

<b>Project Name:</b>	<b>Kaiser Permanente Oakland Medical Center Master Plan</b>
<b>Location:</b>	Generally the area surrounding the intersection of <b>Broadway and West MacArthur Boulevard</b> . Includes the existing Kaiser Hospital and associated facilities, the MacArthur/Broadway Center (M/B Center) and the eastern side of the 3700 block of Broadway
<b>Proposal:</b>	The proposed Kaiser Permanente Oakland Medical Center Master Plan is the phased replacement of the existing medical center with a new medical center campus of approximately 1.78 million square feet on approximately 21 acres. Planning actions currently required include: Certification of the EIR, General Plan amendment; Redevelopment Plan amendment; rezoning to the new KX Zoning District; adoption of the Master Plan; and termination of the previously approved contract rezoning.
<b>Applicant:</b>	Kaiser Permanente, Kaiser Foundation Health Plan Michael Lane, Project Director, Kaiser Permanente (510) 987-2373
<b>Owner:</b>	Kaiser Permanente and additional properties which may ultimately be incorporated into the proposed medical center campus but which Kaiser Permanente does not currently own
<b>Case File Number:</b>	ER05-0004//GP06-136/RZ06-137/PUDF06-139
<b>General Plan:</b>	Institutional, Community Commercial, Mixed Housing Type Residential, and Neighborhood Center Mixed Use
<b>Zoning:</b>	S-1 Medical Center, C-40 Community Thoroughfare Commercial, C-25 Office Commercial, R-70 High Density Residential, and the S-18 Mediated Design Review Combining Zone
<b>Historic Status:</b>	The project site contains only one historic resource, the 1912 former Kings' Daughters Home at 3900 Broadway which is now used by Kaiser as their Mental Health facility. This building is not proposed for modification or change under the Master Plan.
<b>Environmental Determination:</b>	An EIR has been prepared by the City as the Lead Agency. The Draft EIR was released on March 2, 2006 and the public comment period on the Draft EIR ended on April 17, 2006. The Final EIR was released on May 26, 2006.
<b>City Council District:</b>	1 (north of MacArthur) and 3 (south of MacArthur)
<b>Staff Recommendation:</b>	The Planning Commission certify the EIR and forward its recommendation to the City Council of approval of the project subject to the conditions, requirements, and findings contained in this staff report.
<b>For further information:</b>	Contact: <b>Scott Gregory</b> , contract planner to the City at 510-535-6690, or by email at <a href="mailto:kaiser@lamphier-gregory.com">kaiser@lamphier-gregory.com</a>

**SUMMARY**

The proposed Kaiser Permanente Oakland Medical Center (OMC) Master Plan is the phased replacement of the existing Kaiser Medical Center with a new medical center campus of approximately 1.78 million square feet on approximately 21 acres. The project area is defined generally as the area surrounding the intersection of Broadway and West MacArthur Boulevard. It includes the existing Kaiser Hospital and associated facilities, the MacArthur/Broadway Center (M/B Center), and the eastern side of the 3700 block of Broadway. The AAA building at MacArthur/Shafter was also part of Kaiser's original proposal, but has since been removed from the project.

Legislative actions that are currently sought include a General Plan Amendment, a Redevelopment Plan Amendment, Rezoning and approval of a Master Plan. An amendment to the General Plan Land Use Map has been proposed by Kaiser that would assign the *Institutional* land use classification to all portions of the OMC, and a rezoning of the project site to a unique Kaiser Permanente Zone. Subsequent planning permits pursuant to these actions will include Design Review for individual buildings, Conditional Use Permit(s), Tree Removal Permit, Creek Protection Permit, Demolition Permit and potentially a Lot Merger.

A Notice of Preparation of an Environmental Impact Report (NOP) was prepared by the City and distributed on April 1, 2005. A Scoping Session was held before the Planning Commission on April 13, 2005 to solicit public comments. The City prepared a Draft Environmental Impact Report (DEIR) that was released for a 47-day public review on March 3, 2006. The public comment period for the DEIR closed on April 17, 2006. A Final EIR including responses to all comments on the Draft EIR was prepared and published on May 26, 2006. The impacts identified in the DEIR are summarized in the Environmental Determination section of this staff report.

Staff recommends the Commission forward to the City Council its recommendation of approval of the project subject to the conditions, requirements, and findings contained in this staff report. Essentially, staff recommends approval of a project similar to that described as Alternative # 3 in the EIR. Changes to the Master Plan and Zoning District to reflect this staff report, along with other staff initiated changes, are shown in redline (strike-out and underscore format) from the May 17, 2006 versions provided to the Commission (see Attachments A and B).

**PROJECT SITE AND SURROUNDING AREA**

The existing Kaiser Oakland Medical Center campus consists of an assembly of parcels comprising approximately 16.3 acres. The current campus contains several buildings occupying approximately 1.17 million square feet of building space including a 346-bed hospital, 364 medical offices and associated diagnostic and treatment, administration and support space. Within the campus area Kaiser employs slightly more than 4,000 total employees including medical providers, nurses and other staff.

The proposed Kaiser OMC Master Plan addresses an area of approximately 20.6 acres consisting of the 16.3-acre current medical center, and an additional approximately 4.3 acres of proposed future expansion area. The expansion area includes approximately 3.6-acres on the easterly side of the 3700 block of Broadway between West MacArthur Boulevard and 38<sup>th</sup> Street, and some smaller properties adjacent to the existing M/B Center building that are not currently part of the medical campus (see attached **Figure OMC-1**). Kaiser does not currently own all of the property within the expansion area.

The Kaiser campus is located in a highly urbanized and fully developed area. Its immediate neighbors include:

- Mosswood Park and Recreation Center to the southwest,
- primarily single-family residential neighborhoods along Manila and Shafter Avenue to the northwest,
- residential neighborhoods along 38<sup>th</sup> Street to the north,
- the busy commercial corridor along Piedmont Avenue to the northeast, and
- a primarily single-family residential neighborhood along Richmond Boulevard (between MacArthur and I-580) to the southeast.

## **PROJECT DESCRIPTION**

### **Brief History**

Senate Bill 1953 requires all acute care hospitals in California to retrofit or rebuild their facilities as necessary to comply with new seismic safety standards. The existing Kaiser OMC Hospital tower does not meet these new statewide seismic safety requirements. Kaiser has proposed construction of a new hospital as the best way to comply with these seismic safety requirements, which must be implemented at this hospital no later than January 1, 2013. Since major improvements are needed to construct a new hospital, Kaiser also sees this Master Plan as an opportunity to modernize the Oakland Medical Center (OMC) to meet more current medical building guidelines pertaining to the space needs for patients, staff, and diagnostic and treatment facilities and to provide for an incremental increase in patient care related to Kaiser's projected business growth as a health care provider.

A brief history of the key milestones as related to the Kaiser Permanente OMC Master Plan to date follows. Documentation for many of these milestones can be found at the City's web site at [www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/kaiser.html](http://www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/kaiser.html)

- March / April 2005: Kaiser Permanente / Kaiser Foundation Hospitals (Kaiser) submitted an application to the City for environmental review of their proposed Oakland Medical Center Replacement Master Plan. A Notice of Preparation (NOP) was issued on April 1, 2005. A public scoping meeting was held before the Planning Commission on **April 13, 2005**.
- August / September 2005: Staff began implementation of a public participation program for this project with community workshops held on *August 25<sup>th</sup>*, and neighborhood walks on **September 12<sup>th</sup> and 13<sup>th</sup>**. City staff also retained the architecture/urban design firm SMWM to assist us in preparing an urban design critique of Kaiser's proposal.
- October / November 2005: During the summer and fall of 2005, Kaiser's design team determined that their original Campus Master Plan design was flawed and that many of the comments of the Commission, staff and the public could be addressed by revising their original plans. Kaiser's revised Campus Master Plan was presented to the community at a 2<sup>nd</sup> workshop on **October 17<sup>th</sup>**. On

*November 30<sup>th</sup>* Kaiser also presented their revised plan to the Special Projects Committee of the Planning Commission.

