

3. Project Description

The Serramonte Shopping Center (Shopping Center) is an existing regional shopping mall on an 80-acre site in Daly City, California. The main Shopping Center currently accommodates four major retailers, including Macy's, Target, JC Penney, and Dick's Sporting Goods. The four major retailers are located around the perimeter of the main Shopping Center with Macy's located at the northern boundary, JC Penney along the eastern boundary, Target on the southern edge, and Dick's Sporting Goods on the west side of the Shopping Center; all of which are connected by an enclosed mall used for circulation and access. The enclosed mall is occupied by 90 retail stores and a food court.

Daly City Serramonte Center, LLC ("Project Applicant") is proposing to expand the existing Shopping Center over the course of approximately 10 years. At buildout, the Project would add a maximum of 328,600 square feet of retail, entertainment, and restaurant space; a 65,000-square-foot medical building; and a 75,000-square-foot hotel. Additionally, a maximum 348,000-square-foot aboveground parking garage with up to 1,080 parking spaces would be constructed on the northwestern side of the shopping center when the existing parking fields on the property cannot support the City-mandated ratio of stalls to retail area.

3.1 PROJECT LOCATION

The following provides a description of the regional and local location of the Project, as shown on Figure 3-1, as well as a description of the Project site itself.

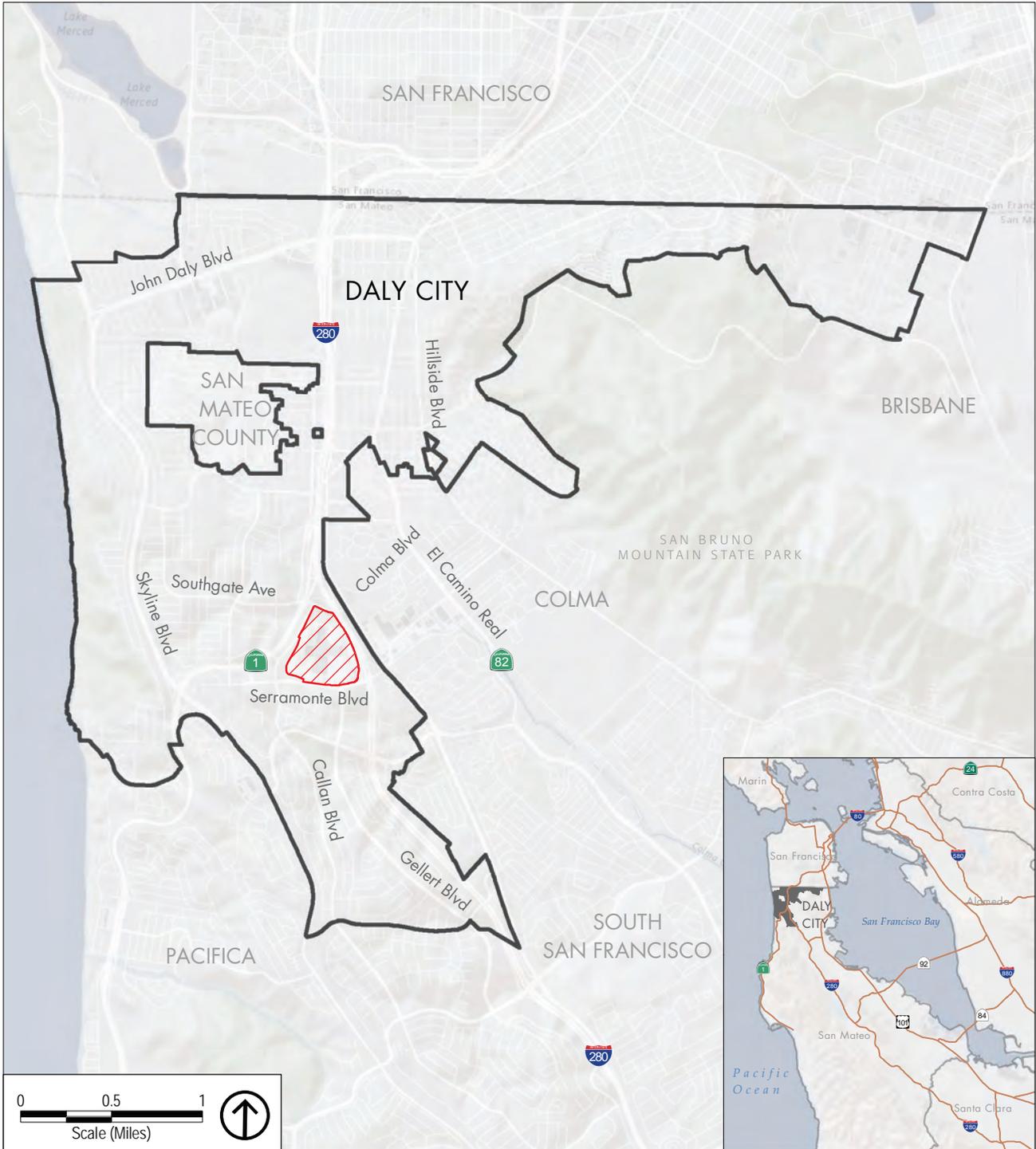
3.2 REGIONAL LOCATION

The Project site is located in the City of Daly City, 2 miles south of San Francisco. Regional vehicular access to the Project site is provided by Interstate 280 (I-280) and Highway 1. The Project site is approximately one mile south of the Colma Bay Area Rapid Transit (BART) Station and is accessible by several bus lines operated by the San Mateo County Transit District (SamTrans).

3.3 LOCAL LOCATION

The Project site is surrounded by roadways and does not directly abut any adjacent properties, as shown in Figure 3-1. The site is bounded by Southgate Avenue to the north, I-280 to the east, Serramonte Boulevard to the south, and Callan Boulevard to the west.

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SOURCE: SAN MATEO COUNTY, 2013; METROPOLITAN TRANSPORTATION COMMISSION, 2013; PlaceWorks, 2014; ESRI 2010; FHA 2002.

-  Project Boundary Site
-  City Limits

Figure 3-1
Regional and Local Location

3.4 PROJECT SITE SETTING

The Project site contains the existing Shopping Center, which consists of approximately 883,000 square feet of gross leasable area (GLA). The Shopping Center consists of a central shopping mall as well as detached retail buildings located along the perimeter of the site.

