



Item No: 1
Meeting Date: June 9, 2015

To: Planning Commission

Date: June 1, 2015

Authorized By: Ron Munekawa
Chief of Planning

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Subject: PA 15-009, 221 South El Camino Real SPAR, SDPA, TM
221 S El Camino Real (APN: 034-142-160)

RECOMMENDATION

1. Adopt the Categorical Exemption, Class 32 Section 15332, "In-Fill Development Projects", as sufficient in satisfying the requirements pursuant to the California Environmental Quality Act (CEQA) regulations, based on the Findings for Approval attached as Exhibit A; and
2. Approve the Site Plan and Architectural Review (SPAR) for construction of a new 32,654 square-foot, three-story office and retail building; intrusions above street wall area; and off-street loading berth at the corner of El Camino Real and 3rd Avenue; Site Development Planning Application for removal of a heritage street tree and a Tentative Parcel Map to merge two existing parcels into one parcel for the office and retail building based on the Findings in Exhibit A and Conditions of Approval in Exhibit B.

SITE DESCRIPTION

The project site is located at the northeast intersection of East 3rd Avenue and South El Camino Real, which was formerly home to a gas station but has been vacant and undeveloped since more than 20 years ago. The site is located within the area generally known as the City's

“downtown core” and together with the other corner property at East 3rd Avenue and South El Camino Real, the intersection has the potential to form a major entryway into downtown.

The project site is approximately 12,075 square feet in size and is located on the northeast corner of East 3rd Avenue and South El Camino Real in downtown San Mateo (refer to Attachment 1). The site borders South El Camino Real, a state highway, on the western side, the City’s Second Avenue Public Parking Garage on the northern side, an existing CitiBank building on the eastern side and East Third Avenue on the southern side. The subject property is adjacent to a variety of uses with Mills Hospital to the north, commercial to the east and south, and residential and office/commercial to the west. The Caltrain Commuter Rail Line is located a few blocks to the east of the project site and the City’s Central Park is located a few blocks to the south of the site. The property is zoned CBD (Central Business District) and the General Plan land use designation is Downtown Retail Core.

BACKGROUND

The Planning Commission has previously approved a planning application for this project on the subject site at the May 22, 2008 Planning Commission meeting (PA07-087), but due to financial constraints and the downturn in the economy, the project was not constructed. The project in its previous form was a three-story, 33,258 square feet commercial building and was designed for retail and office uses, with retail at the ground floor and office space at the second and third floors. The development included street level improvements in the form of wood planter boxes, new street trees, and new sidewalks; and a design that provides an architectural statement at one of the main gateways into downtown. In addition to the new building, the project proposed to meet parking and loading requirements through payment of an in-lieu fee and compensating the City for the loss of meter stalls as in order to establish a new commercial loading space on East 3rd Avenue.

A Planning Commission Study Session was held on December 9, 2014 to solicit community and Planning Commission feedback. The community voiced major concerns with the lack of parking provided on-site, but they generally welcomed the design. The Commission also shared the same comments regarding the overall design, but also had some reservations regarding the lack of parking. The Commission also requested the terrace area widened and utilized (Attachment 2).

The current proposal before the Commission is mostly unchanged from the previous proposal with the exception of a reduction in proposed square footage and a substantial provision of open space.

PROJECT DESCRIPTION

The projects consists of the construction of a new three-story commercial building with ground floor retail space and two levels of office above (Attachment 3). The retail space will be approximately 5,763 square feet and total office area will be approximately 26,891 square feet, for a total of 32,654 square feet (Attachment 4 & 5). The site is currently vacant.

Bicycle parking is provided for both the office and retail components are provided as follows: eight (8) short-term bicycle parking spaces on the public sidewalk, and 10 long-term bicycle located within the ground floor tenant space. Trash and recycling will be serviced from 3rd Ave, and delivery and loading functions are proposed along the 3rd Ave right-of-way. Substantial open space is provided along the 3rd Ave frontage with provisions for outdoor seating and dining.

