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From: Len Filppu [mailto:lenfilppu@earthlink.net]
Sent: Wednesday, February 28, 2007 9:33 PM
To: Betten, Zariah
Subject: Material for Planning & Transportation Commissioners

Dear Zariah,

Please distribute the attached to the members of the Planning & Transportation Commission in regard to the upcoming hearing on Alma Plaza.

This is a whitepaper the Friends of Alma Plaza wrote and distributed to the press and interested parties last summer.

While much of its content remains relevant, we will update information via comments based on the current application at the upcoming hearing.

Thank you most sincerely,

--Len

Len Filppu
3621 Ramona Circle
Palo Alto

Arguments in Favor of Retaining Neighborhood-Serving Retail Shopping as the Primary Use of Alma Plaza

Presented by:

Friends of Alma Plaza

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FRIENDS OF ALMA PLAZA

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Retail Shopping as the Primary Use of Alma Plaza**

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FRIENDS OF ALMA PLAZA

WHO ARE FRIENDS OF ALMA PLAZA?

I. Who are Friends of Alma Plaza?

Friends of Alma Plaza is a grassroots group of south Palo Alto neighbors who wish to preserve neighborhood-serving retail shopping as the primary use of Alma Plaza as per the City's Comprehensive Plan. This effort is widely supported by new and longtime residents of the changing neighborhoods surrounding Alma Plaza as demonstrated by the over 500 (and growing) signatures on the petition to preserve neighborhood-serving retail at Alma Plaza.

The Friends of Alma Plaza believes:

- The City's Comprehensive Plan established Alma Plaza's neighborhood-serving retail designation, and the City should support the neighborhood's historical expectations of this designation.
- Despite claims to the contrary, Alma Plaza was and is a viable retail location.
- The City needs the increased retail tax base of a revitalized Alma Plaza.
- The City must carefully evaluate zoning changes that can impact neighborhoods, schools, public facilities, and the Comprehensive Plan.
- The City must carefully evaluate the Planning and Transportation Commission's 5-2 vote Consensus Recommendation directing the developer to adhere more closely to the guidelines of the City's Comprehensive Plan. (Note: the developer's follow up proposal was virtually unchanged).

FRIENDS OF ALMA PLAZA

PLANNING AND TRANSPORTATION COMMISSION 5-2 VOTE

II. Planning and Transportation Commission 5-2 Vote

On April 26, 2006, the Planning and Transportation Commission voted 5-2 on a Consensus Recommendation stating that the Alma Plaza project should:

- Be true mixed use with less housing than currently proposed
- Have retail comparable to other existing neighborhood centers
- Remain zoned as a planned community
- Provide better transition to residential neighborhoods regarding design, FAR and density
- Consider signalization of a turn into Alma Plaza
- Clarify the easement issues with the site's office development
- Have pedestrian and bicycle access
- Base parking be based on existing code
- Reference Palo Alto Housing Corporation's memo for their identified BMR issues
- Require the applicant to look at a variety of housing types compatible with the City

Friends of Alma Plaza's Positions

1. We recognize P&TC's expertise on the City's public review of land use and zoning issues, and we support its vote on Alma Plaza.
2. We seek less housing and more retail than currently proposed. Retail space should be comparable to that of other Neighborhood Centers
3. We support Alma Plaza zoning which will assure long term community retail uses of the Neighborhood Center. We oppose a Development Agreement.
4. We respectfully request that City Council carefully weigh the deliberations of the P&TC before voting on the applicant's next proposal. As citizens, we find it illogical and unacceptable that the City Council weighed in on the developer's opening proposal without adequate time to review the land-use-informed deliberations of the P&TC's 5-2 Consensus Recommendation vote against it. We further find it inappropriate that City Council weighed in on that issue before hearing comments from the public.
5. We wholeheartedly support P&TC's stewardship and application of our City's Comprehensive Plan with its community-building concept of Neighborhood Centers such as Alma Plaza.
6. We support P&TC's emphasis that parking be based on existing code, that the project has adequate pedestrian and bicycle access, and on the need for turn signalization into Alma Plaza.

FRIENDS OF ALMA PLAZA

GRASSROOTS PETITION TO KEEP ALMA PLAZA PRIMARILY RETAIL

III. Grassroots Petition to Keep Alma Plaza Primarily Retail

A grassroots petition campaign of neighbors who want more retail in Alma Plaza than the applicant's current proposal has garnered over 500 signatures to date.

An online version is available for additional electronic signatures at <http://www.petitiononline.com/AlmaPlza/>.

The coalition of neighbors supporting preservation of the values of the Neighborhood Center at Alma Plaza is diverse, committed, and made up of fresh faces new to the issue.

The language of the petition is included below:

To: Palo Alto City Council and Planning & Transportation Commission

As Palo Alto residents, we are concerned about the current and future state of Alma Plaza – a neglected, but important neighborhood-serving retail center.

South Palo Alto neighborhoods need this retail. Alma Plaza is one of only four neighborhood-serving retail centers in Palo Alto. There are numerous reasons to retain Alma Plaza as primarily retail space. Many people depend on walking to meet their retail needs, especially for groceries.

Neighborhood retail meets this local need, encourages walking and biking, and reduces car traffic. And with significant new housing development in South Palo Alto, convenient neighborhood retail will be even more critical.

The City overall needs the tax revenue. Many South Palo Alto residents shop for groceries in Mountain View, especially after the loss of Albertson's and the All-American Market. It's of critical civic importance to provide a grocery store and other retail options to residents in Barron Park and in the projected new South Palo Alto housing developments who otherwise might spend their tax dollars in Mountain View.

