

marin October 24, 2024

MARIN TRANSIT

711 Grand Ave, #110 San Rafael, CA 94901 ph: 415.226.0855 marintransit.org October 24, 2024

Honorable Board of Directors Marin County Transit District 3501 Civic Center Drive San Rafael, CA 94903

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Alternate
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Subject: Consider and Act on City of San Rafael Report on

Conformity With its General Plan 2040 Pursuant to Government Code 65402(c); 1075 East Francisco Blvd, San

Rafael

**Dear Board Members:** 

#### Recommendation

Adopt the findings specified in this report and exercise the agency's authority under state law to overrule the City's disapproval.

#### **Summary**

In response to Marin Transit's request, the City of San Rafael ("City") issued a report finding that Marin Transit's acquisition of 1075 East Francisco Blvd. in San Rafael ("Property") and potential use for an electric vehicle bus charging and maintenance facility would be inconsistent with San Rafael's General Plan 2040 ("General Plan") - Community Commercial Mixed Use land designation.

After carefully considering the City's report, Marin Transit staff find that acquisition of the Property and potential use for electric vehicle charging and maintenance is:

- (1) Consistent with the San Rafael General Plan climate change and mobility elements, and equity goals;
- (2) Harmonious with surrounding land uses; and
- (3) Critical to meeting the state Zero Emission Vehicle (ZEV) transition requirements for bus fleets and continuing to provide transit service in Marin County at existing service levels.

For all of these reasons, and as detailed in the report below, staff recommend that the Marin Transit Board exercise its authority under state law to overrule the City's disapproval. While Marin Transit believes that taking this action is required by state law before it can move forward with acquiring the Property, Marin Transit is committed to continuing to work collaboratively with the City and the community regarding the future development of the Property.

#### **Background**

Marin Transit is considering purchasing the Property, which is about 3.5 acres of land located at 1075 East Francisco Boulevard in San Rafael (APN 009-191-37 and -38 [formerly Parcels 009-191-02, -03, -04, -09 and -10]).

#### **Site Characteristics and Status**

The site is currently raw land. Most recently, the site was used for storage of up to 400 vehicles for nearby auto dealerships under a Temporary Use Permit. Before that, in 2006, the site was entitled for a car dealership (sales and services facility), which was never constructed, and the entitlements have long expired. Before the car dealership entitlement, the site was developed with a different auto dealership, which was demolished in 2005. Thus, for the last nearly 20 years the site has been used for vehicle storage and related purposes or has sat vacant.

The current owner planned to construct a hotel on the Property. In 2020, the City granted entitlements for a 185-room hotel development (with 195 passenger vehicle parking) for a portion of the site and a vehicle storage lot for the remainder of the site.

The owner has since concluded that development of a hotel on the site is not economically viable; the owner now prefers to sell the Property. The owner approached Marin Transit about a voluntary, offmarket sale of the Property.

#### **Site Acquisition Process**

For more than 10 years, Marin Transit has actively pursued, with real estate broker assistance, acquisition of property to meet its long-term needs. The agency has considered more than 75 properties, conducted 9 appraisals, made 15 offers, and purchased 3 small properties through voluntary purchases (without the need to consider exercising eminent domain). Marin Transit's ad hoc Facilities Siting Committee has convened numerous times to guide this process. Despite this extensive sustained effort, Marin Transit still needs a larger site for a zero-emission bus maintenance/operations facility.

In June, the owner of the Property approached Marin Transit and offered to sell the Property in a voluntary, off-market transaction. For the last about 4 months, Marin Transit has engaged a process to acquire the Property. Marin Transit is competing with private buyers for the limited appropriate parcels offered for sale in the County, so it must balance the transaction time and privacy expected by private sellers in the extremely tight Marin County real estate market, with important processes to ensure appropriate pricing, environmental review, and community input. In summary, the process has entailed:

June	Seller approached Marin Transit for a voluntary, off-market sale
July	City of San Rafael convened meeting with Canal Alliance, Community Action
	Marin, and Marin Transit to discuss site, potential use, and equity issues

August 5	Marin Transit Board meeting (open session); Board approved purchase of property only  - Staff negotiated long due diligence period - 60 days, twice as long as market standard - to allow time for, among other things, discussion with City of San Rafael regarding its General Plan  - City of San Rafael provided oral and written comments to the Board regarding community impacts
August 6	Marin Transit staff requested City of San Rafael General Plan conformity report
September 13	City of San Rafael issued General Plan conformity report
October	Marin Transit staff negotiated reduced price and extended due diligence period (from 60 days to 80 days) to allow additional time for discussion with City of San Rafael regarding its General Plan conformity report
October 21	San Rafael City Council meeting (open session) re General Plan conformity report
October 24	Marin Transit Board meeting (open session) re General Plan conformity report
October 25	Due diligence scheduled to be completed

#### **Environmental Review**

When the City of San Rafael approved the current owner's proposed hotel development (185 rooms and parking for 195 passenger vehicles), the City concluded the project was exempt from the California Environmental Quality Act (CEQA); the City determined it would not cause any significant environmental impacts (including in traffic, noise, air quality, or water quality) and required no mitigation.

While Marin Transit may in the future develop the Property for an electric vehicle bus charging and maintenance facility or some other use to support Marin Transit's public transit purposes, Marin Transit has not at this time made a final decision regarding any future development of the Property. The Marin Transit Board has previously confirmed that it will not make any decision to approve future development of the Property until after the agency has prepared a site plan, performed all appropriate public outreach, evaluated the plan pursuant to the requirements of the CEQA, and the Federal Transit Administration (FTA) has made a determination regarding the proposed development pursuant to the requirements of the National Environmental Policy Act (NEPA). The Marin Transit Board also has previously confirmed that acquisition of the Property will not limit the evaluation of alternatives for any future Marin Transit project that makes use of the Property. Consistent with the above, FTA has found that Marin Transit's purchase of the Property qualifies for a Categorical Exclusion under NEPA.

#### **Community Coordination and Input**

At this stage, Marin Transit is only proposing to acquire the Property; it is not yet proposing any particular use of the site. Nonetheless, there has been active engagement by the community regarding the proposed acquisition, including:

 Discussions with Canal Alliance, Community Action Marin, College of Marin regarding workforce development and childcare (elements of grant)

- Cool the Earth and Sustainable Marin contacted Marin Transit staff regarding support for fleet electrification and site selections
- Coordination with TAM's Bellam Corridor project
- Marin Transit Board meetings (open session) August 5 and October 24
- San Rafael City Council meeting (open session) October 21 (available online)
- Letters from Congressman Jared Huffman, Canal Alliance, Cool the Earth, Sustainable San Rafael (See <u>Attachment A</u>)

Marin Transit is committed to engaging with the City of San Rafael and the community as it plans the future development of the site.

