

**NORTHGATE TOWN SQUARE
San Rafael, California**

Merlone Geier Partners, LLC

Project Description 2023

Project History and Background

The Northgate Mall (the “Mall”) is a shopping mall located at 5800 Northgate Drive in the City of San Rafael, California (the “City”). 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. On March 10, 2021, Applicant submitted an initial development application for the Northgate Mall Redevelopment Project. In response to input from community stakeholders over the past two years, the comprehensive redevelopment plan has been extensively modified. The updated Northgate Town Square Project (the “Project”), as described below, will convert the aging Mall into a modern, pedestrian-oriented town center that mixes transit-oriented housing, interconnected community gathering spaces, and relevant retail and restaurants that encourage public interaction and naturally draw people into an active social environment.

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 multifamily dwelling units, and development of 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 Applicant’s design plans 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 town center on par with other San Francisco Bay Area shopping destinations and consistent with the City’s vision in San Rafael General Plan 2040 (“General Plan”). To accomplish this, Applicant proposes to convert the enclosed Mall into a pedestrian oriented, open-air town square 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 134,976-square-foot Sears anchor, 29,538-square-foot HomeGoods pad, approximately 144,432 square feet of the Mall structure, and two vacant retail buildings totaling 28,500 square feet. The 2040 Vision Plan includes demolition of the remaining 254,015-square-foot Macy's and 79,051-square-foot Kohl's anchors, and the demolition of the "Shops 1" structure adjacent to the Kohl's anchor. In total, the Project proposes demolition of a cumulative 677,307 square feet of commercial space.

- Construction of new commercial structures.** The Project includes the construction of a number of new commercial 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 in total, including 20,000 new square feet), totaling approximately 99,820 square feet in new commercial space. The new structures will include opportunities for large retailers and small retailers, and development pads for future construction. The Project proposes to decrease the site's commercial gross leasable area (currently 755,677¹ square feet) by a total of approximately 538,157 square feet. Total Project commercial area, including new and renovated uses and existing uses that will remain, will be 217,520 square feet. Further detail on individual commercial sites is available in the Project Data Summary sheets for the 2025 Master Plan and 2040 Vision Plan. The commercial structures are depicted in the 2025 Master Plan and 2040 Vision Plan site plans, floor plans, and elevations.
- Addition of residential dwelling units.** The Project includes the construction of new multifamily residential buildings on six residential parcels located on the southern, eastern, and western perimeters of the site. "Residential 1" and "Residential 3" through "Residential 6" will contain apartment-style residential buildings, ranging from four to seven stories in height. These buildings will provide a total of 1,322 new studio, one-bedroom, two-bedroom, and three-bedroom units. "Residential 2" will contain 100 units in lower-density townhome structures of three stories in height, located at the southern end of the site. The townhomes will include one-bedroom, two-bedroom, three-bedroom, and four-bedroom units. In total, the Project proposes the addition of 1,422 dwelling units, specifically composed of the following:

	Unit Count	Square Feet per Unit	Total Unit Square Footage
Studio	201	430-750	118,730 sf
1B	823	470-1415	645,975 sf
2B	324	750-1970	381,748 sf
3B	54	995-2019	72,890 sf
4B	20	2092-2124	42,225 sf
Total	1,422		1,261,568 sf

During the 2025 Master Plan phase, 922 of these units will be constructed on sites identified as "Residential 1," "Residential 2," "Residential 3," and "Residential 4," while the remaining 500 units will be built during the 2040 Vision Plan phase on "Residential 5"

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

and “Residential 6.” Further detail on individual residential sites is available in the Project Data Summary sheets for the 2025 Master Plan and 2040 Vision Plan. The residential structures are depicted in the 2025 Master Plan and 2040 Vision Plan floors plans, sections, and elevations. Total Project residential area, including both private and common areas, will be 1,746,936 square feet. Resident-dedicated parking facilities are included within all the residential buildings, totaling 2,524 residential parking stalls. Parking for the apartment-style buildings will be structured, while the townhome-style units will include private ground-level one-car or two-car garages and 45 outdoor guest stalls.

