

**NORTHGATE MALL
San Rafael, California**

Merlone Geier Partners, LLC

Project Description 2021

Project History and Background

The Northgate Mall (the “Mall”) is a shopping mall located in the City of San Rafael, California (the “City”), North San Rafael Town Center. The Mall opened in 1965 with The Emporium as its original anchor tenant. In 1987 it underwent a major renovation that primarily enclosed the original open-air design. At present, the Mall’s anchors are Macy’s, Kohl’s and Sears, and the facility remains the only enclosed regional shopping center in Marin County.

The original owner of the Mall was M&T Properties, Inc. The Macerich Company bought the Mall in 1985 and began further renovations in 2008. The property is subject to a 2008 Development Agreement, pursuant to which The Macerich Company proposed to demolish a portion of the central mall building and make various exterior improvements.

Merlone Geier Partners, LLC (“Applicant”) acquired the Mall property in 2017. With the City’s consent, The Macerich Company also assigned the 2008 Development Agreement to Applicant in February 2017. The Northgate Mall Redevelopment Project (“Project”), as described below, will convert the aging Mall into a modern, pedestrian-oriented town-center redevelopment that includes new retail and entertainment offerings, as well as integrated multi-family housing, open space, and community amenities.

1. Project Overview

The Project involves the redevelopment of the existing Mall through the demolition of the majority of the mall structure and the Sears, Macy’s, and Kohl’s anchor buildings, redevelopment of commercial spaces, the construction of new commercial pads at the northern periphery of the property, construction of new structured and surface level parking facilities, development of multi-family dwelling units, and community open space and amenities, as further described below. Applicant proposes to complete this redevelopment in two phases pursuant to its 2025 Master Plan and 2040 Vision Plan, as reflected in the Applicant’s site planning and design submittal included with this application package.

- **Demolition, reconstruction, and renovation of the existing Mall structure.** As described above, a key feature of the Project is the renovation of the outdated, 1960s-era Mall to create a modern facility on par with other San Francisco Bay Area shopping destinations and consistent with the City’s vision in the General Plan.

To accomplish this, Applicant proposes to convert the enclosed Mall into a pedestrian-oriented, open-air main street experience with interconnectivity to surrounding commercial and residential uses. This will require demolition of portions of the existing Mall structure and commercial pads. The 2025 Master Plan includes demolition of the Sears anchor, HomeGoods pad, and approximately 140,932 square feet of the Mall structure. The 2040 Vision Plan includes demolition of the remaining Macy’s and Kohl’s

anchors and the demolition and reconstruction of the “Shops 1” structure adjacent to the Kohl’s anchor. In total, the Project proposes demolition of a cumulative 645,312 square feet of commercial space.

- Construction of new structures.** The Project includes the construction of a number of new structures surrounding both the renovated northern portion of the Mall building and the cinema in the southern portion of the property. These new structures will include new retail offerings, restaurant and dining establishments, and a renovated cinema (65,000 square feet), totaling approximately 125,477 square feet. The new structures will include opportunities for large retailers and small retailers, and development pads for future construction. The Project design features pathways for pedestrian circulation among the various land uses. The Project proposes to decrease the site’s commercial gross leasable area (currently 755,677¹ square feet) by a total of approximately 509,000 square feet. Total Project commercial area, including new uses and existing uses that will remain, will be 246,677 square feet.
- Addition of residential dwelling units.** The Project includes the addition of six multi-family buildings containing a total of 1,356 dwelling units composed of the following:

	Unit Count	Square Feet per Unit	Total Unit Square Footage
Studio	156	460-600	93,030
1B/1B	886	700-780	687,870
2B/1B	20	775	15,500
2B/2B	278	1,060	294,970
3B/2B	16	1,100	17,600
Total	1,356		1,108,970

Under the 2025 Master Plan phase, 896 of these units will be constructed, while the remaining 460 units will be built in the 2040 Vision Plan phase. The residential units will be housed in six apartment-style buildings not exceeding five stories in height, located on the southern, eastern, and western perimeters of the Project property. The residential structures are depicted in the 2025 Master Plan and 2040 Vision Plan visual illustrations. In total, the Project includes approximately 1,464,000 gross square feet of residential use. Resident-dedicated parking facilities are included within all six of the buildings.