#### MARIN TRANSIT REQUEST FOR GENERAL PLAN REPORT

State law, California Government Code section 65402(c), provides:

A local agency shall not acquire real property ... nor construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan ... and such general plan ... is applicable thereto, until the location, purpose and extent of such acquisition ... or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan ....

If the planning agency disapproves the location, purpose or extent of such acquisition ... or the public building or structure, the disapproval may be overruled by the local agency....

Accordingly, on August 6, 2024, Marin Transit requested the City issue a report on the proposed Property acquisition's conformance with the City's General Plan. (See <u>Attachment B</u>). Given that Marin Transit is only proposing to acquire the Property at this time, Marin Transit suggested that the City could find acquisition only of the site is consistent with the City's General Plan. Marin Transit explained, however, that if the City desires to report on the acquisition and a presumed potential future use of the Property for Marin Transit's public transit-related functions, the City could conclude such potential future uses also conform with the City's General Plan.

On September 13, 2024, the City Community & Economic Development Director issued the City's responsive report. (See <u>Attachment C</u>). The report concludes that Marin Transit's acquisition of the Property and potential future use for an electric vehicle bus charging and maintenance facility would not be consistent with the City's General Plan -- Community Commercial Mixed Use land designation.

California courts have explained that a planning agency's report under Section 65402 is advisory only, and that the local agency may overrule the planning agency's conclusion. Marin Transit believes that taking this action is required by state law before it can move forward with acquiring the Property.

After carefully considering the City's report, Marin Transit finds that acquisition of the Property and potential use for electric vehicle charging and maintenance is:

- (1) Consistent with the San Rafael General Plan climate change and mobility elements, and equity goals;
- (2) Harmonious with surrounding land uses; and
- (3) Critical to meeting the statewide ZEV bus fleet transition requirements and continuing to provide transit service in Marin County at existing service levels.

#### CONSISTENT WITH SAN RAFAEL GENERAL PLAN LAND USE ELEMENT

The City's September 13 report concludes that acquisition and potential use of the Property for electric vehicle charging and maintenance is not consistent with the General Plan Land Use element designation of the site as Community Commercial Mixed Use and the City's zoning ordinance. But the General Plan contemplates "automobile services" uses in this category, and the zoning ordinance permits, with a conditional use permit approved by the Zoning Administrator:

- Parking facilities, commercial or municipal
- Repairs, major (engine work, painting, and body work)
- Repairs, minor (tune-ups, brakes, batteries, tires, mufflers and upholstery)

These permitted uses are similar to what the City identifies as Marin Transit's assumed use of the Property and, thus, are a basis to conclude that the acquisition of the Property is consistent with the General Plan Land Use element and zoning ordinance.

### CONSISTENT WITH SAN RAFAEL GENERAL PLAN CLIMATE CHANGE AND MOBILITY ELEMENTS, AND EQUITY GOALS

San Rafael's General Plan includes 13 elements. As the General Plan explains, each element carries the same legal weight and "[n]o one element supersedes another" (General Plan, page 1-2).

The City's September 13 report discusses only the Land Use and Neighborhood elements of the General Plan; the City's report does not discuss how Marin Transit's proposed property acquisition aligns with other elements of the City's General Plan, such as the Conservation and Climate Change and Mobility elements.

Marin Transit staff has highlighted in Attachment D some of the provisions of the San Rafael General Plan that were not addressed in the City's report but which appear to have direct bearing on whether acquisition of the Property and potential future use for an electric vehicle bus charging and maintenance facility conforms with the City's General Plan. These excerpts illuminate two themes in the City's General Plan:

(1) reducing car trips, improving alternatives to driving, and supporting shifts to zero emission vehicles as strategies the General Plan embraces to achieve San Rafael's climate policies, and

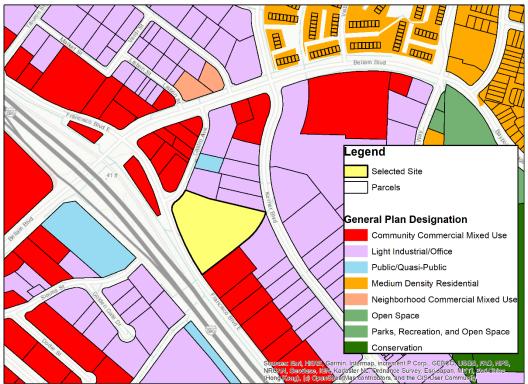
<sup>&</sup>lt;sup>1</sup> As explained above, Marin Transit has not approved a potential future use of the Property but merely responds here to the City's decision to assume and report under Government Code section 65402(c) on potential future use of the Property for an electric vehicle bus charging and maintenance facility.

(2) supporting accessible, reliable, and cost-effective transit services, particularly for the benefit of San Rafael's seniors, youth, low-income households, and persons with disabilities, are General Plan goals to advance equity in the community.

Marin Transit's acquisition of the Property could directly advance express policies, goals, and programs in the City's General Plan around climate, mobility, and equity. Based on this more complete look at the General Plan, there appears to be ample basis for the City to conclude that Marin Transit's acquisition of the Property and potential future use for an electric vehicle bus charging and maintenance facility conforms with the General Plan.

#### HARMONIOUS WITH SURROUNDING LAND USES

Marin Transit's acquisition of the Property and potential future use for an electric vehicle bus charging and maintenance facility is harmonious with surrounding land uses. Below is a map illustrating the General Plan designations for parcels in the vicinity of the Property. The Property (shaded yellow for ease of identification) is designated Community Commercial Mixed Use under the San Rafael General Plan (red shading). Many parcels in the vicinity of the Property are designated Light Industrial/Office under the General Plan (purple shading). San Rafael has stated that electric vehicle charging and maintenance would be consistent with the City's Light Industrial/Office designation and, thus, consistent with many of the properties (shaded in purple) surrounding the Property.



The potential use of the Property is also harmonious with the actual current uses of properties adjacent to the site. Those uses include auto repair shops, tire shops, tile store and warehouse, car wash, health and beauty products warehouse, a sofa store, a ski shop and freeway use.

