



Item No: 1
Meeting Date: 1/8/2013

To: Planning Commission

Date: January 3, 2013

Authorized By: Ronald Munekawa
Chief of Planning

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Subject: **PA 12-040 Draper University and the Collective Entrepreneur Club,** establishment of a new private post-secondary school use and ground floor office use in existing commercial and hotel buildings in downtown San Mateo, and modifications to publically accessible walkways (including the Benjamin Franklin Court): 36-44 E. Third Ave (APNs: 034-143-240, -280, -290), 37 E. Fourth Ave (APN: 034-143-230), 51-65 E. Third Ave (APNs: 034-142-030, -180), and publically accessible walkways.

RECOMMENDATION

That the Planning Commission recommend City Council approval of the proposed Draper University and Collective Entrepreneur Club project by making the following motions:

1. Recommend adoption of the Mitigated Negative Declaration for Draper University and the Collective Entrepreneur Club (PA 12-040) based upon the Findings for Approval in Exhibit A;
2. Recommend approval of the following the Site Plan and Architectural Review for exterior changes to the historic Benjamin Franklin hotel building and site improvements, Site Development Permit for removal of major landscaping including the removal of 11 trees, and Downtown Economic Development Permit for a new private school use and ground floor office use based upon the Findings for Approval in Exhibit A, subject to the Conditions of Approval in Exhibit B.

BACKGROUND:

Project Site

The project site comprises three buildings (with multiple parcel numbers) generally referred to throughout this document as the Benjamin Franklin hotel building (36-44 E. Third Ave), Fourth Ave building (37 E. Fourth Ave) and the Collective building (51-65 E. Third Ave), a parking lot located to the rear of the Collective building (which is a separate parcel also owned by the same property owner), and publically accessible walkways (including the area generally known as Benjamin Franklin Court). The project site is generally bounded by commercial, office, and multifamily residential uses to the west and commercial uses to the north, east, and south. The City's Central Park is located two blocks to the south (see Attachment 1). The project site has a General Plan land use designation of Downtown Retail Core and is zoned Central Business District (CBD). The project site is also located in the downtown parking district, the Central Parking and Improvement District (CPID).

Brief History

The Benjamin Franklin hotel building is a prominent commercial landmark in the heart of downtown. The last major user of the hotel building, United Airlines, left in the late 1990s, leaving the hotel portion of the building vacant for approximately 15 years. In 2007, a San Francisco based real estate company purchased the hotel building with the idea of establishing a boutique hotel and began construction to rehabilitate the historic building; however, the work was never completed due to the firm's bankruptcy. In 2010, Mr. Tim Draper purchased the hotel building to establish a non-traditional entrepreneurial boarding school. The Fourth Ave building and Collective building were also acquired to provide additional room and amenities for the school.

Project Description

Generally, the project consists of the re-use of portions of existing buildings for a new private post-secondary school and office use that together focus on incubating entrepreneurs. The proposal includes the conversion of ground floor retail/personal service uses to school and office use in an area of downtown that is designated with the ground floor retail frontage requirement per the Zoning Code and the Downtown Area Plan. The applicant has provided an updated program description of the Draper University and the Collective Entrepreneur Club operations (refer to Attachment 8)

The new school and office use are proposed to be located in the three buildings; the uses of specific areas/rooms within each building are shown on the project plans (refer to Attachment 3). However, while the plans show the physical changes, there is additionally a collaborative and intertwined relationship between the proposed Draper University and the Collective Entrepreneurs Club, as described in the applicant's program description.

The proposed physical alterations to the buildings, site and publically accessible walkways are shown in the project plans and are briefly described below:

- Benjamin Franklin hotel building - Convert the historic hotel building to a private school with onsite dormitory for students, retain the ground floor restaurant use and convert the rear Peninsula Banquet Room into a cafeteria/meeting room, convert the ground floor retail space to school use. The former hotel lobby will function as the main entrance for Draper University, while the former ground floor retail space would function as a lounge/gathering area for student activities (such as a meeting place for group projects).