- March / April / May 2006 – On March 3<sup>rd</sup> the Draft EIR was completed and made available for public review. On *March 13<sup>th</sup>* the Landmarks Preservation Advisory Board (LPAB) met to determine the historic status of one of the on-site buildings (concluding that it was not a historic resource) and on *April 17<sup>th</sup>* the LPAB met to prepare formal comments on the Draft EIR. On *March 22<sup>nd</sup>* the Planning Commission held a public hearing to receive public comments on the Draft EIR and to hear public opinion on the project. The Planning Commission continued their hearing on the project to additional hearings held on *April 4<sup>th</sup>*, *April 19<sup>th</sup>* and *May 17<sup>th</sup>*. Additionally, City Councilmember Brunner held a community meeting at the Mosswood Park Recreation Center on *May 4<sup>th</sup>*, hosting an open forum dialogue between Kaiser and the community in regard to the proposed Master Plan.

### **Current Kaiser Oakland Medical Center Master Plan**

The *Kaiser OMC Master Plan* (see **Attachment A**) is intended to guide the phased replacement of the existing Oakland Medical Center with an expanded and improved medical center campus ultimately containing approximately 1.78 million square feet of building space on approximately 20.6 acres (see attached **Figures OMC-4 and OMC-12**) . The new Oakland Medical Center would be completed by approximately 2020. The OMC would continue to provide uninterrupted medical service on-site during construction and implementation of the Master Plan. The major phases/components of the Master Plan include:

#### Phase 1: Broadway Medical Office Building and Parking

This first phase of the Project still requires acquisition of additional properties along the easterly side of Broadway that are not currently owned by Kaiser and that contain existing businesses. Assuming these properties are ultimately acquired by Kaiser, all existing buildings on the Broadway-side of the block would be demolished. Demolition would make way for construction of a new 5-story - 165,000 square foot medical office building that would provide outpatient medical services. A 738-stall parking structure, 4 stories tall (5 decks above ground with parking on the roof, and 2 decks below ground) would also be constructed on this site; the ground floor of this parking structure along Broadway would be planned for immediate use as retail space. Construction of the new Broadway Medical Office Building would enable Kaiser to move existing medical offices and their staff currently occupying the M/B Center tower, to this new site.

#### Phase 2: New Hospital and Parking

Once the existing Kaiser uses that are currently occupying the M/B Center tower are moved to the new Broadway Medical Office Building, the existing M/B Center would be demolished. Removal of the existing M/B Center would enable construction of a new 346-bed hospital. The new hospital would be a maximum of 1.12 million square feet in size and may include up to 700,000 square feet of new hospital space, approximately 360,000 square feet of new outpatient service space and approximately 60,000 square feet for a new central utility plant. The design for the new hospital would include a 4-story podium base with a nursing tower generally centered on the podium's north-south axis between Broadway and the extension of Howe Street. The nursing tower could measure up to a maximum of 240 feet in height from existing grade, including approximately 30 feet at the top for roof equipment and screening. The parking garage associated with the new hospital is proposed at ten stories above grade and two stories below, and

designed to accommodate approximately 1,216 parking spaces. Upon completion of the new hospital building all existing in-patient hospital services and remaining out-patient and administration support services would be relocated from the existing hospital to the new hospital.

### Phase 3: Central Administration / Medical Services Building

With the existing hospital services relocated across the street to the new hospital, the existing hospital structure (including the tower and low-rise buildings) would be removed and replaced with a new Central Administration Medical Services Building. The design and program of this building is conceptual and will largely depend on the development program ultimately constructed at the new hospital site. Under the Master Plan, the total amount of new space that may be constructed on the new and old hospital sites combined is a maximum of 1.18 million square feet of total space. If the new hospital is constructed to its maximum size of 1.12 million square feet, a new Central Administration building of only 60,000 square feet could be constructed on the former hospital site. Under this scenario the site could also include approximately 189 parking spaces in a surface parking lot. Alternatively, a new Central Administration / medical services building of up to a maximum of 223,000 square feet could be constructed on the former hospital site with a corresponding reduction in the size, bulk and mass in the new hospital.

All other existing buildings within the OMC campus are intended to remain, including the historic 3900 Broadway Mental Health building, the Fabiola Medical Services Building, the Howe Medical Services Building, the Piedmont Medical Services Building and the Howe Street parking structure.

### Manila Avenue Properties

Kaiser has acquired, through friendly negotiations, some of the single family residential properties on the east side of Manila Avenue. Under the proposed new KX zoning, Kaiser's use of these properties will be restricted such that they may only be used for single family residential uses, sleeping rooms for medical center staff, or temporary housing for families of members receiving long-term care at the Kaiser Permanente OMC. These restrictions are more restrictive than otherwise allowed under the current zoning regulations.

Kaiser has no intended use of the easement running through the northerly portion of the block connecting to Manila, and has recently modified its plans to remove the previously proposed 34-stall surface parking lot and instead develop this area as a passive park / open space area for its employees, patient, and visitors.

### Parking

The parking demand study prepared for the Master Plan determined that upon completion of the full 1.78 million square feet of total space, there will be a parking demand for 3,584 parking spaces. The Master Plan provides for a net increase of 928 parking spaces over existing conditions to meet this total demand, mostly provided in two new proposed parking structures; one on Broadway between MacArthur and 38<sup>th</sup> Street, and one at the new hospital site adjacent to the elevated portion of I-580. The actual amount of parking to be provided is intended to be imposed as a condition of approval during the Design Review process for each phase or new building, based on the current (for Phase 1) or updated (for Phase 2 and 3) parking study and a Transportation Demand Management (TDM) program as approved by the City. Kaiser shall also develop a construction worker TDM program and provide construction worker parking at the Sears parking garage at Telegraph and 27<sup>th</sup> Street.

### Overhead Pedestrian Bridges

The Master Plan proposes three overhead pedestrian bridges over public streets that connecting each of the main OMC campus buildings. One pedestrian bridge would be constructed across Broadway connecting the existing Mosswood Pediatrics Building with the new parking garage at the new hospital site; this pedestrian bridge would be generally parallel to the elevated segment of I-580. A second pedestrian bridge would cross MacArthur Boulevard, connecting the hospital with the Central Administration / medical services building at the former hospital site. The third pedestrian bridge would cross Broadway, connecting the Broadway Medical Office Building with Central Administration / medical services building at the former hospital site.

## PLANNING ANALYSIS

### General Plan Analysis

According to the City of Oakland's General Plan Land Use and Transportation Element (LUTE), the project site lies within the North Oakland Planning District. The General Plan land use classifications for the site include:

- The existing hospital and its immediate medical services buildings are designated as *Institutional*. The intent of *Institutional* is "to create, maintain, and enhance areas appropriate for educational facilities, cultural and institutional uses, health services and medical uses...." Maximum floor-area ratio (FAR) is 8.0, and "appropriate development standards that reflect the nature of the institutional facility and contain appropriate standards to address edge conditions adjacent to residential areas, and the need for expansion space, are all important factors that will be address by zoning." Health Care, Medical Service, and Administrative Activities conform to the *Institutional* classification.
- Large portions of the project site including the existing M/B Center and properties generally along Broadway are within the *Community Commercial* land use classification. The intent of *Community Commercial* is "to identify, create, maintain, and enhance areas suitable for a wide variety of commercial and institutional operations along the City's major corridors and in shopping districts or centers." Maximum FAR is 5.0. Health Care, Medical Service, and Administrative Activities conform to the *Community Commercial* classification.
- The relatively smaller areas of the OMC campus along Manila Avenue and areas generally north of the existing hospital lie within *Mixed Housing Type Residential* classification. The intent for the MHTR is "to create, maintain, and enhance residential areas typically located near the City's major arterials and characterized by a mix of single-family homes, townhouses, small multi-unit buildings, and neighborhood businesses where appropriate." The General Plan is "silent" on whether Health Care, Medical Service, and Administrative Activities conform to the MHTR classification. No maximum FAR applies.
- Portions of the site along Piedmont Avenue and West MacArthur Boulevard are within the *Neighborhood Center Mixed Use* classification. The intent for the NCMU is "to identify, create, maintain, and enhance mixed use neighborhood commercial centers..." Maximum FAR is 4.0. Administrative Activity conforms to NCMU; the General Plan is "silent" on whether Health Care and Medical Service Activities conform to the NCMU classification.