#### **CRITICAL TO MEETING STATE ZEV REQUIREMENTS FOR BUS FLEETS**

The California Air Resources Board (CARB) adopted the Innovative Clear Transit (ICT) regulation. The regulation requires public transit agencies in California to gradually transition their fleets to zero-emission technologies. The rule requires a percentage of new bus purchases to be zero-emission buses starting for small transit agencies like Marin Transit in 2026, when 25% of purchases need to be zero emission. In 2029, 100% of purchases are required to be zero emission.

As described in Marin Transit's Zero Emission Bus Rollout Plan (May 2023), a key challenge to Marin Transit's plan to meet the state mandate and convert its entire fleet to battery electric buses is land availability on which to install infrastructure. Meeting the state mandated timing for transition to ZEVs requires careful planning and substantial ramp up time, including time to install electric vehicle charging infrastructure. Thus, Marin Transit's Rollout Plan assumes the agency will be able to purchase additional right of way for parking and maintaining the electric fleet by the year 2025 in order to develop plans and get infrastructure in place to charge ten 40-foot electric buses that will be purchased in 2029. Timely acquisition and development of a facility is vital to meeting Marin Transit's fleet electrification plans.

#### **RECOMMENDED ACTION AND NEXT STEPS**

For all of the reasons stated above, Marin Transit staff recommends that the Board:

Adopt the findings specified in this report and exercise the agency's authority under state law to overrule the City's disapproval.

While Marin Transit believes this action is necessary to allow it to move forward with acquisition of the Property, Marin Transit remains committed to continuing to work collaboratively with the City and the community regarding the future development of the Property. Marin Transit acknowledges the take aways from its meeting with the City and community partners on July 31st, Mayor Kate Colin's August 2nd letter to Marin Transit, oral comments made by the Mayor, Councilmember Llorens Gulati, and a member of the public at the August 5th Marin Transit Board meeting, comments from the City of San Rafael October 21 City Council meeting, and numerous conversations with City Council members, the City Manager, the City Attorney, and other City staff. In considering potential future development of the site, Marin Transit will continue to prioritize the needs of the community and has identified grant funding for workforce development programs and support services like childcare that could be particularly beneficial to this community. The acquisition of this Property is one step in a multi-step process and Marin Transit intends to fully engage with the City, community partners, and the public on future development options.

#### Fiscal/Staffing Impact

This action creates no additional fiscal or staffing impact.

Respectfully Submitted,

Hancy E. Whelan

Nancy Whelan General Manager

Attachment A: Letters from Congressman Jared Huffman, Canal Alliance, Cool the Earth,

Sustainable San Rafael

Attachment B: August 6, 2024 Marin Transit letter to City of San Rafael

**Attachment C:** September 13, 2024 City of San Rafael report **Attachment D:** San Rafael General Plan 2040 Provisions

Attachment E: Presentation – Response to General Plan Conformity Report



#### WASHINGTON OFFICE

2445 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515 PHONE: (202) 225-5161

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### Congress of the United States House of Representatives

Washington, DC 20515-0502

ENERGY AND MINERAL RESOURCES **COMMITTEE ON TRANSPORTATION** 

AND INFRASTRUCTURE

COMMITTEE ON

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AND EMERGENCY MANAGEMENT

October 21, 2024

Brian Colbert, President Nancy Whelan, General Manager Marin Transit Board of Directors 711 Grand Avenue, Suite 110 San Rafael, CA 94901

#### **Dear President Colbert:**

I am writing to check-in on Marin Transit's progress on utilizing the Federal Transit Administration grant for \$31.5 million dollars to launch electrification of your transit fleet. I know an essential piece of your plan to implement the transition to a zero-emission fleet requires securement of an electric bus charging and maintenance facility, and I support your plans to purchase 1075 E. Francisco Blvd. in San Rafael.

I understand Marin Transit is working collaboratively with community-based organizations including Canal Alliance, Community Action Marin, and Cool The Earth on workforce development, support for childcare, and optimizing fleet electrification. Engagement of these groups will help ensure the community benefits not only from the transit services provided, but also access to jobs and education. Likewise, creating the opportunity for construction jobs and training opportunities for good paying transit jobs are valuable additional community benefits.

The City of San Rafael is an important community partner too, and I trust you will work to make sure their concerns are given consideration as you develop plans for the project, including your mutual interest in a public process at the appropriate time.

Reducing greenhouse gas emissions and supporting an Equity Priority Community were primary reasons I supported Marin Transit's grant application. This acquisition furthers those goals. I fully support Marin Transit's purchase of 1075 E. Francisco Blvd. and encourage your Board to take the actions necessary to acquire the property.

Sincerely,

JARED HUFFMAN Member of Congress



Brian Colbert President Marin Transit Board of Directors 711 Grand Avenue, Suite 110 San Rafael, CA 94901

Dear President Colbert,

I am writing to support Marin Transit's acquisition of 1075 E. Francisco Blvd. in San Rafael for a potential electric bus charging and maintenance facility. For many years, Canal Alliance has partnered with Marin Transit to ensure that the most vulnerable in our community have transportation options. In 2023, Canal Alliance supported Marin Transit's application that resulted in a \$31.5 million federal grant to purchase a site and build a bus facility.

We support the property acquisition for its potential to enhance public transportation infrastructure, which will directly benefit the Latino community, the primary users of public transportation in Marin County. The opportunity to establish a permanent facility helps ensure the long-term stability of transit services to the entire County while also converting the bus fleet to zero emission vehicles. In addition to creating the opportunity for construction jobs, we expect this project will provide training opportunities for good paying transit jobs. In collaboration with Marin Transit staff, we are discussing our workforce development programs and how they can best be deployed using federal grant funds available to Marin Transit for this purpose. We look forward to working with Marin Transit to develop a community benefits agreement to further define new and existing environmental, workforce, and transit service benefits Marin Transit can bring to the City of San Rafael and our community.

We are pleased to see the progress Marin Transit is making on acquiring property for this important project. It is vital to continued operations, investment in clean and efficient transit service, and training for well-paid jobs in our community. The property will support the growing needs of seniors, youth, commuters, and low-income and minority populations that rely on Marin Transit; for all these reasons, Canal Alliance supports the purchase of 1075 E. Francisco Blvd. Sincerely,

CEO

OmarC@canalalliance.org

91 Larkspur Street San Rafael, CA 94901 415.454.2640

canalalliance.org



October 18, 2024

Brian Colbert President Marin Transit Board of Directors 711 Grand Avenue, Suite 110 San Rafael, CA 94901

Dear Mr. Colbert,

Sustainable San Rafael supports Marin Transit's acquisition of 1075 E. Francisco Blvd. in San Rafael for a potential electric bus charging and maintenance facility.

