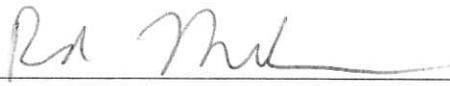




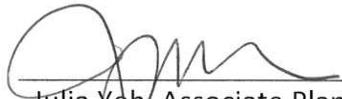
Item No: 1
Meeting Date: 3/27/12

To: Planning Commission


Ronald Munekawa, Chief of Planning

Date: March 22, 2012

By:


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Subject: PA12-001 DRAPER UNIVERSITY, Pre-Application for the conversion of the Ben Franklin Hotel to a school use, 44 E. Third Avenue (APN: 034-143-280, -290)

RECOMMENDATION:

That the Planning Commission review the conversion of the Ben Franklin Hotel to Draper University (a school for entrepreneurs) on a preliminary basis and provide input to the applicant and staff.

PROJECT SITE DESCRIPTION:

The project site is 28,283 sq ft and is located at 44 East Third Avenue (refer to Attachment 1). This downtown location is the site of the Benjamin Franklin Hotel, which with the exception of the ground floor tenant space, has been vacant for several years.

The predominate portion of the hotel building is eight stories, approximately 90 feet to the penthouse floor. A penthouse, formerly used as hotel suites, is located on the roof above the eighth floor. Some portions of the building to the rear (south) are between 1 and 2 stories in height. An outdoor swimming pool is also located in this rear area.

BACKGROUND:

The Benjamin Franklin Hotel has been part of the downtown landscape since it was built in 1926. During the late 1980s and into the 1990s, the hotel was exclusively leased by United Airline to house flight staff. When United's contract expired, the hotel sat vacant for several years until the Lembi family purchased the property in 2006. They obtained planning approval for exterior façade improvements (PA07-075, Ben Franklin Hotel SPAR) and building permits for

interior and exterior improvements to operate the building as a hotel. Renovation work proceeded under these permits and a substantial portion was completed until February 2010 when the Lembis filed for bankruptcy in federal courts in San Francisco. During this time, the Benjamin Franklin Hotel was acquired by UBS bank, which then moved to sell the property.

In 2011, Mr. Timothy Draper purchased the Benjamin Franklin Hotel in a reverse auction. Mr. Draper has applied to reactivate the permits for the hotel use and is concurrently seeking city approval to operate a school use in the building. The school idea is in development and there are many factors affecting the feasibility of operating a school. As with any other business enterprise, if it becomes infeasible to operate a school on the property, the property owner has the option to sell the property.

PROPOSED PROJECT:

Proposed Use

The applicant proposes to convert the hotel use to an entrepreneurial school (see attached project description, Attachment 2). The students would range in age from 21-24 and come from an international recruiting effort. There will be four ten week sessions taking place during the year, with classes and meetings occurring on site.

The proposed school capacity is 150 students, and it is anticipated that there will be some regular faculty and staff. The faculty and staff will consist of some full time, part time, and guest speakers. The maximum number of faculty, guest speakers and staff at any given time has not yet been finalized. The school concept is still in its development stage and more information will be provided during the formal planning application.

Use of the Building and Site

Floors two through eight will be used as dormitory rooms for students. The second floor of the building will also include a small conference room and the school's administrative offices.

The first floor is proposed to include a bar and lounge areas along the street frontage. The existing restaurant's bar and food service preparation areas are proposed to remain and will be available to serve the public and students. Other changes to the ground floor include converting the Peninsula Banquet room and Fireside Lounge for use as classrooms/meeting space. At this preliminary stage, staff does not have sufficient information about the ground floor uses to make a final determination for consistency with the Required Retail Frontage requirement (refer to SMMC 27.38.110, see Attachment 5). A more detailed project review will be conducted as part of the review of the formal planning application for this project (see Issues #5 below).

At the rear of the building, the existing roof above the banquet room is proposed to be converted to a sports court area for students. Additionally, the existing swimming pool will be filled and converted to an open plaza area for use by students, faculty, staff and public.

The existing penthouse is proposed to be used as a school meeting space and will potentially used as a public bar/restaurant.

Building Exterior Modifications

Building modifications include painting the exterior of the building, with a color pallet consisting of varying shades of gray, beige and white; removal of the Benjamin Franklin Hotel signage and installation of new signage; removal of existing storefront awnings/canopies and installation of new storefront awnings/canopies; replacing storefronts with new metal storefront systems, and upgrades to the main lobby entrance. The existing historically significant architectural trim, coursing, molding and detail on the exterior of the building will remain except for new paint. Additions to the historic building include: a new stair that will provide access to the sports court area and a new glass elevator will be provided along the eastern side of the building providing direct access to the penthouse level. These additions are shown on plan sheets A8.0 – A8.3 and will be reviewed for consistency with the Secretary of Interior’s standards for additions to historic buildings during the formal planning application (see Attachment 4)

ANALYSIS:

The applicant has provided preliminary plans and the major issues identified during staff review of those plans are discussed below:

1. Parking – The project site does not have the capacity to provide on-site parking. A change of use from a hotel use to a school use would trigger different parking requirements based on the number of students, staff, and faculty/guest speakers. The property is located in the downtown parking district and has the option to pay a fee to the district in-lieu of providing actual parking spaces for any incremental increase in parking required for the school compared to the previous use as a hotel. While this would meet the zoning code requirement for parking, numerous members of the public have expressed concern regarding the availability of downtown parking. The applicant has indicated they would restrict student vehicles and explore other options to address this concern. They will provide more detail as part of their formal planning application. The applicant and staff are seeking Commission direction on the parking issue.
2. Addition to Historic Building – As mentioned above, the Benjamin Franklin Hotel was build in 1926 and is listed as a historic building and a contributor to the downtown historic district. The proposal to add an exterior elevator and exterior modifications affecting the historical integrity of the building will be independently reviewed by the

City's historical consultant as part of the review of the formal planning application. At this time, the applicant and staff are seeking the Planning Commission's feedback on the concept of an exterior elevator, its location, and any preliminary design comments.

