1st STREET & KELTON DRIVE COMMERCIAL PROJECT

RESPONSE TO COMMENTS

AND

FINAL INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION

PREPARED BY:

METROPOLITAN PLANNING GROUP
307 ORCHARD CITY DRIVE, SUITE 100
CAMPBELL, CA 95008

October 8, 2018
TABLE OF CONTENTS

1. INTRODUCTION ...................................................................................................................... 1
   1.1. CEQA REQUIREMENTS ........................................................................................................ 1
   1.2. ORGANIZATION OF THIS DOCUMENT ............................................................................. 1
   1.3. APPROACHES TO REDUCE PROJECT IMPACTS ................................................................. 2
2. RESPONSES TO PUBLIC COMMENTS ......................................................................................... 2
   2.1. CALIFORNIA DEPARTMENT OF TRANSPORTATION RESPONSE ........................................ 2
   2.2. ZACHARY HILTON RESPONSE .......................................................................................... 3
3. REVISIONS TO THE IS/MND ..................................................................................................... 4
   3.1 FRONT COVER ........................................................................................................................ 4
   3.2 BACKGROUND ....................................................................................................................... 4
   3.3 LAND USE AND PLANNING ................................................................................................. 4
4. SUMMARY ................................................................................................................................... 4
ATTACHMENTS ............................................................................................................................. 5
1. INTRODUCTION

This document provides responses to comments received on the Public Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the 1st Street and Kelton Drive Commercial Project (hereinafter referred to collectively as the “project”). These responses address issues raised by the comments and clarify and amplify text provided in the IS/MND. This document also includes corrections and additions to the IS/MND in response to comments received. These corrections and additions clarify or correct text in the IS/MND and they do not change the findings or conclusions of the analysis.

In accordance with the California Environmental Quality Act (CEQA) of 1970 (as amended) (California Public Resources Code 21000 et. seq.), the IS/MND was circulated for a 30-day public review and comment period from August 13, 2018 to September 11, 2018. Two comment letters were received on the IS/MND as presented in Section 2 below.

This Response to Comments document will incorporate and reference the revised site plans, as applicable. While new information was added to the IS/MND in response to the revised site plans, the new information merely clarifies, amplifies, or makes insignificant modifications to the IS/MND. The new project revisions do not result in any new, avoidable significant effects. As explained herein, in light of the whole record, the City of Gilroy finds that all potentially significant impacts have been adequately addressed in the IS/MND and this Response to Comments.

1.1. CEQA REQUIREMENTS

CEQA Guidelines Section 15074 identifies the responsibilities of the Lead Agency when considering the adoption of a Negative Declaration or Mitigated Negative Declaration:

(a) Any advisory body of a public agency making a recommendation to the decision-making body shall consider the proposed negative declaration or mitigated negative declaration before making its recommendation.

(b) Prior to approving a project, the decision-making body of the lead agency shall consider the proposed negative declaration or mitigated negative declaration together with any comments received during the public review process. The decision-making body shall adopt the proposed negative declaration or mitigated negative declaration only if it finds on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the negative declaration or mitigated negative declaration reflects the lead agency’s independent judgment and analysis.

Consistent with CEQA requirements, the City of Gilroy has reviewed and considered all comments received on the IS/MND. CEQA does not require the lead agency to prepare a response to public comments received on a Negative Declaration or Mitigated Negative Declaration. Nevertheless, the City of Gilroy has prepared this document to fully disclose public and agency comments received and to provide responses to those comments.

1.2. ORGANIZATION OF THIS DOCUMENT

The comments received on the Draft IS/MND and responses to those comments are included in Section 2, “Responses to Public Comments.” Section 3 provides, “Revisions to the IS/MND,” which includes corrections and additions to the IS/MND. Section 4, “Summary” contains a summary of this responses-to-comments process and subsequent action by the City of Gilroy regarding the project.
1.3. APPROACHES TO REDUCE PROJECT IMPACTS

There are four different ways that a measure or activity can be implemented to reduce a potentially significant impact on the environment. Each way results in the implementation of a feature or activity to reduce a project’s environmental effects. There are four basic methods are summarized below.

- Project Component – Integrate the mitigating feature into the design of the project.
- Standard Requirement – Implement required regulations or programs during project construction.
- Specific Condition of Approval – Adopt a specific condition of approval requiring the implementation of the mitigation feature or requirement.
- CEQA Mitigation Measure – Adopt a specific mitigation measure requiring the implementation of the mitigation feature or requirement.

2. RESPONSES TO PUBLIC COMMENTS

Three comment letters were received during the public review and comment period. A brief description of each comment letter is included below. The agencies, organizations and individuals that submitted written comments on the IS/MND are outlined below.