We were excited to learn of Marin Transit's \$31.5 million federal grant for this project. As a nonprofit dedicated to promoting sustainability and curbing climate change, Sustainable San Rafael views this facility as a crucial step toward converting public transportation to zero-emission vehicles, significantly benefiting the health of residents in the San Rafael Canal area.

Establishing a permanent facility will not only stabilize transit services across Marin County but also reduce greenhouse gas emissions and improve air quality by lowering pollutants like nitrogen oxides (NOx) and particulate matter.

This centralized location will enhance service planning and allow for innovative solutions, such as mobile solar arrays and battery storage for emergency power. We also encourage Marin Transit's efforts to create a Community Benefits Agreement that clearly outlines the environmental, workforce, and transit service advantages for San Rafael and the Canal neighborhood.

We are pleased with Marin Transit's progress on this important project and look forward to its positive impacts.

Sincerely,

Annika Osborn and Howard Schwartz Co-Presidents



**Cool the Earth** is a 501(3)c non-profit P.O. Box 694, Kentfield, CA. 94914 cooltheearth.org

Brian Colbert
President
Marin Transit Board of Directors
711 Grand Avenue, Suite 110
San Rafael, CA 94901

Dear President Colbert.

I am writing to express Cool the Earth's support for Marin Transit's acquisition of 1075 E. Francisco Blvd. in San Rafael for a potential electric bus charging and maintenance facility.

We were pleased to learn about Marin Transit's \$31.5 million federal grant to develop this site. As a nonprofit dedicated to leading an equitable transition to clean transportation, Cool the Earth sees this project as vital for electrifying local buses. This initiative will significantly impact mitigating the climate crisis and improving the health and well-being of priority communities in San Rafael and throughout Marin County.

Establishing a permanent facility will ensure long-term stability of transit services across Marin County while facilitating the transition to a zero-emission bus fleet. This change will greatly reduce greenhouse gas emissions and improve air quality by decreasing pollutants like nitrogen oxides (NOx) and particulate matter, particularly benefiting areas with high bus service, such as downtown San Rafael and the Canal neighborhood.

A centralized location will allow for innovative solutions, including emergency power sources like mobile solar arrays and battery storage, enhancing community resilience during power outages. We also support Marin Transit's efforts to develop a Community Benefits Agreement that outlines the environmental, workforce, and transit service advantages for San Rafael and the Canal neighborhood.

We are pleased to see the progress Marin Transit is making in acquiring property for this important project and look forward to its positive impact.

Sincerely,

Carleen Cullen

Carleen Cullen

Co-Founder/Executive Director
Cool the Earth / Ride and Drive Clean





711 Grand Ave, #110 San Rafael, CA 94901 ph: 415.226.0855 marintransit.org August 6, 2024

Micah Hinkle Community Development Director City of San Rafael 1400 Fifth Ave., Top Floor San Rafael, CA 94901

#### **Board of Directors**

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Director Supervisor District 3

#### **Dennis Rodoni**

Director Supervisor District 4

#### **Maribeth Bushey**

Director City of San Rafael

#### **Fred Casissa**

Alternate

Town of Corte Madera

Re: Request for report on conformity with General Plan pursuant to Government Code section 65402(c); 1075 E. Francisco Boulevard, San Rafael

Dear Mr. Hinkle,

The Marin County Transit District ("Marin Transit") is a public agency formed under the California Public Utilities Code to provide local transit service within Marin County. Marin Transit is considering purchasing property located at 1075 E. Francisco Boulevard in San Rafael ("Property") and requests a report on conformity with the City of San Rafael's ("City's") General Plan.

While Marin Transit may in the future develop the Property for an electric vehicle bus charging and maintenance facility or some other use to support Marin Transit's public transit purposes, Marin Transit has not at this time made a final decision regarding any future development of the Property. The Marin Transit Board will not make any decision to approve future development of the Property until after the agency has prepared a site plan, performed all appropriate public outreach, evaluated the plan pursuant to the requirements of the California Environmental Quality Act (CEQA), and the Federal Transit Administration (FTA) has made a determination regarding the proposed development pursuant to the requirements of the National Environmental Policy Act (NEPA). Acquisition of the Property will not limit the evaluation of alternatives for any future Marin Transit project that makes use of the Property. Consistent with the above, FTA has found that Marin Transit's purchase of the Property qualifies for a Categorical Exclusion under NEPA.

Further, Marin Transit is committed to continuing to work collaboratively with the City of San Rafael and the community regarding any future development of the Property. We acknowledge the take aways from our meeting with the City and community partners on July 31<sup>st</sup>, Mayor Kate Colin's August 2<sup>nd</sup> letter to Marin Transit, and comments made by the Mayor, Councilmember Llorens Gulati, and a member of the public at the August 5<sup>th</sup> Marin Transit Board meeting. In considering potential future development of the site, Marin Transit will continue to prioritize the needs of the canal community and has identified grant funding for workforce development programs and support services like childcare that could be particularly beneficial to this community. The acquisition of this Property is one step in a multi-step process and we



intend to fully engage with the City, community partners, and the public on future development options.

Marin Transit understands that the City has adopted a general plan that is applicable to the Property, and the City's Community Development Department is the planning entity having jurisdiction. Accordingly, pursuant to California Government Code section 65402(c), Marin Transit requests that the Community Development Department report on the conformity of Marin Transit's proposed acquisition only of the Property with the City's adopted general plan.

Given that Marin Transit only is proposing to acquire the Property at this time, the City should find that Marin Transit's acquisition only of the site is consistent with the General Plan. But even if the City desires to report on the acquisition and a presumed potential future use of the Property, we anticipate that the City will find potential future use of the site for Marin Transit's public transit-related functions is in conformance with the City's General Plan and zoning district. To assist you in your review:

<u>Location</u>: The Property consists of about 3.5 acres of vacant land located at 1075 E. Francisco Boulevard in San Rafael (APN 009-191-37 and -38). The Property is bounded by Francisco Boulevard and Interstate 580 to the west, and privately owned property to the north, south, and east.