The proposed architectural style is modern and is designed to relate to the rest of downtown. The design helps to preserve downtown's pedestrian scale by minimizing the building's overall massing and preserving the street wall with zero lot line setbacks and step backs at the 3rd floor building walls. Additionally, the three story building will serve as a transition from the taller Second Avenue Garage to the north down to the one-story CitiBank building to the right and two-story commercial buildings to the south.

CODE AND POLICY COMPLIANCE

The City's General Plan and Downtown Area Plan include specific policies that are tailored to the unique characteristics of the City's Downtown. Proposed developments in the City's downtown are reviewed for conformance with applicable polices and guidelines set forth in the General Plan, Downtown Area Plan, zoning code, and other applicable regulations.

General Plan

The General Plan Land Use Diagram designates the project site as Downtown Retail Core. A preliminary list of applicable General Plan policies is included in Attachment 6. These include policies pertaining to commercial and economic development in downtown, traffic, parking, transportation demand, and tree preservation, encouraging pedestrian enhancements, and encouraging good urban design. The project has been designed to conform to the goals and policies of the General Plan. Please refer to the project findings for more information on compliance with general plan goals.

Downtown Area Plan

The project site is located in the Downtown Area Plan area. A preliminary list of applicable Downtown Area Plan policies is included in Attachment 7. The proposed retail and office uses are a mix of uses typically found in the downtown. Additionally, the location of the building on

the site, floor area ratio, height, setbacks, and proposed uses for ground floor tenant space(s) are generally in conformance with the Downtown Area Plan. Please refer to the project findings for more information on compliance general plan goals.

Zoning Code

The property is zoned CBD (Central Business District). The project proposes a floor area ratio of 2.70, which is under the maximum permitted floor area ratio of 3.0. The project proposes a height of 45', which is under the maximum height of 55'. Setbacks of about 1' are provided along the 3rd Ave street frontage. The proposed bicycle parking exceeds the minimum code requirements (see data form - Attachment 4).

On-Street Loading Space. The project is required to provide a loading space based on the retail floor area. Given the challenges to providing an on-site loading space, the applicant is requesting approval of an on-street loading space, provided:

- Adequate on-street parking is available
- The street width is adequate to accommodate the loading vehicle without negatively affecting traffic circulation
- On-street parking intended for temporary loading purposes is located at least 50' from any intersection, and provides convenient access to building structures

With on-street loading spaces, it is anticipated that approximately two (2) on-street parking spaces will be displaced, but the proposed number of removed stalls will be small, and a sufficient number of parking stalls should be still available for parking. A loss of meter revenue agreement will be required for the removal of any metered parking stalls to accommodate an on-street loading space; a condition of approval has been added to reflect this requirement.

Open Space. Open space is required to be provided for the project, in an amount equal to 1% of the total square footage of nonresidential area (unless the projected amount less than 200 square feet, in which case open space would not be required). Calculations indicate that a minimum of 327 square feet of open space is required subject to other provisions of the Central Business District. Additional parameters indicate that open space must:

- Accessible from a public sidewalk with a minimum width of 25'
- At least 50% of the open space must be unshaded between the hours of 12pm to 2pm at the spring and fall equinox (unless shaded by an existing building)

Furthermore, Zoning Code Section 27.04.350 "OPEN SPACE", defines commercial open space as:

- Open space on the project site in the form of a plaza, square, court, or other urban space which is at least 75% open to the sky

- Free from automotive traffic
- Accessible to the public at large

The project plans have been revised to satisfy the above requirements for open space and can accommodate public use.

Street Tree Replacements. Currently, A Canary Island Pine street tree off of the 3rd Avenue street frontage is proposed for removal with a Site Development Planning Application. The street tree has presented issues regarding maintenance, potential damage, aesthetic value, outgrowth of planting size area, and useful life span. Ultimately, the tree is not appropriate as a street tree and will be replaced with species that are suitable for the sidewalk location (Attachment 8). The tree species, tree size, and tree grate size of the replacement street trees will be determined prior to first building permit issuance.