Once housing, forever housing. We are very concerned about the impact that more housing in South Palo Alto will have upon our already crowded schools, streets, parks, and our financially challenged city services (police, fire, libraries, etc.). Changing present zoning to allow market-rate housing on a significant part of Alma Plaza will cost the City and the taxpayers for the long term. And this land will be lost as retail.

FRIENDS OF ALMA PLAZA

GRASSROOTS PETITION TO KEEP ALMA PLAZA PRIMARILY RETAIL

The primary type of retail tenant we desire at Alma Plaza is a QUALITY, AFFORDABLE grocery store. Specifically, we seek convenient shopping for high quality and reasonably priced fresh produce, dairy, and bakery goods. JJ&F, Trader Joe's, and Milk Pail Market are good examples of this type of mid-size grocery store. Examples of additional retail services desired include a U.S. Post Office service, ATM, café/coffee shop/restaurant, dry cleaner, bakery, and sewing service (such as Jacquie's Sew & Sew).

We need and value local, quality retail and are enthusiastic about patronizing new retail in our neighborhood. We maintain that the focus for any redevelopment of Alma Plaza must follow the City's Comprehensive Plan to provide neighborhood serving retail that also benefits the tax base of the entire community.

Sincerely,

The Undersigned

FRIENDS OF ALMA PLAZA

RETAIL VIABILITY OF ALMA PLAZA

IV. Retail Viability of Alma Plaza

1. Why Do We Know It's A Great Place For A Neighborhood Shopping Center?

Alma Plaza was the most successful neighborhood center.

Alma Plaza was the single best performing neighborhood-serving retail center in Palo Alto until its square footage was withdrawn from the rental market. A look at sales tax revenue per sq. ft. in the year 1989 demonstrates the point.

Sales tax figures from the Retail Trends in Palo Alto report prepared by the Finance Department show that Alma Plaza generated \$57,392 (page 19). Given the gross leasable area of 36,962 sq. ft. recorded in the 2002 report prepared by Keyser Marston Associates, we can see that the center had a sales tax revenue of \$1.55 per sq. ft. What's important is that, using the same sources, we get figures for the other two Palo Alto neighborhood shopping centers that puts Alma Plaza on top:

	Sales Tax Revenue per sq ft floor area (1989)
Alma Plaza	\$1.55
Edgewood Plaza	\$1.26
Charleston Plaza	\$1.07

Alma Plaza was the clear leader in neighborhood shopping and came in a strong third behind Stanford Mall and Downtown when all the retail shopping areas in the City were included.

Downturn is due to delayed construction, intentional withdrawal from retail rental market.

The downturn at Alma Plaza began in the early 1990s as a result of some quite unintended and unexpected consequences of otherwise well-intentioned land use planning policies. First, the efforts of the previous owner of much of Alma Plaza to construct an additional 6,000 square foot building to replace the gas station were frustrated. Next, the Planning Commission concluded that an integrated re-development of Alma Plaza would best happen if there were only one owner. Then the new sole owner decided to intentionally withdraw Alma Plaza from the retail rental market.

As long standing neighborhood residents will attest, until the new sole owners of Alma Plaza deliberately pulled it from the rental market in the early 1990s, the Plaza was a vibrant source of neighborhood-serving retail. From 1993 on, after Garner's Bicycles moved from Alma Plaza to Town and County Shopping Center, not a single lease was extended, nor a single new lease granted, nor a single dollar invested in capital improvement much less maintenance.

FRIENDS OF ALMA PLAZA

RETAIL VIABILITY OF ALMA PLAZA

Alma Plaza would be successful given today's economic conditions.

The per-square-foot figures above cover sales during the worst regional recession in recent history (1988-1990). What would Alma Plaza look like now as a fully rented, well-managed retail center in today's economy?

There is no easy way to answer this question directly from current sales data because the center was pulled from the rental market more than 10 years ago. To get some idea of its potential, we can look at the sales trends at Charleston Plaza. Remember that Alma Plaza outperformed Charleston in 1989. Here's how Charleston performed out to 1996 in terms of total sales tax:

	1989	1990	1991	1992	1993	1994	1995	1996
Charleston	\$39,566	\$41,445	\$48,665	\$57,839	\$51,132	\$53,169	\$58,696	\$61,181
Alma	\$57,392							

From Exhibit F, page 19 of Retail Trends in Palo Alto, Dept. of Finance, 1996.

Charleston Plaza clearly is an example of how a south Palo Alto neighborhood shopping center can grow and succeed in today's regional economy when managed properly. Alma Plaza outperformed Charleston Plaza in 1989, and by 1996, Charleston Plaza had increased its total sales tax by 150%. Since Alma Plaza outperformed Charleston Plaza when it was itself managed better, it is easy to visualize a successful Alma Plaza in the hands of qualified management (*tax figures: Retail Trends in Palo Alto, Dept. of Finance, 1996*).

Support from Recent Reports on the Site

-- *Sedway group 2000 report*: "Sedway Group believes that the City can improve its neighborhood-serving retail base ... through successful implementation of some of the strategies outlined in this report," where the recommended strategies involved reversing the years of mismanagement and the intentional withdrawal from the retail rental market.

-- *Thompson Associates 2000 report*: after accounting for all the competition, Thompson Associates concludes that an expanded grocery at Alma Plaza had the potential to outperform even the Safeway on Middlefield, a regional leader in sales per square feet.