With the addition of housing to the Project, the Project directly advances 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 town square with the addition of residential and entertainment offerings.

- **Open Space and Public Amenities.** The Project’s commercial and residential uses will be located around a central 48,075-square-foot town square constructed during the 2025 Master Plan phase. The town square will serve as a multi-use public gathering space that includes an open turf area, playground, fenced dog park, and performance stage. The Project will also include additional open space, community area, and greenway areas totaling 50,939 square feet under the 2025 Master Plan and 25,214 square feet under the 2040 Vision Plan. Between the town square and movie theater, there will be a 12,934-square-foot outdoor area that will feature a bicycle repair shop, a shipping container café/bar, and lounge seating areas with fire pits. Also next to the town square, the Project will provide a new location for the City’s existing satellite public library and will expand the space to include a public meeting room for use by local community groups. In addition to these public areas, the residential areas will feature a number of outdoor and indoor shared recreational spaces and amenities, including pools and spas, outdoor games, fire pits, barbecues and outdoor dining areas, and bar and media centers. The Project also features new multimodal pathways for pedestrian and bicycle circulation throughout the interior of the site. Frontage along roads and pathways will include dynamic landscaping and seating features.

The Project also includes a proposed financial contribution toward the City’s implementation of offsite improvements to enhance pedestrian and bicycle connections to the nearby SMART Marin Civic Center station.

- **Solar Generation.** The Project includes solar power generation, as well. Photovoltaic solar panels will be installed on top of all residential buildings and the parking structure, and all other new buildings will be made ready for installation of photovoltaic solar panels. Battery storage will be provided in apartment-style residential buildings.

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 Community Commercial Mixed Use under the General Plan. The Community Commercial Mixed Use General Plan designation encourages mixed-use projects that combine housing and commercial uses. General Plan Policy NH-4.2 calls for the City to “strengthen the role of the North San Rafael Town Center as an attractive, thriving heart for the North San Rafael community: an economically viable centerpiece of commerce and activity with diverse activities for persons of all ages.” Policy NH-4.2 continues by calling for “revitalizing Northgate Mall and surrounding business areas by encouraging:

- a) A distinctive and vibrant mix of uses, consistent with the area’s characteristics;
- b) A variety of high-quality stores, entertainment uses, and services to foster local patronage and adapt to the ongoing evolution of retail and commercial activities;
- c) Upgrading of anchor and specialty stores, including an additional high-quality retail anchor if needed for economic vitality, consistent with traffic circulation standards;
- d) Nightlife activities, such as a late-night restaurant or coffee shops that harmonize with existing activities;
- e) Upgrading the appearance of the buildings and landscaping;
- f) Additional outdoor public places that support public gatherings and public art;
- g) Continued community services, which may include an expanded public library;
- h) Completion of the North San Rafael Promenade through the site;

- i) Allowing the addition of housing, including maximizing the potential for affordable housing.

The Project implements Policy NH-4.2 by revitalizing the Project Site with a vibrant mix of uses and high-quality retail, upgrading the appearance of buildings, improving landscaping and outdoor spaces, providing community services including a public library, providing multi-use pathways, and incorporating residential uses.

2.3.2. Zoning

The Project Site currently is subject to the General Commercial zoning designation pursuant to Sections 14.05.020 and 14.05.030 of the City's Municipal Code ("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 multifamily residential is allowed but requires an Administrative Use Permit ("AUP").