Physical alterations to the building include new storefronts, new main canopy, new windows/doors, new exterior exit stairs at the side and rear of the building, improvements to the swimming pool area, addition of a sports court, new generator, and upgrades to utilities. Along the Third Avenue frontage, the ground floor modifications include a new main entrance, new awnings, and storefront window/door systems; which collectively provide a visual balance between the two sides of the building's Third Avenue frontage, which is lacking with the existing storefronts.

- Fourth Ave building – The Fourth Avenue building was formerly occupied by Wachovia Bank which provided walk-in teller services as well as offices for individual consultation with clients. The project would convert the ground floor to a Draper University retail store with administration offices to the rear, and would retain the existing general office use on the second floor. The project would provide an approximately 40 feet deep retail store for the school with remaining ground floor space dedicated for ground floor office use for Draper University's administrative offices. Currently, the second floor office tenant is independent from Draper University. No changes are proposed for the exterior of this building.
- Collective building – The project would convert portions of the building to provide a new multipurpose room for Draper University school use and include a change of use to modify the rest of the building to office use, including office use on the ground floor in an area that is designated for required retail frontage. The ground floor is proposed for office use with a private coffee bar area, one display area for Draper University student projects or displays by members of the Collective Entrepreneur Club, one pop-up retail (for merchandise from Draper University student(s), Collect Entrepreneur Club member(s), or others), and a viewing area into the multipurpose room in the basement. (Refer to Attachment 8 for the applicant's program description for more information on the pop-up retail concept and how they intend to program the rotation of the pop-up retail, and Attachment 3 for project plans). No exterior changes are proposed for this historic building.
- On-site parking lot – Convert two existing parking spaces into one handicapped parking space with the required exit path to meet handicapped accessibility requirements.
- Publically accessible walkways (including the Benjamin Franklin Court) – Remove existing landscaping, trees, pavement, fences, and retaining walls. Construct two new exit stairs and install new signage, landscaping and trees, lighting, paving and drainage

that visually connect the publically accessible walkways from Fourth Ave to Third Avenue to the Central Parking Garage.

Recent Project Activity

The project was previously reviewed by the Planning Commission at the October 23, 2012 public hearing. The Commission continued the project and gave direction to further develop the use of the Collective Building and address questions relating to potential project impacts.

Following the planning commission meeting, the applicant decided to apply for a Temporary Use Permit (PA12-080 Draper University Pilot 2) to further test their concepts for the project. The Pilot 2 program is described as a residential “advanced incubator” for advanced entrepreneurs and for advanced entrepreneurial students. The Temporary Use Permit was approved by the Zoning Administrator on December 14, 2012 and this pilot program is currently underway. Participants in Pilot 2 was limited to use of the Benjamin Franklin hotel building, and are not authorized to use the Collective or the Fourth Avenue buildings.

The applicant submitted revised plans on November 19, 2012 and the updated environmental document was circulated on November 30, 2012. The updated mitigated negative declaration and public comments are discussed in further detail below.

On December 12, 2012, the Downtown San Mateo Association (DSMA) hosted an Open Forum for Tim Draper, Carol Lo and Ken Jillson to discuss the Draper University and Collective Entrepreneurs Club proposal and invited the general public as well as downtown businesses and City staff to attend. The public expressed general support for the Draper University component of the project but expressed concerns regarding the proposed ground floor office use in the Collective Building and potential for parking overflow impacts to nearby residential area on the West side of El Camino Real. The applicant’s meeting notes are included as Attachment 7.

DISCUSSION:

Relationship between Draper University and the Collective Entrepreneurs Club

As mentioned above in the project description, there are two principal uses that comprise the proposed land uses for the project: 1) the proposed school use (Draper University) and 2) the proposed office use (Collective Entrepreneur Club).