The Project site is approximately 80 acres in area and consists of the following 20 Assessor's Parcel Numbers (APNs):

- 091240070
- 091240090 through 091240130
- 091240150 through 091240190
- 091240210
- 091240220
- 091240230
- 091240250 through 091240280
- 091240300
- 091240320
- 091240330

Prior to development of the existing Shopping Center in 1968, the Project site was steeply sloped, requiring extensive grading on the western side of the site and the placement of fill on the eastern side.

3.5 SURROUNDING LAND USES

Adjacent land uses include office to the north, retail and multi-family housing to the south (across Serramonte Boulevard), retail to the east (across I-280), multi-family residential to the west (across Callan Boulevard and Highway 1), and multi-family residential to the west (across Highway 1).

3.6 GENERAL PLAN AND ZONING DESIGNATIONS

The City of Daly City General Plan designates the Project site as Commercial Retail and Office (C-RO) and the zoning as Heavy Commercial (C-2), which is intended to allow for a broad range of retail uses that are accessed by automobiles and public transit.

3.7 STATEMENT OF OBJECTIVES

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15124, the Environmental Impact Report (EIR) must identify the objectives sought by the Project.

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The stated objectives of the Project Applicant are to:

- Build a vibrant mixed-use commercial center that would be the pre-eminent shopping and entertainment destination in the region.
- Activate and refresh the existing center with attractive buildings and a combination of landscaping and hardscape improvements.
- Activate the neighborhood by providing Daly City residents and non-residents alike with one-stop shopping, entertainment, dining, medical and hotel options.
- Provide a signature, architecturally significant shopping center that would satisfy the City's planning objectives and be visually interesting.
- Revitalize the gateway entries into the center and provide safe and efficient circulation around the site.
- Design high-quality indoor and outdoor public amenities for visitors.
- Create an inviting, people-friendly facility to attract additional patrons and improve customer satisfaction.
- Promote economic vitality for the City through new capital investment on what is currently an under-utilized site.
- Stimulate local economy by creating jobs and providing an expanded tax base.
- Support existing tenants by creating new retail and entertainment areas.

