



PLANNING COMMISSION MINUTES

August 22, 2011

7:00 p.m.

City Council Chambers

701 Laurel Street, Menlo Park, CA 94025

Teleconference with participation by Commissioner Kadvany from:
59 Windmill Lane
Amagansett, NY 11930
(Posted: August 18, 2011)

CALL TO ORDER – 7:00 p.m.

ROLL CALL – Bressler (Chair), Eiref, Ferrick (Vice Chair), Kadvany, O'Malley, Riggs, Yu

INTRODUCTION OF STAFF – Deanna Chow, Senior Planner; Arlinda Heineck, Community Development Director; Kyle Perata, Assistant Planner; Thomas Rogers, Associate Planner

A. REPORTS AND ANNOUNCEMENTS

1. Update on Pending Planning Items

- A. Appeal of Planning Commission's denial of Walgreens' use permit application for the off-sale of beer and wine at 643 Santa Cruz Avenue – August 23, 2011 City Council meeting
- B. Three-Party Cooley Landing Agreement – August 23, 2011 City Council meeting

Planner Chow had no additional comments on the two items listed.

B. PUBLIC COMMENTS

There was none.

C. CONSENT

1. **Architectural Control/Teresa Marks/2180 Sand Hill Road**: Request for architectural control for exterior modifications, including the addition of 180 square feet of gross floor area to the ground floor, of an existing four-story commercial building, located in the C-1(X) (Administrative and Professional, Restrictive; Conditional Development) zoning district. The proposed expansion would be located within the existing overhang of the second floor.

Commission Action: M/S Riggs/Bressler to approve.

1. Adopt a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (CEQA) Guidelines.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
3. Approve the architectural control request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Tecta Associates, consisting of ten plan sheets, dated received by the Planning Division on August 16, 2011, and approved by the Planning Commission on August 22, 2011, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.

- b. Prior to building permit issuance, the applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, San Mateo County Health Department, and utility company's regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
4. Approve the architectural control request subject to the following **project-specific** conditions of approval:
- a. Prior to building permit issuance, the applicant shall pay a Traffic Impact Fee (TIF) at an office rate of \$4.10 per square foot of net new gross floor area (180 square feet), subject to the Municipal Code Section 13.26. The fee rate is subject to change annually on July 1 and the final calculation will be based upon the rate at the time of fee payment. The TIF rate is adjusted each year based on the ENR Construction Cost Index percentage change for San Francisco.
 - b. Prior to building permit issuance, the applicant shall remove the existing accessory structure, subject to review and approval by the Planning Division.
 - c. The applicant shall maintain a minimum of 219 off-street parking spaces, of which 30 parking spaces are in landscape reserve. Should landscape reserve parking stalls be needed in the future, either the applicant or the City may make a request, subject to review and approval of the Planning Division.

Motion carried 7-0.

2. **Approval of minutes from the July 21, 2011 Planning Commission meeting.**
3. **Approval of minutes from the July 25, 2011 Planning Commission meeting.**

Commission Action: M/S Riggs/Bressler to approve the consent calendar with changes to the July 21 and 25, 2011 meeting minutes provided by email to staff.

Motion carried 7-0.

D. PUBLIC HEARING

1. **El Camino Real/Downtown Specific Plan - Review of Draft Specific Plan: Meeting 5 – Review/Wrap-up:** The Planning Commission will conclude its multi-meeting review of the Draft Specific Plan. The intent of the overall review is for the Commission to provide clear and specific recommendations on potential improvements and refinements to the draft plan, for the future consideration of the City Council.

Planner Rogers said there was correspondence received after the publication of the staff report that had been copied and provided to the Commission and to the public at the information table. He said preliminary recommendations on the Specific Plan were presented in Attachment A and noted one typographical error on page A4, building height recommendation, and that it should cite ECR-NE and ECR-NE-R rather than ECR-NE-L. He asked that the Commission review all of the recommendations and see if there were changes or additions that should be made. He said there was some discussion about extending recommendations over different geographic Plan areas such as parking and senior housing. He said the Fiscal Impact Analysis Report (FIA) for the Plan was released the past week and projected \$2.2 million of general fund net revenue and with the majority or 60% of that revenue being Transient Occupancy Tax (TOT) from hotel room tax. He said operations and maintenance for parking garages would be greatly more expensive than for current parking plaza structures. He said timing of hotel and garage elements were significant and would drive the highest revenue and costs which could affect overall performance of the Plan area but in most scenarios it was indicated the performance would be mostly positive. He said there was however one scenario in which no hotels were built and both parking garages built with no changes in parking fees that could create a deficit.

Planner Rogers said the FIA was supplemented by an analysis of special districts. He said in particular that the Menlo Park Fire Protection District found that the cost related to the Plan should be covered by a combination of the property tax increases and the pending fire service development impact fee for no net fiscal impact. He said for the elementary and secondary school districts the FIA used the EIR assumptions that relied on elementary district projections through 2019 based on birth rate and current enrollment. He said that finds that the Plan housing unit development and subsequent student growth would happen concurrently with partly reduced student generation rates

from the City's existing housing stock within City school districts which would project annual surpluses to both school districts through that maximum analysis timeframe. He said all other districts would see surpluses of varying degrees although the County Office of Education would be projected to have an annual fiscal deficit of \$13,800 because of the property tax rate as well as costs in terms of service population.

Public Comment: Mr. Maurice Shiu, City of Menlo Park Transportation Commission, said that his Commission considered the transportation component of the Specific Plan at three meetings. He said the Transportation Commission voted to recommend that the City Council approve the Specific Plan. He noted that the Commission also had a number of concerns related to the implementation of the transportation components of the Plan, including:

- Coordinating the construction of the parking garages which are typically large structures with development that would occur in a more piecemeal fashion;
- Questioning, for El Camino Real which is the most congested main artery in the City, how to balance traffic flow with the desire for a village character and that there might be a need to look at having six lanes of traffic at certain times of the day;
- Implementing improvements at El Camino Real and Ravenswood Avenue as it is such a congested intersection;
- Looking in more detail at certain improvements cited in the Plan such as the Chestnut Paseo and parking garage access points; and
- Doing trial implementation of some features before money was spent to make the features permanent.

Mr. Shiu said the last bullet point needed some explanation. He said in 2006 the Federal Highway Administration approved 100 changes to the Manual of Uniform Traffic Control Devices and the State then adopted all of the changes except four or five of the changes. He said the ones not adopted by the State might be important for the implementation of the Plan. In the example he provided, the State intersection designs require a pedestrian travel speed of four feet per second but the Federal Highway Administration recommended three feet per second based on an aging population, which would add a lot of time to the signal. He said Menlo Park with its demographics should consider adopting the Federal standard leading to the Transportation Commission's recommendation for the Specific Plan to include a policy on older American mobility.

Chair Bressler said the Planning Commission had discussed trial implementation along Santa Cruz Avenue and asked if the Transportation Commission had other areas for which it was recommending the same.

Mr. Shiu said the Transportation Commission had not specified other areas but saw their role as another set of hands and eyes when the Plan was implemented.

Chair Bressler asked if the Transportation Commission's recommendations would go to the City Council. Planner Rogers said those would be forwarded directly to the City Council.

Ms. Sramana Mitra, Menlo Park, said she had lived in Menlo Park for about eight years and would like to live here for another 20 to 30 years, but she would like Menlo Park to be a far more exciting place than it is today. She said the City would see change whether they planned for it or not and how it evolved was how they planned for it, noting that Facebook would move into Menlo Park and go public in a year. She said she was a serial entrepreneur and was working on her fourth startup company. She said she was involved with One Million By One Million, the goal of which was to help one million entrepreneurs reach one million dollars in revenue by 2020. She said with Facebook and its IPO that the City was going to see a tremendous amount of energy with entrepreneurial innovation, lots of young people and money. She said however that the young people and angel investors were electing to live and work in San Francisco and would continue to do so unless an interesting downtown was created in Menlo Park. She said she would like to see synergy and culture happen in Menlo Park noting that no other downtown in Silicon Valley had an emphasis on culture. She said this was an opportunity for Menlo Park to do something interesting such as jazz clubs, theater, music and good restaurants. She said the village needed to be sophisticated, not drab and boring with outdated architecture, amenities, and offerings. She said there was a need for a sophisticated and interesting downtown that preserved village character and green concepts important for this generation.

Mr. Dominique Trempont, Menlo Park, said he had lived in Menlo Park for over 20 years and had worked in Silicon Valley for 25 years as a CEO of several companies. He said he has connections with CEOs of venture capital firms who have left Menlo Park to go to San Francisco because the entrepreneurs were going there to start companies. He said he would like to counter this movement and keep entrepreneurs and venture capitalists in Menlo Park. He said in some ways Menlo Park was the capital of Silicon Valley and he would like to insure it remained so and it was in that respect that he supported the Downtown Specific Plan.