The land uses proposed by the project are consistent with the existing General Plan land use classifications that apply to the project site. Similarly, the maximum development intensity allowed by the existing General Plan classifications would accommodate the amount of development proposed by the project (the most intensive development site under Kaiser's OMC Master Plan is the proposed new hospital, with a maximum proposed FAR of approximately 3.9). However, to establish a clear and consistent delineation of the Kaiser Permanente OMC on the General Plan Land Use Diagram, Kaiser has proposed to amend the Land Use Diagram to apply the *Institutional* land use classification to all portions of the OMC campus. The proposed amendment would increase the maximum allowable FAR on each site to that allowed by *Institutional*, which is an FAR of 8.0. Although this would be a maximum allowable, actual development would be restricted by the limits, standards, and guidelines prescribed by the zoning designation (see Zoning Analysis below), the Master Plan and the discretion of the City through the discretionary Design Review process for each phase or building under the Master Plan.

The proposed General Plan amendment to apply the *Institutional* land use classification to all portions of the OMC campus is consistent with the overall goals, objectives, and policies of the General Plan in that the proposed General Plan amendment will help create, maintain and enhance an area that is appropriate for health services and medical uses. The Kaiser OMC is a significant resource of jobs and services to Oakland residents and is an important underpinning of Oakland's continued economic health and well being. The proposed Master Plan (the Project) is consistent with the proposed General Plan land use designation, and the proposed General Plan amendment will not cause the General Plan to become internally inconsistent.

### Zoning Analysis

The current zoning designations that apply to the OMC site and surrounding area include:

- S-1 Medical Center, which applies to the existing hospital and immediately adjacent supporting uses
- C-40 Community Thoroughfare Commercial, which applies to the most of the site along Broadway, including the M/B Center
- C-25 Office Commercial along the West MacArthur Boulevard corridor
- R-70 High Density Residential in the abutting residential areas to the west and east of the OMC site and R-50 Medium Density Residential in the abutting properties to the north. The S-18 Mediated Design Review Combining Zone is combined with several of these zones in the vicinity of the OMC
- Open Space (Community Park-CP) Zone applies to Mosswood Park.

The land uses and development intensities proposed under the Master Plan are generally consistent with the current zoning designations. The proposed development may exceed certain development regulations set forth by the applicable zoning designations and may need approval of variances or other exceptions under the existing zoning. However, Kaiser and City staff are recommending that the OMC campus be rezoned to a unique "*Kaiser Permanente Oakland Medical Center (KX)*" zoning district (see **Attachment B**). This new zoning district, coupled with the *Kaiser Permanente OMC Campus Master Plan*, is intended to provide a comprehensive set of land use regulations, development standards and design guidelines that would be consistently applied to the long term development of the entire medical center. The new zoning district would include all properties within the Kaiser Permanente OMC that are currently owned by

Kaiser Permanente (see attached **Figure OMC-5**). For properties that are not owned by Kaiser and that are proposed to be rezoned, the new zoning district would be applied as an overlay district or combining zone district, which would allow the existing (underlying) zoning designation and regulations to apply.<sup>1</sup>

The proposed rezoning to a new *Kaiser Permanente Oakland Medical Center (KX)* zoning district is consistent with the overall goals, objectives, and policies of the General Plan to help create, maintain and enhance an area that is appropriate for health services and medical uses. The Kaiser OMC is a significant resource of jobs and services to Oakland residents and is an important underpinning of Oakland's continued economic health and well being. The Master Plan (the Project) is consistent with the proposed rezoning. The current zoning does not provide for a consistent nor comprehensive set of regulations that recognize the OMC Campus and thus is inadequate. In contrast, the proposed rezoning will better promote the health, safety and welfare of Oakland residents and others.

### Redevelopment Plan Analysis

Portions of the OMC site, including the M/B Center and the Broadway corridor north of I-580, are located within the *Broadway/MacArthur/San Pablo Redevelopment Plan area*. The Redevelopment Plan is consistent with the existing Oakland General Plan land use classifications. Since the Master Plan includes a proposal to amend the General Plan to apply *Institutional* land use classification to all of the area described as the Kaiser Oakland Medical Center, amendments to the Redevelopment Plan will be needed to maintain consistency between the Redevelopment Plan and the amended General Plan.

The proposed amendment to the Redevelopment Land Use Map in the Redevelopment Plan would be consistent with the land use designation for the Project site in the Oakland General Plan, once it has been revised. The proposed amendment to the Redevelopment Land Use Map does not propose any additional property for inclusion in the Redevelopment Project Area, nor does it increase or reduce the Redevelopment Project Area. The proposed amendments support the various goals and objectives of the Redevelopment Plan, as detailed in the Statement of Overriding Considerations.

### ENVIRONMENTAL DETERMINATION

The California Environmental Quality Act (CEQA) requires environmental review for those discretionary projects that could have significant impacts on the environment. Staff determined that the Kaiser OMC Master Plan (the project) would have significant environmental impacts; therefore a Draft EIR was prepared and released for a 47-day public review period starting on March 3, 2006. The public comment period for the Draft EIR closed on April 17, 2006. A Final EIR was prepared that responds to all comments received on the Draft EIR. The Final EIR was published on May 26, 2006 and is provided under separate cover for review and consideration by the Planning Commission. It is available to the public at the Planning Department office or on the website at:

[www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/environmentaldocuments.html](http://www.oaklandnet.com/government/ceda/revised/planningzoning/MajorProjectsSection/environmentaldocuments.html)

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<sup>1</sup> These properties would include a motel and apartment building at the northeast corner of Manila Avenue and West MacArthur Boulevard; several single family residences along Manila, and an automotive repair use and gas station at the northeast corner of Howe Street and MacArthur Boulevard. None of these properties are proposed for a Redevelopment Plan or General Plan Amendment as part of the Master Plan.



### Significant and Unavoidable Environmental Impacts from the Project

The following impacts cannot be feasibly mitigated to a less-than-significant level and would remain significant and unavoidable for the project:

#### Traffic Impacts at Two Intersections

- (Near-term 2010, 2025 and cumulative): The LOS F conditions at the signalized intersection of *Broadway/51st Street/Pleasant Valley Avenue* (#3), which would prevail during the PM peak hour under 2010 baseline conditions, would worsen with the addition of traffic generated by the project. The project-generated increases in vehicle delay on a critical movement would exceed the two-second threshold of significance. In addition, traffic generated by the project would contribute more than five percent of the cumulative traffic increases at the signalized intersection of *Broadway/51<sup>st</sup> Street/Pleasant Valley Avenue* (#3) during the AM and PM peak hours, as measured by the difference between existing and cumulative (with project) conditions.
- (2025 and cumulative): The LOS E conditions at the signalized intersection of *Broadway/West MacArthur Boulevard* (#16) would continue during the PM peak hour. The project-generated increases in vehicle delay on a critical movement would exceed the six-second threshold of significance. In addition, traffic generated by the project would contribute more than five percent of the cumulative traffic increases at the signalized intersection of *Broadway/West MacArthur Boulevard* (#16) during the AM and PM peak hours, as measured by the difference between existing and cumulative (with project) conditions.

#### Air Quality Impacts

- The project would result in increased long-term emissions of criteria pollutants from vehicular traffic to and from the project site and from the operation of the central utility plant. The increase in emissions would exceed Bay Area Air Quality Management District (BAAQMD) significance criteria for daily emissions of PM-10.
- Because the BAAQMD significance criteria for daily emissions of PM-10 is exceeded, the project is also considered to cumulatively increase regional air pollutant emissions and conflict with or obstruct implementation of the Bay Area Clean Air Plan.