3.8 PROJECT CHARACTERISTICS

Pursuant to the CEQA Guidelines, Chapter 14 California Code of Regulations, Section 15378[a], the proposed Project is considered a "project" subject to environmental review as it is "an action, which has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." This Draft EIR compares the Project with the existing baseline condition, described in detail in each section of Chapter 4.0, Environmental Analysis.

The vision for the Project is to redevelop and expand the Serramonte Shopping Center by adding to existing infrastructure to provide additional retail, entertainment, and dining space, as well as develop new freestanding structures separate from the main Shopping Center that would include a hotel, office, and commercial space. The vision also seeks to upgrade the main entry road off Serramonte Boulevard at Gellert Boulevard and upgrade the property's loop road with improved landscaping and lighting. The addition of an 1,080 space free standing parking garage located on the northwest boundary (west of Macy's) of the Project site is also envisioned, providing up to 879 net new additional parking spaces that would replace some of the parking lost by construction of the Project.

The Project anticipates a buildout timeline of up to 10 years in order to provide flexibility and allow the Shopping Center to be responsive to market needs and development trends, which is discussed in detail below. At buildout, the Shopping Center would potentially include new uses, such as an entertainment center and restaurant (Dave & Buster's), a 10-screen

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cinema complex, a medical center and a hotel. At buildout, the Project is expected to result in an increase of approximately 985 retail and restaurant employment opportunities and 6 mall management employees.

3.8.1 PROJECT BACKGROUND

This section describes the Project background and the proposed redevelopment and expansion of the Shopping Center, as well as detailed descriptions of development that would likely occur over an estimated buildout of 10 years.

3.8.1.1 EXISTING SITE

As shown in Figure 3-2, Existing Site Plan, the Project site contains the existing Shopping Center in the center of the approximately 80-acre site, as well as freestanding restaurant, commercial and retail buildings on the perimeter. As shown in Table 3-1, the existing Shopping Center includes approximately 883,000 square feet of GLA. The Project site also includes 4,434¹ surface parking spaces.

3.8.1.2 DEVELOPMENT DETAILS

As summarized above, the Project would be built over a period of approximately 10 years. The following discussion provides detailed descriptions of anticipated development. Figure 3-3 shows the Conceptual Site Plan.

