

**EXHIBIT A**  
**FINDINGS FOR APPROVAL**  
**PA #12 - 040, Draper University Phase I**  
**Benjamin Franklin building:** 36-44 E. Third Ave (APNs: 034-143-240, -280, -290),  
**Fourth Avenue Building:** 37 E. Fourth Ave (APNs: 034-143-230), and  
**Collective Building:** 51-65 E. Third Ave (APNs: 034-142-030, -180)

**I. APPROVE THE MITIGATED NEGATIVE DECLARATION AS ADEQUATE TO ASSESS ENVIRONMENTAL IMPACTS, FINDING THAT:**

1. The Mitigated Negative Declaration adequately assesses the environmental impacts of the proposed project. Potentially significant impacts have been identified. Mitigation measures have been identified, and have been incorporated into the proposed project or into conditions of approval which would mitigate impacts to levels which will not cause significant impacts on the environment.
2. Pursuant to Section 21081 of the Public Resources Code, a mitigation monitoring and reporting program has been included as part of the conditions of approval to mitigate and avoid potentially significant impacts on the environment. Additionally, the conditions of approval that are also mitigation measures are identified in Exhibit B with an asterisk.
3. Approval of the Mitigated Negative Declaration reflects the independent judgment of the approval authority of the City of San Mateo.

**II. APPROVE THE SITE PLAN AND ARCHITECTURAL REVIEW (MUNICIPAL CODE §27.08.030), FINDING THAT:**

1. The structures, site plan, and landscaping are in scale and harmonious with the character of the neighborhood and with the Downtown Design Guidelines because:
  - The proposed building's mass and scale are generally consistent with other buildings in downtown in that there are no changes to the three buildings mass and scale as the majority of the changes consist of internal remodel in all three buildings. The project includes exterior changes to the Benjamin Franklin hotel building such as replacement of the storefronts, replacement of windows/doors, installation of new lighting, replacement of the main entry canopy, addition of new exit stairs at the rear of the building, etc. These exterior improvements do not alter the building's mass and scale.
  - The development's design contributes to the traditional character of downtown in that the project utilizes quality materials that are complement the existing buildings such as wrought iron fencing and custom wood doors. The "Crayola" paint colors proposed for the rear

elevation is expected to be visible from El Camino Real, however, it is not the primary façade for the Benjamin Franklin hotel building and paint is reversible in that it can be painted to match the rest of the building in the future. The primary facades on all three buildings will maintain their historic elements in the case of the Benjamin Franklin hotel and Collective buildings or the traditional commercial building elements on the Fourth Ave building, thereby assisting in maintaining the traditional character of downtown.

- The overall design will help to maintain the character of smaller, individual storefronts with windows (or display windows) typical of other buildings found in the downtown area.
  - The scale and proportion of the proposed canopies, windows and doorways are consistent with the proportions of traditional storefronts.
  - The proposed changes have been reviewed by the City's Historic Review consultant, Architectural Resources Group, whose recommendations have been generally incorporated into the project and are further incorporated as conditions of approval for the project, with the exception of the proposed "Crayola" colors. The applicant has expressed a desire to provide these colors as they relate to one of the major themes for the proposed Draper University and given that these colors are proposed on the south (rear) elevation and that paint is reversible and would not pose long term damage to the building.
2. The development will not be detrimental to the harmonious and orderly growth of the City because the proposed uses will replace a former hotel bus that has been vacant for more than 15 years, a former bank use that has been vacant for at least five years, and an antique furniture retail store. Adaptive reuse of the buildings would contribute to the growth of commercial activity in downtown and would provide building upgrades in historic buildings which are triggered when there is a change in use. Active uses in the buildings encourages property owners to monitor the condition of the buildings and help clean up the area around the buildings, both of which are less likely to occur if the buildings remain vacant. As evident in the last five years, the Benjamin Franklin hotel building, Fourth Ave building and Benjamin Franklin Court has been minimally maintained. The proposed project will provide an overall upgrade this area of the downtown in a manner that meets applicable code requirements and is complimentary to the character of downtown San Mateo.
  3. The development will not impair the desirability of investment or occupation in the vicinity, and otherwise is in the best interests of the public health, safety, or welfare because in that the building improvements add value to each property

and help to maintain and preserve the historical elements on the two historic buildings, the Benjamin Franklin hotel and Collective buildings, while providing opportunity for alternative uses within these buildings. The improvements are subject to meeting applicable public health, safety & welfare requirements during construction and is not expected to have long term adverse impacts to public health, safety or welfare.