The San Rafael General Plan 2020² (“General Plan”) and the City’s Municipal Code (“Code”) authorize the proposed residential, commercial and retail mixed land use contemplated by the Project. With the addition of housing to the Project, the Project directly advances the General Plan policies aimed at revitalizing the Northgate Town Center area. While the Project reduces the overall amount of retail at the Mall site, it provides vital and relevant commercial offerings while creating a unique community core centered on an activated main street with the addition of residential and entertainment offerings.

¹ Based on Draft San Rafael General Plan 2040, p. 13-12.

² The Draft San Rafael General Plan 2040 is currently out for public review and has not yet been finalized. Under the Draft General Plan 2040, “Northgate Mall and its environs will retain their General Plan Map designations, but policies are more emphatic about future changes that respond to retail trends, the desire for a North San Rafael Town Center, and the need for housing.” (See Draft General Plan 2040 Goal LU-1, p. 3-17.)

2. Project Site and Surrounding Conditions

2.1 Project Site

The Mall is located within the San Rafael Town Center. The 44.76-acre site consists of the following Assessor Parcel Numbers: 175-060-12; -40, -59, -61, and -66-67 (“Project Site”). The Project Site sits to the west of Highway 101 and to the south of the Manuel T Freitas Parkway, and is bounded by Northgate Drive and Las Gallinas Avenue. The Project Site is also accessible via Nova Albion Way and Los Ranchitos Road, from the south.

2.2 Surrounding Areas

A grocery-anchored neighborhood shopping center with dining and retail, as well as the Northgate Apartments, lie to the northwest of the Project Site. Standalone retail commercial and parking lie to the north and northeast in a narrow buffer strip between the Project Site and Highway 101. A large cemetery, Mt. Olivet San Rafael, lies directly to the east. To the south and southeast lie several apartment buildings as well as a residential area of predominately single-family homes. Directly to the west lies Villa Marin, a large retirement home, and a manufacturing facility.

2.3 General Plan and Zoning Context

2.3.1 General Plan Policies

The Project Site is designated “General Commercial” (“GC”) under the General Plan 2020 and Title 14 (Zoning) of the Code. The GC General Plan designation encourages a mixture of residential and retail uses on the Site. Specifically, General Plan Policy NH-131 calls for the City to “create an attractive, thriving heart for the North San Rafael community....” With respect to the Project Site in particular, Policy NH-133 states as follows:

Revitalize the economic health of the Northgate Mall and surrounding business areas. Encourage efforts to revitalize and expand Northgate Mall, including improving the mix of activities and the quality of shops, and upgrading the appearance of the buildings and landscaping, while maintaining a scale consistent with the surrounding community and not exceeding infrastructure capacity. Allow the addition of residences, maximize the potential for affordable housing, and incorporate promenade improvements as described in the North San Rafael Promenade Conceptual Plan in any substantial rehabilitation or expansion of the mall.

The Project implements Policy NH-133 by revitalizing the Project Site, upgrading the appearance of buildings, improving landscaping, and incorporating residential use.

2.3.2 Zoning

The Project Site is subject to the General Commercial zoning designation pursuant to Sections 14.05.020 and 14.05.030 of the Code. The purpose of General Commercial zoning is to provide an area where a broad range of retail, wholesale and service establishments is desirable. Under the Code, retail and restaurant uses are broadly allowed without discretionary approvals, while multi-family residential is allowed but requires an Administrative Use Permit (“AUP”).

The General Plan states that “Planned Development” (“PD”) zoning is required for redevelopment of lots larger than five acres. (See General Plan, LU-10). PD zoning provides site design flexibility in that development must only be consistent with General Plan policies, in particular by not exceeding the permitted mixed-use residential density and floor area ratios (“FAR”) for commercial space. Applications for PD zoning, including submission of a detailed Development Plan, are processed concurrently with other development review permits.