New Entertainment Building for Dave and Buster's

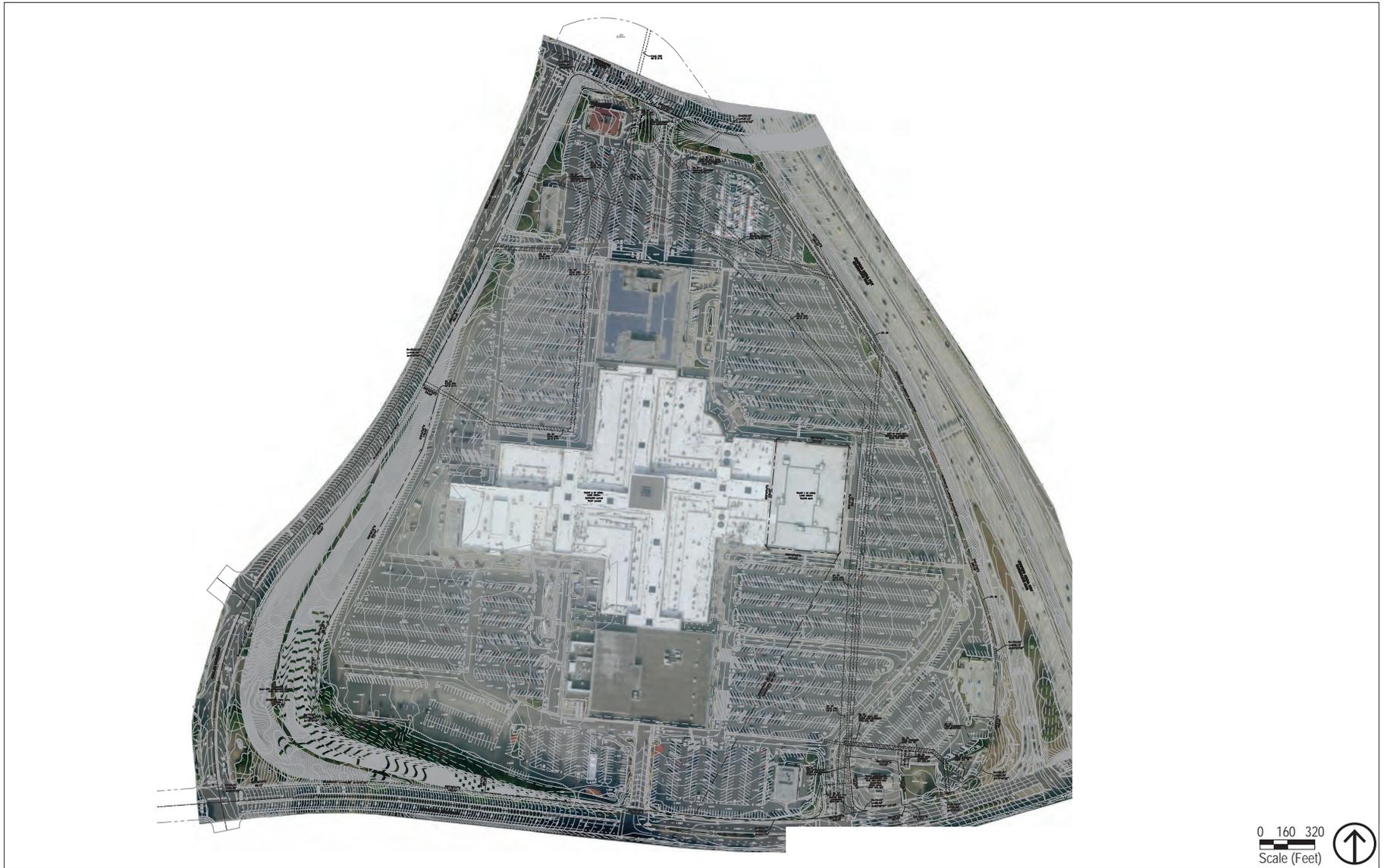
The existing space adjacent to Target in the interior mall would be expanded to the west and reconfigured to accommodate a new two story retail restaurant building to accommodate a 40,000 square foot Dave and Buster's restaurant and 30,500 square feet ancillary ground level retail and restaurant use, for a total of 70,500 square feet of proposed GLA. Additionally, there would be 22,000 square feet of demolition to accommodate the reconfiguration, for a total of 48,500 net new GLA, as shown in Table 3-2. Proposed improvements would incorporate similar architectural style as the existing building. The SamTrans bus transfer station would be shifted slightly to the south but remain in the same general area.

New Cinema Complex

The portion of the east-west quadrant currently accommodating a 20,000-square-foot fitness center would include addition of a new 47,000 square foot cinema, and demolition of 2,955 square feet, for a total of 44,045 net new GLA. The existing fitness center is expected to remain. Utility lines, such as sewer, stormwater, water, and gas, would be

¹ There is also space available to accommodate up to 343 additional parking spaces in areas that are currently not marked. Therefore, the maximum capacity under existing conditions if all parking spaces were marked is 4,777 spaces.

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Source: BKF, November 13, 2013.

Figure 3-2
Existing Site Plan

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TABLE 3-1 GROSS LEASABLE AREA – EXISTING

| Component | Approximate GLA (Square Feet) |
|--|--|
| Macy’s | 226,000 |
| Target | 160,000 |
| Dick’s Sporting Goods | 83,000 |
| JC Penney | 75,000 |
| In-Line Stores, Restaurant, Food Court | 303,000 |
| Out-Parcels | |
| Daiso | 15,500 |
| Denny’s | 5,300 |
| Firestone | 7,200 |
| Wells Fargo | 5,000 |
| Bank (former Wachovia) | 3,000 |
| TOTAL^a | 883,000 |

a. Approximately 18,000 square feet (former New York & Co. store and the west entryway of the Shopping Center) was demolished to accommodate construction of Dick’s Sporting Goods. Please note that this estimate of existing square footage does not include the former 76 gas station on the Project site along Serramonte Boulevard.