<u>Current Use</u>: The site is currently raw land that has been graded and fenced. Most recently, the site was used for storage of up to 400 vehicles for nearby auto dealerships under a Temporary Use Permit. Before that, in 2006, the site was entitled for a car dealership (sales and services facility), which was never constructed and the entitlements expired. Before the car dealership entitlement, the site was developed with a different auto dealership, which was demolished in 2005. The current owner of the Property planned to develop the Property for a hotel; the owner would now prefer to sell the Property through a voluntary purchase-sale to Marin Transit, rather than continue to pursue its hotel development project.

<u>Surrounding Uses</u>: Uses in the immediate vicinity of the Property include commercial and industrial office uses. Neighboring uses appear to include a car wash; gas station; tire repair/replacement facility; furniture, clothing, and sporting equipment retailers; automative repair shops; home improvement suppliers; warehouse; and the highway.

General Plan Designation: The City's existing General Plan 2040 applies the Community Commercial Mixed Use designation to the Property. The Property is located in the City's GC (General Commercial) zoning district. Pursuant to the City's Municipal Code, in the "Transportation Facilities" category, the uses "Parking facilities, commercial or municipal" are identified as CZ (conditional use permit/zoning administrator). In the "Motor vehicle sales and service (including automobiles, motorcycles, trailers, trucks and recreational vehicles)" category, the uses "Repairs, major (engine work, painting, and body work)" and "Repairs, minor (tune-ups, brakes, batteries, tires, mufflers and upholstery)" are also CZ. City materials explain that uses identified as CZ are permitted if they receive a Use Permit approved by the Zoning Administrator, and conditionally permitted uses are consistent with the General Plan and zoning designation.



Please do not hesitate to contact me if you require any other information to complete your report. As time is of the essence, we would appreciate receiving the results of your report at your earliest convenience.

Sincerely,

Nancy Whelan

General Manager

Mancy E. Tehelan



September 13, 2024

Marin Transit Nancy Whelan, General Manager 711 Grand Ave, #110 San Rafael, CA 94901

**Subject:** Request for report on conformity with General Plan pursuant to Government Code Section 65402(c); 1075 East Francisco Boulevard

The City of San Rafael is in receipt of your August 6, 2024 request for conformity with the General Plan pursuant to Government Code Section 65402(c) for the property located at 1075 East Francisco Boulevard. The request from Marin Transit requested that the City only consider the fact that Marin Transit was acquiring the property, and not consider any possible future use. However, Govt Code Section 65402(c) states in part that, "A local agency shall not acquire real property for any of the purposes .. or construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof."

Therefore, staff is responding to this request in two parts:

- 1. The acquisition of the property, and
- 2. The potential future use of an electric vehicle bus charging and maintenance facility or some other use to support Marin Transit's public transit purposes. This is the potential use referenced in the request.

It is possible that the acquisition of this property by Marin Transit could result in a use that is in conformance with the vision and intent of the San Rafael General Plan 2040 for this parcel. However, the use of an electric vehicle bus charging and maintenance facility would not be consistent with the adopted General Plan 2040 for the subject property.

#### Adopted San Rafael General Plan 2040 Land Designation

This parcel is found in one of the city's Mixed-Use Land Use categories. There are five mixed use categories in the city limits. The General Plan notes that each category allows both residential and non-residential uses. It further notes that other compatible uses, such as schools, childcare centers, parks, and religious facilities, may locate in each designation, subject to specific requirements codified through zoning. It does not note that an industrial use would be allowed in these designations.

This parcel is designated as **Community Commercial Mixed Use** (21.8-43.6 units/net acre; maximum FAR 0.3) This designation is described as follows in the Land Use Element: *This category corresponds to general retail and service uses, restaurants, automobile sales and service uses, hotels/ motels, and other commercial activities.* Offices are also permitted, except where specifically precluded by General Plan policies. Mixed use projects that combine housing and commercial uses are encouraged. Projects that are entirely residential are permitted, although limitations may apply in certain zoning districts to ensure that adequate land is provided for activities generating sales tax, jobs, and local service opportunities. Areas with this designation include the Northgate Town Center, Merrydale Road area, and portions of Francisco Boulevard East and West.

The Neighborhood Element provides further guidance to what sorts of uses would be considered compliant with the vision of this parcel. It notes that it is part of the Canal District. On Page 4.4-4, it states, "The southern part of the Canal District includes a grid of streets facing Francisco Boulevard East. The area along Medway Road and Vivian Street is the commercial heart of the neighborhood, but it lacks cohesion, landscaping, lighting, and other amenities that create the sense of a neighborhood center. Many of the structures are inexpensive post-war metal buildings. The area could be reimagined with gathering places, pedestrian spaces, and safer connections to nearby residential areas. New models for community engagement will be needed to design and create a place that truly meets community needs. Care must be taken to keep rents affordable and not displace cost-sensitive service uses and small businesses." It specifically notes that, "Francisco Boulevard East should be improved as a neighborhood gateway." with better sidewalks, signage, landscaping, and lighting. The Canal neighborhood is somewhat isolated from Downtown and the rest of the city and should be better connected by transit, sidewalks, and bicycle lanes."

#### San Rafael Zoning Ordinance

Zoning ordinances of charter cities must be consistent with the city's general plan (Gov. Code 65860(d)). Therefore, staff is referencing the City's zoning code to determine what were the intended uses identified in the Community Commercial Mixed Use designation. The site has a zoning designation of **General Commercial** and is described as a district that *promotes a full range of retail and service uses in major shopping centers and certain areas of the city which have* 

freeway or major street access and visibility. Residential use is allowed with a use permit. Offices are a conditional secondary use, for example, on portions of sites with poor retail visibility. Floor area ratio (FAR), trip allocation and design criteria vary throughout the district in response to specialized conditions recognized in the general plan.

San Rafael Municipal Code Table 14.05.020 (Table of Allowed Uses in Commercial Districts) does not list an electric vehicle bus charging and maintenance facility at all. Any use not listed in this table is considered prohibited. However, under San Rafael Municipal Code Section 14.02.040 C - Zoning Regulations notes that where uncertainty exists regarding the interpretation of any provision of this title or its application to a specific site, the planning director shall determine the intent of the provision. Understanding that Marin Transit is seeking a location for a bus charging and maintenance facility, I would categorize that proposed use resembling the listed use, "Public and utility facilities (corporation, maintenance or storage yards, utility distribution facilities, etc.)". This use is also not allowed in General Commercial district, but is allowed in the City's Industrial Land Use designations with permit review.