4. The development meets all applicable standards as adopted by the Planning Commission and City council, conforms with the General Plan, and will correct any violations of the Zoning Ordinance, Uniform Building Code (UBC), or other municipal codes that exist on the site.
5. The development will not adversely affect matters regarding police protection, crime prevention, and security in that it will be constructed in accordance with the City's Security ordinance.

**III. APPROVE THE DOWNTOWN ECONOMIC DEVELOPMENT PERMIT (MUNICIPAL CODE §27.38.140), FINDING THAT:**

1. The project is consistent with the goal statements of the Downtown Plan in that:
  - The proposed reuse of existing commercial buildings to establish a private post-high school entrepreneurial school enhance the mix of uses and contribute to the diversity of downtown.
  - The proposed building improvements supports downtown policies in preserving the historic Benjamin Franklin hotel and Collective buildings.
  - The applicant will implement TDM measures and assist in the establishment of a downtown TMA, both are also identified in as downtown plan goals.
  - The proposed storefronts and uses will include large display areas and windows that provide clear viewing of activity within the space, thereby contributing active, interesting activities which support the pedestrian friendly downtown commercial environment.
2. The project is of an excellent design quality and is consistent with the Downtown Retail Core and Downtown Historic District Design Guidelines in that the that the exterior changes do not adversely affect the historic nature of the buildings with the exception of the proposed “crayola” paint colors on the south elevation of the Benjamin Franklin hotel building. However, painting a building is not considered a permanent change in that it is reversible at a future date without altering the historic integrity of the building.

3. The project is a significant development which presents a substantial economic development opportunity for the City and attempts to maximize use of the site in that the project represents a major improvement in the first block of East Third Ave which has suffered due to the 15 plus year vacancy of the Benjamin Franklin hotel as well as the continued underuse of the two vacant former gas station sites at E. Third Ave and S. El Camino Real.
4. The project has a minimum building floor area ratio of 1.0 (not including surface and structured parking) or includes a substantial public improvement such as a public parking garage, open space plaza, public marketplace or other public facility. The project consists of the reuse of three existing commercial and hotel buildings; each one currently meets the minimum 1.0 FAR standard. Additionally, the project will provide substantial public improvement of the Benjamin Franklin Court which is comprised of public access easements on private property as well as public alley. The Benjamin Franklin Court is a publically assessable area and its improvement will benefit Draper University, the businesses in the Court area, as well as the general public in that the changes will enhance lighting and security in the area.
5. Any unmitigated significant impacts are outweighed by the project's economic, social or other benefits because:
  - An initial study and mitigated negative declaration analyzed the proposed projects impacts and with the incorporation of mitigation measures and conditions of approval, there are no unmitigated significant project impacts.
  - Additionally, the project is anticipated to provide economic benefit by bringing a different group of students to the downtown area each school term. These new residents are expected to patronize local restaurants and services, increase foot traffic in and around the downtown area, and each new term will bring a fresh wave of customers for area businesses.
6. The project will not increase the building square footages, alter the floor area ratio, exceed the maximum building height and bulk standard or the building intensity standard as set forth in SMMC 27.40, or exceed the Building Height and Bulk Overlay District and the Building Height and Intensity Plan of the General Plan because the majority of building improvements are generally interior in nature and the proposed façade changes to the Benjamin Franklin hotel building consist of storefront improvements, new lighting, new windows/doors, new fencing and exit stairs, and improvements to the swimming pool area.

IV. Approve the Site Development Permit for removal of major vegetation (Municipal Code Section 23.40.040), finding that:

1. The project will result in the removal of all landscaping including 7 Tulip trees, which are not considered Heritage Trees. The removal of these trees is necessary to accommodate the development of the proposed project. Trees in public sidewalks and public alleys are typically maintained and replaced by the City as necessary to address concerns relating to disease, poor health, or as public improvement projects. The Tulip trees are located in the City owned public alley in Benjamin Franklin Court. The City's arborist has indicated that there are no objections with replacing the existing landscaping and trees with new landscaping and trees that are more appropriate for the small, partially shadowed urban public walkway. Typically the cost of tree replacement is funded by the Tree Planting Fund. In this case, the project will provide all new landscaping including 8 new trees 24" box size trees. The City's arborist has reviewed the landscape plans and support the project landscape architects proposed plant species as appropriate for the location. The 24" box size trees are also larger than typical 15 gallon replacement street trees and will reach maturity more quickly than smaller trees. The proposed changes to Benjamin Franklin Court will also new pavement to improve drainage.
2. All concerns regarding tree removal and replacement planting have been addressed through the provision of extensive landscaping as shown on the project plans.