Downtown Design Guidelines and Design Review

The proposed architectural design is mostly unchanged from the design presented to and approved by the Commission in 2008. The additional inset on the ground floor has not substantially changed the elevation off of 3rd Ave. The proposed design has been reviewed by the City's design review consultant, Larry Cannon, AIA, of Cannon Design Group, for consistency with the City's Downtown Design Guidelines and General Plan Urban Design Element and to address design concerns expressed by the Planning Commission (Attachment 9). Staff has reviewed the project plans and they appear to be consistent with the Downtown Design Guidelines (see Attachment 10).

While the project is not strictly subject to the Downtown Historic District Design Guidelines, the building will be reviewed within the context of nearby downtown structures. The following is an excerpt of design review consultant's comments:

- The third floor is set back to allow the lower portion of the building to relate to the height of the adjacent buildings. The use of brick on the third floor further reinforces the base of the buildings.
- Molding elements at the top of the second floor mass relate to the variety of cornice treatments on nearby downtown buildings.
- Window patterns and recessed storefronts and entry doors on the ground floor relate to the other nearby buildings, and second and third story windows are sensitive to the size and scale of other downtown buildings.
- Projecting canopies over ground floor storefronts relate to the variety of awnings and canopies in the downtown.
- Entries to upper floor uses are clearly identified.

Overall, the design review consultant supports the design and the building would work well as an entry structure into the downtown area. The consultant recommended that the brick treatment be extended to the full length of the east elevation, which the applicant has implemented. The remaining suggestions regarding the canopies and recessing the windows would be optional. However, the Commission may elect to condition the above.

Sustainability & Green Building

The project is anticipated to be in compliance with the California Green Building Standards Code. The CALGreen Code replaces the City's Green Building Ordinance which was rescinded effective January 1, 2014. At this preliminary stage, the applicant has identified the following green building components for the project: the provision of short term and long term bike parking, roof planters, and areas for photo voltaic panels.

As there is no on-site parking, alternative, more sustainable transportation modes to and from the site will be required, and Transportation Demand Management (TDM) measures will also be implemented, such as walking, biking, and rail and bus transit. In addition, funding will be required to setup a Downtown Transportation Management Association for area-wide TDM implementation, flexible work schedules and telecommuting will be encouraged, as well as commuter benefits and the Guaranteed Ride Home Program.

The applicant is also proposing a light well instead of constructing a three-story tall wall at the side property line because the light well would provide natural light to the second and third floor offices, which also has the potential to reduce reliance on artificial light and electricity usage.

Grand Boulevard Initiative Guiding Principles and Pedestrian Master Plan Goals

Furthermore, the project also conforms to the following Grand Boulevard Initiative guiding principles, which envisions that "El Camino Real will achieve its full potential for residents to work, live, shop, and play, creating links between communities that promote walking and transit and an improved and meaningful quality of life", by:

- Targeting housing and job growth in strategic areas along the corridor
 - Encourage business opportunities, with a greater range of affordability and choices, exemplifying high-quality architecture and urban design.

- Encouraging compact mixed-use development and high-quality urban design and construction
 - Implement zoning and precise plans with design-specific elements that address street orientation, facades, parking and setbacks, and provide planning aides and design guidelines, to developers.
- Creating a pedestrian-oriented environment and improve streetscapes, ensuring full access to and between public areas and private developments
 - Provide an integrated pedestrian environment with wide, continuous sidewalks, landscaping, lighting, and signage, all with human-scale details, with a commitment to maintain those amenities, and create landmarks and signature buildings to shape the street environment to a pedestrian orientation.
- Developing a balanced multimodal corridor to maintain and improve mobility of people and vehicles along the corridor
 - Support transit-oriented development (TOD) reduced reliance on single-occupancy vehicles.
- Managing Parking Assets
 - Consider trip reduction due to transit when designing parking requirements, pursue the development of multiuse parking structures in strategic locations, substituting parking with reliance on Transportation Demand Management (TDM) strategies and reducing required parking.
- Providing vibrant public spaces and gathering places
 - Create public spaces of all sizes that will stand the test of time and provide lasting value for future generations, design public areas to attract usage, functional, and decorative through careful use of space and amenities.
- Preserving and accentuate unique and desirable community character and the existing quality of life in adjacent neighborhoods
 - Encourage design that is compatible with or shares design elements with adjacent development and neighborhoods.
 - Identify local themes and express them through and urban design guidelines.