The General Commercial land use designation contains the following site design restrictions:

- **Height:** The Project Site is subject to a 36-foot height limit. (General Plan, Exhibit 8). The General Plan allows for a height bonus of up to 24 feet on the Project Site (up to 60 feet in total) for the addition of affordable housing. (General Plan Policy LU-13, Exhibit 10). All residential buildings proposed as part of the Project are no more than five stories or 60 feet in height. Commercial building heights are as follows:

Existing Commercial Building Heights		Project Commercial Building Heights	
Mall	43' at tower feature; 37' average throughout	“Majors 1, 3, 4”	Part of residential building
Kohl’s	42' highest parapet	“Shops 1”	Part of residential building
Macy’s	54' highest parapet	“Shops 3”	36’
Rite-Aid	32.5' highest parapet	“Pads 1-5”	30’
“Shops 1”	30.5’	Cinema	50’
		Garage	36’ at new feature tower

- **FAR:** The General Plan and Code impose FAR limits for commercial development. (General Plan, Exhibit 5; Code Section 14.16.150). The FAR limit applicable to the Project Site is 0.3. The Project’s estimated FAR for commercial development is 0.13.
- **Density:** Maximum residential density is approximately 43.6 dwelling units per acre. (Code Section 14.05.030). The General Plan and Code clarify that for a mixed-use project, the owner is authorized to build out to the full commercial FAR and residential density so as to maximize both uses.³ The Project proposes a total of 1,356 residential units, reflecting an approximate density of 30.3 units per acre.

2.4 Existing Project Site Characteristics

2.4.1 Development, Tenants and Ownership

The Mall is currently composed of a mixture of retailers and restaurants. Chain department store tenants include Kohl’s, Macy’s and Sears. Additional retail services are offered in the central, enclosed Mall structure and in additional outlying retail structures, which include HomeGoods and RiteAid pharmacy. In addition, the Mall currently houses a fifteen-screen Century movie theatre and a food court.

³ Policy H-14c clarifies that the General Plan allows for owners to “aggregate ... the maximum residential density PLUS the maximum FAR for the site, thereby increasing development potential on mixed use sites.”

2.4.2 Parking

The Project Site currently contains a total of 2,908 parking stalls accessible to the public. These spaces include 2,380 regular striped spaces within the parking lot, 22 handicapped striped spaces within the parking lot, 15 van-size striped spaces within the parking lot, and 9 regular non-striped parking spaces along the ring road east of Kohl's. There is also an existing parking structure consisting of two stories and 482 spaces.

2.5 Development Plan

2.5.1 Types and Uses

The Project proposes a development plan that includes the following mix of commercial and residential land uses, all consistent with the “attractive” and “vibrant” community concept described in the General Plan and Policy NH-133 more specifically:

- The demolition and reconstruction of the existing central Mall building and the construction of related commercial structures, as depicted in the 2025 Master Plan and 2040 Vision Plan illustrations.
- A net decrease in commercial square footage of approximately 509,000 square feet.
- The construction of five commercial pads (26,477 square feet).
- The construction of additional new commercial spaces (84,000 square feet).
- A renovated 65,000 square foot cinema (addition of 20,000 square feet).
- The development of six multi-family residential buildings on six separate parcels, of a variety of sizes in the configuration depicted in the 2025 Master Plan and 2040 Vision Plan illustrations (1,356 dwelling units).
- Implementation of a shared parking plan resulting in seven public parking lots with 1,789 public parking stalls, and six resident-specific parking facilities with a total of 2,311 residential parking stalls.

The Project contemplates a combined total of approximately 1,589,477 square feet of new commercial and new residential use (excluding parking facilities). Including the Project, the Project Site will consist of 246,677 square feet of commercial regional and neighborhood-serving commercial use, and approximately 1,464,000 square feet of residential use. Residential redevelopment will be concentrated on the southern, eastern, and western portions of the Project Site, and commercial redevelopment will be concentrated in the central and northern portions of the Project Site.

2.5.2 Affordable Housing

The City's affordable housing requirements are included in Code Section 14.16.030. Pursuant to the Code, any new residential development project must provide affordable housing on a permanent basis, subject to limited exceptions. Under the City's revised inclusionary housing requirements, for projects that include 16 or more units, at least 5% of units must be affordable to low-income households, and an additional affordable component (either additional low-

income units, an increased number of moderate-income units, or an in lieu fee) must be included. The Project will satisfy the City's revised inclusionary housing requirements by setting aside at least 5% of units for low-income households and by including an additional affordable component.