Under CEQA Guidelines, Kaiser has an obligation to mitigate these impacts to the maximum extent reasonable and feasible. The recommended mitigation measures include implementation of a TDM program intended to reduce the number of single-occupant vehicles making trips to and from the Kaiser OMC campus; trips that contribute to traffic congestion and air emissions. Although staff has every expectation that this TDM program will be effective in reducing trips, there is no guarantee that current and future Kaiser employees, patients and visitors will utilize this program so extensively that the program will fully reduce these impacts to less than significant levels. Therefore, the EIR conservatively assumes that these impacts will remain significant and unavoidable. Kaiser's obligations to mitigate impacts do not change if the residual impact is characterized as significant and avoidable or significant but mitigated.

### Significant but Mitigated Environmental Impacts from the Project

The Draft EIR identifies a total of 26 other potentially significant environmental effects that would result from implementation of the Kaiser OMC Master Plan. However, with implementation of recommended

mitigation measures or standard City conditions of approval, these impacts can be reduced to levels of less than significant (see Attachment D, CEQA Findings). All of the mitigation measures and standard conditions of approval recommended to reduce or avoid Project impacts are included in the *Kaiser OMC Mitigation Monitoring and Reporting Program* (see **Attachment C**). Further, the proposed Conditions of Approval (Attachment C) contains a reference that all mitigation measures are also identified as conditions of approval and therefore fully enforceable as part of the project.

## Alternatives

The Draft EIR identifies and provides a comparative environmental analysis of a reasonable range of alternatives. The Draft EIR initially evaluated and rejected as infeasible several alternatives or alternative components for the reasons stated in the Draft EIR. The Draft EIR identified and assessed the following five alternatives (one of which consists of four different scenarios) and one sub-alternative:

- *Alternative 1: No Project* – This alternative included four different scenarios including the closure of the entire Kaiser OMC campus by December 31, 2012; the closure and demolition of the existing Hospital building but retaining all other existing services at the OMC; closure of the existing Hospital and retrofitting that building for non-Hospital medical services; and seismically retrofitting the existing Hospital for hospital services.
- *Alternative 2: Reduced Development* - This alternative would eliminate approximately 93,000 square feet of building area associated with medical services functions (versus number of hospital beds) from the new Replacement Hospital. Two stories of the four-story podium proposed at southeast corner of Broadway and MacArthur Boulevard would not be built. The purpose of this alternative is to avoid the significant and unavoidable impacts associated with traffic and air quality emissions that would result with the project.
- *Alternative 3: Reduced West Broadway Parking Garage/ Full Retail (Non-CEQA Alternative)* - This alternative would limit the number of parking spaces provided on Site 7 in Phase 1 to only the number necessary to meet the parking demand of the proposed West Broadway Medical Services Building (MSB). One or any combination of the following three options would achieve the elimination of approximately 385 parking spaces on Site 7 and thus reduce the height of the parking structure: 1) temporary offsite parking locations; 2) allowance of temporary short-fall from the end of Phase 1 to completion of the Phase 2 garage; and/or 3) temporary parking on Mosswood Park.
- *Alternative 4: Consolidated Campus Alternative (Non-CEQA Alternative)* – This alternative would eliminate development of the West Broadway MSB and Garage on Site 7 and would shift these uses to Site 2, the Central Administration MSB, where the existing hospital is located. The Replacement Hospital would be reduced in size by shifting some of the medical service area to Site 2. Total buildout would remain the same as proposed by the project although one development site would be eliminated from the Kaiser OMC. A 280-unit mixed-use development and related parking is assumed on Site 7, but not as part of the proposed Kaiser Permanente project or Kaiser OMC.
- *Alternative 5: Historic Preservation* – This alternative has been deleted based on a finding by the Oakland Landmarks Preservation Advisory Board (March 2006) concurring with a report that concluded the building at 3741-47 Broadway (the former Honda building) is not an historic resource. An historic preservation alternative is not warranted to reduce or avoid any environmental impacts.

- *Sub-Alternative (Non-CEQA Alternative):* Underground Pedestrian Tunnels (Reduced Sky Bridges) – This sub-alternative, which can be combined with any project alternative or the project, is included in the EIR to allow consideration of a scenario that would construct underground pedestrian tunnels instead of the overhead pedestrian bridges.

The CEQA-required environmentally superior alternative is Alternative 2, the Reduced Development alternative due to its capability to avoid the significant and unavoidable impacts associated with traffic and air quality emissions that would result with the OMC Master Plan (the Project).

### **CEQA Findings and Statement of Overriding Considerations**

Findings to certify that the Final EIR has been prepared in compliance with CEQA and a Statement of Overriding Considerations for the approval of the project are included as **Attachment D** to this staff report. These findings are supported by an analysis of the feasibility of all alternatives, including an alternative plan for the OMC campus area as evaluated in the Draft EIR (Alternative #4: Consolidated Campus Alternative) which was strongly supported by many members of the community. The analysis discusses the economic and operational reasons for concluding that this alternative is not feasible.

### **KEY ISSUES AND STAFF RECOMMENDATIONS**

#### **Recognized Improvements from the Original Master Plan**

City staff believes that the current Kaiser OMC Campus Master Plan responds directly and positively to many issues that have been raised throughout the review process for this project. We commend Kaiser and their design team for having the flexibility and willingness to work with the City and the community to better their project from that originally proposed in April of 2005. Specifically, some of the improvements that have been made to the April 2005 plan include:

- The proposed new hospital and associated facilities are now more efficiently designed and further consolidated near the I-580 freeway overpass, where they do not have as great an adverse impact the adjacent neighborhoods
- The hospital tower has been realigned so that it no longer forms a vertical wall along the length of the block on MacArthur Boulevard, but is instead on a north-south access and set back from Broadway and Piedmont Avenue by about 150 feet
- The overall parking program has been modified to reduce the number of on-site parking spaces, more closely matching the actual parking demand
- The proposed parking garage along the west side of Broadway has been reduced from 7 stories, and is now proposed as 4 stories in height
- The medical office building at Broadway/MacArthur no longer steps down directly into the Manila neighborhood, but is instead contained on the portion of the block fronting on Broadway.
- There are more active use along the ground floor at street level, including a landscape/streetscape improvement plan

Some of the other positive changes to the Master Plan proposed most recently by Kaiser include:

- When Kaiser redesigned the medical office building at Broadway/MacArthur so that it no longer stepped down directly into the Manila neighborhood, they instead proposed to construct a 34-stall surface parking lot at this location. The most current version of the Master Plan now shows this area being developed as a passive park / open space area.
- Previous versions of the Master Plan anticipated retro-fitting retail space into the ground level of the Broadway parking garage as part of Phase 3, many years into the future. The current Master Plan indicates that retail space will instead be incorporated into the initial design and construction of this proposed garage.

In spite of the improvements that have been made to the Master Plan, the current Master Plan has clearly not fully satisfied many of the neighbors, nor does it fully address all of the urban design issues or alternatives that staff would like to have seen. Over the past several months staff has brought a number of issues to the Commission's attention, providing an opportunity for public and Commission comments and thoughts. These issues are discussed below, together with staff's recommendations:

#### **Issue 1: Project Phasing and Community Alternative #4**

Kaiser's need for continuous operational capability at the medical center and their reluctance to consider temporary off-site operations is driving a phased construction program for the campus. Buildout of the Master Plan following these phasing requirements does not result in the most desirable end-state design for the campus. For example:

- The proposed parking garage along Broadway has been designed to accommodate more parking than the adjacent building actually requires because the design is driven by a temporary need for parking after Phase 1 and before Phase 2.
- The buildings proposed in Phase 1 and Phase 2 are relatively tall and massive because they need to accommodate virtually all space demands of the entire campus, whereas the remaining building space in Phase 3 is relatively minor.
- Phase 3, which only becomes available for construction after the existing hospital is removed, is not well defined and does not seem to result in the most efficient use of space on the former hospital site.