3. Restaurant/Faculty Club/Lounge Use in Penthouse – The applicant has indicated an interest in converting the existing penthouse hotel suite into a restaurant, faculty club, or lounge/meeting area with outdoor patio space. While the plans show an expansion of floor area at the penthouse level, the penthouse floor area cannot be expanded. Additionally, the Fire Department and Building Division staff have identified life safety requirements relating to emergency access and egress to and from the penthouse. Discussions between the applicant and staff are ongoing and it is expected more information will be provided by the applicant for the formal planning application. At this preliminary stage, the applicant and staff are seeking Commission comments on the idea of a restaurant/faculty club/lounge use in the penthouse.
4. Special Use Permit for School – The project site is zoned Central Business District (CBD) which requires approval of a Special Use Permit for a school use. As described in the applicant's letter, which is included as an attachment, the school would not operate as a traditional four-year university. Rather it is envisioned as a 10-week entrepreneurial program for students enrolled in a traditional university with full boarding privileges. The findings necessary to support a Special Use Permit request are attached as Attachment 5. The applicant and staff are seeking Commission feedback on the requested Special Use Permit and the operation of a school.
5. Downtown Economic Development Permit – The applicant will be requesting a Downtown Economic Development Permit as part of this project to allow lounge/meeting use on the ground floor rather than providing one of the permitted uses listed in the Required Retail Frontage section of the zoning code such as retail sales, personal services, eating & drinking services (see Attachment 5). The ground floor, as envisioned by the applicant, would operate as a flexible space as part of the school for students, faculty, staff and members of the public to engage in dining and meeting in an informal setting. Upon review of the formal planning application, if the proposed uses do not meet the Required Retail Frontage requirements, a Downtown Economic Development Permit would be required. The findings necessary to support a Downtown Economic Development Permit include analysis of the project such as whether “the project is a significant development which presents a substantial economic development opportunity for the City and attempts to maximize use of the site.” and whether it “includes a substantial public improvement such as a public parking garage, open space plaza, public marketplace or other public facility”. These findings are included in Attachment 5. The applicant and staff are seeking preliminary feedback from the Commission on this request.

The above is a preliminary list of issues and staff will undertake a more detailed project analysis during review of the formal planning application, therefore the information contained in the data sheet is also preliminary in nature (refer to Attachment 3).

NEIGHBORHOOD MEETING & PUBLIC COMMENTS:

The applicant held a pre-application neighborhood meeting on February 7, 2012 at the Benjamin Franklin Hotel's Fireside Lounge with approximately 100 people in attendance. The primary issues raised by members of the public included:

1. Parking – Parking for students, staff and faculty cannot be provided on site. There is concern that they will park in the residential neighborhoods surrounding downtown. There are office employees that have been parking in the residential neighborhoods and impacting residents. How is the lack of parking being addressed?
2. Ground floor uses – Astaria has been a fixture in the downtown community. There is concern about it going away and how it will be integrated into the school.
3. Type of school and its operational characteristics – There was concern about the number students, faculty/guest speakers, and staff; the school model; the duration of the program; the target age; type of curriculum; and other operational questions.

While some members of the community expressed their concerns with the proposed school use at the meeting, others in the community voiced their concern over the long vacant historic building and offered their support for the idea of rehabilitating a vacant building for an alternative use.

Following the neighborhood meeting, a few public comment letters were submitted expressing concerns similar to those voiced at the neighborhood meeting (see Attachment 6).

POLICY AND PLAN COMPLIANCE:

The formal planning application will be reviewed for consistency with applicable General Plan, Downtown Area Plan, and Downtown Historic District Design Guidelines as well as applicable code requirements. As proposed, the formal planning application would include a request for the following planning approvals:

- Environmental Document,
- Site Plan and Architectural Review,
- Special Use Permit, and
- Downtown Economic Development Permit.

The requisite findings that would need to be made to support the above requested approvals are included in Attachment 5.

PUBLIC NOTICING:

Notices were mailed to all property owners and occupants of properties within a 1,000 ft. radius of the project site. A newspaper notice was published 10 day prior to this meeting, and a placard notice posted on the project site 10 days prior to the Planning Commission meeting. Public comment letters received as of the date of this report are included in the attachments.

ENVIRONMENTAL REVIEW:

The project is in the preliminary stage of review and does not yet qualify for environmental review under CEQA. It is anticipated that the applicant will submit a formal planning application for the project, which will be reviewed for environmental impacts.

PLANNING COMMISSION INPUT:

The applicant has submitted conceptual site plans and development information because their intent is to receive feedback from the Planning Commission on the proposed project before proceeding to the next level of detail. At this time, staff is seeking Planning Commission comments and input on the following issues:

1. Parking (including some overnight parking) for students, staff, faculty/guest speakers.
2. Additions to the exterior of a historic building and preliminary design comments.
3. The use of various ground floor spaces.
4. Any other concerns.

NEXT STEPS:

The applicant will revise the plans as necessary or provide additional information to respond to comments from the Planning Commission's study session and re-submit those materials in the formal planning application.

ATTACHMENTS:

1. Vicinity Map
2. Project Description (submitted by the applicant)
3. Preliminary Data Sheet
4. Reduced Plans
5. Required Findings
6. Public Comment Letters

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