Mr. Bernardo Urquieta, San Francisco, said he was an architect and had done work previously in Menlo Park. He said he has talked with friends in Menlo Park about what Menlo Park needed and studied the Specific Plan. He said they met with City officials to lend their support of the Plan and he wanted to congratulate the City on a bold Plan. He said the Plan had great scale and would create a vibrant place. He said as noted by a prior speaker that there were tremendous forces gathering that would impact Menlo Park. He said from his point of view as an architect that a specific plan needed to be distinct, unique and reflect what was proper for Menlo Park. He said the Plan had great connectivity and would support public transportation. He said the scale would change with Facebook moving to the City and the young people associated with that would have a great impact on the City. He said it was great the Plan was sustainable and that

it was human. He said the resultant development would need to be beautiful to make it memorable.

Mr. Vikrant Mathur said he was a small business owner and entrepreneur startup company located on Haven Avenue. He said Menlo Park was losing its image as a hub of entrepreneurship, innovation, and exciting and fun companies. He said most of the startup companies he hears about are in Palo Alto or San Francisco. He said from an entrepreneurship perspective, the loss in image was a shame because the City had much to offer. He said half of his workforce lived in San Francisco and feel Menlo Park was the most boring place to work. He said these employees who were in their 20s and 30s would never consider living in Menlo Park as they were single and could find nothing to do post-work in the City.

Ms. Gail Sredanovic, Menlo Park, asked that the Commission reconsider and remedy serious deficits in the Plan in regard to bike improvements. She said a good bike network was needed to get people out of their cars. She said another deficit of the Plan was that there was no discussion of second living units, which would be a good way to meet the City's housing plans. She said she had been part of the Alameda Streetscape project and that the project started with residents identifying goals. She said they did not have a room of architects or pricey drawings. She said they started with people and listened to their merchants and did not eliminate any parking. She said they also pursued better bike lanes. She urged the Commission to support getting people out of their cars not by replacing parking but by making it convenient, easy and cheap to get out of the cars with bike lanes and easy transportation. She questioned how the various improvements would be financed and opportunities for better transportation and whether that would be free. She said she did not see how building over parking lots and building hotels would make Menlo Park exciting or sophisticated. She suggested that if people wanted sophistication and excitement then they probably would want to be in a major city. She said eliminating neighborhood serving businesses, which the Plan quite predictably would do because of the elimination of parking, would increase the overall greenhouse footprint because people who really need their cars such as seniors, disabled persons, mothers with children, and people in a hurry would drive elsewhere to accomplish their daily errands. She said it was really important to listen to the needs of merchants and to all residents not just millionaires.

Chair Bressler called Mr. Peter Mason, who did not appear to speak.

Mr. Mike Harding, Menlo Park, said he was a member of the Bicycle Commission but was speaking for himself. He said he would like to see the Plan continue. He said there were bicycle improvements that were already in planning such as shared lane arrows on University Avenue and the east-west streets. He said the idea of replacing parking with Class II bike lanes on Oak Grove Avenue was a very good idea. He said there had been a fair amount of discussion about how to improve bicycle access on El Camino Real and while he would like to see parking give way to a Class II bike lane on El Camino Real that was probably not realistic. He suggested in the Plan to add shared

lane arrows on El Camino Real. He said a local example of this was in Redwood City between Brewster and Broadway that implemented a small piece of the Grand Boulevard Initiative created by Redwood City and noted that apparently Caltrans was quite comfortable with these type of amenities. He said shared lane arrows would at least announce to motorists that bikes belong in the lanes. He said there was a need for more bike parking than what was planned for the next two years on Santa Cruz Avenue, especially near the markets, and parking and access were particularly important for the Caltrain Station.

Chair Bressler asked if the concept of the shared lanes with arrows was part of the Bicycle Commission's recommendation to the City Council. Mr. Harding said they were currently planned for University, Oak Grove, Middle and Menlo Avenues and he was suggesting adding El Camino Real.

Mr. Sam Sinnott, Menlo Park, said he was a 31-year resident in the downtown area and a 27-year business owner in the Plan area. He stated strong support for the Plan and said he felt it was highly representative of the entire City. He said that it had been a good process and the Plan was very detail oriented. He said every plan had flaws but he hoped the Commission would not make any fundamental changes in it but only some refinements. He said as a downtown resident he has had to fight to keep staff and other people associated with downtown businesses from parking on his street all day. He said former Mayor Chuck Kinney and he had produced a conceptual plan for the parking lot on Oak Grove Avenue between Crane and Chestnut Avenues. He distributed copies of that plan to the Commission. He said this plan would use what was currently Parking Plaza 2, which in the Specific Plan was slated for elimination, to be used as a mixed use/housing site. He said the plan provided to the Commission showed that a mixed use and/or housing development could be achieved on this site and save practically all the parking. He said the conceptual plan demonstrated that parking could be provided while meeting the goals of the Specific Plan. He said he had also prepared a financial feasibility study for the project, which he could provide if wanted. He said criticism voiced against the parking garage solution downtown mainly was concerned that the distance from parking to shopping would be too far. He said this extra lot would add the convenience of another parking lot downtown with parking feasibly closer to shops, and would simplify the phasing of the construction of the parking garages while adding 90 parking spaces. He asked that the Plan be modified to add public parking on Plaza 2 in addition to mixed use.

Chair Bressler asked about building housing on a parking plaza and the ownership of that land. Mr. Sinnott said it would be an "air rights" project and said the land was currently owned by the City. He said there had been air rights projects in Palo Alto. He said the financial feasibility study he had done supported a pure Below Market Rate housing project, and if the City wanted to go that way, it could be owned by the City or a homeowner's association.

Ms. Marnie Foody, Menlo Park, said she and her family were 13 year residents. She said she also had 20 years of experience in the fields of architecture and real estate development. She encouraged the City to move forward quickly with the Plan. She said that upon first moving to Menlo Park she and her husband had thought it was great when the car dealerships had closed on El Camino Real thinking there would be a backfill plan. She said despite several expensive studies that had been done there had not been anything developed. She noted 14 or more vacant storefronts on or near Santa Cruz Avenue which was blight and said that blight only created more blight. She said the only solution was for the City to partner with developers and move forward rapidly with approving the Plan. She said she understood many developers have been interested in projects in Menlo Park but with numerous proposals being rejected by the City was gaining a reputation as anti-development and that was creating an economic down spiral. She said if the course was not reversed and the City did not move forward on the Plan, it was going to be much harder to change in the future. She noted through personal experience that developing multiple projects on this scale is very risky and that returns were very difficult to predict. She said securing funding for large projects like this was extremely difficult as the developer had to convince the lender that a reasonable profit would be made. She said new multiple use facilities adjacent to the train station and downtown made green building sense, would invigorate existing businesses, add tax dollars to City coffers and would aid the financially struggling schools. She urged the City to move forward quickly with the Plan.

Mr. Steve Elliott said he was representing Stanford University's ownership of six parcels on El Camino Real in Menlo Park. He said Stanford University was very supportive of the City's planning process and believed that the Plan would provide significant benefits to the City and a clear road map for property owners, which would encourage the redevelopment and renewal of Menlo Park. He said there were a few requirements in the Plan that would impair Stanford University's ability to redevelop their properties and realize the Plan goals due to the narrowness of the properties, which created constraints limiting site layout, building size and orientation. He said they were supportive of the need to have building breaks along El Camino Real, but were requesting that the Plan have more flexibility in the location and dimensions of the breaks. He said the Plan encouraged but did not require building breaks for the remainder of El Camino Real but required very specific building breaks for the ECR-SE district in which Stanford University's properties were located. He said this requirement created further constraints in addition to the one already created by the narrowness of the properties. He requested the elimination of the rear setback due to the narrow lot size and the fact that the properties back to the railroad tracks. He said the redevelopment of the Stanford University properties offered an excellent opportunity to dramatically increase open space along El Camino Real but that constraints of the site created more rather than less hurdles to redevelopment than other sites along El Camino Real that would have a 20% open space requirement. He said a 20% open space requirement was a realistic requirement for their sites as well. He said similarly that sustainability opportunities would not necessarily be higher for their sites and that they should not have more sustainable requirements than the rest of the Plan, which

they support. He said the definition of open space should be modified to include all landscaping and walkway areas not just those publically accessible as stated in the current definition. He said while Stanford University was a strong supporter and leader in the transportation demand management area (TDM) they requested that the Plan be modified to encourage rather than require TDM programs consistent with State law. He said his comments were more specifically detailed in the letter attached with their packet. He thanked the Commission and staff for their great efforts to date.

Commissioner Riggs said Mr. Elliott had described the lots as narrow. He said the Commission had a discussion previously that the southeast segment of El Camino Real should not have the full 60 foot façade height because of the narrowness. He asked how he was defining narrow. Mr. Elliott said he was referring to the depth of the parcels to the railroad tracks noting it changed but was generally 175 feet. Commissioner Riggs said in 175 feet they could meet setbacks and if the program drove it they could do attractive architecture four to five stories and asked whether the area was too small for four to five stories. Mr. Elliott said they had not developed specific plans but had tried to test what was in the City's Specific Plan and while he thought four to five stories would work they were concerned with the rear setback being necessary as it would back to the railroad tracks. He said in general they were supportive of the wider El Camino Real sidewalk improvements and that would additionally impact the depth of the site. He said this was the narrowest area along El Camino Real and the railroad tracks in Menlo Park and that lots became wider traveling north. He said the proposed requirements would restrict building orientation, size, and dimensions.