V. **GENERAL PLAN CONFORMITY**

The project conforms to the following Land Use and Urban Design policies of the General Plan:

**GOAL 1.e:** *Provide adequate transportation, utilities, cultural, educational, recreational, and public facilities, and ensure their availability to all members of the community. Establish San Mateo as the cultural center of San Mateo County.*

**GOAL 1f:** *Provide a wide range of land uses, including retail, commercial services, office, industrial, parks, open space, and housing, to adequately meet the needs of the community.*

**GOAL 1g:** *Attain development which occurs in an orderly fashion and which limits adverse environmental impacts to the community.*

- LU 1.10:** **Commercial Development.** Encourage industrial, service, retail, and office development which is compatible with the desired character of the area and with adjacent residential areas in terms of intensity of use, height, bulk and design as delineated on the Land Use Plan, Building Height Plan and Building Intensity Plan. Commercial development adjacent to residential areas shall address concerns pertaining to traffic, truck loading, trash/recycling activities, noise, visual impacts, and public safety including hazardous material storage, fire safety, air pollutant emissions and odors.
- GOAL 2a:** Promote economic vitality which provides jobs for existing and future residents and maintains the City's ability to finance public improvements and human services.
- GOAL 2c:** Promote an intensity of commercial activity that enhances the business climate in the City to increase the level of business types which will benefit existing commercial uses.
- LU 2.1: Economic Development.** Attract new businesses and encourage the retention and expansion of existing businesses which enhance the City's economic base.
- LU 2.4: Downtown Plan.** Establish downtown San Mateo as the social, cultural, and economic center of the City with a wide range of office, medical, residential, entertainment, and retail uses at high intensities and densities while encouraging pedestrian activity and bicycle connectivity to adjacent neighborhoods.
- LU 2.10:** **Optimize Development Opportunities.** Ensure that developments optimize the development potential of property in major commercial areas such as the Downtown Retail Core and along South El Camino Real.
- LU 3.1:** **Downtown Plan.** As the social, cultural and economic center of the City, the downtown shall maintain a wide range of office, medical, residential, entertainment, and retail uses at high intensities and densities.
- LU 3.2: Significant Historic Structures.** Protect key landmarks, historic structures, and the historic character that exists in parts of downtown as defined in the Conservation/Open Space Element.
- GOAL 4:** Improve the visual character, livability and vitality of commercial areas.

**UD 2.9: *Pedestrian Oriented Design.*** *On retail commercial projects, designate pedestrian activity as a priority through the design and provision of adequate sidewalk widths, locating windows along ground floor street facades, trees and awnings, and human scale construction materials and features.*

This area of downtown is designated as a Retail Core in the General Plan, is zoned Central Business District (CBD) and currently features a variety of retail, restaurant and office uses. The proposed establishment of a new private post-high school entrepreneurial school will provide new opportunities to promote downtown San Mateo as an ideal location for start-ups. A new entrepreneurial school, especially one with the potential for an international student base, serves as a strong factor in attracting new businesses and encourages the retention of existing businesses as the school will bring a steady stream of new customers each term to the downtown area.

This project will also be a benefit to the community in that it represents a reuse of three existing commercial buildings, including a long vacant historic building, in downtown San Mateo to establish a new private school for post-high school students. The project also includes plans to remodel & upgrade the three buildings, thereby adding value to the properties and the downtown commercial area. Two of the buildings are historic and the proposed project will provide building utility and fire sprinkler/alarm system upgrades thereby improving the usability of the buildings. One of the historic buildings, the Benjamin Franklin hotel building, is an existing historic building which has been vacant for approximately 15 years. The proposed reuse and improvements of these three buildings will improve the visual character, usability and vitality of this part of downtown.

The project requires a Downtown Economic Development Permit because the proposed school use will occupy portions of the three buildings' ground floor and would not meet the Required Retail Frontage requirement of 60 feet minimum retail depth (Municipal Code 27.38). However, a school use on the ground floor does provide activity for this part of Third Ave as the students will need to go from building to another for classes, school activities, meetings, food, dorms, recreation activities, and to speak with school administrators. Additionally, the project will maintain the appearance of traditional storefronts with multiple storefront openings, large windows or displays, and pedestrian scale canopies that partially cover the side walk to encourage pedestrian activity. These features allow visual and physical access into the ground floor school spaces, thereby promoting pedestrian interest and activity.