In summary, staff has determined that the potential use of an electric vehicle bus charging and maintenance facility inconsistent with the applicable San Rafael General Plan 2040 Community Commercial Mixed Use land designation.

It is staff's understanding that Marin Transit is still in early phases of due diligence for potential acquisition of this property and determining what the use of the property would be. City staff are available to meet and discuss potential uses that would be compliant with the site's General Plan and zoning designations.

Should there be follow up questions, please do not hesitate to contact me and we can schedule a meeting.

Sincerely,

Micah Hinkle

Community & Economic Development Director

City of San Rafael

Micah Hinkle

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C. Cristine Alilovich, City Manager

#### SAN RAFAEL GENERAL PLAN 2040 PROVISIONS

The following are excerpts of the San Rafael General Plan that were not addressed in San Rafael's September 13, 2024 report but which appear to have direct bearing on whether acquisition of the Property and potential future use for an electric vehicle bus charging and maintenance facility conforms with the General Plan.

#### Conservation & Climate Change Element

a. San Rafael's General Plan includes Framework and Guiding Principles, specifically in the category of climate change. The plan recognizes that greenhouse gas reduction targets "are driving changes to local land use and transportation plans intended to reduce our dependence on fossil fuels by making it easier to travel without a car" (page 2-12). The Conservation & Climate Change Element includes Policy C-2.3: "Improving Air Quality Through Land Use and Transportation Choices. Recognize the air quality benefits of reducing dependency on gasoline-powered vehicles. Implement land use ... policies, ... to reduce the number ... of car trips, improve alternatives to driving, ... and support the shift to electric and cleaner-fuel vehicles" (page 6-25).

Marin Transit's acquisition of the Property and potential development for public transit-related purposes directly supports the City's goals to reduce dependency on gasoline-powered vehicles, reduce car trips, improve alternatives to driving, and support a shift from diesel to electric vehicles. The City has the opportunity to implement its General Plan policy C-2.3 by finding Marin Transit's acquisition of the property is in conformance with the General Plan.

b. The Conservation & Climate Change Element includes Policy C-4.1: "Renewable Energy. Support increased use of renewable energy and remove obstacles to its use" (page 6-35).

Marin Transit's acquisition of the Property and potential development of the site for electric vehicle bus charging could advance the City's policy to increase use of renewable energy; the City has the opportunity to implement its policy of removing obstacles to use of renewable energy by determining Marin Transit's acquisition of the property conforms with the General Plan.

C. The Conservation & Climate Change Element includes Goal C-5: "Reduced Greenhouse Gas Emissions. Achieve a 40 percent reduction in 1990 greenhouse gas emission levels by 2030 and a 60 percent reduction by 2040" (page 6-38). The General Plan explains the City's commitment to "implement the measures outlined in this General Plan and in its Climate Change Action Plan to reduce greenhouse gas (GHG) emissions" (page 6-38). The referenced Climate Change Action Plan at LCT-C1 provides: "Zero Emissions Vehicles. Develop a Zero Emission Vehicle Plan that will result in 25% of passenger vehicles in San Rafael to be zero emission vehicles (ZEVs), including plug-in electric vehicles (EVs) and hydrogen fuel cell electric vehicles, by 2030."

Marin Transit's acquisition of the Property and potential development of the site for electric vehicle bus charging could directly support San Rafael's General Plan goal and Climate Action Plan objectives to reduce emissions through, among other things, ZEVs. Marin Transit's proposal is directly supportive of the City's goal to reduce greenhouse gas emissions.

- d. The Conservation & Climate Change Element includes Program C-5.3C: "Regional Collaboration. Participate in regional collaborations among public agencies to enact and support new programs or shared improvements which promote or utilize renewable energy sources or reduce energy demand" (page 6-39).
  - The City's support for Marin Transit's acquisition of the Property and potential development for electric vehicle bus charging is the kind of collaboration among public agencies to promote and utilize renewable energy sources that the General Plan contemplates.
- e. The Conservation & Climate Change Element includes Policy C-5.4: "Municipal Programs. **Implement ... municipal programs** to demonstrate the City's commitment to sustainability efforts and reducing greenhouse gases" (page 6-41).
  - Marin Transit's bus services throughout Marin County and in San Rafael in particular is a type of program that the City can support under its General Plan to demonstrate the City's commitment to sustainability efforts and reducing GHG.
- f. The Conservation & Climate Change Element includes Program C-5.4A: "Low Carbon Municipal Vehicles. As finances allow, continue to shift the City's vehicle fleet to zero emission vehicles and use low carbon fuels as an interim measure until gasoline-powered vehicles are replaced" (page 6-41). See also Mobility Element, Program M-3.6B (page 10-31).

The acquisition of the Property could support Marin Transit's transition of its bus fleet to zero emission vehicles. While Marin Transit's fleet is distinct from the City's own fleet, there is synchronicity between the City's program to transition its fleet and Marin Transit's own efforts.

#### **Mobility Element**

a. San Rafael's General Plan includes Framework and Guiding Principles, specifically in the category of Transportation Innovations. The plan recognizes a trend to watch is "[a] continued shift to electric vehicles and phase-out of fossil fuel powered vehicles—for buses and trains as well as private cars." The plan recognizes that this shift "means a need for electric vehicle charging stations and infrastructure" (page 2-11). General Plan 2040 explains that policies in the Mobility Element are intended to "support ... more electric charging stations" (page 6-40). The Mobility Element includes Policy M-3.6: "Low-Carbon Transportation. Encourage electric ... vehicles, as well as the infrastructure needed to support these vehicles" (page 10-31). Program M-3.6A calls for the development and implementation of a ZEV Plan, which "should provide for

additional charging stations, preferential parking for ZEVs, programs that incentivize ZEV use by San Rafael residents, and plans to expand electrical system capacity if needed to meet increased electric vehicle demand" (page 10-31).

Marin Transit's acquisition of the Property and potential development of the site for electric vehicle bus charging would be consistent with the General Plan's stated goal to support a shift to cleaner fuel and more electric charging stations and conform with the General Plan's call for the City to encourage infrastructure needed to support electric vehicles.

b. The Mobility Element includes Goal M-3: "Cleaner Transportation. ... The City will reduce transportation impacts on the environment by supporting cleaner fuel vehicles ..., improving transit ..., and reducing the vehicle miles traveled (VMT) by San Rafael residents and workers. Cost-effective VMT reduction is an essential part of the City's climate action strategy, a fundamental part of its mobility programs, and a foundation of the future land use plan" (page 10-26). The Mobility Element continues: "There are three primary ways that San Rafael has aligned its transportation plans with its climate action goals: First, through strategies to reduce vehicle miles traveled .... Second, by supporting a shift to cleaner fuel vehicles such as electric cars. Third, by improving alternative modes of travel, including public transit ...." (page 10-26).