The Draft EIR includes a "Consolidated Campus" Alternative that is a non-phase-driven design for the campus. This alternative was developed primarily through neighborhood input and professional design assistance from the City's urban design consultant, and is not constrained by the precise phasing needs of Kaiser. Instead, this alternative demonstrates how a more consolidated and perhaps more balanced campus plan could be developed using only the M\B Center and old hospital sites, without needing to use the Broadway site at all.

Kaiser has expressed strong objections to any type of alternative phasing strategy that would require off-site operations and/or a two-move option, citing operational inconsistencies and financial infeasibility. Information supporting Kaiser's claim of infeasibility has been reviewed by staff and submitted to the Planning Commission for their review.

**Staff Recommendation:** Staff agrees with many members of the community who have expressed their support for the superior urban design qualities of the Consolidated Campus Alternative (Alternative #4 in the EIR). Aside from reserving the west Broadway for non-OMC campus development, this alternative would result in a better arrangement of total space on the larger parcels of land owned by Kaiser, and would not leave an underutilized site at the former hospital at buildout. However, staff has been provided with substantial evidence to support Kaiser's claims that this alternative is ultimately infeasible. We have questioned Kaiser's representatives about options of moving administrative-type services off site, delaying the relocation of Radiation Therapy from Hayward to the OMC, moving Labor and Delivery back to Alta Bates where they were located for many years, and utilizing existing space at the current hospital more intensively to temporarily accommodate medical services during a phased move to the new hospital. Kaiser's representatives have been open to our questions and have provided sound, reasonable answers that support their position that the non-phased design represented by the Consolidated Campus Alternative is ultimately not feasible. Staff's recommendation is to concur with Kaiser on this point and reject this alternative as infeasible for technical, financial and operational reasons. The substantial evidence supporting the infeasibility of this alternative is compiled in Appendix A of the Final EIR and has been incorporated by reference into the required CEQA findings pertaining to the rejection of alternatives (see Attachment D)

## **Issue 2: Broadway Medical Office Building and Parking Garage**

The proposed *Kaiser OMC Master Plan* included construction of a new 5-story - 165,000 square foot medical office building and a new, 738-stall parking garage. The parking garage is proposed to be 4 stories tall (or 5 decks above ground with parking on the roof) at a maximum of 56'-6" above ground at the Manila side of the building, or 51' above ground along Broadway. It would also have 2 decks of parking below ground. The ground floor of this parking garage along Broadway is planned for immediate use as retail space. The actual demand for parking that is associated with the adjacent West Broadway Medical Office Building is approximately 438 spaces. The proposed parking garage has been designed to accommodate more parking than the adjacent medical building on Broadway requires (by about 262 spaces) because the design for the parking garage also accommodates a temporary need for additional campus-wide parking between Phase 1 and completion of Phase 2.

Kaiser has proposed this parking garage in order to accommodate 100% of its parking demand, throughout the full construction period, on-site. They have expressed concern that without this parking garage it is likely that Kaiser's staff, patients and visitors will seek parking in the surrounding residential neighborhoods, making the current residential parking problem even worse than it is today.

**Staff Recommendation:** Staff acknowledges Kaiser's recent Master Plan revisions to remove the 34-space surface parking lot on Manila, and to program ground-floor retail use into the design of the parking structure from the outset. These changes will greatly increase the potential to enliven the street front and provide an active pedestrian environment along Broadway, and reduce neighborhood conflicts. However, staff still believes that the parking garage is still too tall and too big to appropriately fit within the context of the adjacent neighborhood. We therefore recommend that the Master Plan be revised to further reduce the size and height of the parking garage associated with the Phase 1 West Broadway Medical Office Building, as follows:

***Principle 7.2:*** Final design of the medical office building and parking garage should be determined pursuant to Design Review for Phase 1 of the Master Plan, in consideration of the following design guidelines:

Guideline 7.2.1: At a minimum, any parking facility shall be capable of meeting the parking needs associated with the programmed use of the 165,000 square foot West Broadway Medical Office Building (estimated at approximately 438 spaces).

Guideline 7.2.2: Consideration shall be given to combining the design of the medical office building and the parking garage into one integrated building, with street-level retail use along as much of the Broadway frontage as possible.

Guideline 7.2.3: If a free-standing parking garage is determined acceptable during Design Review, the height of any freestanding garage should be a maximum of 2 stories (3 decks above ground with rooftop parking).

Guideline 7.2.4: The design of any parking facility at this location should seek to maximize underground parking, providing no less than 3 decks below ground.

It should be noted that Kaiser's representatives have indicated quite clearly to City staff that they do not believe that an integrated building containing both medical office/service and parking under one roof is a feasible design. They have indicated that they do not believe that such a medical office building could meet their design requirement parameters.

If only the minimum number of parking spaces needed to serve the medical office building were ultimately provided, the parking facility would accommodate approximately 438 spaces (approximately 513 with valet parking). This would result in a temporary campus-wide parking shortfall of approximately 359 parking spaces until such time as other parking spaces could be constructed as part of Phase 2. A free-standing parking garage with 3 decks above ground and 3 decks below is estimated to result in a parking garage capacity of approximately 540 parking spaces (615 with valet parking). This parking supply would leave a temporary campus-wide parking shortfall of approximately 257 parking spaces until such time as other parking spaces could be constructed as part of Phase 2.

If the Commission agrees with the recommended conditions regarding the parking garage along Broadway, this revision to the Master Plan should be accompanied by the following additional Condition of Approval:

Condition of Approval #9: Final approvals for Phase 1 shall be conditioned upon implementation of an aggressive and enforceable transportation systems management/transportation demand management (TSM/TDM) program to be implemented by Kaiser and effectively monitored by the City. Kaiser shall make best faith efforts to investigate providing satellite parking, particularly between Phase 1 and completion of Phase 2 when there will be a parking shortage, and provide such parking if it is available. Free shuttle service shall bring employees between OMC and the parking facility throughout the day and with on-call service during the night. Kaiser shall report, in writing, on a monthly basis to the City of Oakland of potential satellite parking and its efforts to obtain such, starting no later than 9 months before demolition of the MB Garage. If Kaiser cannot achieve a 12.5% decrease of the baseline SOV rate before the

end of Phase 1, Kaiser shall prepare a report for City review and approval which proposes additional TDM measures to achieve the TDM goals.

### **Issue 3: Pedestrian Sky Bridges**

Kaiser has proposed to construct four overhead pedestrian bridges connecting the separate portion of the Medical Center. These bridges are proposed to be located at the following sites: 1) over the public right-of-way on Broadway, generally next to the elevated portion of I-580 and next to the existing Mosswood building; 2) over the private hospital entry, connecting the hospital to the adjacent parking garage; 3) over the public right-of-way on Broadway, between West MacArthur Boulevard and 38<sup>th</sup> Street; and 4) over the public right-of-way on West MacArthur Boulevard, between Broadway and Howe Street.

Staff has been generally predisposed against the use of sky bridges because they block existing view corridors and would decrease the likelihood for a more active pedestrian environment on the sidewalk. Staff has recommended that Kaiser reconsider the use of sky bridges and instead consider below grade or at grade connections.

Kaiser maintains that these bridges are critical to providing operational efficiency by moving patients, health care providers and other staff between the various different buildings located throughout the campus site, and that these bridges are essential to health care connectivity within the fragmented campus setting. They have also provided staff and the Commission with information supporting their position that tunnels are infeasible due to their added expense and more difficult construction. Kaiser has proposed to raise the height of the sky bridges from their original height at the 2<sup>nd</sup> floor level, to instead connect at the 3<sup>rd</sup> floor level.