The General Plan states that "Planned Development" ("PD") zoning is encouraged for redevelopment of parcels larger than five acres "when the application of traditional zoning standards would make it more difficult to achieve General Plan goals." The General Plan provides further: "The PD zoning designation allows flexible design standards that are more responsive to site conditions as well as the transfer of allowable General Plan and zoning density between contiguous sites under common ownership." (General Plan, LU-1.15). Applications for PD zoning are processed concurrently with other development review permits. An application for the Northgate Town Square PD District is provided as part of the Project's development application. Under the proposed PD District, shopping center, restaurant, and multifamily uses are broadly allowed without discretionary approvals.

2.3.3. Development Standards

The following development standards, among others, will apply to the Project Site:

- FAR: The General Plan and the proposed PD District impose FAR limits for commercial development. (General Plan, Figure 3-2). The FAR limit applicable to the Project Site is 0.3. The Project's approximate FAR for commercial development is 0.26 under the 2025 Master Plan and 0.11 under the 2040 Vision Plan.
- Density: Maximum residential density is approximately 43.6 dwelling units per acre. (General Plan, pg. 3-11). The Project proposes a total of 1,422 residential units, reflecting an approximate density of 31.8 dwelling units per acre.
- Height: The Project Site is subject to a 36-foot height limit prior to any bonus. (General Plan, Figure 3-3). The Project includes a request under the State Density Bonus Law to increase the height limit across the Project Site to 78 feet, including elevator penthouses and other projections of up to 12 feet above the 78-foot height limit. All buildings proposed as part of the Project are no more than seven stories or 78 feet in height, excluding elevator penthouses and other projections.

Adoption of the proposed PD District will enable application of development standards, including commercial FAR and residential density, across the Project Site.

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 Rite-Aid pharmacy. In addition, the Mall currently houses a fifteen-screen Century movie theatre and a food court.

2.4.2. Parking

The Project Site currently contains a total of 2,899 parking stalls accessible to the public. This includes 2,380 regular striped stalls within the parking lot, 22 handicapped striped stalls within the parking lot, 15 van-size striped stalls within the parking lot, and 9 regular non-striped parking stalls along the ring road east of Kohl's. There is also an existing parking structure consisting of two stories and 473 stalls.

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 "thriving heart" community concept described in the General Plan and, more specifically, in Policy NH-4.2:

- 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 538,157 square feet.
- The construction of five commercial pads (26,500 square feet).
- The construction of additional new commercial spaces (73,320 square feet).
- A renovated 65,000-square-foot cinema (addition of 20,000 square feet).
- The development of multifamily and townhome-style housing on six separate parcels, in a variety of sizes and densities, in the configuration depicted in the 2025 Master Plan and 2040 Vision Plan (1,422 dwelling units).
- Implementation of a shared parking plan resulting in seven public parking lots with 1,318 public parking stalls, and resident-specific parking facilities with a total of 2,524 residential parking stalls, including 45 outdoor residential guest stalls for "Residential 2" and, for "Residential 6," 120 assigned residential stalls in the existing parking structure.
- Development of a central 48,075-square-foot town square and additional open space, community area, and greenway areas totaling 50,939 square feet under the 2025 Master Plan and 25,214 square feet under the 2040 Vision Plan.

The Project contemplates a combined total of approximately 1,964,456 square feet of commercial and new residential use (excluding parking facilities). Including the Project, the Project Site will consist of 217,520 square feet of commercial regional and neighborhood serving commercial use, and approximately 1,746,936 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 providing on-site affordable residential units as follows:

- Under the 2025 Master Plan, the Project includes 922 new residential units. Ninety-six (96) of these 922 units will be set aside for low-income households, while the remaining 826 units will be offered at market rates. Accordingly, 10.4 percent of units provided under the 2025 Master Plan will be affordable to low-income households.
- All 96 low-income units under the 2025 Master Plan will be located on "Residential 1." All 96 units developed on Residential 1 will be affordable to low-income households.
- Under the 2040 Vision Plan, the Project includes a total of 1,422 residential units. The 2040 Vision Plan includes development of 500 new units, while the remaining 922 units will have been constructed under the 2025 Master Plan. At least 51 of the 500 new units will be set aside for low-income households, while no more than 449 of these new units will be offered at market rates. Accordingly, at least 10.2 percent of new units provided under the 2040 Vision Plan will be affordable to low-income households.
- Twenty-six (26) newly developed low-income units under the 2040 Vision Plan will be located on "Residential 5," while the remaining 25 low-income units will be located on "Residential 6."
- Of the 1,422 total units developed under the Project, at least 147 units will be set aside for low-income households. At least 10.3 percent of all Project units, therefore, will be affordable to low-income households.