AGENCIES
1. California Department of Transportation

PRIVATE ENTITIES & INDIVIDUALS
2. Zacchary Hilton, Chairman Gilroy Bicycle Pedestrian Commission

2.1. CALIFORNIA DEPARTMENT OF TRANSPORTATION RESPONSE

Caltrans provided a comment letter on September 11, 2018. A copy of the letter is provided in Attachment A-1. The letter provided comments on five subjects. The subject of the various comments are summarized and responded to below.

Comment 1. Construction Coordination with Caltrans Class II Bike Lane Project.

Response: The City will require the project to comply with all required First Street improvements, including all Caltrans improvement activities. The project and related improvements will not have any impacts on existing or future bicycle facilities with the street right-of-way. No changes are necessary to the IS/MND.

Comment 2. Vehicle Trip Reduction. The letter encourages the City to develop Transportation Demand Management programs to reduce vehicle trips as well as interpret the policies in the City General Plan more broadly.

Response: The City of Gilroy participates in the countywide congestion management program managed by the Santa Clara Valley Transportation Authority’s (VTA) Congestion Management Plan (CMP) 2015. Once the project is approved, the City will rely on the Valley Transportation Plan (VTP) 2015, which will provide overall direction for achieving and maintaining a balanced and functional transportation system within Santa Clara County. The City also relies on the Transportation and Traffic policies set forth in the City of Gilroy’s General Plan. The comment makes recommendations on approaches to reduce vehicle miles traveled. A part of the project’s design the projects includes components
to encourage pedestrian and bicycle access as well as includes bicycle parking facilities as shown on the plans (Sheet AS-07). If additional bicycle facilities or amenities are required by the Green Building Code, they will be added to the project. No changes are necessary to the IS/MND.

**Comment 3.** Identify Project-Generated Traffic, the Cost of Transportation Improvements, and Funding Sources. The letter recommends that the City identify project costs for transportation system improvements and identify the costs and funding for these improvements. The comment also continues to encourages to support measures to reduce vehicle miles traveled.

Response: A traffic impact assessment study was prepared for the project. The traffic study identified required improvements to be installed by the developer and the standard requirement for the project pay traffic impact fees (TIF) for mitigation of cumulative impacts. TIF fees are collected at time of building permit issuance to fund additional improvements required for buildout of the road network within the City, including the subject site, consistent with the City capital improvement program. The requirements for traffic improvement installation and the TIF payments are included as Mitigation Measures TR-1 and TR-2, respectively. As a result, no changes are necessary to the IS/MND.

**Comment 4.** Encroachment Permits. The letter reminds to the City that improvements within the right-of-way for 1st Street will require the approval of an encroachment permit from Caltrans.

Response: The IS/MND incorporates the requirement for Caltrans approval of any of the required improvements required at the intersection of 1st Street and Kelton Drive. The applicant will be required to obtain an encroachment permit from Caltrans for all work within the Caltrans Right of Way. As a result, no changes are necessary to the IS/MND.

**Comment 5.** Lead Agency Responsibilities. The letter identifies that the City, as the lead agency, is responsible for all project mitigation, including fair share contributions to a multi-modal fee program. A Mitigation Monitoring and Reporting Plan (MMRP) and Conditions of Approval will be adopted by the City of Gilroy to ensure that the mitigation measures incorporated into the proposed project are implemented.

Response: The commenter’s description of the City’s responsibilities related to mitigation measures and of the requirements for the contents of the Mitigation Monitoring and Reporting Plan (MMRP) is acknowledged.

### 2.2. Zachary Hilton Response

Zachary Hilton provided a comment letter on September 5, 2018. A copy of the letter is provided in Attachment A-2. The letter provided comments on bicycle amenities. The subject of the various comments are summarized and responded to below.

**Comment.** Bike lockers and other bicycle amenities. The commenter expressed support of, and the need for, the incorporation of both long- and short-term bicycle parking, bicycle supportive design elements, and other rider amenities.

Response: These components are included as part of the project. As previously noted, the project will also be required to comply with the provisions of Green Building Code which also require many of these amenities. The comment is noted, no changes are necessary to the IS/MND.
3. REVISIONS TO THE IS/MND

Minor corrections and additions to the IS/MND are provided below. None of the corrections or additions affect or change the findings or significance conclusions of the environmental analysis in the IS/MND. New text is indicated in underline and text to be deleted is reflected by a strikethrough. Text changes are presented in the page order in which they appear in the IS/MND.

3.1 FRONT COVER

Above AS17-25, add the following entitlement: “Z18-05”

3.2 BACKGROUND

A. Page 1. Project Title. Add the following to the cell “Change of Zone Z18-05”

B. Page 1. Zoning. Modify the cell to read as follows: “C-3 PUD (Shopping Center Commercial-Planned Unit Development.”

C. Page 4. Entitlements. The paragraph is modified to read as follows: “The Project requires a Planned Unit Development approval and an Architectural and Site Review approval pursuant to Article L11 and Article L of Chapter 30 of the Gilroy City Code.”