Chair Bressler noted that Mr. Charlie Bourne had speaking time donated by Mr. Don Brawner.

Mr. Charlie Bourne, Menlo Park, said he was speaking as a resident and not as the Vice Chair of the Transportation Commission. He said he could not support the Plan as presently described because it would negatively change the look and feel of the town. He said the recent approval of several projects had already committed the City to a future of major adverse impacts on many streets and intersections. He said the associated traffic, parking and circulation issues were too severe to be counterbalanced by any positive benefits from the Plan. He said the Draft EIR made a case against approval by stating that traffic from future projects would adversely affect the operation of seven area intersections and 14 local roadway segments that would have significant adverse impacts and four intersections that would have significant and unavoidable impacts. He said there were other streets and intersections with issues as well, including Chestnut Street and Oak Grove Avenue. He said the Draft EIR proposed mitigations for each of the streets and intersections projected to have an adverse significant impact but were mostly procedures by which future developers would contribute financing proportional to the relative effects of their projects on streets and intersections, and the eventual collection from several other projects that impacted the streets or intersections. He said this might lead to years of significant problems before enough funding had been collected to implement any mitigation. He said other

mitigation measures might be proposed that required participation and approval by outside agencies, for example Caltrans or Atherton, but if these mitigations were not entirely under Menlo Park's control then they could not be considered feasible. He said as noted in the Draft EIR that the effectiveness of a TDM program could not be guaranteed and that the impacts on roadway segments were considered to be significant and unavoidable. He said with the understanding that mitigation measures had to be certain in order to be considered that he had taken the conservative approach assuming that none of the impacted intersections would be effectively mitigated. He said the Plan proposed a reduction in parking requirements and those reduced requirements had not been separately reviewed and approved by the Commission or Council but would be accepted by default if the City approved the Plan. He said the proposed change in parking ratios should have a separate formal review on its own merits. He said there were parking issues at Wells Fargo, Trader Joe's, Draeger's and pocket parks. He said the Plan assumed that the availability of new parking structures would accommodate the need for more parking associated with new downtown housing and business. He said implicit in that assumption was the accompanying assumption that the new parking availability from one or more parking structures would track closely with new demands for parking spaces, which was unlikely. He said it was probable that the parking demand would grow faster than any construction of a parking structure to mitigate problems. He said the Plan did little to improve east-west bike connectivity although this was a community goal. He noted that the crossing of the railroad tracks was dependent upon high speed rail and other future events that were uncertain and not under the City's control. He said there was much discussion in the Plan about hotels and housing but he wanted to point out that the addition of hotels by themselves instead of adopting the whole Plan would be a much better idea. He suggested that quiet asphalt be used on all streets impacted by future projects to mitigate the increased noise from increased traffic. He said his biggest concern was with the cumulative analysis because the Draft EIR gave no weight to the simultaneous development of other major projects with heavy traffic operating over the same time span as the Plan. He said there were a number of things missing from the cumulative analysis of the draft EIR including Stanford Medical Center, VMware, Westin, Sheraton, Hillview building construction, Bohannon project, Rosewood Hotel, High Speed Rail and Facebook. He said while it could be argued that under CEQA these projects were not required to be included this could be relevant in a legal challenge. He said he did not think any of the proposed mitigation measures would be implemented. He said even with a conservative approach the Draft EIR concluded because of cumulative conditions that the project impacts at local intersections would be considerable and result in significant and unavoidable impacts to streets, roadways, intersections and routes of regional significance. He said that traffic on five separate streets had been analyzed separately in three different EIRs and judged to have significant adverse impact. He noted that of the streets studied in the EIR, 40 road segments and 19 intersections were found to have significant cumulative adverse impacts. He said from actions of the City Councils of Palo Alto and Menlo Park that the City had already committed to impacts on 27 street segments and 11 intersections through approvals of other projects. He said if the Plan was approved as specified the City would have committed to significant adverse

impacts on 19 intersections and 40 street segments. He said if the Plan moved forward the City would use up all available traffic capacity for other projects.

Mr. John Hickson said he was representing the Menlo Park Lions Club, sponsors of the Farmer's Market. He noted that the proposed removal of 32 parking spaces in Plaza 6 would have a significant impact on the Farmer's Market as this space was a large piece of the Farmer's Market area. He said removing it would disrupt the layout and smooth running of the Market. He said he understood that the Planning Commission recognized this impact and was recommending closing off a smaller area. He said Commissioner Kadvany's slides shown on July 28 indicated that any food vendors, kiosks or food trucks that would be brought in would be located in Plaza 7 behind Trader Joe's. He said this was very important to the Lions Club as this would separate those food vendors from the Farmer's Market by Chestnut Street. He said they have consistently held that they did not want hot food vendors mingling with the Market which would happen if the vendors were located in Plaza 6. He said the Lions Club paid considerable fees every year to both the state and county for their inspectors to check their farmers' products, noting that most of them farmed organic produce. He said they wanted to maintain the Market for fresh produce and would prefer no marketplace or closing of Chestnut Street. He said if that did occur and Chestnut Street was partially closed for a paseo and the food vendors were only allowed in Plaza 7 they questioned whether there was any need for a structure in Plaza 6. He said they hoped the Council would consider that as another option. He suggested that when a trial was conducted for the closing of Chestnut Street for the paseo and marketplace that rather than do that just Saturday and Sunday that it be done all week to test the overall impacts on the downtown and Farmer's Market.

Ms. Adina Levin said she had been a Menlo Park resident for five years, a member of the Green Ribbon Citizen's Committee (GRCC) and the Environmental Quality Commission. She said she was speaking as an individual but would also report on some GRCC activity pertaining to the evaluation of the Plan. She said a recent GRCC event had gathered more than 25 people to talk about the Plan specifically from a climate change perspective. She reported that while the GRCC was not yet ready to take a specific position she wanted to report on a few of the things that came out of that discussion noting there was a longer list in the email she had sent, which was included in the Commission's packet. She said one of the items was that the EIR was commissioned to look at climate impact from a local perspective but it was important to look at that from a regional perspective. She said under SB375 the City's Plan area was one of the priority development areas targeted for some of the infill development that would help prevent development sprawling in other areas like Tracy. She encouraged the City to consider regional impacts and that there was potentially data from ABAG and MTC to use. She noted that the Bicycle Commission had agreed to recommend to the City Council to do further analysis from a bike and pedestrian perspective, which was a good idea and suggested the discussion occur. She said regarding Caltrans and its openness about making bike and pedestrian improvements that with the Grand Boulevard Initiative they were more open and have staff dedicated

to work with other agencies on such improvements. She said she differed with one speaker who had indicated that traffic impacts could not be mitigated. She said in Palo Alto for example over the last decade the number of students walking and biking to school had doubled and was currently 50%. She said this occurred because of Palo Alto's concerted efforts to make pedestrian and bicycle amenities. She suggested that there be more analysis of possible traffic impact mitigations as she believed that traffic impacts could be mitigated by improvements to bike, pedestrian and transit access and service.

Ms. Jo Eggers, Menlo Park business owner, asked whether there was enough parking downtown and whether it was accessible. She said a previous speaker had presented a plan for Plaza 2, which she believed would increase parking accessibility and indicated her support for that as well as other parking sites. She suggested the City carefully consider the timing of the parking removal, especially in regard to the potential need for parking during the construction of garages on existing plazas and noted a possible need for on-street and accessible parking during the garage construction. She said the City should also consider the impacts of construction dust and noise on the vibrancy of downtown.

Ms. Bonnie McClure, San Carlos, said she used to live in Menlo Park and continues to shop in Menlo Park. She said she was representing the Sierra Club, Loma Prieta Chapter, and noted that the Sierra Club had already submitted comments on the Plan and EIR. She said they were concerned with the Planning Commission's recommendation for reduced height in the Station Area and recommended that the façade height not be reduced. She said they supported the original façade height of 45 feet and overall height of 60 feet with upper level setbacks and suggested that the height could depend on the level of public benefit offered. She said that the Plan should be reviewed for good design, articulation and quality materials. She said they supported the recommendation to reduce residential parking ratios, noting that many seniors and young people do not need two cars, and for parking approaches that used unbundled parking and shared cars. She said she preferred mixed age housing projects.

Ms. Patti Fry, Menlo Park, noted that change was coming to the City and planning was beneficial to insure a good yield. She said that when this effort began the City lacked a plan for the future and there were vacancies on Santa Cruz Avenue and weedy and vacant lots on El Camino Real. She said over the period that this planning effort had occurred it appeared now that almost every single vacant lot on El Camino Real had an approved project although not all of the projects have been built, probably because of the economy. She said however that this Plan would not provide everything necessary to see development of those lots. She said the idea of converting a suburban area to a San Francisco type environment needed public discussion. She said the impacts of the FIA were quite disturbing even though there had not been adequate time to review the document in detail. She said the FIA demonstrates that the Plan would result in a deficit unless a hotel was constructed. She said the FIA also showed it favored office and that

retail on El Camino Real was projected to decline in square footage and as valued in the FIA that was a loss equivalent to \$2.5 million in revenue. She said the City had a deficit of housing compared to jobs and there were other approved projects that would add even more jobs, and this project would add 680 housing. She said the operating costs for the garages were substantially more than for the plazas. She suggested reducing the public benefit bonus level to the current maximum levels of allowed development since higher levels were not necessary to promote projects to come forward, that this would help favor housing and community-serving retail over office, and the public benefits could fund things that were difficult to fund. She said the Plan needed to be redefined and the City needed input from other commissions such as having the Bicycle Commission look at the issue of east-west connectivity and asking the Finance and Audit Committee to review the FIA. She said doing so might result in a better mix of uses and a Plan to support those uses. She noted distrust of the market economy and that it does not always yield a positive financial benefit.