**Staff Recommendation:** Staff does not have objections to the proposed sky bridge from the Mosswood Building to the new parking garage at the hospital site. Being nearly adjacent to the existing elevated portion of I-580, this bridge would not block any view and there is much less of a pedestrian environment at the street level at this location. Staff is also not opposed to the bridge between the parking garage and the hospital. This bridge is in the middle of Kaiser's site, would not block any view not currently obstructed by the M/B Center, and is not along a public right-of-way or in a public pedestrian environment. Staff recommends that these bridges be permitted under the new KX zoning district provisions, but that the design and final location of these two bridges be determined during the Design Review process for the new hospital. The two other proposed pedestrian sky bridges over the public right of way are not needed until the completion of Phase 3 (year 2020). Staff recommends that no determination regarding these two bridges needs to be made now. Instead, the need for, and final design and final location of these two additional sky bridges should be determined during the Design Review process and pursuant to Conditional Use permits during Phase 3.

This recommendation is consistent with the current text of the proposed Kaiser Zoning Code, Section 16.XX.160.

### **Issue 4: TDM / Parking Management**

The Kaiser EIR includes a mitigation measure requiring that Kaiser's existing Transportation Demand Management (TDM) program be expanded to include more aggressive TDM measures that would encourage more of Kaiser's employees to switch from driving alone to other modes. The goals of this

measure include: a) demonstrating how Kaiser employees' current mode split can be achieved in the future; b) further reducing vehicle trips thereby reducing impacts on air quality and traffic congestion; c) reducing parking demand and thereby lessen parking impacts on the adjacent neighborhoods; d) promoting the City's "Transit First" policy for urban transportation; and e) achieving quality urban design objectives for less obtrusive, less massive parking structures.

Kaiser has prepared a TSM/TDM Plan that has been independently reviewed by the City and its consultant (Nelson\Nygaard). This aggressive TDM Plan includes a guaranteed (but finite) list of transit improvements that Kaiser will implement. These improvements and TDM components are specifically designed to achieve a minimum mode-split of 23.7%, with an expected increase in mode split of 1% to 3% per year. However, Kaiser's proposed TDM plan does not include any provisions for future re-evaluation and revisions as may be necessary to actually achieve the TDM goals. It is, in essence, a large one-time commitment with no guarantee of continuing success over time.

**Staff Recommendation:** Staff appreciates the substantial financial commitment that Kaiser has offered in their proposed TDM program. Staff also understands Kaiser's desire to establish a definitive scope for this program that does not leave the future of this program open-ended and uncertain. However, staff also believes that the state-of-the-art in TDM efforts is not so precise as to promise any quantitative results. Therefore, staff recommends the following TDM program, which is part of the Mitigation Monitoring and Reporting Program and Conditions of Approval:

Mitigation Measure B.1a: The City adopts as the Transportation Demand Management (TDM) program the recommendations made in the May 2006 Nelson/Nygaard Consulting Associates report entitled *Kaiser Oakland TDM Recommendations* [Exhibit A to the Final EIR]. As detailed in the *TDM Recommendations* report, the TDM program:

- a) contains certain TDM goals and specific travel mode-split goals,
- b) describes the current Kaiser TDM program and their current (Non-Single Occupancy Vehicle (SOV)) mode-split of 23.7%
- c) provides for mandatory TDM components to maintain, at a minimum, the current Non-SOV mode split of 23.7% into the future,
- d) contains goals for future, increased mode split to further achieve the TDM goals and to reduce to the maximum reasonable and feasible extent the significant and unavoidable impacts to air quality and traffic,
- e) describes mandatory components to be implemented starting in January 2007 to increase the current mode split,
- f) contains a menu of additional potential TDM components that may be implemented to further achieve TDM goals, and
- g) requires that the TDM program be funded, reported, evaluated, monitored, enforced, and revised as necessary. Specifically, the effectiveness of the program shall be regularly monitored by Kaiser's TDM coordinator/consultant and the results reported in writing to the City. If determined necessary by the City, the written monitoring reports may be peer reviewed at Kaiser's sole cost and expense. The City may require



adjustments/revisions to the TDM program to better achieve the stated TDM goals and Kaiser shall implement said adjustments /revisions.

In addition to the requirements outlined above, staff also recommends that failure to meet the TDM goals result in a potential financial penalty. Specifically, if periodic evaluation results indicate that the TDM program is not meeting the mandated performance goals, than the City would have the ability to impose a monetary penalty after a cure period. During that period, Kaiser could implement other measures to achieve the TDM goals. Kaiser has expressed strong opposition to this recommendation. They believe they are being singled out and that the City has not imposed such a requirement on any other applicant. Staff response to this concern has been threefold. First, Kaiser is the largest employer within the City of Oakland, and as noted in the Nelson/Nygaard report, the shift work and close proximity to public transit make them an ideal candidate for an intensive TDM effort. Second, the City has imposed similar requirements on other projects, notably the requirements to implement a shuttle service for both the Jack London Redevelopment Project and 16<sup>th</sup> and Wood Street Project. In addition, the 17<sup>th</sup> and Broadway Project contained a set of specific TDM measures that were secured by a ten year funding commitment. Finally, TDM is an effective tool with sufficient resources and monitoring, and the City would simply be giving Kaiser an incentive to make a greater effort prior to imposing a financial penalty. The proposed condition also contains language about the City's ability to determine that no other efforts would be feasible to achieve goals if that is what analysis and monitoring indicate over time.

#### **Issue 5: Traffic Impacts on Local Neighborhood Streets**

The proposed expansion of the Kaiser OMC will generate additional traffic in the surrounding neighborhood. The location of new buildings such as the West Broadway MSB and the Replacement Hospital may result in traffic to and from the Kaiser OMC cutting-through the adjacent residential neighborhoods and changes in the flow of traffic and increased local traffic levels can be expected as a result of the new locations of proposed parking garages and vehicle entries. The EIR provides a detailed analysis of these traffic effects. The EIR's conclusions are that, in general, the environmental impacts related to changes in local traffic patterns will not raise to the level of a CEQA-defined significant impact. However, this EIR conclusion does not mean that the City and Kaiser should not do anything about this issue.

**Staff Recommendations:** In addition to all traffic impact mitigation measures recommended in the EIR, staff recommends the following additional conditions of approval for the Master Plan and/or subsequent phases of development review, to be funded by Kaiser (monitoring, design and implementation) and subject to City review and approval:

*Condition of Approval #10: Reducing Traffic Conflicts at New Hospital.* Final design and construction for the new Replacement Hospital and parking garage shall provide for:

- a) An extended median on Main Hospital Entrance to prevent traffic exiting the M/B garage from turning left.
- b) No perpendicular parking spaces on Main Hospital Entrance; all spaces at this location shall be parallel parking spaces.
- c) Limited parking in the parking spaces on Main Hospital Entrance to 15 minutes.

- d) Entrance gates for the hospital parking garage driveway shall be on the inside the garage to reduce potential for queuing on Broadway to the degree it does not interfere with internal garage circulation.

*Condition of Approval #11: Reducing Traffic Conflicts, at Broadway MOB.* Subject to City review and approval, final design and construction for the parking facility associated with the new Broadway medical office building shall provide for:

- a) Safe and efficient vehicular and pedestrian movements at the Broadway entrance.
- b) Entrance gates for the West Broadway parking garage on Broadway shall be inside the garage to reduce potential for queuing on Broadway.
- c) The 38th Street driveway for West Broadway garage shall be limited to employees only.

*Condition of Approval #12: Reducing Traffic conflicts on Manila Avenue and Shafter Avenue.* Extend the existing median on MacArthur Boulevard at the intersections with Shafter Avenue and Manila Avenue to eliminate left turns to and from these roadways.

- a) Kaiser shall monitor traffic volumes and speeds on Manila Avenue and Shafter Avenue between MacArthur Boulevard and 38<sup>th</sup> Street after the West Broadway MSB and Garage are in full operation.
- b) In consultation with local residents, and in accordance with all legal requirements, appropriate traffic calming measures, such as speed humps, or roadway closures, should be considered if and when excessive traffic volumes or speeding are observed. If approved by the City, Kaiser shall fund the improvements.
- c) Install signage on major roadways in the area to direct patients/visitors to the appropriate Kaiser parking facilities. If approved by the City, Kaiser shall fund the improvements.