Source: Equity One, Inc.

rerouted around the footprint of the Entertainment Building, including grading on some areas of the adjacent parking lot, as needed. The Entertainment Building is expected to have a height of approximately 65 feet to 70 feet, with exterior architecture designed for consistency with the adjacent Dick’s Sporting Goods.

New Parking Garage

A new parking garage would be constructed between the west entrance of Macy’s and the north entrance of the proposed Cinema Complex, as shown in Figure 3-3. The proposed parking garage would be up to 348,000 square feet in area and provide a maximum of 879 net new parking spaces. The parking garage would include four levels of aboveground parking, constructed of concrete and concrete masonry unit (CMU) block. The proposed parking garage is expected to have an open feel, with concrete decks and self-finished precast perimeter walls.

Public access to the Shopping Center would be provided by a bridge spanning the second level of the parking garage to the second level of the Macy’s store. Proposed renovations at ground level between the parking garage and the Shopping Center would include indoor and outdoor amenities to improve the aesthetics, as well as provide wind-protected areas for future events such as farmers markets or food trucks, both of which are activities that currently take place at the Project site.

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Source: Field Paoli; Equity One, Inc.



Figure 3-3
Conceptual Site Plan

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Additional Restaurant Outside of Macy's

Additional restaurant space of up to 12,000 square feet is proposed adjacent to the east entrance of Macy's. This would include demolition of hardscape, landscaping, and asphalt paving and some rerouting of utilities. No changes to the parking lot in this area are expected.

Southeast Quadrant

Improvements to this area would include realignment of the road near Target to support up to a total of 74,055 square feet of new net GLA. The existing Daiso building in the southeast quadrant would be renovated or demolished to accommodate a supermarket or other large user, as part of expansion in his area. There are currently no proposed plans for these changes, but they are anticipated to occur within the 10-year buildout period.

Southwest Quadrant

Proposed development in the southwest quadrant would include construction of new buildings, located on an existing parking lot that would require demolition of asphalt paving, rerouting of utilities, and grading around the perimeter. Up to 78,000 square feet of neighborhood retail would be developed to accommodate service tenants (e.g., Cost Plus, Ross, and TJ Maxx). There are currently no proposed plans for these changes, but they are anticipated to occur within the 10-year buildout period.

Retail and Potential Hotel Site

Proposed renovations would include redeveloping buildings that are located partly over the footprint of existing buildings (Firestone and Denny's) and portions of an existing parking lot on the north side of the property. Demolition of existing buildings, asphalt paving, rerouting of utilities, and grading the parking lot around the perimeter would also occur. Although the Project Applicant does not have specific plans for the long-term use of this area of the Project site, tenants in the existing buildings have leases expiring by 2020; therefore, this portion of development is unlikely to commence for at least 5 years from the date of the preparation of this Draft EIR. In the long term, the Project proposes to construct a maximum of 72,000 square feet of new net GLA, along with a 4- or 5-story 75,000-square-foot limited service hotel to the north and east of the Macy's store.

Medical Office Buildings

Two medical office buildings are proposed for the southwest corner of the Project at the intersection of Serramonte Boulevard and Callan Boulevard. This area of the Project site is very steep; therefore, preparation of this area for construction would be intensive. Given the constraints of the steep terrain and costs to develop this site, the medical buildings are not likely to be constructed for at least 5 years. However, due to its close proximity to the nearby Seton Medical Facility, the Project Applicant anticipates this area as being suitable for a maximum of 65,000-square-foot medical office. Conceptual site plans show that due to the steep topography, the medical office buildings would be elevated by piers to minimize cut and fill. A two-level parking facility would be located beneath the proposed medical office buildings with

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ramp access off Callan Boulevard; therefore, no accessibility from the existing Shopping Center entry points would be required for this portion of the Project.