Draper University is categorized as a school use and is proposed to be located primarily in the Benjamin Franklin hotel building and would occupy portions of the Fourth Avenue and Collective buildings. The Benjamin Franklin hotel building would serve as dormitory as well as dining, classrooms, and gathering place for Draper University students. The Fourth Avenue building would house the school’s retail shop and administration offices on the ground floor. The Collective building would house the school’s multipurpose room (aka Speaker’s Forum), which is proposed to be used exclusively by the school during school hours for speakers, class, presentations, and other school activities. Registered Draper University students and advanced

students would reside in the Benjamin Franklin building and study/work in the Benjamin Franklin building or the Collective building. And they would also have direct access to amenities and resources available to members of the Collective Entrepreneurs Club such as printing services, access to legal counsel, CPA, and other resources.

The Collective Entrepreneurs Club is categorized as an office use and is proposed to be located in the Collective building. While the majority of the Collective building is categorized as office use for land use and parking requirements, the applicant proposes that the Collective building would be available for use by both Draper University's advanced students (as mentioned above) as well as by other, such as by other small start-up companies that may not be affiliated with Draper University.

Thus, while the two buildings (Benjamin Franklin hotel and Collective buildings) are physically separated, the use of the buildings would be shared by Draper University's "advanced students", and the relationship between uses focuses on educating entrepreneurialism and fostering the development of entrepreneurs.

Downtown Economic Development Permit

As mentioned above, the proposed school use and office use in all three buildings do not meet the recently adopted 60 feet retail depth and 75% retail width requirement for ground floor uses in the Central Business District (SMMC 27.38). The applicant is seeking a Downtown Economic Development Permit to establish a new school and office use in the three buildings, which would require an exemption from the downtown ground floor retail requirement.

As outlined in SMMC 27.38.140, the Downtown Economic Development Permit is intended to encourage development of large, vacant, and underutilized parcels, and provides exceptions from land use standards upon approval of a Downtown Economic Development Permit by the City Council and is based on the following findings:

- (a) *The project is consistent with the goal statements of the Downtown Plan;*
- (b) *The project is of an excellent design quality and is consistent with the Downtown Retail Core and Downtown Historic District Design Guidelines;*
- (c) *The project is a significant development which presents a substantial economic development opportunity for the City and attempts to maximize use of the site;*
- (d) *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; and*
- (e) *Any unmitigated significant impacts are outweighed by the project's economic, social or other benefits.*

In no case, however, shall the project exceed the maximum height and bulk standard and building intensity standard as set forth in Chapter 27.40, Building Height and Bulk Overlay District and the Building Height and Intensity Plan of the General Plan.

Staff is recommending approval of the Permit for the following reasons:

- The project supports the goal statements of the 2009 Downtown Plan in that it supports Downtown Plan policies in preserving the historic Benjamin Franklin hotel and Collective buildings, and the project consists of the reuse of vacant or underutilized buildings to establish a new school and office use where the objectives of the two businesses (Draper University and the Collective Entrepreneur Club) are integrally connected and support each other. The project also provides pedestrian friendly and visually interesting storefronts by including a display area and a pop-up retail space with large windows that provide clear viewing of activities/displays within the spaces in the Collective building. Additionally, the applicant has agreed to implement all the TDM measures as identified in the Nelson Nygaard report and to provide financial assistance by contributing seed money toward the establishment of a downtown TMA, both of these are consistent with the downtown plan policies in that the project incorporated TDM measures, provides support toward the formation of a downtown TMA, and support sustainable transportation initiatives by encouraging bike accessibility.

The proposed plans for the Fourth Avenue building show an approximately 40 foot depth retail store that does not meet the recently adopted 60 feet retail depth and 75% retail width requirements. However, the Draper University retail store will have sufficient room to display school related merchandise while also providing adequate office area in the rear of the Fourth Avenue building for school administration offices. Separate doors for the administration offices are proposed, accessible from Benjamin Franklin Court, to minimize interruption to any retail store activity. Additionally, both uses are open to the public on an unannounced, drop-in basis during posted business hours.