## **VI. DOWNTOWN PLAN CONFORMITY**

The project is consistent with the following goals and policies of the Downtown Plan:

*II. Enhance the vitality and activity of downtown by incorporating an overall*

***good mix of diversity of uses.***

**II.1 Downtown Core Shopping Area.** *Preserve the downtown's core shopping area between 1st and 5th Avenues from El Camino Real to the railroad.*

**II.2 Required Retail Frontage.** *Require the provision of ground floor retail uses with windows on properties located on the primary shopping streets as identified in the Required Retail Frontage Zone Map (see map at the end of this chapter). In addition to traditional retailing activities, permit entertainment and cultural uses, and allow fast food establishments in limited instances.*

**II.8 Office Development.** *Encourage the establishment of offices within the Downtown Retail Core and surrounding commercially designated areas.*

**III. Enhance the downtown's pedestrian environment and enhance the safety and attractiveness of downtown.**

**III.7 Pedestrian Access – Pedestrian Safety is a Priority in the Pedestrian improvements should incorporate the following concepts to develop a consistent pedestrian-friendly environment**

**IV. Protect key landmarks and the historic character that exists in parts of downtown.**

**IV.2 Store Fronts in the Retail Core.** *Maintain the traditional store front environment of the Downtown Retail Core area by requiring new buildings to be constructed to the street property line. In the retail core area, require ground floor building walls to be dominated by windows and pedestrian entrances.*

**IV.4 Downtown Historic Character.** *Preserve and retain the historic and architectural character of structures within the downtown.*

**IV.5 Historic District.** *Maintain the identified historic district along portions of 3rd Avenue and B Street, and continue to implement regulations to protect the overall historic and architectural character and integrity of the area.*

**VIII. Support sustainable initiatives in downtown.**

**VIII.2 Transportation Demand Management (TDM).** *Required participation in TDM measures, such as car/van pooling, car sharing, staggered work hours and transit use, as a condition of approval for projects anticipated to generate significant parking and traffic impacts.*

*VIII.3 **Downtown Transportation Management Agency (TMA).** Develop a Downtown TMA to provide support and oversight of the Downtown residential and commercial transportation opportunities and enhance the use of public transit and/or bicycles while reducing the use of single-occupant vehicles.*

*VIII.4 **Support Sustainable Transportation Initiatives.** Implement Downtown Area Plan policies calling for use of Transportation Demand Management (TDM) measures, establishment of a Transportation Management Association (TMA), and other measures to reduce vehicle trips and encourage transit use and promote bicycle and pedestrian accessibility.*

The project is consistent with the above policies in that the proposed project will provide store frontages similar to traditional retail storefronts for all three buildings. From a visual, pedestrian level perspective, the proposed changes to the three buildings will continue to offer visual access to interior activities for all three buildings thereby providing visual interest for pedestrians. Additionally, while the proposed school use does not meet the Required Retail Frontage requirement for CBD zoned properties, the Downtown Economic Development Permits allows for exceptions from land use standards for projects that provide an economic benefit as described in section III (above) as well as provide upgrades to two historic buildings that add value to the properties. These improvements also help to extend the buildings continued functionality and usability as commercial spaces.

Additionally, the change in use of the second floor of the Collective building to general office use will include building upgrades in the form of utilities, egress, restroom facilities, and other improvements which have not occurred while the building continued to operate as a furniture retail store. The new office space will provide opportunities to foster local start ups and other office type businesses that will contribute to a thriving downtown. The project will help to maintain downtown's commercial vitality and enhance the pedestrian scale of the downtown core. Furthermore, the project will provide the San Mateo community with a distinct, quality building at one of the main gateways into downtown.

The project will also improve the Benjamin Franklin Court, a publically accessible mid-block walkway, with new location appropriate landscaping and trees, pavement, fencing, stairs, and signage. Additionally, new lighting throughout the Court area is an important safety upgrade for the area. These changes improve the safety and attractiveness of the public access walkway.

The project supports the sustainable initiatives in downtown in that the property owner has agreed to implement the TDM measures described in the Nelson Nygaard memorandum dated September 20, 2012. These TDM measures include: bicycle

parking, bicycle loaner program, provision of transportation information and welcome packets, provision of transit passes, car-sharing, and pre-tax transit benefits for employees.

There are other TDM programs which require a broader participation base than this project can provide. The formation of a downtown Transportation Management Association is necessary to establish these broader scale TDM programs. Development project in the downtown area are required to contribute seed money toward the formation of a downtown TMA. The property owner has agreed to contribute \$15,000 as seed money. TDM programs established by the TMA would in theory benefit multiple businesses, property owners and downtown customers by facilitating use of alternative transportation and otherwise reduce single-use vehicle trips.

Implementation of the project level TDM programs as well as the measures/programs that would be made available through the Downtown TMA will help to reduce single-occupant vehicle trips and traffic congestions in the downtown area and thereby reduce parking demand.