3.8.1.3 PROJECT COMPONENTS

Design and Aesthetics

The proposed buildings would be designed with a number of architectural treatments, changes in plane, and volume. Development attached to the existing mall would be designed to blend in with adjacent elevations and with a new color scheme that would be applied to the entire mall. Buildings on isolated pads would be designed to suit the requirements of specific tenants. Building exteriors would consist of materials such as smooth and textured stucco in various colors, colored concrete panels, multi-colored brick veneers, stone, and concrete block. Retail storefronts would primarily consist of aluminum framing and tinted glass.

Retail and Commercial Component

As described in more detail above, the Project would redevelop and expand the existing 883,000-square-foot Serramonte Shopping Center to accommodate additional retail, restaurant, office space, a hotel, and medical offices. A buildout summary of the GLA is listed below in Table 3-2 (excludes new parking structure).

TABLE 3-2 DEMOLITION AND PROPOSED GROSS LEASABLE AREA (GLA)

| Component | Proposed GLA (Square Feet) | Demolition GLA (Square Feet) | Net GLA (Square Feet) |
|--|-------------------------------|---------------------------------|--------------------------|
| Entertainment (Dave & Buster's, and retail) ^a | 70,500 | -22,000 | 48,500 |
| Cinema Complex ^b | 47,000 | -2,955 | 44,045 |
| Additional Restaurant (East Side) | 12,000 | | 12,000 |
| Retail (Southeast Quadrant) | 89,600 | -15,545 | 74,055 |
| Retail (Southwest Quadrant) | 78,000 | | 78,000 |
| 5-Story Hotel | 75,000 | | 75,000 |
| New Retail (Northwest Quadrant) | 84,500 | -12,500 | 72,000 |
| Medical Office Buildings | 65,000 | | 65,000 |
| TOTAL^A | 521,600 | 53,000 | 468,600 |

a. Reflects Dave & Buster's 40,000 square feet proposed GLA, and ancillary retail 30,500 square feet proposed GLA, totaling 70,500 square feet proposed GLA.

b. Reflects only the 47,000 square foot proposed Cinema Complex (10-screens), and does not include the square footage of the existing 20,000 square foot fitness center expected to remain.

Source: Equity One, Inc.,

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Parking

The ratio of parking at the Serramonte Shopping Center would be a minimum 3.5 stalls/1,000 square feet for the retail and entertainment buildings, plus an additional stall for every six theater seats, one stall per hotel room, and one stall for each 300 square feet of hotel lobby. The Project site currently contains 4,434 marked² on-site surface parking spaces. The Project proposes a 4-story (1,080 parking spaces) parking garage. At buildout, the Project site would include a total of 4,635 parking spaces, which would exceed the city-required 4,389 parking spaces by 246 parking spaces.

While the Project would not change the location of entry points, the Project includes landscaping, hardscaping, lighting, and paving improvements to the site's main entry on Serramonte Boulevard, as well as improvements to the loop road that circles the property.

Vehicle Circulation

Existing ingress/egress points to the Project site would remain the same, with two entrances off Serramonte Boulevard and one each off Callan Boulevard and Southgate Avenue. The main entry road (off the Gellert and Serramonte Boulevards intersection) would be re-aligned. An additional entrance/exit off Callan Boulevard would be created to serve the medical office buildings in the southwestern corner of the Project site that would provide access to a 2-story parking facility located underneath proposed medical office buildings.

Stormwater

The Project site is connected to the City's storm drain system. The Project would replace approximately 500,000 square feet of existing impervious surface with new impervious surface. Stormwater runoff would be treated on site before being discharged into the City's stormwater sewer system. The majority of stormwater would be treated by being channeled into flow-through infiltration planters. The Project proposes green building practices, including energy- and water-efficient systems, high-recycled content materials, low or no volatile organic compound (VOC) materials, and regionally sourced materials, where possible.

Landscaping

Development of the Project would require the removal of several mature trees. The Project would plant replacement trees in accordance with the City's Municipal Code.