-- *Planning & Transportation Commission January 2003 Staff Report* recommends approving plans for a 29,00 sq ft store at Alma Plaza, and states that "a larger store at this site would be beneficial to the community and would probably consolidate vehicle trips overall. A larger store would also help to concentrate shopping dollars in the City of Palo Alto."

FRIENDS OF ALMA PLAZA

RETAIL VIABILITY OF ALMA PLAZA

2. Why Do We Know That Gruen & Gruen Leads To The Wrong Conclusions?

It contains critical errors in the facts, a weak and unperceptive analysis, and a recession-era outlook on the region's economy.

Critical errors in fact – wrong sales tax revenue per sq ft

The 1992 Gruen & Gruen report uses the incorrect floor estimate of 55,510 sq ft, instead of the actual 36,000 sq ft (*Keyser Marston Associates, 2002*). This is a gross error that has a large impact on revenue per sq ft, and hence distorts the overall picture of viability of the rental center: it appeared as the worst-performing neighborhood shopping center, when it was in fact the best-performing.

Critical errors in fact – overstated parking requirement

By overstating the parking requirement (6+ spaces per 1000 sq ft, as opposed to the correct 4 spaces per 1000 sq ft of office space and 5 spaces per 1000 sq ft of retail space), they incorrectly analyzed the amount of land needed to support a neighborhood-serving retail shopping center.

Critical error in facts – ignoring critical closings

In its effort to analyze sales tax revenues at Alma Plaza over a mere three-year period of time, the 1992 Gruen & Gruen Report failed to discuss the closing of the filling station and the re-location of Garner's Bikes. In other words, they mistook two episodes in the normal comings and goings of merchants at a shopping center for evidence of a core, intrinsic downward slide of Alma Plaza.

Critical error in facts – cosmetic updates waiting expansion work

The report ignores the fact that the Center owners were trying to expand the retail and were waiting for City approval of the project before undertaking maintenance and updates.

Three Years Do Not Make For a Trend

The 1992 Gruen & Gruen report examined only three years (88-90) to perform a trend analysis, in spite of the significant up and down year-to-year variations in the interval for the centers studied. No serious study of economic trends would limit its analysis to so short a period, especially of markets with such complex yearly variations.

Recession-era Outlook

The Gruen & Gruen report was done during a recession which preceded some of the best economic times in Palo Alto history. The report has a consistently pessimistic outlook tainted by its times and by a negative view of neighborhood-serving retail. The current success of Midtown and Charleston Plaza makes statements in the report such as "it will be difficult for many of Palo Alto's existing neighborhood centers to avoid becoming increasingly obsolete" seem far from today's reality.

FRIENDS OF ALMA PLAZA

RETAIL VIABILITY OF ALMA PLAZA

Current Conditions

Today's reality does not at all reflect predictions made by Gruen & Gruen. It is time to put that report on the shelf as a mere historical document and then move on to more appropriate analyses.

Recently, retail developments have been expanding in Palo Alto, not contracting. There are few vacancies along El Camino, stores have been opening or relocating in the California Avenue and Downtown shopping districts, and retail rents have been increasing. The new owner of Town & Country is increasing rents significantly and seems confident that if present tenants leave, they will be replaced by others willing to pay the new higher rents. Sales tax revenues are increasing and residents continue to object to lack of local grocery stores and adequate neighborhood shopping.

Economic conditions and neighborhood appetites are poised to make a success of a well-managed retail center at Alma Plaza. Early this year, the City Council acknowledged the need to protect existing retail from excessive conversion to non-retail uses such as housing. It was recognized that retail operations in town provide sales tax revenues and serve the local community with needed goods and services. A separate subcommittee to study ways to enhance retail vitality is being established. When adequate retail services are provided locally, residents do not have to drive to stores in other cities, reducing traffic and air pollution from vehicles. As the Council continues to study ways to preserve neighborhood-serving retail and the possibilities of in-fill housing, they should make Alma Plaza the prime candidate for revitalization as a neighborhood-serving retail shopping center, with any housing occupying one or two stories above the stores, not as the major occupant of the site.

FRIENDS OF ALMA PLAZA

THE COMPREHENSIVE PLAN'S VISION FOR ALMA PLAZA

V. The Comprehensive Plan's Vision for Alma Plaza

The City's Comprehensive Plan established Alma Plaza's neighborhood-serving retail designation, and the City should support the neighborhood's historical expectations of this designation. The Planning and Transportation Commission's 5-2 Consensus Recommendation vote included many basic concepts found in the City's Comprehensive Plan. When the Comprehensive Plan was last updated, no one envisioned that housing would supplant commercial and office uses as the most profitable redevelopment of land. Hence many of the Comp Plan policies were directed at integrating housing into commercial uses wherever possible. However, in the last few years we've seen such a loss of retail and such a boom in housing developments that it's time to review what the Comp Plan actually intended for neighborhood centers.

Comprehensive Plan Vision

The introduction to the Comprehensive Plan states that it: "strives to build a coherent vision of the City's future from the visions of a diverse population. It integrates the aspirations of the City's residents, businesses, neighborhoods, and officials into a bold strategy for managing change." It also notes that "a key concept in the Plan is the idea of a Vision for Palo Alto – a shared dream of Palo Alto in the future."

The Land Use and Community Design Vision states: "All Palo Alto neighborhoods will be improved, each to have public gathering spaces, essential services and pedestrian amenities, to encourage less reliance on the automobile."

One of the major themes of the Comprehensive Plan is meeting residential and commercial needs: The "City is committed to retaining existing businesses, maintaining vital commercial areas, and attracting quality new businesses."