*Condition of Approval #13: Reducing Traffic Conflicts on Richmond Boulevard Neighborhoods.* Extend the existing median on MacArthur Boulevard at this intersection to eliminate left turns from westbound MacArthur Boulevard to Richmond Boulevard to prohibit hospital traffic from using residential streets in this neighborhood.

- a) Kaiser shall regularly monitor traffic volumes and speeds on Richmond Boulevard and Westall Avenue after the Replacement Hospital is in full operation and shall also provide written reports to the city, prepared by a qualified traffic engineer.
- b) In consultation with local residents and in accordance with all legal requirements, appropriate traffic calming measures such as speed humps or roadway closures should be considered if and when excessive traffic volumes or speeding are observed. If approved by the City, Kaiser shall fund the improvements.

- c) Install signage on major roadways in the area to direct patients/visitors to the appropriate Kaiser parking facilities. If approved by the City, Kaiser shall fund the improvements.

*Condition of Approval #16: Residential Parking Permits.* Kaiser shall work with the City of Oakland to implement a Residential Parking Permit (RPP) or Residential Parking Benefits Assessment District program in the residential neighborhoods west of Broadway, north of MacArthur Boulevard, east of Piedmont Avenue and south of 42<sup>nd</sup> Street, including the Richmond neighborhood immediately east of the Phase 2 hospital site. The RPP restricts on-street parking by non-residents to less than two hours during the weekdays. The RPPs shall be implemented before the demolition of the M\B Center parking garage. Kaiser shall pay the costs of establishing the RPP program as well as the annual permit fee for each residence.

*Condition of Approval #17: Signage.* Install signage on major roadways in the area to direct patients/visitors to the appropriate Kaiser parking facilities. If approved by the City Kaiser shall fund the improvements.

### **Issue 6: Howe Street Closure**

Throughout the Kaiser OMC Master Plan process, many residents and business owners from the Piedmont Avenue/ Howe Street area have requested that the City and Kaiser consider the closure of Howe Street between MacArthur Boulevard and 38<sup>th</sup> Street. Reasons for considering such a change include reducing the amount of cut-through traffic on residential portions of Howe Street, reducing in-and-out traffic from the Piedmont/Howe Street garage through the residential neighborhood, increasing pedestrian safety, and as good urban design for the Phase 3 portion of the OMC campus. Closure of this street has never been part of Kaiser's Master Plan, but they have expressed no strong opposition to the idea either.

The closure of Howe Street was evaluated in the EIR as a traffic calming measure. The EIR traffic analysis found that closure of Howe Street would result in traffic from the Howe Street Garage and other Kaiser uses that currently travel to and from the north on Howe Street would instead divert to MacArthur Boulevard, Broadway or Piedmont Avenue. The closure would also result in traffic from residential neighborhoods north of the Kaiser Medical Center traveling to and from the south to divert to 40th Street and Broadway or Piedmont Avenue. The implications of this traffic re-routing include:

- Partial or full closure of Howe Street would reduce cut-through traffic on the residential portions of Howe Street just north of the existing Kaiser Hospital.
- Closure of northbound Howe Street would significantly impact traffic at the side-street stop-controlled Piedmont Avenue/40th Street intersection, although this intersection is expected to operate at LOS E conditions anyway. This impact can be mitigated with installation of a traffic signal at Piedmont/40<sup>th</sup> Street.
- Full or partial closure of Howe Street would further degrade traffic congestion at the Broadway/West MacArthur Boulevard intersection.
- Full or partial closure of southbound Howe Street would adversely affect the signalized Piedmont Avenue/West MacArthur Boulevard intersection during the AM peak hour.

- In regard to pedestrian movement, a pedestrian scramble phase is proposed at the Howe Street/West MacArthur Boulevard intersection. A pedestrian scramble is a signal phase that allows pedestrians to cross in all directions, including diagonally, at the same time, while all vehicle movements are stopped.

**Staff Recommendation:** With relocation of the hospital in Phase 2 and construction of a new Central Administration medical services building and parking lot during Phase 3, the amount of traffic (both Kaiser's traffic and cut-through traffic on Howe Street, as well as pedestrian travel) will likely change substantially from current travel patterns. The analysis included in the EIR is adequate to enable the City to consider action on this idea now; however, staff recommends the following strategy for later phases of project review:

*Condition of Approval #14:* Kaiser shall monitor traffic volumes and speeds on Howe Street just north of the Kaiser Medical Center after each phase of the project is in full operations and provide written reports to the city, prepared by a qualified traffic engineer. As part of the Phase 3 Design Review process, and in consultation with local residents and in accordance with all legal requirements, appropriate traffic calming measures such as speed humps or roadway closures should be considered. If approved by the City, Kaiser shall fund the improvements.

Staff also recommends that the Master Plan specifically reflect this idea for later phases of project review by amending the Master Plan as follows:

*Guideline 7.4.3:* Closure of Howe Street as a north-south through street should be further explored as part of future Phase 3 Design Review considerations.

## **Issue 7: Demolition of the Former Hospital**

Depending upon the final design and construction of the new replacement hospital, the majority of allowed new construction within the OMC campus will have already been completed by the end of Phase 2. According to the current Master Plan, the total amount of new space that may be constructed during both Phase 2 and Phase 3 is 1.18 million square feet of total space. Assuming that the new Replacement Hospital in Phase 2 is constructed to its maximum size of 1.12 million square feet, there is a remainder of only about 60,000 square feet of potential new space allowed under Phase 3. This scenario leaves very little incentive for Kaiser to actually implement Phase 3, including demolition of the existing hospital tower and low-rise buildings. It is possible that until such time as Kaiser felt it to be in their best interest, the existing hospital tower could be retro-fitted and used by Kaiser indefinitely as medical office uses, which are not subject to the hospital seismic safety standards of SB 1953. Further, such a scenario is opposite to what Kaiser has represented to the City and community from the beginning of this development process: that the demolition of the existing tower is a fair trade-off for being able to significantly expand facilities at the M/B Center site.

**Staff Recommendation:** To assure that the demolition of the existing hospital is an integral part of the Kaiser Master Plan as represented by Kaiser since initiating the project, staff recommends the following condition:

*Condition of Approval #8:* Prior to issuance of Design Review approvals for Phase 2, Kaiser shall provide to the City of Oakland adequate assurances that Kaiser has sufficient

financial resources to completely demolish the existing Hospital (Tower and Podium level), and completely clear and landscape the site, within thirty-six months of completion of Phase 2. This plan must include appropriate financial guarantees assuring faithful performance, such as corporate guaranty from a corporate entity with a net worth of at least \$2 billion or an Irrevocable Letter of Credit, in form and amounts which are acceptable to the City. Kaiser shall complete the demolition, site clearance and landscape beautification of the former hospital structure within the specified timeframes. The City of Oakland shall condition the issuance of a final certificate of occupancy (or its equivalent) for the parking garage serving the new hospital in Phase 2, on the actual demolition, site clearance and landscape beautification of the former hospital structure within the specified timeframes.

### **Issue 8: Maximum Phase 2**

The proposed Master Plan provides considerable flexibility for future development within Phases 2 and 3. The primary constraining factor is a combined limitation on the amount of new space that may be constructed in both phases, at a combined maximum of approximately 1.18 million square feet. The Master Plan describes two “book-end” scenarios that could occur between Phase 2 and Phase 3 developments. Under the first scenario, the maximum development potential for the new replacement hospital in Phase 2 is limited at 1.12 million square feet, leaving a remainder of 60,000 square feet of total new space that could be constructed in Phase 3 at the former hospital site. Alternatively, the second scenario provides for a maximum amount of new development at the former hospital site of 223,000 square feet, provided there is a corresponding reduction in the size, bulk and mass in the Phase 2 Replacement hospital to a maximum of approximately 957,000 square feet.