Water Supply

The Project site is served by the City of Daly City Department of Water and Wastewater Resources, which obtains the majority of its water supply from the City and County of San Francisco Regional Water System (RWS), operated by the San Francisco Public Utilities Commission (SFPUC). The RWS obtains its water primarily from the Sierra Nevada, delivered

² There is also space available to accommodate up to 343 additional parking spaces in areas that are currently not marked. Therefore, the maximum capacity under existing conditions if all parking spaces were marked is 4,777.

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through the Hetch Hetchy aqueducts, and also receives treated water produced by SFPUC from its local watersheds and treatment facilities.³ The City supplements the SFPUC supply with groundwater pumped from six local wells. From 1999 through 2009, an average of 28 percent of the City's water supply came from groundwater. During dry periods, groundwater makes up a larger proportion of the City's water supply (up to 45 percent). The City also uses recycled water from the North San Mateo County Sanitation District wastewater treatment plant to offset potable/aquifer water demands when feasible.⁴

Sanitary Sewer Service

Wastewater from the Project site is collected and treated by the North San Mateo County Sanitation District (NSMCSD), which is a subsidiary of the City of Daly City. Wastewater from the District is treated at the NSMCSD wastewater treatment plant (WWTP), which is located in Daly City at the corner of John Daly Boulevard and Lake Merced Boulevard. The WWTP has an average dry weather flow capacity of 10.3 million gallons per day (MGD) but operates at or below its permitted average dry weather flow rate of 8 MGD. It is not anticipated that the WWTP would need to increase its permitted flow rate in the short-term future.⁵

Utilities

Electricity and natural gas would be supplied to the Project site by Pacific Gas & Electric (PG&E). Solid waste from the Project site is collected and processed by Allied Waste Services at its Mussel Rock Transfer Station in Daly City.

3.8.2 CONSTRUCTION SCHEDULE

Although an exact construction timeline and schedule are unknown at this time, it is anticipated that the Project would commence over a period of 10 years. The development of the Project site is market driven and would occur as prospective tenants come forward. However, development of the retail building and hotel at the north end of the Project site would not start construction until the existing leases for the existing Denny's and Firestone businesses expire around 2020.

3.9 INTENDED USES OF THE EIR

This EIR examines the potential for impacts on the following environmental issues: Aesthetics, Air Quality and Greenhouse Gases, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services and Recreation, Utilities and Service Systems, and Traffic and Transportation.

³ City of Daly City, 2011, *City of Daly City 2010 Urban Water Management Plan*, page 4-1.

⁴ City of Daly City, 2011, *City of Daly City 2010 Urban Water Management Plan*, pages 2-2 and 4-5.

⁵ City of Daly City, 2012, *City of Daly City General Plan Update Draft Environmental Impact Report*, page 3.13-6.

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Environmental issues that were considered and “scoped out”⁶ include Agricultural and Forestry Resources, and Mineral Resources. These environmental issues are not included for further analysis in this Draft EIR.

3.9.1 REQUIRED PERMITS AND APPROVALS

The City of Daly City requires the following permits and approvals for the Project:

- Certification of the Environmental Impact Report
- Approval for Height Increase (from 45 feet to 70 feet)
- Approval by the Daly City Planning Commission and City Council of the site modifications (including roads, utilities, lighting and landscaping), and the proposed new buildings
- Building Permits for the improvements to the proposed buildings, roads, landscaping, lighting and hardscape
- Encroachment Permits for any work within the City right-of-way

Because the Project Applicant is still in the early stages of design development, the Design Review of new buildings is being deferred to a time when more information is known about specific design. However, this Draft Environmental Impact Report (EIR) would still serve as the environmental review document for these subsequent design reviews.

In addition to the Daly City approval process, review and approvals will be required from the following:

- A review of the change to the Planned Development zoning by the Airport Land Use Commission
- Caltrans approval will be required for work in any of the intersections.

⁶ CEQA Guidelines Section 15128 allows environmental issues for which there is no likelihood of significant impact to be “scoped out” and not analyzed further in the EIR.

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