Mr. Chuck Bernstein, Menlo Park, noted that Ms. Nancy Couperus donated her speaking time to him. He said he had distributed a letter to the Commission documenting the trouble he had understanding the FIA as there were serious errors with things not adding up and wrong totals. He said he could not recreate the calculation of sales tax with there being a \$100,000 difference between his calculations and those of the consultant. He said he hoped that the FIA would be taken seriously and that he would get answers to his questions and concerns. He said his second handout showed his deconstruction of numbers from the consultants' work to try and determine how much each Plan component would contribute to or subtract from the General Fund. He said on page 1 he listed all of the assumptions which mainly were from the consultants' report. He said page 2 showed all the items from the FIA, all the components of revenue and all the components of expenditure and each column represented the various components of the Plan including market rate housing, below market rate housing, retail, commercial, hotel one, hotel two and the total. He said the total in bold numbers equaled what was in the consultants' report. He said in the left hand column was where he tried to get the consultants' numbers but he could not and showed a remainder most of which were small. He said one that was large related to the sales tax and another to the per capita revenue where he got a number using the consultants' assumptions that was twice the consultants' calculations. He said the FIA showed that the housing component was a huge loser with a loss to the General Fund of almost \$400,000 in the last year of the Plan. He noted that commercial use provided a small surplus of \$71,000 out of a total surplus of \$2.2 million. He said that housing and commercial use also carried most of the negative impacts to the City. He said retail showed a positive surplus and if his calculations were correct it was almost double what the FIA indicated. He said what carried the Plan were the hotels and he would discourage against looking at it in the aggregate and questioned why the City would carry the losses from the housing and commercial and not try for greater positive fiscal outcome. He said regarding implementation of the Plan that they should start with what was needed for the positive fiscal outcome and start with the hotels and not do anything else until a hotel was built. He said the first rule should be to do no harm but the Plan

would do harm. He said he wanted a Plan that would improve the quality of life in Menlo Park. He said some Plan elements could improve Menlo Park, but not the entire Plan. He suggested that more analysis and discussion was needed and that the Plan should not be rushed through to encourage development which development would happen anyway because of the desirability of Menlo Park. He recommended that the City take the time to do it right.

Mr. Peter Mason said he was a Town Council Member in Woodside, lived in the western hills area and was a former resident of Menlo Park. He said the Plan was a great visionary effort by the City and would create a vibrant commercial district that would attract everyone, noting he already shops in Menlo Park. He said the idea of improving the parking and making it even more convenient was a great idea and he supported an earlier speaker's plan to include Plaza 2 for parking. He said he strongly recommended moving forward with the Plan.

Chair Bressler closed the public hearing.

Commission Comment: Commissioner Riggs said the Commission had a great deal of input this evening. He asked staff if the City would be able to back check Mr. Bernstein's analysis of the FIA before the Plan went to the City Council. Planner Rogers said the letter from Mr. Bernstein that staff received at the beginning of the meeting would be reviewed and responded to prior to the item going to the City Council. He noted that staff had not received the spreadsheet and asked that either the Commission or Mr. Bernstein forward a copy to staff. He noted receipt of the spreadsheet. He said the FIA was intended as an informative document and they would respond to identified fundamental issues. He said there might be different opinions or approaches. He said the FIA was never structured as the reason to do or not to do something. He said it was intended to complement the EIR and to take into account the community's overall value preferences. Commissioner Riggs said at least in one instance it appeared there just might be a typographical error but said it would be reassuring to check.

Commissioner Riggs noted a speaker had indicated there was the likelihood of a misalignment between development that would require parking spaces and the creation of parking spaces. He asked what the City would do to insure there were not new buildings without associated parking. Planner Rogers said for the Downtown area the Plan would allow for private developments to pay for use of public parking facilities. He said page F25 of the Plan stated that would only be allowed if there were excess spaces available for private development use. He said at this time the parking use was close to capacity in the Downtown so a parking structure would have to be developed to accommodate additional off street parking for private development. He said the Plan also discussed some of the short term aspects of the public improvements and that some of the smaller changes such as the paseo, Santa Cruz plaza and sidewalks could be implemented potentially on a piecemeal basis using the current parking capacity.

Commissioner Riggs said another comment was that if a parking structure was created that would take away 100 (rounded up) parking spaces and whether the City would keep street parking available during the construction period and not do Oak Grove Avenue bike lane improvements or the paseo concurrently. Planner Rogers said with any construction project there had to be a staging plan and there were things which could be done with offsite shuttles, employee parking, signage, use of vacant sites and others. He said using current capacity would be a significant part of the staging plan.

Commissioner Riggs asked if there could be construction in the Downtown and vitality at the same time, which was a question asked by Ms. Eggers. Planner Rogers said there could be impacts from any type of building if not mitigated. He said the environmental regulations had pretty strict requirements for dust control and other issues such as noise. He said that they had to look at long term benefits and balance with mitigating the short term impacts. He said that the Plan did not specify construction staging items but the Commission could provide input on that as part of its discussion.

Commissioner Riggs said one speaker indicated it was not necessary to change zoning as all of the vacant lots along El Camino Real had approved projects. He asked if there were approved projects in the ECR-SE district. Planner Rogers said there were not but some of those properties had long term leases that had not expired and property owners were waiting to look at a comprehensive development proposal. He noted that an approved project was very different from a built project and cited the example of the developer for 1706 El Camino Real who had defaulted and the lender had claimed the property.

Commissioner Riggs said there was a comment that the Plan favored office use. Planner Rogers said one difficulty in doing a plan such as the Specific Plan was that some assumptions had to be made for the EIR and FIA. He said section C6 of the Plan, the principles, framework and program, described how there had been an analysis of opportunity sites and what individual property owners could develop on those sites under the Plan stipulations that looked at how much square footage was created and how that aligned with the Plan goals. He said it was desirable to cluster retail for its success. He said the little bit of retail along the fringes of El Camino Real was somewhat less successful than that in the downtown where retail was more clustered. He said retail was also affected by the population interested and accessible to it and office could make retail successful. He said the Plan limited office unique to any other use with FAR limited to a percentage of the maximum for any zoning district. He said the requirements favored retail more than office use. Commissioner Riggs said the key was whether the amount of office space analyzed for the EIR or FIA had applications. He asked if there was a reason to believe that the first projects under the Plan would be office. Planner Rogers said there was interest in office demonstrated in the Plan but there would be caps.

Commissioner Riggs asked about the comments to just build hotels. He said there was much fiscal analysis for the hotel at the Gateway Project and the hotel proposal

indicated its success would rely on desired nearby office square footage. Planner Rogers said the City needed an integrated approach to implement the City's goals and to accept a certain level of uncertainty.

Chair Bressler asked what would occur regarding the concerns raised about the FIA. Planner Rogers said staff would immediately review Mr. Bernstein's analysis prior to the Council's review of the Plan and that anything that could be responded to immediately would be and if there were things that required deeper analysis that would be presented to the Council for their determination as to whether to proceed or not. Chair Bressler said the City has a committee that reviewed fiscal matters and asked if it would be possible to have them review the FIA. Planner Rogers said the City has a Finance and Audit Committee that the current Mayor serves on and the first step would be to ask him about the request. He said that Committee historically has not had a role in reviewing project or plan FIAs.

Commission Action: M/S Bressler/Yu to recommend to the City Council that the City's Finance and Audit Committee review the FIA prepared for the Downtown/El Camino Real Specific Plan, and provide input to the City Council.

Commissioner O'Malley said he supported the motion but regardless of any potential errors in the FIA he believed the overall conclusions and findings would remain the same.

Commissioner Eiref said he thought it was important to do the review as he had noted inconsistencies in the FIA.

Commissioner Yu said so much of the success of the Plan depended on the financing and she would like the Committee to review it with the mind of timing, phasing, and sequencing for the success of Plan. Chair Bressler said the motion was about having the Finance and Audit Committee review the FIA and he wanted to discuss timing and phasing later in the meeting.

Motion carried 7-0.

Commissioner Kadvany said he hoped the Committee would have a good rapport with staff and not get bogged down in minutiae. He said he would appreciate if the Committee came back with a brief statement as to what they believed the purpose and value of the FIA would be to the decision making. He asked what qualified as open space noting Mr. Elliott's request for landscaping to be included. Planner Rogers said in Chapter E of the Plan the assumption was made to include private open space within the minimum requirement for open space. He said however in the appendix containing definitions of terms that open space had been defined as not including private space. He said that was an unintended inconsistency and would be clarified moving forward.