Additionally, the aforementioned display area and pop-up retail space in the Collective building are each approximately 11 feet in depth and flank the main entrance to the Collective building. The approximately 200 sq ft areas provide the general public with rotating displays/retail sale of new merchandise, student projects/products, and other entrepreneurial themed displays/merchandise. The nature of rotating displays and pop-up retail will provide the general public an incentive to visit the site and this segment of East Third Avenue on a regular basis to see/experience the newest displays and shop for new retail merchandise. The project will not alter the existing large ground floor storefront windows which will provide visual access to the displays and retail merchandise. A separate entrance to the pop-up retail store would ensure accessibility for customers.

- The project includes building and site modifications that are generally consistent with the Downtown Retail Core and Downtown Historic District Design Guidelines in that the project plans has been reviewed by the City's consultant, Architectural Resources Group (ARG) for consistency with the Secretary of Interior's Standards for historic buildings as well as the City's Downtown Retail Core and Downtown Historic District Design Guidelines, ARG's report found that the proposed changes do not adversely affect the historic nature of the buildings and any potential impacts would be mitigated through

conditions of approval and follow-up review during the building permit review stage to ensure the construction details and mitigations are provided, and construction is appropriate. For more information, please refer to Attachment 11 for ARG's analysis.

- The proposed project is a significant development for this area of downtown which currently lacks an anchor business/use and is categorized as a significant economic development opportunity for the City as it proposes to fully utilize the three buildings that comprise the project site. The reuse of a vacant hotel building and the partially vacant Collective and Fourth Avenue buildings for a school and office use, together provide a significant economic opportunity for the City in bringing more people to downtown San Mateo and is expected to activate this portion of downtown, which is a primary gateway into downtown from El Camino. The project could be considered a significant development for 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.

The project is anticipated to provide some economic benefit in that it will bring more residents to downtown and a new customer base for downtown businesses each school term. The City's economic consultant AECOM was hired to evaluate the project's anticipated economic impact on the City from a sales tax perspective. The firm evaluated the pre-project condition (prior to acquisition by Heart of San Mateo), the proposed project, and a hypothetical condition under the new required retail frontage code and without this project. The report found that the pre-project condition generated approximately \$19,000 in sales tax revenue to the City, the project at initial start (with 80 students) is estimated to generate approximately \$14,000 in sales tax revenue, and the hypothetical condition is estimated to generate approximately \$12,000 in sales tax to the City. It is important to note that the \$14,000 in retail sales tax revenue is likely to increase with full enrollment at Draper University, and that the evaluation does not include sales tax from the restaurant use. Finally, there is an intangible factor that the project has the potential of adding value to the area by utilizing a once vacant hotel building and generating activity in this area of downtown.

- The project has a minimum building floor area ratio of 1.0 and includes a substantial public improvement to the publically accessible walkways connecting Fourth Avenue to Third Avenue to the Central Parking Garage in that there the existing floor areas already exceed 1.0 FAR. The project will not increase the building square footages or alter the floor area ratio because the majority of building improvements are interior with the exception of the façade changes to the Benjamin Franklin hotel building. The proposed changes to the walkways including replacing old, damaged drainage and pavement, providing new landscaping and trees that are more appropriate for the small shadowed Benjamin Franklin Court area, and providing visitor bike racks. Other improvements include new lighting, fences, stairs, and signage.