It would be consistent with this General Plan 2040 goal to reduce VMT by supporting the kind of cleaner fuel vehicles and transit improvements that Marin Transit may be able to deliver through acquisition of the Property.

c. The Mobility Element explains: "Transportation Demand Management. Because there are limited opportunities to expand the road network in San Rafael, transportation demand management (TDM) is a critical part of mobility planning. TDM measures encourage shifts from single occupant vehicles to transit ... Typical TDM measures include: ... Low emission vehicle fleets with fueling or charging stations ...." (page 10-29). The Mobility Element describes Program M-3.3B: "Support for TDM. Work cooperatively with governmental agencies ... to provide and support TDM programs" (page 10-30).

The public transit services Marin Transit provides conform with the General Plan's interest in using TDM as a mobility planning tool. The Government Code section 65402(c) report Marin Transit requested from the City here is an opportunity for the City to implement its stated program of working cooperatively with governmental agencies to support TDM programs.

d. The Mobility Element includes Goal M-4: "High Quality, Affordable Public Transit. Support accessible, reliable, cost-effective transit services that provide a convenient, affordable, efficient alternative to driving. The City of San Rafael is served by several transit agencies, operating buses, trains, ferries, and shuttles. Service improvements by these agencies will be supported so that transit becomes a more competitive alternative to driving, .... A safe, convenient, affordable transit system is important to San Rafael's quality of life. Transit has the potential to reduce greenhouse gases, alleviate traffic congestion, and provide mobility to those who are unable to drive or do not own a car" (page 10-32). See also Policy M-3.5: "Alternative Transportation Modes. Support

efforts to create convenient, cost-effective alternatives to single passenger auto travel" (page 10-30).

General Plan 2040 describes the City's commitment to support service improvements by the transit agencies that serve San Rafael to help transit becomes a more competitive alternative to driving. Marin Transit's acquisition of the property is directly related to its efforts to maintain service. Thus, it would be consistent with General Plan 2040 for the City to support Marin Transit's proposal here.

e. The Mobility Element explains: "There is [] a significant transit-dependent population in the city, including seniors, youth, low-income households, persons with disabilities, and those who don't own cars. ... Having a viable transit system is an important equity issue. Transit is a lifeline for many lower income residents. Nearly 60 percent of Marin Transit's passengers have annual household incomes of less than \$50,000, compared to 25 percent of the county's households at large. Persons of color represent 71 percent of Marin Transit's passengers but are only 28 percent of Marin County's residents. While the City itself does not deliver transit services to residents, it can work with service providers to influence routing, transfers, fare policies, and public engagement" (page 10-32).

General Plan 2040 expressly acknowledges the role Marin Transit plays is providing vital transit services to transit-dependent populations in San Rafael. Marin Transit's proposal to acquire the Property is directly related to the viability of Marin Transit's system; thus, acquisition of the Property is consistent with the General Plan's interest in advancing equity within the community.

f. The Mobility Element includes Program M-4.4A: "Local Bus Service. Support Marin Transit ... efforts to improve bus ... equipment ...." (page 10-36).

General Plan 2040 contemplates the City's support for Marin Transit's efforts to improve public transit equipment. The City has the opportunity to implement this General Plan program by supporting Marin Transit's proposal to acquire Property and potentially install electric vehicle charging for a new zero emission vehicle fleet.

g. The Mobility Element includes Policy M-4.5: "Transit and the Environment. **Encourage a less carbon-intensive transit system** with reduced environmental impacts. This could include electrification of buses ...." (page 10-36).

Likewise here, it is the City's General Plan policy to encourage a less carbon-intensive transit system. Marin Transit's proposal to acquire Property and potentially install electric vehicle charging for a new zero emission vehicle fleet squarely conforms with this City policy.

#### Land Use Element

- a. The Land Use Element designates the Property as Community Commercial Mixed Use (page 3-7 [Figure 3-1]). The General Plan expressly states that this category includes "automobile service" uses (page 3-11).
  - The City's report assumes potential future use of the Property for an electric vehicle bus charging and maintenance facility. This use is a type of permitted "automobile service."
- b. The City's report points out that the Property is zoned General Commercial, and the zoning ordinance for the Property does not list "an electric vehicle bus charging and maintenance facility" among the permitted uses, and does not permit "public and utility facilities (corporation, maintenance or storage yards, utility distribution facilities, etc.)" (referring to San Rafael Municipal Code Table 14.05.020). But that same zoning for the Property permits all of the following (with a conditional use permit approved by the Zoning Administrator):
  - Parking facilities, commercial or municipal
  - **Repairs, major** (engine work, painting, and body work)
  - Repairs, minor (tune-ups, brakes, batteries, tires, mufflers and upholstery)

The above-described conditionally-permitted uses are similar to what the City identifies as the potential future use of the Property; conditional uses conform with the General Plan.

c. The Land Use Element discusses the concept of "transit-oriented development", and its role in the City, recognizing that "[e]ven a small decrease in auto dependency [as a result of transit-oriented development] can help move the City toward its greenhouse gas reduction goals" (page 3-3).

Marin Transit's acquisition of the Property and any use for which it may put the property would support the advancement of such transit-oriented development in the City.

#### Noise Element

a. The Noise Element explains: "Traffic is the primary noise source in San Rafael. … Changes in motor vehicle design, including increased use of electric cars, may reduce traffic noise in the future" (page 9-4). The Noise Element includes Program N-1.6C: "Paving and Transit Improvements. … Noise reduction should be considered an important benefit as the City and its transit service providers transition to electric vehicles" (page 9-12).

General Plan 2040 explains the benefits accruing to the community from transition to electric vehicles. Marin Transit's proposed acquisition of the Property and potential for it to support a transition to an electric vehicle fleet is an "important benefit" and conforms with the City's General Plan.