The Municipal Code (Section 18.41.010) is also quite clear about what a Neighborhood Center is: "The CN neighborhood commercial district is intended to create and maintain neighborhood shopping areas primarily accommodating offices, personal service, and retail sales uses of moderate size serving the immediate neighborhood, under regulations that will assure maximum compatibility with surrounding residential areas."

FRIENDS OF ALMA PLAZA

THE COMPREHENSIVE PLAN'S VISION FOR ALMA PLAZA

Comprehensive Plan Vision of a Neighborhood Center

The core of the vision for Alma Plaza is what the Comp Plan envisions for a Neighborhood Center.

Goal L-4: Inviting, Pedestrian-scale Centers That Offer a Variety of Retail and Commercial Services and Provide Focal Points and Community Gathering Places for the City's Residential Neighborhoods and Employment Districts.

Neighborhood Centers are small retail centers with a primary trade area limited to the immediately surrounding area; often anchored by a grocery or drug store and may include a variety of smaller retail shops and offices oriented toward the everyday needs of surrounding residents. Selected streets provide walking and biking connections from adjacent neighborhoods. Palo Alto's four Neighborhood Centers are Midtown, Alma Plaza, Charleston Center, and Edgewood Plaza.

POLICY L-37

Maintain the scale and local-serving focus of Palo Alto's four Neighborhood Centers. Support their continued improvement and vitality.

Neighborhood Centers are smaller than Multi-neighborhood Centers and have more limited service areas. They should be pleasant, attractive places that provide opportunities for shopping as well as social contact with friends and neighbors. These three policies and three programs apply to all Neighborhood Centers. Because Midtown's parcel pattern is more complex and because the Center is bisected by two principal streets, it is the subject of additional, more focused policies and programs.

PROGRAM L-36:

Evaluate current zoning to determine if it supports the types of uses and scale of buildings considered appropriate in Neighborhood Centers.

PROGRAM L-37:

Encourage property owners within Neighborhood Centers to prepare master plans, with the participation of local businesses, property owners, and nearby residents.

POLICY L-39

Facilitate opportunities to improve pedestrian-oriented commercial activity within Neighborhood Centers.

Additional Policies for Centers

Although many Comp Plan goals and policies are cited in the staff report, those most relevant from a neighborhood point of view include:

POLICY L-7

Evaluate changes in land use in the context of regional needs, overall City welfare and objectives, as well as the desires of surrounding neighborhoods.

FRIENDS OF ALMA PLAZA

THE COMPREHENSIVE PLAN'S VISION FOR ALMA PLAZA

POLICY L-18

Encourage the upgrading and revitalization of selected Centers in a manner that is compatible with the character of surrounding neighborhoods.

PROGRAM L-15:

Establish a planning process for Centers that identifies the desired character of the area, its role within the City, the locations of public gathering spaces, appropriate land uses and building forms, and important street and pedestrian connections to surrounding Residential Neighborhoods.

POLICY L-21

Provide all Centers with centrally located gathering spaces that create a sense of identity and encourage economic revitalization. Encourage public amenities such as benches, street trees, kiosks, restrooms and public art.

PROGRAM L-16:

Study the feasibility of using public and private funds to provide and maintain landscaping and public spaces such as parks, plazas, and sidewalks within commercial areas.

In addition, the Comp Plan's Business and Economics Element states "*the emphasis is on economic vitality with a diversity of services while maintaining compatibility with residential neighborhoods.*"

- **Policy B-6:** Maintain distinct neighborhood shopping areas that are attractive, accessible, and convenient to nearby residents.
- **Policy B-27:** Support the upgrading and revitalization of Palo Alto's Neighborhood Commercial Centers. The primary concern of these Centers is revitalization.

Why Retail Alma Plaza Primarily as a Neighborhood Serving Center?

- Alma Plaza is specifically noted as a Neighborhood Commercial center in the Comp Plan.
- Benefits of viable retail at the site include community-serving retail, walkable neighborhoods, reduction of the need for people to drive to shops, traffic reduction, compliance with the City's goal of improved retail vitality, addition of sales tax revenues, and minimal increase service costs.
- As residents in Palo Alto age, the need to be able to walk to shopping areas is increasing.
- The City needs more retail business and needs to retain its retail-designated areas.
- In addition to generating retail sales, neighborhood centers are also gathering places. They provide open space and a sense of place, they draw people together, and stated in Policies L-15 and L-21 of the Comp Plan.

FRIENDS OF ALMA PLAZA

THE COMPREHENSIVE PLAN'S VISION FOR ALMA PLAZA

What About Housing?

POLICY L-19

Encourage a mix of land uses in all Centers, including housing and an appropriate mix of small-scale local businesses.

While Neighborhood Commercial allows housing and retail—mixed-use—this project subdivides the property, with less than 20% of the site devoted to retail and the rest to be sold for market-rate housing.

- The City's Housing Sites Inventory that identifies the site for a minimum of eight units and even staff's report notes that "the proposed 59 housing units exceed the objective" and that "the City will have to consider the economic consequences of allowing residential on an existing commercial site and thereby reducing the square footage available for sales tax generating retail use in the city."
- The Comp Plan's desire to include housing in a neighborhood center did not intend the property to be subdivided. Rather, it envisioned integrating and *intermingling* housing with retail as a true mixed-use development.
- Retail can always be converted to housing, but the converse is not true. Under this proposal, particularly with housing above existing retail, there is absolutely no room for retail expansion. We should have learned this lesson from the results of selling off seemingly excess schools.
- The mixed-use design standards to ensure that development is compatible and contributes to the character of the street and neighborhood have not yet been developed.
- Goal H-1 of the Comp Plan is for "a supply of affordable and market rate housing that meets Palo Alto's share of regional housing needs." Along with that goal is Policy H-1: "meet community and neighborhood needs as the supply of housing is increased. Ensure the preservation of the unique character of the City's existing neighborhoods."