- The project's impacts are mitigated to a less than significant level in that an initial study and mitigated negative declaration analyzed the proposed project's impacts and was updated to incorporate the more fully developed use of the Collective building. As discussed in the environmental document, with the incorporation of mitigation measures and conditions of approval, there are no unmitigated significant impacts (see Environmental Review section below for further discussion).
- The project would not exceed the maximum height and bulk standard and building intensity standard as set forth in Chapter [27.40](#), Building Height and Bulk Overlay District and the Building Height and Intensity Plan of the General Plan because the proposed exterior modifications are limited to façade changes on the historic Benjamin Franklin hotel building and do not include altering building height or bulk.

Parking

Parking

As mentioned at the pre-application study session and in subsequent community/neighborhood meetings, parking availability in downtown is an important issue for many residents and businesses. This issue is a community concern and therefore should be addressed comprehensively by downtown businesses, customers, property owners and the City. Towards that end, the City's Public Works Department initiated a study of downtown parking issue and the City Council held a study session in September 18, 2012. Public Works staff has issued an RFP and are in the process of reviewing applications and will shortly conduct interviews to select a consultant who will assist the City in this effort. It is anticipated that public outreach/community meetings will be an integral part of the downtown parking study effort and that more information will be provided as they become available.

Nelson Nygaard Parking Demand Analysis

The City contracted with Nelson Nygaard to evaluate the project's parking demand and opportunities for Transportation Demand Management measures. Nelson Nygaard evaluated the proposal for Draper University school and office uses in the three buildings and found that with Draper University's enforcement of a no-car policy for all students and implementation of project level Transportation Demand Management (TDM) programs, the overall combined parking demand for all uses in the three buildings is anticipated to be reduced (refer to Attachment 12 for Draper University and the Entrepreneurs Club Parking Analysis and TDM Plan by Nelson Nygaard dated November 29, 2012).

To determine actual parking demand, the consultant analyzed shared parking demand of all proposed uses. The unshared parking demand, which is the base parking demand based on average trips for the proposed uses, is estimated to be 177 parking spaces for all uses in the three buildings.

Mixed-use developments, such as the proposed project, offer the opportunity to share parking spaces between various project uses with different peak parking demand periods. A combination

of new and existing uses is expected to operate on the project site: Draper University school use with on-site boarding of student, retail, and administrative office use; the Collective Entrepreneurs Club's office use; Astaria restaurant's use; and general office use (in the second floor of the 37 E. Fourth Avenue building); it is therefore similar to mixed-use developments. Mixed-use development creates opportunities for shared parking because of the staggered peak demands for parking associated with different uses. Shared parking analysis also accounts for how parking demand can be expected to vary by time of day and day of week. Since different uses experience peak parking demand at different times of the day, the shared peak demand is lower than an unshared parking model where no consideration is given to the time of day at which peak parking demand occurs and where each use is evaluated as a stand-alone development. Nelson Nygaard's analysis shows that the weekday total peak shared parking demand occurs at noon, with a total demand of 161 parking spaces and weekends, the peak shared parking demand of 67 spaces occurs at 7 pm.

Additionally, along with Draper University's no-car policy for all students and implementation of all TDM programs by Draper University and the Collective Entrepreneurs Club, the overall shared parking demand is estimated to be reduced to 120 parking spaces for weekdays and 35 spaces for weekends with the implementation TDM measures as listed below:

- Student Vehicle Restrictions
- Bicycle parking
- Bicycle loaner program
- Car sharing/Car Loaner Program
- Preloaded Clipper Cards and Transit Passes
- Welcome Packets and Transportation information
- Pre-tax Transit Benefits
- Shuttle Bus Service

In addition to the TDM plan, Nelson Nygaard's analysis also include a Monitoring and Evaluation Program that specifies required annual self reporting by Draper University and the Collective Entrepreneurs Club on how the TDM programs have been implemented for the previous year and changes for the upcoming year. Additionally, Draper University and the Collective Entrepreneurs Club/property owner are required to provide funds for the City to review the annual reports, evaluate, and enforce TDM programs; which will ensure City staff time (as well as any third party consultant hired by the City) to monitor, evaluate and enforce the Monitoring and Evaluation Program are fully paid for by the project sponsors rather than the City's General Fund.