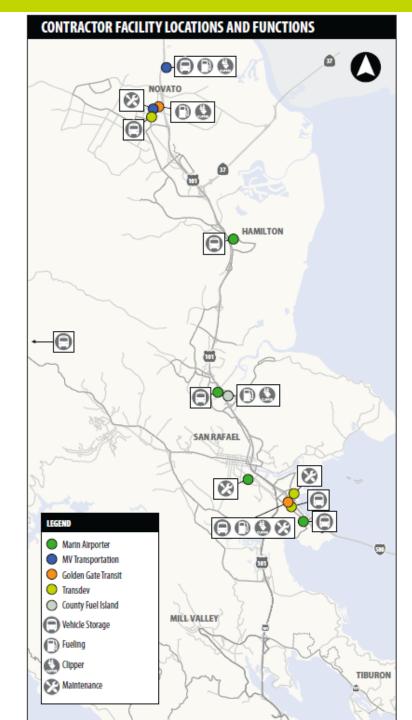
# Response to City of San Rafael Report on Conformity with General Plan

**OCTOBER 24, 2024** 

# **Summary of Property Search**

- Active pursuit of property for 10+ years, with real estate broker assistance
- 75+ properties considered
- 9 appraisals conducted
- 15 offers made
- 3 small properties secured
- Still need larger site for zero emission bus maintenance/operations facility





### **Site Characteristics and Status**

### 1075 E Francisco, San Rafael

Lot size: 3.5 acres

Owner: Marin Hospitality Inc.

Land use: Commercial Mixed Use

Price: \$13.55 M

- ✓ Meets evaluation criteria
- ✓ Site vacant for ~20 years, undeveloped; used for storage of up to 400 vehicles
- ✓ Entitled for hotel development but not economically viable
- ✓ Willing seller





# **Site Acquisition Process**

- June Seller approached Marin Transit for an off-market sale
- July City of San Rafael convened meeting with Canal Alliance, Community Action Marin, and Marin Transit to discuss site, potential use, and equity issues
- Aug 5 Board approved purchase of property only
  - Staff negotiated long due diligence (60 days, twice as long as market standard)
  - City of San Rafael oral and written comments regarding community impacts
- August 6 Staff requested City of San Rafael General Plan conformity report
- September 13 City issued General Plan conformity report
- October Staff negotiated reduced price and extended due diligence period (80 days)
- October Two public meetings re General Plan Conformity report
- October 25 Due diligence completed



### **Environmental Review**

- NEPA and CEQA clearance for property purchase only
  - Marin Transit has not at this time made a final decision regarding any future development of the Property
  - No development on the parcel may proceed prior to environmental review of such development
- City of San Rafael previously found that traffic and other environmental impacts of proposed hotel development would <u>not</u> be significant, no mitigation required



## **Community Coordination and Input**

- Discussions with Canal Alliance, Community Action Marin, College of Marin regarding workforce development and childcare (elements of grant)
- Cool the Earth and Sustainable Marin contacted Marin Transit staff regarding support for fleet electrification and site selections
- Coordination with TAM's Bellam Corridor project
- Marin Transit Board meetings August 5 and October 24
- San Rafael City Council meeting October 21
- Letters received from Congressman Jared Huffman, Canal Alliance, Cool the Earth,
   Sustainable Marin, and City of San Rafael



# **General Plan Conformity Report**

- San Rafael report: acquisition and potential use inconsistent with General Plan -Community Commercial Mixed Use land designation
- After carefully considering the City's report, Marin Transit observes that acquisition of the Property and potential use for electric vehicle charging and maintenance is:
  - Consistent with San Rafael General Plan climate change, mobility, and equity goals;
  - (2) Harmonious with surrounding land uses; and
  - (3) Critical to meeting the statewide Zero Emission Vehicle (ZEV) fleet transition requirements and continuing to provide transit service in Marin County at existing service levels.

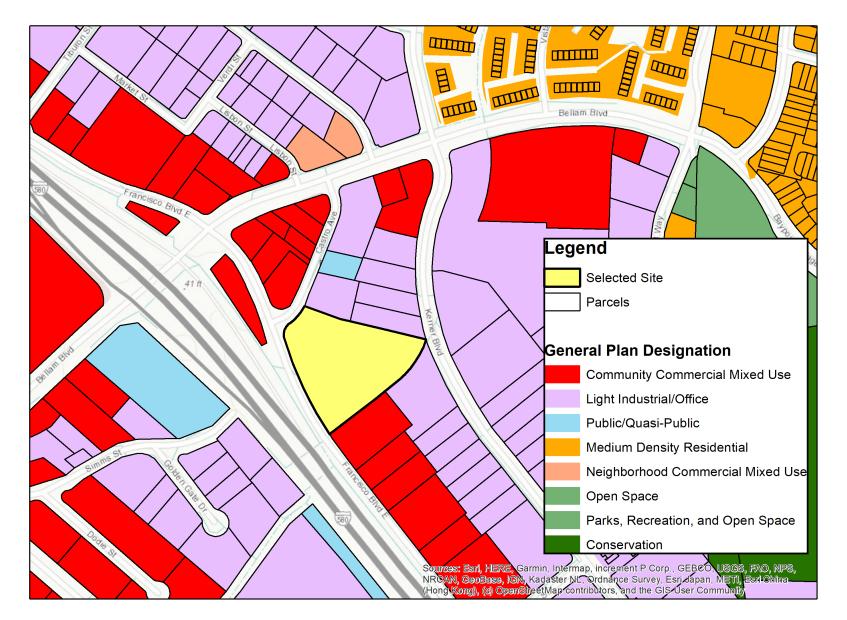


# **General Plan Conformity Report**

- San Rafael's General Plan includes 13 elements; each element is equally important and no one element supersedes the other
- San Rafael's report does not consider the General Plan's Climate Change and Mobility elements
- Themes in San Rafael's General Plan:
  - (1) reducing car trips, improving alternatives to driving, and supporting shifts to zero emission vehicles as strategies to achieve San Rafael's climate policies, and
  - (2) supporting accessible, reliable, and cost-effective transit services, particularly for the benefit of San Rafael's seniors, youth, low-income households, and persons with disabilities, to advance equity in the community.
- Marin Transit's acquisition of the Property could directly advance express policies, goals, and programs in the City's General Plan.



# San Rafael General Plan Designations





### **Recommended Board Action**

• For all the foregoing reasons and as described in detail in the Board letter, staff recommend the Marin Transit Board exercise the agency's authority under state law to overrule the disapproval in the City's report.



## **Next Steps**

- Ongoing work with stakeholders and community groups
- Alternatives analysis
- Conceptual plans for potential project development
- CEQA/NEPA, Title VI analysis
- Community outreach and engagement on proposed project



# Thank you

**CONTACT** 

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**General Manager** 

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