopping center including a 196,028 square-foot Wal-Mart (excluding the garden center) and the incidental off-sale of alcoholic beverages. The applicant is also requesting a tentative parcel map to subdivide the property into eight parcels.

The attached Planning Commission and City Council staff reports provide additional information regarding the requests and the proposed conditions of approval.

BSL/mc

### **Attachments:**

Resolution No. 12-72

Findings (Exhibit “A”)

Mitigation Monitoring and Reporting Program (Exhibit “B”)

Ordinance No. 984

Resolution No. 12-73

Resolution No. 12-74

Final Environmental Impact Report (on file in the City Clerk Department)

EIR Addendum dated October 2012

Economic Memorandum, dated October 24, 2012

PC Staff Report from July 7, 2009

CC Staff Report from July 21, 2009