

October 29, 2019

Mr. Bill Meeker, Planning Advisor
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City of Sausalito
420 Litho Street
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Re: Comments on the Scope and Content of the Program EIR
City of Sausalito General Plan Update

These comments are offered pursuant to the Notice of Preparation of a Program Environmental Impact Report (NOP) dated October 16, 2019. As noted in the NOP, the General Plan Advisory Committee (GPAC) has had regularly scheduled meetings since June 20, 2017. I am a member of the GPAC, and have attended all meetings (except two), and most supplemental events such as tours, stakeholder meetings, pop-ups and community forums.

These comments pertain to the portion of the EIR that will address the Marinship.

On October 9, 2018, the City Council adopted a list of Goals for the General Plan Update (Attachment 1). Taken together, these goals recognize that a strong economic base is essential to provide the resources needed to sustain the small town quality of life that is the core of what defines Sausalito. These goals are not mutually exclusive, and require careful balancing.

Regarding the Marinship, your attention is directed to goals 3, 4, 5, and 6 – particularly No. 5. How can these be achieved, given the overriding issue facing us, namely sea level rise and subsidence? Within that context, how do we sustain economic vitality, preserve jobs, fund infrastructure improvements and provide flexibility to meet future opportunities – while preserving and enhancing our maritime industry? And don't forget that the Marinship is a significant contributor to the tax base of Sausalito¹.

Recognizing all of these factors for economic sustainability, the GPAC started reviewing the economic impact of Marinship land use alternatives well over a year ago. During this process, they were presented by the M-Group as three broad conceptual alternatives – “Improved Business as Usual”, “Strategic Adjustments” and “Values-Based Growth”. There was to be an Economic Quantitative Analysis, with modelling options for each, reporting a variety of metrics. This effort was to explore options needed to “[Plan] for fiscal sustainability by encouraging businesses with high fiscal value but limited negative impacts to the community.”

¹ According to the Economic Development Proposal presentation, City Council, August 27, 2019: The Marinship contributes 52% of non-residential property tax, 35% of sales tax, and 62% of business license fees (former schedule). Altogether, the Marinship contributed over \$1.5 million in City revenues for the study period year (adjusted for the Prop”O” increment).

A portion of the proposed Quantitative Analysis was completed in August, 2019 by Economic & Planning Systems (EPS). This Residual Land Value study compared various building prototypes and uses for profitable development potential. This indirectly translates to potential contributions to infrastructure improvements and the long-range economic viability of the area. I offered an alternate proforma using EPS assumptions that combined the study's FAR and use analyses (Attachment 2). This Office/R&D Scenario allows office use in a building with a 0.60 FAR (1978 historic level).

As the NOP states, the EIR is intended to investigate the impacts of a range of "reasonable alternatives". The permitting of office use in selected portions of the Marinship is an important reasonable alternative to consider for several reasons beyond any future economic benefit. Most importantly, it will recognize reality. In today's world, most of the uses preferred for the area are actually conducted by people sitting in "offices". Graphic artists, architects, applied artists, industrial designers and product developers are mostly all in this group. Anecdotal evidence suggests that many existing industrial spaces have office build out exceeding the 15% permitted in the I-zone. Asking rents suggest so as well, being 50% - 100% higher than what would be expected for basic industrial space.

For example, the latter was noted by Gary Testa of Engineered Fluids, representing a relatively noisy industrial business in the Marinship who has appeared before the GPAC. He is having trouble finding affordable expansion space. Recognizing the reality of how businesses operate, even if he could find 20-25K square feet, he paradoxically said it would be 50-60% office space along with their manufacturing.

The NOP states that when setting the parameters of the EIR, only "reasonable foreseeable probable future projects" need be considered. The most obvious and universally supported limitation is to consider only the I District. Any change to the W District in this regard is strictly off limits. Additionally, if the Marinship were to be divided into three geographic districts for study, the alternative use could be limited to just the middle area (potentially defined as One Harbor Drive to Marinship Plaza). In any event, throughout the Marinship there are a very few unimproved parcels or economically viable redevelopment parcels to be considered as "probable".

It's unfortunate that the Land Economic Study for the Marinship will not be completed before the EIR is well advanced or completed. Given the results of similar studies in the past², it is probable that businesses utilizing office space may end up on a preferred list. This is another reason to include office use in the EIR spectrum of alternatives. We'll know in advance if the Study recommendations are viable.

Finally, knowing the environmental impacts of this alternative will provide information for thoughtful policy decisions. There is a difference between information and advocacy. Information is needed for decisions that go well beyond economics. Decisions that take into

² For example, *Sausalito Community and Economic Development Study*, 2012

account Sausalito's history, cultural heritage and soul of the community. Choosing the proper balance among the alternatives to achieve all the General Plan Goals can only be made with informed information. For all of these reasons, office use at a proper FAR must be an alternative included in the Marinship EIR alternatives.

Thank you.

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