In addition, the City's Pedestrian Master Plan identifies San Mateo as a more walkable, livable, and healthy city. The project conforms to the following policies within the City's Pedestrian Master Plan:

- Goal 1: Mobility

Increase and improve pedestrian access to employment centers, transit, community destinations and recreation across the City of San Mateo for all ages and abilities.

- Goal 3: Infrastructure and Support Facilities

Maintain and improve the quality, operation and integrity of the pedestrian network infrastructure that allows for convenient and direct connections throughout San Mateo.

DISCUSSION

Payment of Fee In-Lieu of Providing On-Site Parking

The site is located in the downtown parking district (Central Parking and Improvement District - CPID) which enables property owners to meet parking requirements by providing required parking on-site, off-site or through a Parking Agreement with the City to pay a fee in-lieu of providing parking on-site. The applicants are requesting a Parking Agreement and will pay an in-lieu fee for approximately 79 parking spaces at the rate in effect at the time of building permit application. Staff will verify the exact number of required spaces during the building permit plan check phase.

Traffic

A Traffic Impact Analysis (TIA) was prepared by Hexagon Transportation Consultants, dated April 9, 2015 (Attachment 11). The Traffic Study analyzed intersection levels-of-service at 15 intersections, including the following:

1. Dartmouth Road and 3rd Avenue
2. El Camino Real and 2nd Avenue
3. El Camino Real and 3rd Avenue
4. El Camino Real and 4th Avenue
5. El Camino Real and 5th Avenue
6. El Camino Real and 9th Avenue
7. San Mateo Drive and 2nd Avenue
8. San Mateo Drive and 3rd Avenue
9. San Mateo Drive and 4th Avenue
10. San Mateo Drive and 5th Avenue
11. B Street and 3rd Avenue
12. Delaware Street and 3rd Avenue
13. Delaware Street and 4th Avenue
14. Humboldt Street and 3rd Avenue
15. Humboldt Street and 4th Avenue

The Traffic Study concludes that the project, as proposed, would not create any significant traffic impacts by itself, in addition to approved but not yet constructed projects, or in combination with the proposed project across the street (2 E 3rd Ave). All intersections are expected to operate Levels of Service (LOS) C or better, within the City's requirement of LOS D or better.

As a condition of approval, the project will be required to pay the San Mateo transportation improvement fee, and payment of this fee will ensure that the project contributes its share toward funding improvements to accommodate cumulative traffic conditions. In addition, a trip reduction plan or Transportation Demand Management (TDM) program will be implemented to further reduce the project's contribution to cumulative traffic conditions, and will also be required as a condition of approval.

Downtown Parking

A survey was commissioned by the City to conduct a focused parking utilization survey determining the amount of parking occupancy in off-street parking facilities in the downtown area. The survey was prepared by CDM Smith and was conducted in February to March of 2015 (Attachment 12). It showed an overall parking occupancy of 88% within the downtown area during the weekday at 2pm. This corresponds to 210 available spaces. During the weekday evening at 6pm, parking capacity reaches 60%, which translates to 699 available spaces.

If the same 88% is extrapolated to apply to on-street parking spaces, about 145 on-street parking stalls would be available during this time, for a total of 355 available stalls during the peak midday period.

The total parking requirement for both the subject project neighboring project across the street (2 E 3rd Ave) totals 141 parking stalls, and would require the use of approximately 40% of the available stalls during the midday weekday period.