According to recent reports, the City is at 150% for market-rate housing; what it needs is more lower-income housing.

Summary

The Comprehensive Plan is the primary tool for guiding the future development of the City. Major themes of the Comprehensive Plan include: Building Community and Neighborhoods, Reducing Reliance on the Automobile, and Meeting Residential and Commercial Needs. Alma Plaza should be retained as a neighborhood center because:

- It is designated as such in the Comprehensive Plan and the intention of the CN zone is defined in the Municipal Code.
- The City needs to retain existing businesses and attract new businesses.
- The City does not need additional market-rate housing.
- Any rezoning of a retail site must be looked at carefully and only in context of a larger area plan, not based on a developer's desires or what would be most expedient in replacing a run-down site.

Bourne, Beth

From: Betten, Zariah
Sent: Thursday, March 01, 2007 8:09 AM
To: Arthur Keller; Daniel Garber; Karen Holman; Lee Lippert; Patrick Burt; Paula Sandas; Samir Tuma
Cc: Williams, Curtis; Larkin, Donald; Caporgno, Julie; French, Amy; Bourne, Beth
Subject: FW: Material for Planning & Transportation Commissioners
Attachments: Alma Plaza Planks_rev_LF.doc

FYI

Zariah Betten, Executive Secretary
City of Palo Alto, Planning
250 Hamilton Avenue, 5th Floor
Palo Alto, CA 94301
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From: Len Filppu [<mailto:lenfilppu@earthlink.net>]
Sent: Wednesday, February 28, 2007 9:33 PM
To: Betten, Zariah
Subject: Material for Planning & Transportation Commissioners

Dear Zariah,

Please distribute the attached to the members of the Planning & Transportation Commission in regard to the upcoming hearing on Alma Plaza.

This is a whitepaper the Friends of Alma Plaza wrote and distributed to the press and interested parties last summer.

While much of its content remains relevant, we will update information via comments based on the current application at the upcoming hearing.

Thank you most sincerely,

--Len

Len Filppu
3621 Ramona Circle
Palo Alto

Bourne, Beth

From: Williams, Curtis
Sent: Thursday, March 01, 2007 9:20 AM
To: 'Karen Holman'
Cc: Betten, Zariah; Larkin, Donald; Bourne, Beth
Subject: RE: Request from Friends of Alma Plaza

Karen -

I suggest the following:

1. As per Commission policy, if the group desires, one person may speak for 10 minutes on behalf of 5 people in the audience, where the other 4 agree not to speak. If there are seven speakers, the additional 2 could speak for 3 minutes each.
2. I think you as Chair have the discretion to hear from organized groups (such as outlined in #1) before hearing from individuals.
3. Apart from that, the best we can assure is that the group of speakers are heard in order, meaning that they should submit their speaker cards together.

In summary, if they are organized as a group, you may allow them to speak before individual commenters. If there are other "groups" signed up to speak, I think we have to take them in the order they have submitted speaker cards. If all seven speakers wish to speak, then they can be accommodated in order, but not necessarily as the first to speak after the applicant. Each speaker would be limited to 3 minutes (I am assuming you don't want to allow 5 minutes for each speaker, given the expected high public turnout?).

Let me know if you need any further clarification, or if you'd prefer I can respond directly to Mr. Filppu (if you provide his e-mail). Thanks.

Curtis

-----Original Message-----

From: Karen Holman [mailto:kcholman@sbcglobal.net]
Sent: Thursday, March 01, 2007 12:58 AM
To: Williams, Curtis
Cc: Betten, Zariah
Subject: Re: Request from Friends of Alma Plaza

Hi, Curtis.

How should I respond to this request? I have my own thoughts, but want to make you aware of the request and also would appreciate and am open to your guidance.

Thanks much.

Karen

On Feb 28, 2007, at 10:08 PM, Len Filppu wrote:

> Dear Ms. Holman,
 > We plan to have about seven Friends of Alma Plaza respond in a

3/1/2007

> coordinated communication to the developer's presentation for Alma
> Plaza at the March 8th hearing. Because of time conflicts, we are
> requesting
> that these seven people be allowed to speak directly after the
> applicant's
> presentation and in order. We will submit our names and their order
> at the hearing. Thank you most sincerely for considering this
> request.
> --Len Filppu
> 3621 Ramona Circle
>

Guest Opinion

A 'convenience center' in an inconvenient spot

by John McNellis

I am a 108-year-old man who moved to Palo Alto before Alma Plaza became controversial. But Stanford checked my grades, compelling me to start life at Berkeley.

By and by, local laws against Cal grads were eased somewhat, loopholes found, and Michele, our three daughters and I managed to move here at last, me setting up shop in a little brown-shingled house off University Avenue.

Incredible as it may seem, developers have been trying to redevelop Alma Plaza for the last 17 years. Personally, I've been involved with Alma Plaza since 1994 when Lucky Stores asked for our help.

Lucky's told the city then the only way a redevelopment of Alma Plaza would work was if it could build a much bigger store. Because our 1994 Planning Commission saw the property's redevelopment in the same light — the commission's internal redesign of the center actually had it anchored by a 35,000-square-foot market — Lucky's was initially encouraged, even coaxed, by the city to submit plans.