Commissioner Kadvany asked whether Mr. Elliott's request to reduce setback requirements was related to upper story setback requirements. Planner Rogers said Stanford's letter and Mr. Elliott's remarks identified a verbal clarification on the front setback and requesting elimination of the full 20-foot rear setback. He said he did not think they made any comments about the upper story setback requirements.

Commissioner Ferrick said she wanted to confirm that the Commission had already recommended shared lane arrows on El Camino Real for bicycles and were also asking the City Council to consider the feasibility of upgrading El Camino Real to a Class 2 bicycle lane at least for certain times of the commute. Planner Rogers said the Plan included Class 3 bike lanes for El Camino Real and noted that the Commission had made a recommendation to explore the feasibility of a Class 2 bike lane on El Camino Real. Commissioner Ferrick said it was great that the Bicycle Commission was going to weigh in and have more specific recommendations but she wanted to note specific Planning Commission recommendations including in addition to the items just noted the suggestion of exploring the upgrade of Middle Avenue to a Class 2 bike lane when the tunnel was constructed. She said she thought there was another recommendation but she had not found it in the minutes. She said Mr. Sinnott had suggested a potential parking garage on Oak Grove Avenue and noted the Commission had recommended exploring having a parking garage on that parking plaza (2).

Commissioner Eiref said there had been a discussion about allowing food merchants to come to the Farmer's Market and he thought that they had discussed having that along Chestnut in Parking Plaza 7. He said it had not been the intention to shut down parking to enable food vendors. He said several speakers had talked about bike improvements and he hoped that the Commission would discuss having a bike thoroughfare behind the buildings backing up to the railroad along El Camino Real similar to a bike path in the City of Palo Alto. He said there were comments about increased traffic and noted that a member of the City's Transportation Commission had spoken before the Planning Commission about how there was less traffic now than there had been 10 years ago. Planner Rogers said Commissioner Mueller, Transportation Commission, had requested traffic count information going back years and particularly for El Camino Real, and that Mr. Mueller had identified that traffic had decreased over a fifteen year period. He said it could also be interpreted that the projection of traffic increase by the Plan might be conservative as there had been projects over that 15 years that had not made significant traffic increases. Commissioner Eiref said there were comments about Proposition 13 preventing the realization of property value. He said he thought if land was redeveloped that it would be reassessed. Planner Rogers said there would be a realization of value. He said Proposition 13 broke up land value and improvement value so that if someone had owned the land continuously and then redeveloped only the improvement was assessed but if the land had a new owner and was redeveloped the assessment would be on both the land and improvement.

Chair Bressler said Ms. Fry either in her written or verbal comments had noted 680 housing units and that the number of housing units could be exceeded because of

zoning. He said that he thought that could not be exceeded. Planner Rogers said that was tied to the EIR analysis. He said page G16 of the Plan listed 680 housing units as the maximum allowable. He said staff would record the total number of housing units in the Plan area and report that to the Commission and Council. He said that they would ask the Council as limits were neared whether to amend the Plan or do some program level review. He said absent any action by the City and when development reached the caps, then any future proposal would have its own environmental review and the City had more than sufficient discretion to deny projects found to have significant and unavoidable impacts.

Chair Bressler asked if there was any control mechanism to insure that the Plan was not costing the City money as it went along or that a developer could do something by right that would end up costing the City money with no offsetting revenue. Planner Rogers said in terms of private development there was no specific fiscal test that was done but it was important to note that the only scenarios identified in the FIA that would create a deficit for the City was if no hotels were developed and if both parking garages were developed with no changes to user fees or efficient parking designs. He said the City had control over costs if not revenues. He said he did not see scenarios where private developers would do something that would cost the City money.

Commissioner O'Malley asked if neither the hotels nor parking garages were constructed whether the City would generate more revenue than expenses. Planner Rogers said he thought that was an accurate statement.

Commissioner Riggs said between the analysis and their experience in approving projects he was confident that with most construction projects the City received adequate fee payment.

Chair Bressler said one thing that arose was about building over parking garages and a reference to "air rights" and asked if that would have a public process. Planner Rogers said the Plan discussed that on page E16. He said it set up the overall process for the City to do a request for proposals requiring that the City have a parking strategy going into it, was clear on public benefits, and possibly requiring input from the prior parking plaza assessment group. Chair Bressler asked if there would be a vote to start the process. Planner Rogers said it would be an individual implementation decision after the adoption of the Plan by the City Council. He said the City in this example was the property owner.

Chair Bressler recessed the meeting for a short break.

Chair Bressler reopened the meeting.

The Commission began its consideration of recommendations to the City Council.

Commissioner Yu said she would like to discuss how to insure the City did not incur costs without balancing revenue noting the construction of parking garages and hotel(s) as referenced by Planner Rogers. Commissioner O'Malley said that the land proposed for the parking garages was owned by the City so both the Commission and Council would have overview of those projects. Planner Rogers said a goal and standard to suggest to the Council when considering whether to implement a garage was to consider the overall Plan fiscal impacts. He said that could possibly be included in Chapter G the "Implementation" section. Commissioner O'Malley said they could provide some guidance and as he recalled at a previous meeting Commissioner Riggs had done that regarding the need for at least 50% of merchants in the area for which the improvement was planned to approve the project. Commissioner Riggs noted he had recused himself during the discussion on the Downtown. Commissioner O'Malley said he recalled that when Commissioner Riggs had recused himself and made comments as an individual to the Commission that he had suggested that. Commissioner Eiref said he interpreted Commissioner Riggs' comments as an individual that the downtown merchants had to buy into any proposed parking garage plan and that it had nothing to do with fiscal soundness from the City's perspective. He said it seemed clear that any of the individual projects would have to be evaluated and that particularly the fiscal soundness of any public improvements where the City was the property owner. Chair Bressler said under the Plan there were development rights and it had been indicated these would not cost the City money because there was an FIA. He said they did not really have a fiscal analysis yet. He suggested saying that even if a project might be built by right that if it were going to negatively impact the City there had to be some mechanism by which the project could be reviewed because of the impact. Commissioner Yu said she would not want to create rules that were unenforceable but previously the Commission had made recommendations of doing things by trial or in phases but they had not made the recommendation specifically for the parking garages sequence. Commissioner Kadvany said this was an important issue but the Plan was just a planning document and its purpose was not identifying where the financing might be possible. He said if they needed to be giving the City Council this kind of advice that was a concern as fiscal responsibility for the City was with the Council, City Manager and Finance Department. Commissioner O'Malley said he agreed with Commissioner Kadvany.

Chair Bressler said it was indicated on C27 and C28 that the expenditure per capita for residential development was \$552 but for commercial per capita employee was \$90; revenue per capita for residential was \$394 and revenue per capita commercial employee was \$206. He said commercial revenue covered commercial expense but residential revenue did not cover costs. He said it indicated that building housing units would have a net negative fiscal impact on the City. Commissioner Riggs said costs for someone who worked in Menlo Park were different from someone who lived in Menlo Park as residents used services at a different level. Chair Bressler said he was asking whether this cost of services per resident should be taken into consideration as things were implemented, suggesting that the development of a hotel and its accompanying revenue might need to occur before residential development. Commissioner Riggs said

development itself was not an action of the Commission. He said the City created zoning districts to make it amenable for people to invest in Menlo Park at a rate different from what that had been for the past 25 years. He said this was a planning document and with that they could not determine what would be built first. He said it had been a year since they heard from the hotel proposer for the Gateway Project that office space was needed to augment residential to be fiscally feasible. Commissioner Kadvany said he hoped a lot of these fiscal feasibility issues would be addressed by the Finance and Audit Committee.

Commissioner Ferrick said there was a great deal of interdependency within the Plan as to development and that was not something she was interested in having the Commission try to orchestrate but she was interested in whether they needed to revisit any of the recommendations the Commission had made thus far. Chair Bressler said there was an issue before them that he wanted to put to rest before they went into discussing the recommendations.

Commissioner Yu said she was not clear about the phasing of public expenditures such as sidewalks, closing down streets, and creating a paseo versus parking structures which were a great expense. She said her fear was that the City would overbuild too fast and they would have a ghost town. She said they have made recommendations about other public improvements that would cost much less than parking structures.

Chair Bressler said the parking garages were the biggest concern expressed and it sounded like the City had discretion about if and when to build. He said the other part of Commissioner Yu's statement was what developers wanted to develop and what lenders wanted to finance. He said he did not think they should enter into that.

Commissioner Riggs said if the City wanted to have a higher quality crossing across El Camino Real it would be a significant expenditure but he hoped it was not necessary for the Commission to tell the City Council not to issue bonds and build that as there was no more income. He said the fear was because they were involved in planning that there were areas of no control. He said he did not think any Council would propose a multi-million dollar project without having financial viability.

Commissioner Kadvany said he had some questions for the Plan consultant noting at the last meeting they had closed with discussion of building height, massing, and upper story setbacks and outlined a modified version of the four to five story type building. He said he was interested in hearing the consultant's ideas about that. He said it was interesting in the draft Plan that there was a five-story maximum and three-story maximum level but no four-story maximum level. He said Alma Street was part of the Station Area and was nominally eligible for the 60-foot height but was located adjacent to residential and there was no consideration of transitioning to the neighborhood. He said the west side of Station Area also has possibility for 60-foot building heights and questioned transitioning to the downtown that is at a smaller scales. Planner Rogers

said the EIR reviewed the shadow and character impacts of the points Commissioner Kadvany was raising and did not identify a significant impact.