Under either of the scenarios the amount of hospital and hospital-related medical service space at the new hospital site would increase substantially. The current hospital, including its tower, contains approximately 420,000 square feet of space. A new hospital of either 957,000 square feet or 1.12 million square feet would represent a substantial increase in total hospital and directly connected medical office space.

However, the relative differences between the resulting Phase 3 developments would be more significant.

- Under the first scenario, a 60,000 square foot building on this approximately 6-acre site would be a very small structure occupying perhaps less than 10% of the site area at 3 stories tall. The remainder of the site, likely more than 5 acres, would be paved as a surface parking lot.
- Under the second scenario the Phase 3 development would be much more substantial, perhaps a 4-story building with primary facades fronting on both MacArthur Boulevard and Broadway, with an associated parking structure.

**Staff Recommendation:** Kaiser’s architects have explained to staff that a phase-driven construction process eventually results in an “empty chair” at the end of that process, when all existing uses have been relocated into new space and the last step is essentially the take-down of the final existing building. The flexibility of the proposed Master Plan leaves the potential for an “empty chair” represented by a 60,000 square foot building on a 6-acre site. This would be a substantial underutilization of the important and valuable corner along MacArthur Boulevard between Broadway and Howe Street. Instead, redevelopment of this site should be better

integrated into the more densely developed urban fabric of the surrounding area. Staff recommends that the flexibility of the proposed Master Plan be made more specific as to Phases 2 and 3 by amending the Master Plan as follows:

Revise the Master Plan as indicated on *Attachment A* to limit new construction at the Phase 2 site (the new hospital) to a maximum of 957,000 square feet, not including parking structures. An additional maximum of 50,000 square feet of space comprising only mechanical floors inside the hospital is exempt from this space limitation and from the total limitation of 1.78 million square feet campus-wide. This limitation on Phase 2 would cap the potential development at the Phase 3 site at approximately 223,000 square feet.

This revision to the Master Plan would still enable construction in Phase 2 of more than twice the amount of space than is in the current hospital, and would enable Kaiser to retain considerable flexibility in how they ultimately design and program that Phase 2 space. The amount of potential new construction remaining in Phase 3 is likely enough to motivate Kaiser to follow-up with their Phase 3 efforts shortly following completion of Phase 2.

### **Issue 9: Piedmont/Howe Street Garage**

Throughout much of the public process for this project, community members have pointed to the existing Kaiser parking garage on Piedmont Avenue and Howe Street as an example of poor, outmoded urban design, creating a dead space at the end of the otherwise thriving Piedmont Avenue commercial corridor. They have requested that the City and Kaiser not develop any plan that would enable another similarly-designed parking garage, and have requested Kaiser to consider means by which to improve the appearance of this existing structure.

**Staff Recommendation:** Given the extent of discretionary approvals sought by Kaiser to implement their Master Plan for the OMC campus, staff believes it is reasonable to require Kaiser to expand the scope of their improvements beyond the identified Phase 1 through 3 buildings. Staff recommends the following condition of approval:

*Condition of Approval #18:* Prior to issuance of permits for Phase 2, Kaiser shall submit improvement plans for the existing Piedmont Avenue/Howe Street parking garage. Such improvements may include, but are not limited to landscaping and streetscape enhancements, façade beautification improvements and adding retail space into the ground floor subject to a physical feasibility analysis for such a use. All identified improvements shall be subject to additional Design Review and shall be completed prior to occupancy of Phase 2.

### **Issue 10: Revisions to Zoning District and Master Plan**

In addition to the Master Plan and KX zoning text revisions recommended by staff above, there are a number of minor edits, changes and revisions to the proposed Master Plan and KX Zone. All changes are shown in redline/strikeout format in the attached Master Plan and Zoning Code (Attachments A and B) and can be summarized as follows:

- Revisions to both the Master Plan and KX Zone to account for the recommended maximum development potential of Phases 2 and 3 (from above)
- Adding consideration of the closure of Howe Street as a potential Master Plan design guideline for Phase 3
- Reducing the size and height of the parking garage associated with the Phase 1 West Broadway Medical Office Building
- Modifications to the proposed KX-4 zoning district applicable to homes along Manila Avenue to clarify the intent to retain these properties as single family homes

A brief summary comparison of the proposed KX zoning district to the currently applicable zoning provisions of the S-1, C-40, R-50 and R-70 zoning districts is provided as **Attachment F**.

#### Termination of the 1992 Contract Rezoning Agreement

In March 1992, the City and Kaiser entered into a Rezoning Agreement (authorized by Ordinance No. 11361 C.M.S., adopted July 30, 1991) for certain properties located at 38<sup>th</sup> Street at Cerrito Avenue, in order to facilitate construction of a Medical Office Building. The Medical Office Building has long since been completed. If adopted, the proposed KX Zoning District and related Master Plan render the balance of Rezoning Agreement superfluous. Therefore, it is recommended that the Rezoning Agreement be terminated.

#### **STAFF RECOMMENDATIONS AND NEXT STEPS**

Staff believes that the proposed project will be a substantial benefit to the City of Oakland. It will provide a new, modern state-of-the art health care facility along with expanded and improved medical services and facilities. Staff also acknowledges that the project will result in significant and unavoidable environmental impacts related to traffic congestion and air quality emissions. As discussed in the attached Statement of Overriding Considerations, staff believes that the benefits of the project outweigh the adverse impacts of the project due to the need for a state of the art health care facility to serve the needs of Oakland citizens and the surrounding area. Therefore, staff recommends that the Planning Commission:

1. Adopt the CEQA findings for the Kaiser Permanente Oakland Medical Center Master Plan, which include certification of the EIR, rejection of alternatives as infeasible (except for Alternative #3), and a Statement of Overriding Considerations; and
2. Recommend that the Oakland City Council/Redevelopment Agency approve the General Plan Amendment, approve the Broadway / MacArthur / San Pablo Redevelopment Plan Amendment, approve the new Kaiser Permanente Oakland Medical Center (KX) Zoning District, approve the Kaiser Permanente Oakland Medical Center Campus Master Plan, and terminate the 1992 contract rezoning, subject to the attached conditions of approval/Mitigation Monitoring and Reporting Program.

**Next Steps**

Assuming that the Planning Commission takes these actions, the next major steps involved in the planning process for the Kaiser Medical Center Master Plan project include:

- June 13, 2006 – Oakland City Council Community and Economic Development Committee consideration of certification of Kaiser OMC Master Plan EIR, consider project approvals including General Plan Amendment, Redevelopment Plan Amendment, Rezoning and Master Plan approval.
- June 27, 2006 – Special City Council/Redevelopment Agency Public Hearing, consider certification of Kaiser OMC Master Plan EIR, consider project approvals including General Plan Amendment, Redevelopment Plan Amendment, Rezoning and Master Plan approval.
- June 28, 2006 (Tentative) – Planning Commission Design Review Committee hearing, Phase 1 design of the Broadway MOB and parking garage
- July 18, 2006 (Tentative) - City Council Public Hearing, to consider the second reading of ordinances for Rezoning and Redevelopment Plan Amendment.

Approved for forwarding to the  
City Planning Commission:

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**Contract Planner**

Figures:

- OMC-1: Kaiser OMC Master Plan Boundaries
- OMC-5: Kaiser OMC KX Zoning Districts
- OMC-6: Three-dimensional View of Kaiser OMC Master Plan
- OMC-12: Kaiser OMC Master Plan/Landscape Plan

Attachments:

- A. Kaiser Permanente Oakland Medical Center Campus Master Plan



- B. Kaiser Permanente Oakland Medical Center (KX) Zoning District
- C. Kaiser Permanente Oakland Medical Center Campus Master Plan Project EIR, Conditions of Approval / Mitigation Monitoring and Reporting Program
- D. CEQA Findings, including a Statement of Overriding Considerations
- E. Summary Comparison of proposed KX Zoning
- F. Maps