2.5.3 Parking Plan

The Project proposes a shared parking plan resulting in seven public parking lots with a total of 1,789 parking stalls, including both surface parking stalls (1,313 stalls) and the renovation of the existing two-story parking structure (476 stalls). Additionally, the Project will include resident-specific parking facilities for each of the six residential buildings. Five of these resident-specific facilities will be structured, while resident-specific parking for Parcel 6 will be provided at the surface level. In total, the Project will offer 2,311 residential parking stalls.

2.5.4 Demolition and Construction

As described above, the Project proposes the demolition of 645,312 square feet of commercial space, and the construction of approximately 1,589,477 square feet of combined commercial and residential uses.

3. Project Goals and Objectives

The Project is designed to implement core goals and policies articulated in the General Plan and the Municipal Code, including but not limited to:

- Revitalize the economic health of the Northgate Mall and surrounding business areas while encouraging efficient land use and maintaining a scale consistent with the surrounding community and infrastructure capacity (General Plan Policy NH-133, p.116);
- Promote and encourage cluster development on large sites to avoid sensitive areas of property (Code Section 14.07.010(A));
- Improve the mix of activities and the quality of shops, offering flexibility to changing resident and shopping needs (General Plan Policy NH-132, p.116);
- Allow the addition of residences, including affordable housing (General Plan Policy NH-133, p.116);
- Encourage the establishment of open areas in land development (Code Section 14.07.010(C));
- Upgrade the appearance of the buildings and landscaping and incorporate Promenade improvements as described in the North San Rafael Promenade Conceptual Plan (General Plan Policy C-24a, p. 189);
- Collaborate with governmental bodies to take an integrated approach to both the immediate and long-range impacts of the proposed development (Code Section 14.07.010(G)).

The Project objectives are to maximize implementation of these goals, policies, and objectives by redeveloping the Project Site in a manner that achieves the following targets:

- Redevelop the 1960's-era Mall facility into a town center with a relevant mix of commercial and retail offerings to enhance the local economy, increase tax revenues and provide employment opportunities;
- Create new housing offerings to meet the needs of families of varying sizes and reduce the recognized regional and local deficit of market-rate and affordable housing;
- Promote the concept of a town center/urban village through a combination of retail, dining, and residential uses within a pedestrian-oriented urban core;
- Provide new uses within the Northgate Town Center, including mixed-use-residential;
- Provide new outdoor amenities and open spaces, main street improvements, and recreational opportunities interconnected by pedestrian links throughout the Project.

4. Potential Public Agency Approvals

This Project Description is intended to provide the information necessary for the City to evaluate the authorizations and actions required to approve the Project. Below is a preliminary list of such actions the Project may require:

- Major Environmental and Design Review. Developments that involve any major physical improvements or major site design improvements described in Code Section 14.25.040 require environmental and design review.
- Administrative Use Permit. An Administrative Use Permit in compliance with Code Chapter 14.21 is required for construction of multi-family residential uses on the Project Site.
- CEQA. Certification of a Final Environmental Impact Report and adoption of associated findings may be required.
- PD District. In recognition of a General Plan policy calling for PD zoning for development on a lot larger than five acres in size, Applicant may seek adoption of a PD District for the Project Site under Code Chapter 14.07, and a corresponding amendment of the City's zoning map. Please note that, under Government Code Section 65589.5(j), a rezoning to a PD District cannot be required.
- Development Agreement. Applicant may pursue a new Development Agreement with the City consistent with Resolution No. 6089.
- Subdivision Mapping Approvals. Applicant may pursue mapping approvals to subdivide portions of the Project Site pursuant to Title 15 of the Code.
- Development Plan. Applicant may seek to approve a Development Plan authorizing the redevelopment of the Mall consistent with the Project. This approval would be inclusive of site-specific signage and development/design standards program.

- Signage Program. Applicant may seek approval of a Signage Program pursuant to Code Section 14.19.046.

The Project also may require review and/or approvals by other local, state, and federal agencies that may have discretionary approval over aspects of the Project.