Mr. Mark Hoffheimer, Perkins + Will, said within the 60-foot height limit the top limits for residential would be five stories and for commercial four stories. He said that was part of the consideration of what would help to bring greater value to the parcels as it would help spur development. He said a piece of the density had to do with what would help the City achieve the goals to provide increased vitality downtown to bring increased activity. He said a lot of density was focused at the Station area and in the parcels that could actually accommodate some of that increased density. He said a typical construction type seen up and down Menlo Park was a four over one with wood frame construction over a one story concrete podium. He said a developer might want to build only four rather than five stories. He said regarding sensitivity to adjacent areas under "Massing" in the Plan these buildings would have to have setbacks on the upper stories. He said for example for parcels fronting on El Camino Real there was a stepping back of the upper stories and on the rear side there was a stepping back down to the Downtown area. He said on Alma Street they recognized there was an alley also between the residential and the proposed 60-foot height zone. He said the community seemed to support this type of development as long as it was properly modulated and massing was stepped back.

Commissioner Kadvany said the Commission at its last meeting had talked a lot about the façade height and that it was pushing to the height of Menlo Center. He said he was at the community meetings and people responded favorably to pictures of the Borrone building which has a massive setback at ground level and at higher stories. He said with what was in the Plan they were now talking about buildings with much reduced setbacks with a façade as high as the roof level of the Borrone building and then having a couple of stories above that. Chair Bressler said he thought when a building at such a height as proposed in the Plan was built that people would be shocked. He asked the consultant if there was a way to inform people, something more effective than story poles, to really describe what it would look like before the City committed to this. Commissioner Kadvany said there was much that was fundamentally good in the design but it focused on the single building paradigm in the Station Area. He said the Stanford site in the ECR SE district was ready to be built completely out and with what the Plan allowed there could be block after block of these buildings with podiums and open space above parking podiums. He said even with 50-foot breaks there would be impacts and he thought this large space needed special treatment.

Commissioner Eiref said on page A1 there was a very specific question of the consultant which was that the Commission wanted alternative mechanisms for determining façade heights and limiting height to a portion of a building. He asked if there was consideration of that request. He said at a later meeting they suggested using that alternate mechanism regarding façade height for a longer portion of El Camino Real as well.

Planner Rogers said the response as to the impact of the Commission's request regarding height and façade height in the Station Area and ECR SE districts would require a fairly detailed design analysis. He said they had done some preliminary discussions and Perkins + Will had conceptually thought things through but if this was the direction from the Commission to City Council it would need a next phase of work under which the specific effects of those proposed changes would be analyzed. Mr. Hoffheimer said if the area was limited to a 38-foot height that would equate to a two- or three-story building. He said if the façade height was brought down a story they needed a little time to see what that would mean. He said they were trying to break up massing and provide guidelines for reducing scale and mass. Commissioner Eiref asked how to close out their recommendation to the Council. Planner Rogers said when they got direction from the Council as to revisions to be made to the Plan they would then proceed with specific work. He said there were some things they would not know what the effects would be until the building was designed. Chair Bressler said he thought it was the models that had created the issue and he hoped they were talking about a realistic rendering about what this area would actually look like. Planner Rogers said it would not be a revision in terms of building design but revision of computer models and artistic renderings as shown in Chapter C. He said they believed these were the best ways to convey the visual impacts of what was proposed. Commissioner Riggs said there were three things he wanted to discuss about El Camino Real and asked if the question about Station Area West was resolved. Chair Bressler said he thought the biggest risk point in this project politically was large buildings being built around the train station and people not realizing that was what had been voted upon and discussed. He said Commissioner Kadvany was very concerned and had visited other areas to get a sense of what a five-story building would look like. Commissioner Riggs said he and Commissioner Kadvany in the past had nudged staff for better quality renderings that would better communicate. He said for Station Area West he had been concerned until the point that the consultant had pointed out that there was a façade upper floor setback to the back as well as to the front of the building and on all sides except the interior. He said if the interior was against a 12-foot tall, one story building, and they were saying that there would be no step back in the four or five story building that would concern a number of people. He said some jurisdictions indicate that development right was dependent on existing conditions at the property line. He said perhaps they should specify that an interior façade height should not be more than two stories above an adjacent building.

Commissioner Ferrick said this was a Plan not a development project. She said when there was a project and it was brought before the Commission they would then know what it would look like. She said if they collected renderings and photographs that each of them could come up with horrible examples and great examples of façade height. She said it came down to what was actually proposed particularly for the southeast section and then the public could weigh in on those proposals. She said they were not going to be able to know all there was to know to make those zoning decisions now.

Chair Bressler said the concern was this was zoning by right and he wanted to know how much oversight they would have with architectural control. He said they could not just reject a project because it was too big. He said there was ambiguity.

Planner Rogers said it is fairly difficult to talk in the abstract but in terms of architectural control review or use permits that it would depend on the specific findings for approval or denial. He said whenever they have approached a denial of any kind it required saying why it was being denied. He said he could visualize a project that met all the specific numbers in the Plan but could be grossly off the mark for the value and spirit of the Plan and for which a denial could be possible. He said to the extent the Plan did not have specific guidelines right now that they might consider articulating a principle regarding relationships to existing buildings that would then become a guideline the Commission had to review so that if the Commission encountered an application that clearly did not meet that guideline this would support a denial or continuance.

Commissioner Riggs said there had to be five feet from the property line to have any type of glazing and that had to be fire rated glazing, and operable windows he believed needed ten feet. He said that meant a wall against a property line would be a sheer wall and that would be horrible. He suggested under this condition raised by Commissioners Bressler and Kadvany to have staff come back with a guideline to prevent a sheer wall from hovering above an existing shorter building.

Commissioner Eiref said the Commission had made a very specific recommendation for the Station Area as shown in Attachment A, page A1, that they wanted to reduce the façade height one-story and asked for language around that. He said that recommendation should stand, and what he was hearing was there would be expense in modifying the demand, and that would need Council direction. Commissioner Riggs said they had made the recommendation for the Downtown but not El Camino Real. Commissioner Eiref noted that they had made the recommendation too for the Station Area. He said they had a separate discussion for El Camino Real south but that had not been made definitely. Commissioner Riggs said he would like a guideline on roof screening expressing concern that could increase the height appearance. He said he would make a request for staff to develop guidelines. Chair Bressler said there was implied public benefit for buildings to be built higher. He said he would like discretion for taller buildings. He said he would prefer having discretion to turn buildings down if they were higher than 38-feet as they were too big. Commissioner Riggs said they have heard from all sides that clarity, certainty and a clear set of rules were desired. Chair Bressler said he did not think the public really understood that they were talking about 60-foot high buildings in this area. He said he would probably vote against recommending approval of the Plan because they would not have discretion over development and he feared it would result in buildings that were not politically acceptable. He said he did not think Stanford University should be given carte blanche to build on its eight acres and that there should be a development agreement between the City and Stanford. He said the Station Area was not blighted. Commissioner Riggs said they agreed through the workshop process to designate areas in which to have

greater density and that was in-lieu of creeping development in areas such as Linfield Oaks, the Willows, Belle Haven or west side.

Commissioner Kadvany said he agreed with Commissioner Eiref's emphasis on the Commission's specific recommendation regarding façade height and he thought it was a pretty basic urban planning design question, which made him surprised that they were not hearing about that. He said regarding Commissioner Riggs' comments he agreed that the interior façade and the rear facing wall were all very important and should be wrapped into the recommendation. He said it was not either/or – back to the old ways - or five story buildings on eight acres. He said what Commissioner Eiref requested was something in between what was in the envelope and something a bit more modest. He said regarding Commissioner Ferrick's comment about the Commission's ability to reject that there was a developer on El Camino Real who was telling the City what the state law was and using law to push their project through the City. He said he agreed they want more certainty but they could not give a big envelope. He said in talking to a senior planner at the City of Palo Alto he found that their code was pretty strict and when developers wanted to build something different they had to go through what was basically a planned development process. He said certainty suggested automatic and the City could not just give things away. He said for the first time in this process of evaluating this Plan that he was not feeling good about it. He said he agreed with Chair Bressler that at this point he might have to withhold assent. He said he could not move ahead because he could not see the detail. He said others were talking about the FIA and not being able to see through it. He said he felt like they had gotten off track.

Commissioner Yu asked if they were reconsidering their recommendation about height façade on A1 which also had language about what the Commission would consider. Chair Bressler said when they voted on the Station Area he had thought they were recommending reducing the building height by one floor but what was actually being presented here was just to reduce the street facing façade but not the building height. Commissioner Ferrick said it was the façade height that they were specifically talking about and not the story height. She said these were recommendations to the Council and if the Council were to adopt these as recommended then it would become part of the Plan. She said she saw it as a mechanism as to more clearly show what could be done and also as a mechanism for discretion if the developer wanted something more like a 48-foot height. Commissioner Yu asked if it solved any of their issues to add under the items for procedures for approval that there were elements to consider such as massing to adjacent properties. Commissioner Ferrick said that would be grounds to deny a project noting on page A3 that building façade should modulate similarly adjacent to residential areas which they had discussed during consideration of the El Camino Real part of the Plan. She said they had not assigned a number but wanted it compatible with adjacent buildings. She said perhaps they wanted to assign a number so the developer had more clarity and which provided a rationale for acceptance or denial.