The Monitoring and Evaluation Program also includes provisions to address the potential that the project site may be used for special events in the evenings or weekends. Special events may be permitted on the project site provided that each event is subject to review and approval by the Zoning Administrator and the applicant has secured adequate off-site parking for each event.

Adherence to the TDM measures, annual Monitoring and Evaluation Program, and requirements for special event parking are all required as conditions of approval.

In addition to actual parking demand, the project's conformance with Zoning Code parking requirements was analyzed. The project site is located in the City's Central Parking Improvement District whereby previous property owners have paid fees into the parking district for uses within the existing buildings. The previous hotel, commercial (general retail & salon), and office use (general office and financial office) generated a total parking requirement of 154 parking spaces. The base (unshared) parking demand for the project is 177 spaces during weekday peak and 91 spaces during weekend peak (see Nelson Nygaard's analysis, page 2-3). As mentioned in Nelson Nygaard's analysis, based on a shared parking concept (a concept which is applied to mixed-use developments), the project's shared parking demand with implementation of the TDM programs is expected to be reduced for both the weekday peak period to 120 spaces as well as weekend peak period to 35 spaces. For employees, the weekday and weekend peak parking demand are estimated to be reduced by 13%, thereby bringing the weekday peak to 8 spaces and 1 space for weekend peak. Therefore, with the implementation of the TDM programs, the project's total weekday peak parking demand is estimated to be 120 spaces and the total weekend peak parking demand is estimated to be 35 spaces; both of which are below the 154 parking spaces required by the previous uses.

Additionally, the Zoning Code allows change of individual uses, located in the Central Parking Improvement District's (CPID) Primary Benefit Zone (PBZ), which require up to an additional 10 spaces to be established within the CPID without providing extra parking on-site or executing a parking agreement to pay in-lieu fees. As a result, the project conforms with the more specific Zoning Code requirements which apply to properties and uses within the Central Parking and Improvement District. As noted above, the City's Public Works Department is examining downtown parking issues, including the feasibility of pursuing a new parking district to provide additional parking in downtown.

Therefore, with the incorporation of the TDM plan and the Monitoring and Evaluation Program, the project will have a less than significant impact on applicable land use policies, including Zoning Code parking requirements.

Lastly, in recognizing that the downtown parking situation is a community concern and that there are other TDM programs which require a broader participation base than this project can provide (i.e. TDM measures that are based on an economy of scale. These measures are viable based on a larger pool of downtown employees, and would be available to smaller businesses as they would benefit the pooling of resources and users), the City requested and the property owner has agreed to contribute \$15,000 as seed money toward the establishment of a Downtown Transportation Management Association (TMA). The 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.

AECOM's Retail Sales Analysis

AECOM was asked to analyze the applicant's proposal to compare retail sales tax generated by the proposed project to 1) sales tax generated prior to the project and 2) sales tax potential given the new ground floor retail requirement (SMMC 27.38). The consultant reviewed the applicant's Annual Financial Impact Analysis, and estimate retail sales tax under the three situations, and identified other issues relevant to the economic or fiscal impact of the project to downtown San Mateo. The report concludes by stating that,

*Based upon a review of the applicant's financial statement and using basic industry standards and confidential data provided to us, we estimate that the applicant's proposal will generate close to \$14,000 of retail sales tax revenue for the City of San Mateo based on partial enrollment of 80 students per term (rather than 180 students per term at full enrollment), compared to approximately \$19,000 retail sales tax generated by retail tenants prior to property acquisition by Heart of San Mateo (see **Table 2**). However, many of the formerly retail spaces could convert to office or other uses, as some are located on basement or second floor levels, and others exceed the 60 foot depth requirement for ground floor retail (based on the recently adopted code). The retail area required by new code has the potential to generate an estimated retail sales tax of \$12,000 for the City annually in the short term, particularly in light of challenging physical spaces and long-term vacancies.*

Finally, it is important to note that the estimate for the Draper University and Collective Entrepreneurs Club retail sales tax likely has the potential to increase over the years given that the student enrollment assumption used for our analysis is 80 students per term, compared to a capacity of 180 students per term at full enrollment.