While the occupancy of the off-street parking facilities has exceeded the 85% desired occupancy target, the City is committed to implementing further parking management strategies in the downtown area as outlined in the Downtown Parking Management Plan, which was last reviewed by City Council in April 2014. The Council has recognized this as a City priority, and has directed staff in the City Manager's Office to move forward on implementation of the following items:

- Hiring permanent Parking Manager for downtown
- Additional funding for downtown parking initiatives
- Valet parking
- Identifying private sites for future shared parking
- Signage and wayfinding

Public Art

The Art in Public Places fund is administered by the Civic Arts Committee, but the Commission and members of the public provide comment and input. Projects of a certain valuation are required to provide public art if the building permit valuation equals to three million dollars or

more. If public art or in-lieu fees are required, it will be required to be reviewed and approved prior to building permit final.

NEIGHBORHOOD INPUT

The applicant held a formal pre-application neighborhood meeting on November 18, 2014 jointly with the applicants from the other two corner properties at 2 E 3rd Ave and 2 W 3rd Ave. The meeting was attended by approximately 40 community members. The comments were generally positive (refer to Attachment 13).

PUBLIC COMMENTS

Additional public comments were received by staff and are summarized below (refer to Attachment 14):

- Absence of on-site parking & payment of in-lieu fee is unacceptable; ample parking should be provided and a solution must be created to address the parking issue, especially with nearby residential
- Relocate loading zone away from 3rd Avenue & El Camino Real, prefer to use Alley for loading & for trash pickup

CALIFORNIA ENVIRONMENTAL QUALITY ACT

A Categorical Exemption has been recommended for the project, pursuant to the California Environmental Quality Act Guidelines, Class 32 Section 15332 In-Fill Development Projects, which are in conformance with the General Plan Policies and Zoning Code and is located within an urban setting on a project site less than 5 acres (.28 acres).

The project site has no value for endangered, rare, or threatened species, and approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality, and is served by all required utilities and public services. The project is proposed at a long vacant site and would have no significant or permanent effects on the environment.

No significant environmental effects related to air quality, biological resources, hydrology and water quality, noise, public services, transportation/traffic, or utilities and service systems are anticipated.

NOTICE PROVIDED

In accordance with Government Code section 65090, notice of this meeting was published in the Examiner newspaper 10 days before this Study Session. In accordance with Government

Code section 65091 and the City's Municipal Code noticing requirements, this hearing was noticed to the following parties ten days in advance of the June 9, 2015 Planning Commission meeting:

- Property owners, residential tenants and business tenants within 1,000 feet of the three corners project sites;
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects;
- The City's Planning E-Notify Email list; and,
- The interested parties list which includes interested individuals who contacted the City and requested to be added to the project notification list.

EXHIBITS

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

ATTACHMENTS

1. Location Map
2. December 9, 2014 Planning Commission Study Session Meeting Minutes
3. Project Plans
4. Commercial Data Form
5. Applicant's Project Description
6. General Plan – Applicable Policies
7. Downtown Area Plan – Applicable Policies
8. Street Tree Memo, Dated June 2, 2015
9. Design Review Report, Larry Cannon Design, Dated March 24, 2015
10. Downtown Retail Core & Downtown Historic District Design Guidelines
11. Transportation Impact Analysis, Hexagon Transportation Consultants, Dated April 9, 2015
12. Downtown Focused Parking Utilization Study, CDM Smith, April 16, 2015
13. November 18, 2014 Neighborhood Meeting Notes
14. Public Comments

CC (AR and attachments (hardcopy) via USPS First Class Mail)

Property Owners

Applicant

Matt Bronson, Assistant City Manager

Marcus Clarke, Economic Development Manager

Vivian Ng, Interim Downtown Parking Manager

Matthew Fried, Managing Arborist

Gary Heap, Engineering Manager

Ken Chin, Project Manager

Evan Albert, Associate Engineer
Julia Klein, Senior Planner

CC (Website link to AR and attachments via Email)
Interested Parties (if email address was provided)