Commissioner Eiref said he was comfortable with the Station Area as it was well documented that they recommended façade reduction and requested that the consultant come up with ways to modulate the overall height of the buildings. He said however that they had not gotten there for the rest of El Camino Real. He suggested a motion that in addition to rethinking the façade height and modulation for the Station Area that they recommend the concept be considered as a cross extension to the southeast portion of El Camino Real, and perhaps also include a right of veto on the part of the Commission for things that just did not fit. Commissioner Ferrick said that was fine and suggested an amendment to the motion to take the language from A3 to “amend the Building Façade Modulation regulations for the ECR NE-L and ECR SW zoning districts to call for compatible modulation of form on facades adjacent to residential or residential mixed-use zones” and have that apply to all sections of El Camino Real.

Commissioner Riggs said he thought that made sense and he would add that the ECR SE district would benefit from the upper story modulation they defined for the Station Area and the building façade modulation adjacent to buildings of different scale. He said the ECR-NE and especially ECR-NE-R should have the same. He said speaking with staff that ECR-NE-R was left at 38-feet as that was the limit of the existing zoning district and by default. Planner Rogers said that was accurate. Commissioner Riggs suggested that these two modulation proposals on A1 for the Station Area and A3 for El Camino Real should also apply to ECR-NW, ECR-NE, and ECR-NE-R and as those were within the area intended for residential for the Station Area and to also include near the Station Area.

Planner Rogers said at the top of page A3 staff had understood that this was a very specific recommendation related to the cross streets such as College and Cambridge and to have those forms modulated vertically. He said many of those residential parcels have 50-foot frontages and the recommendation was to have the side streets of a project fronting on El Camino Real have a similar 50-foot wide break. He said that seemed very specific and deliberate. He said there now seemed to be a more general discussion about modulation and relationship to other buildings that would probably be better to work into other directions or to create a new direction.

Commissioner Yu asked if it would be helpful to take the language from A1 “Procedures for Approval of Future Projects: If not adequately addressed in the Specific Plan, add language to the Specific Plan that states that during Architectural Control review by the Planning Commission, the Commission will look for overall quality of materials, and specifically look for a change of materials, setbacks, and break-up of massing of upper floors.” and to include that for all areas. She said if they were really concerned about a developer taking advantage of a loophole would it make sense as one speaker had suggested lowering the threshold for public benefit. Chair Bressler suggested they finish the recommendation they were on and hold the public benefit discussion.

Commissioner Kadvany said he was not sure about the status of Commissioner Riggs' suggestion to add to the ECR-NE zone. He thought that should be a separate motion. He said he was concerned about over-recommending as they did not know what the impact of the changed standard would be.

Commissioner Ferrick said the July 21 staff report on page 5 stated: "The private development regulations for the Station Area are concentrated in the SA E (Station Area East) and SA W (Station Area West) zoning districts. The SA E district is bounded by El Camino Real, Alma Street's rear alley, Oak Grove Avenue, and Ravenswood Avenue, and its proposed development regulations are described in detail on pages E80-E83. The SA W district is bounded by El Camino Real, Doyle Street/Maloney Lane, Oak Grove Avenue, and Ravenswood Avenue, and its proposed development regulations are described in detail on pages E84-E87. Both districts would permit total building heights of up to 60 feet, although the façade height (how tall the building is at its front edge) would be limited to 45 feet on all sides except for an interior side, in order to limit the perceived mass of any building. Above the façade height limit, upper floors need to step back at a 45-degree angle (10-foot minimum), similar to the Daylight Plane regulation that is used in many residential districts. The existing maximum height in both areas is 30 feet..." She said for the Station Area they had recommended a reduction in façade height but she thought she was hearing that the Commission wanted to also reduce all of the façade heights because of adjacent buildings. Commissioner Riggs said certainly where the facades met smaller buildings. He said that was brought up for the downtown as that was specifically being held to 38-feet and that was the core of the village character defense. Commissioner Ferrick said for the Station Area they had recommended reducing the façade height from the proposed 45 feet by one full story and for staff and consultants to recommend a specific dimension or number to achieve the reduction. She suggested extending that to ECR-SE. Planner Rogers said that it was preferable to break the recommendation out that way. Commissioner Eiref said there were two key points regarding the Station Area and that was to reduce the façade height and the concept of coming up with mechanisms to make the modulations look great. Commissioner Ferrick said that was important in that area. Chair Bressler said it would be important to have discretion in these areas. Commissioner Eiref said they were making the recommendation to Council and their concerns with zoning about ECR-SE.

Commissioner Ferrick moved to extend the façade height recommendations for the Station Area to the ECR-SE Zoning District. Commissioner Eiref said he thought that should include the second bullet point. Commissioner Ferrick said the second bullet point gave the Commission the ability to find a design unacceptable if it did not meet those merits. Commissioner Eiref said he thought that gave some veto power and would give developers clarity but also give the Commission ability to find that a proposal did not meet the spirit of the Plan. Chair Bressler said he thought that was important to convey to the Council and asked Commissioner Eiref if he could modify the motion to include that. Commissioner Eiref said as an addendum to Commissioner Ferrick's recommendation that the spirit of this was to give the Commission the ultimate decision

for what would be acceptable based on the merits of the design. Commissioner Riggs said he would second Commissioner Ferrick's motion but the addendum should be discussed separately before it became a Commission message to Council. Commissioner Kadvany asked what the motion was. Commissioner Ferrick said it was to recommend the same recommendation for ECR-SE regarding façade height that they had made for the Station Area. Commissioner Kadvany asked about the language about the Commission's oversight. Commissioner Ferrick said that having this recommendation would result in the Planning Commission having more discretion. Chair Bressler said that Commissioner Riggs wanted a separate discussion on the latter. Commissioner Kadvany said he thought it would be helpful to put something in the motion keeping in mind the extent of the ECR-SE zone and the constraints on development there. He said to note that the recommendation was because of the extra large size of that zone and the constraints of its narrowness. Commissioner Riggs said he was not comfortable with that addendum as the issues raised by Commissioner Kadvany were already addressed and perhaps over-addressed with the specific requirements for ECR-SE. Chair Bressler said he thought the motion as previously presented covered this.

Commission Action: M/S Ferrick/Riggs to extend the façade recommendations for the Station Area to the ECR-SE zoning district:

- Reduce the façade height from the proposed 45 feet by one full story; staff and consultants to recommend a specific dimension to achieve the reduction; and
- Staff to work with consultants to determine alternative mechanisms to limit maximum building height to a portion of the building with the intent of increasing the architectural interest of the building; possible mechanisms include changes in the bulk restrictions, added setbacks, and/or requirements for architectural merit.

Motion carried 7-0.

Commissioner Kadvany said that motion would not give the Planning Commission any greater discretion. Commissioner O'Malley said that when the Plan was approved by the City Council the only role the Commission would have for future projects in these areas would be for architectural control and even for architectural control as it was written was not very strong. Commissioner Eiref said the thought behind the alternative mechanism to limit maximum building height was for the consultant to come back with some language that would provide the Commission more discretion. Commissioner Riggs said in support that he would like guidelines to come back from the consultant that would grant what Chair Bressler and Commissioner Eiref desired.

There was consensus to continue past 11 p.m. to 11:30 p.m.

Commissioner Riggs said he would like to extend the same development regulations to ECR-NE and ECR-NE-R as it would fit the same goals. Chair Bressler said that there was a maximum of 38-foot height in those districts. Commissioner Riggs said he had

confirmed with staff that this maximum height was by default. Chair Bressler said he had heard that there was a decision to not increase zoning that would change the Plan and what the public understood it to be. Commissioner Yu said that these were issues that had already been discussed and they should consider other issues such as public benefit. Commissioner Riggs said that they had not had this discussion as it was put off at a previous meeting when he brought it up. Chair Bressler said he recalled very clearly the Commission discussing increasing the zoning or not in the north part of El Camino Real and they had decided they did not want to do that. He said there had not been a vote. Commissioner Ferrick said she recalled that they did not feel comfortable going beyond what was studied in the EIR and what had been out in the Plan for the public's consideration. She said she thought the decision was to not alter what was in the Plan for that area.

Commissioner Kadvany said from a planning perspective that an overall smooth level would be another approach having these 60-foot buildings come down and 38-foot buildings come up which would have no net impact on the EIR. Chair Bressler said he thought what Commissioner Riggs wanted would impact the findings of the EIR. At the Chair's request, Planner Rogers said impacts on the EIR would depend. He said in ECR-NE and ECR-NE-R there was some adjacency to residential and it was not obvious that raising the façade height would or would not impact the findings of the EIR. Commissioner Ferrick said she would be comfortable recommending the crafting of language into the Plan that should a project come forward desiring greater height to allow for some variance. Chair Bressler said with the Plan there would be no variances. Planner Rogers said currently there were no allowances for variances for certain uses and that was supplemented with prohibitions of variances for intensity and density. He said height would be a variance technically and that there might be a project by project consideration of height bonus. Chair Bressler asked if there needed to be an EIR. Planner Rogers said not necessarily as it would not drive intensity or density related to traffic impacts.