But when we submitted plans, all hell broke loose. And when the

neighbors' wrath was visited upon the city our official support evaporated. Over several years of public rejections, Lucky's slowly retreated, dropping its proposed market from 50,256 to 44,777 and finally to 37,489 square feet — each time winning converts but still facing implacable, if dwindling, opposition.

Some local neighbors, aided by the Midtown Residents Association (in an effort to save the old Co-Op Market in Midtown) demanded the city "Draw the Line" at 20,000 square feet for supermarkets. Meanwhile, Lucky's insisted a store of less than 35,000 square feet would be a financial disaster.

The project would have died then, in 1999, but Albertsons took over Lucky's. Less experienced in urban settings, Albertsons allowed itself to be talked into a gold-plated supermarket of 29,000 square feet, approval at last. But before it could get to the City Council, Albertsons was blindsided by the El Camino/Charleston traffic moratorium. During that year-long city-imposed delay, Albertsons apparently concluded Lucky's was right — that a store that small would never work. It quietly abandoned the project.

McNellis partners bought Alma Plaza nearly a year ago. The biggest difference between the 1990s and now is that the shopping center that might have been — the one we, McNellis Partners, tried

our level best to get approved — is no longer possible. Even if the city were to suddenly embrace "big box" retailing, Albertsons limited any new Alma market to less than 18,000 square feet through a private deed restriction — a common practice among retailers — to protect its Mountain View store a mile away.

This restriction might have been an issue in another time and place, but since no retailers are building supermarkets in the 18,000 to 35,000-square-foot range anyway this will have no effect on Alma Plaza. Markets of today are either smaller or very much larger. Whole Foods, formerly content at 20,000 square feet, is today building a 55,000-square-foot store in Los Altos.

My opinion hasn't changed since I first saw this center in 1994. It's a convenience center in an inconvenient location. We could have made it work with a 35,000-square-foot store (at half the size of a modern supermarket). But with the larger market opportunity gone, neither we nor any other developer can possibly risk more than a modest neighborhood-serving center.

This opinion has some experience behind it. McNellis Partners has been around 25 years, specializing in fixing up worn-out shopping centers — they're all within a two-hour drive; we don't travel much. Of the 39 projects we've completed since 1982, 29 have

been shopping centers, totaling more than 3.1 million square feet of building area. Once in awhile we even win an award from a grateful city for helping with its redevelopment.

But if you prefer an independent professional opinion as to the best use for Alma Plaza, please contact the 1992 retail study entitled, "A Planning Policy Audit of Retail Areas in the City of Palo Alto" Commissioned directly by the city from Gruen Gruen Associates of San Francisco; the Bay Areas leading land-use consultants, the report stated that Alma Plaza's "size, layout and location make it a very poor candidate for a major rehabilitation effort."

It concluded that "one possible solution ... is to tear down the existing center and create new retail space along Alma ... The back of this 4.26-acre site could then be put into high density residential. Ironically, having had a much to our lasting regret — a wonderful retail project killed by neighborhood opposition, this approach is exactly what we're proposing today; neighborhood retail fronting along Alma Street with medium density housing in the rear. ■

John McNellis is a general partner with McNellis Partners of Palo Alto, which specializes in shopping center renovations. He can be e-mailed at john@mcnelis.com.

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Telephone (650) 494-1900

February 20, 2007

Beth Bourne
Senior Planner
City of Palo Alto
250 Hamilton Ave.
Palo Alto, Ca. 94301

Dear Ms. Bourne:

I have recently reviewed the current proposal for the redevelopment of the Alma Plaza Property. As a partner in the ownership of the professional building adjacent to Alma Plaza at 3501-3525 Alma St., as an occupant of the office at 3515 Alma St for the past thirty-one years and also as a resident of the immediate neighborhood, I am keenly interested in the plans for this parcel.

My primary concerns regarding the proposal submitted on February 2, 2006 are fourfold: 1) Parking, 2) Access to Alma street for our office building, 3) Proposed redesign of the Alma street frontage road and 4) Public safety.

- 1) **Parking.** During the past 31+ years that I have occupied this office space my patients, staff and I have used parking spaces in the Alma Plaza lot. I believe that we have proscriptive rights for parking in the Alma Plaza lot. This proposal does not even have adequate onsite parking for the proposed development.
- 2) **We have a deeded access to Alma Street through the Alma Plaza lot.** The current proposal repositions the access drive to our parking lot, which would make our parking lot less efficient and reduce the number of spaces that we have on our own lot. The proposed plan also calls for a "Do not enter" sign at our drive entrance. This is not access. The proposal would also restrict our property's direct access to Alma St. and East Meadow allowing only a northbound exit onto the frontage road and no direct entry from Alma St in either the north or south bound direction. The current entry for north bound traffic at the south corner of the Alma Plaza parcel allows for obvious and safe access to our property and the center itself. The proposal appears to reclaim the city easement for merging traffic onto Alma from the frontage road and allows for egress only. Reversing traffic flow at this entrance (making it an exit only) would be a hazard for merging traffic onto

Alma from the frontage road. We also must have access to our offices for staff, patients and clients during construction of any development at the plaza