Table 2: Estimate of Retail Sales Tax Generated by Downtown Retail to the City of San Mateo

<i>Scenario</i>	<i>Retail Sales Tax</i>
<i>Former Retail Uses</i>	<i>\$19,000</i>
<i>Draper University Proposal</i>	<i>\$14,000</i>
<i>New Ground Floor Retail Requirement</i>	<i>\$12,000</i>

Source: AECOM

Additionally, AECOM's analysis identifies other important economic factors to consider, these are:

- *While there might be potential for the currently vacant and underutilized retail spaces to find new tenants, they are highly unlikely to attract national chain tenants due to the absence of other similar tenants in the area, competition clauses for tenants at Hillsdale Shopping Center and in Downtown Burlingame, and physical challenges to the specific spaces in question.*
- *It is AECOM's opinion that that the proposed Draper University and Collective Club project is a unique opportunity that will have broader economic benefit to the City beyond the retail sales tax generation that is the subject of our analysis. Given the proposed focus on entrepreneurship, Draper University and the Collective Club are complimentary uses, and builds upon the niche market for start-ups in Downtown San Mateo, and may help facilitate the continued development of an industry cluster of technology and/or product design start-ups. The project can also help anchor a part of the Downtown that has not received as much benefit from the cinema project and has experienced higher vacancy rates over the years, thereby creating more value for the adjacent blocks. Finally, there are additional positive fiscal impacts to the City that will result from on-going property and business tax payments.*

AECOM's analysis provides an economic or financial impact perspective, and shows that the project has the potential to short term and long term sales tax as well as other potential benefits for the community.

ENVIRONMENTAL REVIEW:

The project requires the preparation of an environmental impact assessment under the provisions of the California Environmental Quality Act (CEQA). A updated Initial Study/Mitigated Negative Declaration was prepared to assess environmental impacts of the proposed project based on full use of the Collective building. The updated Initial Study/Mitigated Negative Declaration identifies and discusses potential environmental impacts of the project and proposes mitigation measures to be incorporated in the project to eliminate any potentially significant impacts (see attachment 7).

Copies of the Initial Study/Mitigated Negative Declaration document were distributed on November 30, 2012 and made available for public review during business hours at the Planning Division counter, located at San Mateo City Hall, 330 W. 20th Avenue, and at the San Mateo Main Library located at 55 W. 3rd Avenue. Information about the project was also posted on the City's website at:

The public comment period on the Initial Study/Mitigated Negative Declaration began on November 30, 2012 through December 19, 2012. The comments received as well as responses are included in Attachment 15 & 16.

EXHIBITS:

- A. Findings for Approval
- B. Conditions of Approval

ATTACHMENTS:

- 1. Vicinity Map
- 2. Data Sheets
- 3. Project Plans
- 4. 10/23/2012 PC Approved Minutes & Administrative Report
- 5. Public Work's Memo and Applicant's Bike Parking Exhibit
- 6. Pilot 2 Neighborhood Meeting – Applicant's Notes
- 7. DSMA's Open Forum – Applicant's Notes
- 8. Applicant's Program Description and Economic Benefits Summary
- 9. AECOM's Sales Tax Analysis
- 10. Letter from Astaria regarding storefront colors
- 11. Design Review by Architectural Resources Group
- 12. Parking Analysis and TDM Plan by Nelson Nygaard
- 13. Office Use Memo by Nelson Nygaard
- 14. Mitigated Negative Declaration and Initial Study
- 15. Responses to Public Comments
- 16. Public Comments

CC:

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Interested Parties