3.3 LAND USE AND PLANNING

A. Page 51. Comments. The discussion for impact criteria “b” is modified to read as follows:

“Conflict with Local plans – No Impact. The Project is located on a site designated for General Services Commercial on the General Plan Land use Map and is zoned C-3 (Shopping Center Commercial) on the official zoning map. The project entitlement includes the approval of a Planned Unit Development (PUD) and Architecture and Site Review pursuant to the provisions of the municipal code. Planned unit development design approval concurrent with the Architectural and Site Review Permit, is required for properties Zoned C3-PUD Overlay Combining District. The PUD design plan will not deviate from the standard C3 Zone District requirements, thus the site zoning and development standards would remain unaltered. However, the project is be required to include enhancements in the form of a public amenity feature, as a condition of approval, to satisfy the intent of the PUD overlay. This may include public art or similar feature within PUD landscaping areas, enhancement to landscaping or improvement of existing public open space on-site or in the community, or enhancement of the pedestrian or bicycle facilities on the site.

The City has established a CEQA Significant Impact Threshold for this issue. The significance threshold is a conflict with the General Plan or Zoning Ordinance. Since the project approval is consistent with the Zoning Ordinance, the Project is not in conflict with any applicable land-use plan, policy, or regulation adopted to avoid, or mitigate, any environmental effects. Compliance with the provisions of the regional Habitat Conservation Plan is addressed under the discussion for biologic resources. As a result, no impacts are anticipated.”

4. SUMMARY

In the course of preparing written responses to the comments on this project, the City of Gilroy carefully reviewed the information developed through the responses-to-comments process and determined that the project does not meet any of the conditions under CEQA Section 15073.5, as outlined below. The City of Gilroy will consider the proposed IS/MND, together with this Response to Comments document, prior to approving the project.
ATTACHMENTS

The following materials are attached for reference.

A. Comment Letters

A-1. California Department of Transportation

A-2. Zachary Hilton, Chairman, Gilroy Bicycle Pedestrian Commission
ATTACHMENT A-1
September 11, 2018

Kraig Tambornini
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020-6197

SCH # 2018082028
GTS # 04-SCL-2018-00455
GTS I.D. 12224
SCL - 152 – 8.049

1st Street and Kelton Drive Commercial Center – Mitigated Negative Declaration

Dear Kraig Tambornini:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the above referenced project. In tandem with the Metropolitan Transportation Commission’s (MTC) Sustainable Communities Strategy (SCS), Caltrans’ mission signals a modernization of our approach to evaluate and mitigate impacts to the State Transportation Network (STN). Caltrans’ Strategic Management Plan 2015-2020 aims to reduce Vehicle Miles Traveled (VMT) by tripling bicycle and doubling both pedestrian and transit travel by 2020. Our comments are based on the review of the Mitigated Negative Declaration (MND). Additional comments may be forthcoming pending final review.

Project Understanding
The Project proposes to construct and operate a restaurant and retail complex consisting of three buildings totaling approximately 12,000 square feet. Two of the three restaurants will have drive-thru lanes. The project includes landscaping and additional street paving and a new sidewalk within the existing right-of-way for Kelton Drive. The site has a General Plan land use designation of General Commercial and a zoning designation of Shopping Center Commercial (C-3). The project is adjacent to the State Route (SR) 152 / Kelton Drive intersection.

Vehicular access to the site is via two existing driveways, one from SR 152 (1st Street) and the other from Kelton Drive. Direct access to Santa Teresa Boulevard is also possible through the adjacent parking lot. These are connected by an internal access driveway that facilitates access to the proposed drive-thrus and the onsite parking. The project is required to provide 102 parking spaces. The Project will provide a total of 63 of the required parking spaces (61.8% of the total requirement) onsite. The remaining 39 spaces will be provided on an adjacent site containing a commercial and office
Kraig Tambornini, City of Gilroy  
September 11, 2018
Page 2

development known as The Piazza.

Construction Coordination
Please coordinate construction activities with Caltrans’ Class II bike lane project on SR 152 (1st St) from Monterey Rd to Santa Teresa Blvd (EA 04-2K750).

Vehicle Trip Reduction
From Caltrans’ Smart Mobility 2010: A Call to Action for the New Decade, the project site is identified as Place Type 5a: Rural Towns where location efficiency factors, such as community design, are moderate to high and regional accessibility is low. Given the project’s intensification of use, it should include a robust Transportation Demand Management (TDM) Program that leverages nearby transit to reduce VMT and greenhouse gas emissions. Such measures will be critical in order to facilitate efficient transportation access to and from the site and reduce transportation impacts associated with the project. The measures listed below will promote smart mobility and reduce regional VMT.