- 3) Proposed offsite improvements. The two way Alma street access road is built across an easement of our property. The proposed changes completely cut off any southbound traffic from our property. This means that patients and clients from the offices in our complex who wish to go east or west on Meadow or south on Alma would first need to travel north through the Alma development parking lot before making a turn south on Alma. The proposal also seems to indicate that parking along the frontage road easement would somehow alleviate the shortage of parking planned for the proposed development. Five of these spaces are located on the easement on our property and should not be used in the calculations for the development of the Alma Plaza parcel.
- 4) Public safety. The proposed main entrance to our parcel appears to be through a potentially congested parking lot and through a narrow passageway which appears to be only one way. There are five office suites in our building (four of which are health professions practices) which can generate 60-80 office visits per day of patients including adults and children. The proposed development plans for all access to the housing units, retail and our professional building to go through the main entrance to the Plaza. This passageway will be used by autos, trucks, bicycles and pedestrians including children on their way to school. The proposed limitations on east, south and west egress from our professional building will lead to either more traffic through the Alma Plaza (for vehicles making U-turns) or more traffic on Ramona Street for people going around the block to go in their desired direction. This proposed limited access to our building is both confusing and adds to unnecessary congestion and would be a significant traffic and safety hazard.

It should also be noted in the plans for development that our property maintains a deeded landscape easement for ten feet along the border of our property line with Alma Plaza. We have maintained our landscaping to be attractive for ourselves, patients, clients and neighbors. We have concerns that two of our offices will have a new view of a massive building, loading dock and dumpster. The design should address this problem in a more creative way.

The issues that I have raised above are not new. Mr. McNellis has known of our interest and concerns about his plans for the past year, but to date he has not attempted to contact us about these issues. I know that there is a development solution which will be good for the neighborhood and community.

Please forward this letter to the planning commissioners and any other decision makers for their consideration in this matter. Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. van der Wilt" followed by a stylized flourish that looks like "DDS".

David L. van der Wilt, DDS

TERRANOMICS

A DIVISION OF BT COMMERCIAL

1350 Bayshore Hwy., Suite 900
Burlingame, CA 94010
Tel. (650) 348-2400
Fax (650) 347-4307

Commissioners
Planning & Transportation Commission
c/o Jim Baer
172 University Avenue
Palo Alto, CA 94301

Re: Approve the Alma Plaza Mixed-Use Development

Dear Commissioners:

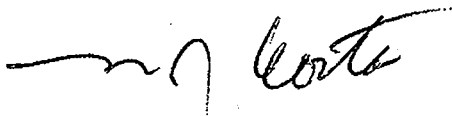
I have been involved in commercial/retail real estate within the City of Palo Alto for over 25 years. I have followed the many year process related to Alma Plaza. Previously the City directed the applicant to develop a mixed-use housing and retail project with a smaller retail area then previously existed. In mid-2006 the City Council again directed the applicant to proceed with a mixed-use project with single-family homes and retail area of about 20,000 square feet

McNellis Partners and Greenbriar Homes have submitted a responsive mixed-use proposal for Alma Plaza with over 20,000 square feet of retail area and 39 single-family homes

It is now time to approve the re-development of Alma Plaza. A blighted area such as now exists at Alma Plaza impacts the entire community. An abusive approval process for any significant Palo Alto property also impacts re-development of other properties in Palo Alto and is not in the best interests of other Palo Alto homeowners and retailers.

Sincerely,

Terranomics Retail Services



Michael J. Costa
Partner

Betten, Zariah

Subject: FW: Alma Plaza

Attachments: Alma project description February 2007.doc



Alma project
description Febru...

-----Original Message-----

From: tim_steele@comcast.net [mailto:tim_steele@comcast.net]

Sent: Monday, February 26, 2007 3:06 PM

To: Bourne, Beth; Planning Commission; Council, City; jimbaer@prprop.com

Subject: Alma Plaza

Dear All:

Thanks for your consideration regardint Alma Plaza!

Now is the time to complete (approve) this very long process!

Sincerely,

Tim Steele

Commissioners
Planning & Transportation Commission
c/o Jim Baer
172 University Avenue
Palo Alto, CA 94301

Re: Approve the Alma Plaza Mixed-Use Development

Dear Commissioners:

I have been involved with the Palo Alto community for 3 years. I have followed the many year process related to Alma Plaza. Previously the City directed the applicant to develop a mixed-use housing and retail project with smaller retail area than then existed. In mid-2006 the City Council again directed the applicant to proceed with a mixed-use project with single-family homes and retail area of about 20,000 square feet

McNellis Partners and Greenbriar Homes have submitted a responsive mixed-use proposal for Alma Plaza with over 20,000 square feet of retail area and 39 single-family homes

It is now time to approve re-development of Alma Plaza. The blighted area that now exists at Alma Plaza impacts the entire community. I live off of Meadow Dr. and am tired of driving by the dilapidated center. It is time to take action and move forward with McNellis Partners proposal. Further, an abusive approval process for any significant Palo Alto property also impacts re-development of other properties in Palo Alto.

Sincerely yours,

Matt Servatius

City of Palo Alto
Planning Commission
172 University Avenue
Palo Alto, CA 94301

Re: Approve the Alma Plaza Mixed-Use Development

Dear Commissioners,

I have been personally involved in the Palo Alto community since 1949, when my family & I moved here, and, additionally, professionally involved since 1964 when I began my commercial banking career.

I have followed the many year process related to Alma Plaza. Previously the City directed the applicant to develop a mixed-use housing and retail project with smaller retail area than then existed. In mid-2006 the City Council again directed the applicant to proceed with a mixed-use project with single-family homes and retail area of about 20,000 square feet

McNellis Partners and Greenbriar Homes have submitted a responsive mixed-use proposal for Alma Plaza with over 20,000 square feet of retail area and 39 single-family homes. This project, in my opinion, will provide not only critically required single family housing for our community but will also enhance the surrounding neighborhood with retail based businesses.