The unit counts identified above can be summarized in table form, as follows:

Phase	Total Units	Minimum Affordable Units	Affordable Unit Share of Total	Max. Market-Rate Units
2025 Master Plan	922	96 low-income units	10.4%	826
2040 Vision Plan (new units)	500	51 low-income units	10.2%	449
2040 Vision Plan (total units)	1,422	147 low-income units	10.3%	1,275

2.5.3. Parking Plan

The Project proposes a shared parking plan resulting in seven public parking lots with a total of 1,318 parking stalls, including both surface parking stalls (965 stalls) and the renovation of the existing two-story parking structure (353 public stalls). Additionally, resident-specific parking facilities are included within all the residential buildings, totaling 2,524 residential parking stalls. Parking for the apartment-style residential buildings will be structured (2,309 stalls), including, for “Residential 6,” 120 assigned residential stalls in the existing parking structure. The townhome-style units on “Residential 2” will include private ground-level one-car or two-car garages (170 stalls) and 45 outdoor residential guest stalls. The residential parking ratio will be 1.77.

2.5.4. Demolition and Construction

As described above, the Project proposes the demolition of 677,307 square feet of commercial space, and the construction of approximately 1,846,756 square feet of combined new 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 Code, including but not limited to:

- Strengthen the role of the North San Rafael Town Center as an attractive, thriving heart for the North San Rafael community: an economically viable centerpiece of commerce and activity with diverse activities for persons of all ages. (General Plan, Policy NH-4.2).
- Encourage harmonious and aesthetically pleasing design for new and existing development in the Town Center area, including upgrading of landscaping, signage, lighting, and building design. (General Plan, Policy NH-4.3).
- Revitalize Northgate Mall and surrounding business areas by encouraging allowing the addition of housing, including maximizing the potential for affordable housing. (General Plan, Policy NH-4.2(i)).
- Encourage the establishment of open areas in land development. (Code Section 14.07.010(C)).

- 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:

- Implement the San Rafael General Plan 2040 vision for mixed uses, transit orientation, and high-density housing on the Project Site;
- Implement the City's and regional agencies' designation of the Project Site as a Priority Development Area, *i.e.*, a place with convenient public transit service that is prioritized by local government for housing, jobs, and services;
- Redevelop the existing mall facility into a town center with a relevant mix of commercial and retail offerings to support the local economy and provide tax revenues and employment opportunities;
- Create new housing offerings to meet the needs of families of varying sizes and reduce the recognized regional and local deficit of housing;
- Create a town center/urban village through a combination of retail, dining, and residential uses within a pedestrian-oriented urban core; and
- Provide new outdoor amenities and open spaces, main street improvements, and recreational opportunities interconnected by pedestrian links throughout the project.

4. 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 list of such actions the Project may require:

- Major Environmental and Design Review. Major environmental and design review for a development that involves major physical improvements or major site design improvements described in Code Section 14.25.040.
- CEQA. Certification of a Final Environmental Impact Report and adoption of associated findings.
- PD District. In recognition of a General Plan policy encouraging PD zoning for development on parcels larger than five acres, adoption of a PD District for the Project Site under Code Chapter 14.07, and by corresponding amendment of the City's zoning map.
- Subdivision Mapping Approvals. Approval of a Vesting Tentative Map to subdivide portions of the Project Site pursuant to Title 15 of the Code.
- Signage Program. 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 authority over aspects of the Project.