- Subsidize transit passes for employees on an ongoing basis;
- Charging stations and designated parking spaces for electric vehicles;
- Project design to encourage walking, bicycling and convenient transit access;
- Secured bicycle storage facilities located conveniently near entrances to minimize determent of bicycle use due to weather conditions;
- Bicycle parking;
- Fix-it bicycle repair station(s);
- Lower parking ratios;
- Transportation and commute information kiosk;
- Outdoor areas with patios, furniture, pedestrian pathways, picnic and recreational areas;
- Showers, changing rooms and clothing lockers for bike commuters;
- Bicycle route mapping resources and bicycle parking incentives;
- Employee transportation coordinator;
- Emergency Ride Home program;
- Participation/Formation in/of a Transportation Management Association (TMA) in partnership with other developments in the area; and
- Aggressive trip reduction targets with annual Lead Agency monitoring and enforcement.

Transportation Demand Management programs should be documented with annual monitoring reports by an onsite TDM coordinator to demonstrate effectiveness. If the project does not achieve the VMT reduction goals, the reports should also include next steps to take in order to achieve those targets. Also, reducing parking supply can encourage active forms of transportation, reduce regional VMT, and lessen future transportation impacts on SR 152 and other nearby State facilities. These smart growth approaches are consistent with the MTC’s Regional Transportation Plan/SCS goals and would meet Caltrans Strategic Management Plan sustainability goals.

“Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability”
For additional TDM options, please refer to the Federal Highway Administration’s *Integrating Demand Management into the Transportation Planning Process: A Desk Reference* (Chapter 8). The reference is available online at:


**Transportation Impact Fees**
Please submit a final Staff Report to Caltrans. The Lead Agency should identify project-generated travel demand and estimate the costs of transit and active transportation improvements necessitated by the proposed project; viable funding sources such as development and/or transportation impact fees should also be identified and incorporated in the Conditions of Approval. We encourage a sufficient allocation of fair share contributions toward multimodal and regional transit improvements to fully mitigate cumulative impacts to regional transportation. We also strongly support measures to increase sustainable mode shares, thereby reducing VMT.

**Encroachment Permit**
Please be advised that any work or traffic control that encroaches onto the state right-of-way requires an encroachment permit that is issued by the Department. To apply, a completed encroachment permit application, environmental documentation, and six (6) sets of plans clearly indicating state right-of-way must be submitted to: Office of Permits, California DOT, District 4, P.O. Box 23660, Oakland, CA 94623-0660. To download the permit application and obtain more information, visit http://www.dot.ca.gov/hq/traffops/developserv/permits/.

**Lead Agency**
As the Lead Agency, the City of Gilroy is responsible for all project mitigation, including any needed improvements to the STN. The project’s fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

Thank you again for including Caltrans in the environmental review process. Should you have any questions regarding this letter, please contact Jannette Ramirez at (510) 286-5535 or jannette.ramirez@dot.ca.gov.

Sincerely,

[Signature]

PATRICIA MAURICE  
District Branch Chief  
Local Development - Intergovernmental Review

c: State Clearinghouse

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability"
ATTACHMENT A-2
Kraig Tambornini  
Kraig.Tambornini@cityofgilroy.org  
Senior Planner  
City of Gilroy  

September 5, 2018  

Re: Notice of Intent to Adopt a Mitigated Negative Declaration  
Project Title: 1st Street and Kelton Drive Commercial Center Architectural and Site review Permit (AS17-25) (#17070046)  

Kraig,  

This project will have a direct impact in the City of Gilroy by achieving our goal to reduce air emissions from on-road motor vehicles, improve air quality by encouraging our residents and commuters to mode shift from vehicles to cycling, and increase walking as alternatives to driving for short and first/last mile trips. By providing an openness of the walkways, visible bicycle parking into the project and outdoor patio dining, you are encouraging vehicle passerby’s to consider walking/biking to this project. This enhances the security of bicycle parking at the project too.  

This project demonstrates how we can reduce the amount of parking for vehicles while providing the necessary bicycle parking to make the site functional for all users. This creates equity to all modes of transportation.  

We are actively embracing, advancing ideas, and projects that promote the concept of free-range people in the City of Gilroy. Providing an incentive that rewards the effort of biking is important. Free secured front row parking accomplishes this; along with a bicycle fix it station for public use.  

For the employees I’m a big fan of bike lockers. Inside these lockers are hooks to hang helmets, and coats. Some lockers can even fit two bikes utilizing both sides. Many service workers do not have cars. Providing incentives such as secured bike lockers to their employees would keep unwanted cars out of the parking spaces when they work a shift or double shifts. This will also free up current bicycle parking for the customers.  

Thank you.  

Zachary Hilton  
Chair, Gilroy Bicycle Pedestrian Commission  
Zachary.Hilton@cityofgilroy.org  
#GilrovBPAC