Commissioner Riggs suggested that for the ECR-NE and ECR-NE-R that an additional story might be permitted with Council approved public benefit. Planner Rogers suggested in the ECR-NE and ECR-NE-R to establish a public benefit for additional height. He said that could then be considered under the discussion of public benefit.

Commission Action: M/S Riggs/O'Malley to recommend in the ECR-NE and ECR-NE-R zones to establish a new public benefit bonus standard for overall height, equivalent to one additional story.

Motion carried 4-3 with Commissioners Yu, Bressler, and Kadvany opposed.

Chair Bressler said he thought there should be a negotiated public benefit process with Stanford University for their development of the eight acres along the El Camino Real. Planner Rogers said he understood the objectives. He said that with having more certainty for developers the City could often achieve more than if there was a negotiated

struggle. He said if the particular concerns about negative effects could be identified and ameliorated that would be a better approach. Chair Bressler said this was a large area controlled by one owner. Planner Rogers said if a good job had been done articulating what the community wanted there was more clarity and there were some due process issues with singling out a property owner.

Chair Bressler said he thought the City should get a public benefit for anything that was an up-zoning of the current zoning and noted he previously suggested the City get 10% of the value. Commissioner Ferrick said the Plan had some potential public benefits drawn on the Stanford parcels and it seemed in general that Stanford was supportive of making certain improvements such as widening sidewalks. She said the Burgess Park linkage inked on the parcel map in the Plan would be a great benefit and one she would prefer to a percentage of benefit. Commissioner Eiref said that the letter from Stanford University had indicated they were supportive of east-west connectivity. Commissioner Eiref said it was so difficult to get a bike thoroughfare on El Camino Real and said he would like a bike path along the railroad tracks. Chair Bressler said Stanford University had indicated that they would like the rear setback requirements lessened. Commissioner Ferrick noted the Commission had voted 6-1 to recommend the Council consider making El Camino Real a Class 2 bike lane.

Chair Bressler said he did not think there was support for the idea to have global public benefit. He said in the information he prepared and handed out it was described as money being the fall back position but if a developer could provide defined public benefit on a parcel that could count. He said he thought it was a basic fairness issue in that the City was creating hundreds of millions of dollars of value by rezoning. He said property owners have the right to build, and the City should participate in that benefit beyond just planning and building fees, and for an incentive for developers to do something the public would enjoy and not just pay money.

Commissioner Eiref said that was if they could define benefit and accruing value for the City and whether there was a way to come up with a statement that would work. Chair Bressler said what he wrote up had a process. Commissioner Eiref suggested coming up with a generic layer of public benefit mechanism that was a well structured statement and would address issues that Commissioner Riggs had raised about the Stanford parcels. Commissioner Riggs said public benefit needed to be defined and he had provided a menu of public benefits. Commissioner Kadvany said the problem was not identifying projects or areas it was identifying value and thresholds. He said that would never occur until they actually got into a project. He suggested proposing an automatic public benefit process for the ECR-SE as it was so large and had a single property owner. He said a significant public benefit was already built into what would happen in this zone.

Commissioner Riggs said ECR-SE has a base FAR of 1.25% but has a public benefit FAR of 1.75% and dwelling units per acre would go from 40 to 60. He thought it was almost certain Stanford University would seek public benefit bonus. He said part of

treating all of the properties equitably was having a viable and creditable concept of public benefit which is what he was trying to do in the public benefit list.

Commissioner Yu asked Chair Bressler to review what he had written about public benefit. Chair Bressler said they should consider what the added, incremental value was and have a negotiation process involving a committee of people from the community in conjunction with the developer. He said the City should get 10% of the value either through using something off Commissioner Riggs's list or cash value.

Commissioner Eiref said the Plan already has the concept of public benefit built in with density and intensity bonus. Commissioner Riggs said the menu of public benefits could have value applied to it. Commissioner Ferrick suggested that some of the Plan proposed public benefit items and for areas that have some of those in them such as ECR-SE would benefit both the property owners and the City. She said in other areas those might be smaller. Chair Bressler suggested recommending that a committee be formed to identify appropriate public benefits for the ECR-SE and work with the developer. He said he was not comfortable having staff determining public benefit. Planner Rogers said they had anticipated full public review of public benefit by Council and the Commission. Commissioner Riggs said Council had requested that the Commission provide them with a list of public benefits. Planner Rogers said Council had requested that early on in beginning of the review process.

Commissioner Kadvany asked the consultants what the philosophy in setting the public benefit levels was and how sensitive the triggers were. He said some people in the community think the levels were way too high. Mr. Hoffheimer said there were different parcel sizes in these different zones and they started looking at what could be accomplished and what was appropriate FAR. He said there were a lot of controls to break up massing and was based upon the various zones created and their characteristics. He said they had had extensive comments about public benefit and the Plan stated that this should be an individual developer structured negotiation. He said a lot of the densities if there was no public benefit would have lower profile buildings and less housing units.

Commissioner Eiref said for each project that public benefit could involve different things. Chair Bressler said Commissioner Riggs has a list. He said he had heard that public benefit could not be negotiated project by project and now heard that was what was intended. He said his problem with the public benefit process was that the City typically did not do a good job and there were smart people in the community who could do it better. He said he would like a committee of citizens to do that. Commissioner Eiref suggested making that recommendation to Council.

Chair Bressler said the recommendation would be for Council to appoint a committee of public members to negotiate public benefit. Commissioner Riggs asked if that would be for large areas. Planner Rogers said as currently structured it would apply to any project that wanted the tiered density and/or intensity. Commissioner Ferrick said she

did not want to recommend a committee to Council as that was limiting. Commissioner O'Malley said with a committee that the transparency was gone. Chair Bressler suggested that it be the Planning Commission. Commissioner Riggs said he was not eager to be a public benefit negotiator. Commissioner Yu asked how the Council could negotiate with transparency. Planner Rogers said page E23 of the Plan discussed public benefit in the most detail and the Planning Commission could suggest text to be added addressing that whatever form the public benefit negotiation take that transparency and public accountability be required. Commissioner Yu asked if they could add having public comment on public benefit. Chair Bressler confirmed with staff that it could be added.

Chair Bressler recommended that the negotiated public benefit for projects within the Plan area be subject to public review and that documents provide valuation and the net increase of value of the project because of the bonus. Commissioner Kadvany said there was a lot of controversy about valuation as occurred with the Gateway Project. He said he agreed with the importance of having direct involvement from the public and transparency.

Commission Action: M/S Bressler/Kadvany moved to revise the public benefit bonus and structured negotiation process to be clearly subject to public review in one or more public meetings with documents estimating value being provided as part of this process.

Motion carried 6-1 with Commissioner Riggs abstaining.

Commissioner Ferrick moved to recommend approval of the Plan with the recommendations made by the Planning Commission.

Commissioner Riggs said he was concerned about the idea of having big slots of Stanford's property be used for cut through and what the distinct value of that was.

Commissioner Kadvany said he was not ready to sign off on the Plan. He said he did not get to his questions about pocket parks, setback levels, open space in ECR-SE and that it was important to provide good habitable space for the people who lived there. He said he was really concerned about forcing the Plan to a schedule and not getting issues resolved.

Commissioner Eiref said he was sure everyone had one or two items that they had not gotten to and he suggested they could possibly meet again to discuss those. Commissioner Ferrick said she was concerned with delaying the Plan noting that it had been under process for a number of years and had been reviewed multiple times by the Commission. She said while the Plan was not perfect it had been a community effort.

Commissioner Eiref said one item he wanted discussed was parking behind the shops. Chair Bressler suggested that they vote on the motion. Commissioner O'Malley said he thought it was important to move the Plan forward as there had been a number of

recommendations made and seconded the motion. Commissioner Riggs asked if the motion should include that the Commission could not cover all issues. Commissioner Yu asked if one Commissioner could represent the Commission on the issues not addressed. Commissioner Ferrick said there was no consensus on outstanding issues and suggested it would be better for Commissioners to represent themselves before the Council. There was consensus to indicate that the Commission had not discussed and resolved every topic but would encourage the Council to address those during their review process.

Commission Action: M/S Ferrick/O'Malley to recommend moving forward with the Specific Plan subject to the revisions as listed above and separately. Note that not every topic was discussed and resolved fully but the Commission encourages the City Council to address the topics during their review process.

Motion carried 6-1 with Commissioner Kadvany opposed.

Commissioner Kadvany expressed his concern with how the process was conducted and that it was not given enough time.

E. REGULAR BUSINESS

There was none.

ADJOURNMENT

The meeting adjourned at 11:45 p.m.

Staff Liaison: Deanna Chow, Senior Planner

Recording Secretary: Brenda Bennett

Approved by Planning Commission on November 7, 2011