I respectfully urge your approval for the McNellis Partner/Greenbriar Homes Alma Plaza proposal.

Sincerely yours,

Marshall M. Armstrong

Commissioners
Planning & Transportation Commission
c/o Jim Baer
172 University Avenue
Palo Alto, CA 94301

Comments Concerning the Approval of the Alma Plaza Mixed-Use Development

Dear Commissioners:

I have lived in the Palo Alto area since 1972. I even lived for a year around the corner from Alma Plaza 30 years ago – on South Court. And my office has been in downtown Palo Alto for over 15 years. The Alma Plaza site has, for as long as I can remember, been a reasonably unattractive and poorly utilized location. I am aware of the various twists and turns, and the failed proposals, that have been put forth to improve and better utilize this site. Each subsequent proposal had been whittled down over the years, and recently the City directed the applicant to develop a mixed-use housing and retail project with smaller retail area than what previously existed. In mid-2006 the City Council again directed the applicant to proceed with a mixed-use project with single-family homes and retail area of about 20,000 square feet.

McNellis Partners and Greenbriar Homes have submitted a mixed-use proposal for Alma Plaza with over 20,000 square feet of retail area and 39 single-family homes that seems to comport to what the City Council wants – and yet is still, albeit barely, economic for the developers.

It is now time to approve re-development of Alma Plaza. The unsightly retail building and expansive parking area that now exists at Alma Plaza impacts the entire community. It is clear that in any community (although especially in this area), there will always be those who are unhappy. Invariably the loudest barks come from those for whom complaining costs nothing, and positive solutions are wanting. I implore the City Council to look after the interests of the entire community and approve this plan. I'm afraid that if this plan is rejected, we may never be able to find a developer willing to subject themselves to our Kafkaesque process.

Sincerely yours,

Steve Dow
500 Emerson Street
Palo Alto, CA 94301

Betten, Zariah

From: Harry Press [hnpress@sbcglobal.net]

Sent: Monday, February 26, 2007 3:14 PM

To: Bourne, Beth

Cc: Planning Commission; Council, City

Ms. Beth Bourne
City of Palo Alto

(cc: Planning Commission and City Council)

Ms. Bourne:

I understand the city government is going to be considering development of Alma Plaza once again. This has been going on for so long I'm not sure we'll all live through it.

I've lived here since 1966 and shopped often at Albertson's. Then it disappeared.

Since then, proposed development of the site has been totally stalled, mostly because NIMBY neighbors wanted it their way or no way. I wonder where they shop now?

I think the new proposal for Alma Plaza makes fine sense and I urge you to adopt it.

Harry N. Press
1623 Escobita Ave.
Palo Alto, CA 94306
hnpress@sbcglobal.net

Feb. 26, 2007

Rudy & Stephanie Batties
3503 Emerson Street
Palo Alto, CA 94306
650.856.7959

21 November 2006

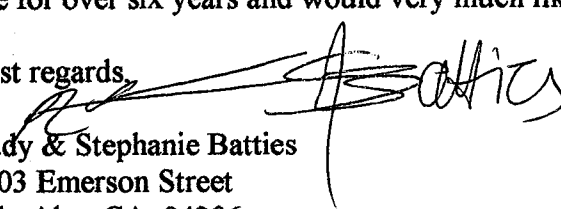
Palo Alto City Council and Planning and Transportation Commission
c/o Steve Emslie
Director Dept. of Planning and Community Development
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

We own the home at 3503 Emerson Street, directly adjacent to the south edge of the Alma Plaza Site. Last week Melissa A. Holmes of Greenbriar Homes Communities, Inc met with us to review the revised plan for the site.

We were pleased to see that our concerns with the previous plan had been addressed. The revised plan shows two story homes directly adjacent to our back yard. This is a welcome change and will greatly reduce the visual impact of the development on us. We are also pleased with the reduced number of housing units and the expanded retail. The added gathering space/mini park will make the site a frequent destination for us.

We endorse the revised plan and hope for its rapid approval. We have lived next to the site for over six years and would very much like to see it developed.

Best regards,


Rudy & Stephanie Batties
3503 Emerson Street
Palo Alto, CA 94306
650.856.7959

Cc:

Jim Baer
Patrick Costanzo
Melissa Holmes
John McNellis

Curth —
Beth —
Amy —
file — ב"ה

Rabbi Ari and Joy Cartun

3506 Emerson Street
Palo Alto, CA 94306
Phone/Fax: (650) 813-9011

December 3, 2006

**Palo Alto City Council and
Planning and Transportation Commission**

c/o Steve Emslie, Director: **Dept. of Planning and Community Development**
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Dear Mr Emslie,

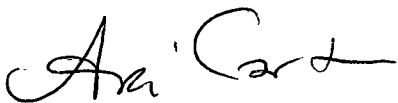
Joy and I would like to express our satisfaction with the current plans that John McNellis and Greenbriar Homes Communities have developed to redevelop the Lucky's/Albertsons site.

We are veterans on this street of all the planning that, at first, Lucky's tried to do, which is when and where we met Mr McNellis. I have to say that we found Mr McNellis to be a reasonable man of his word, even way back in the fall of 1998.

We have seen the current plans develop to contain a judicious mix of housing and retail. The traffic flow and parklands have been well done. The homes will definitely add to the value and character of the neighborhood fitting in nicely with the local ambience. The placement and character of the low income housing will be in keeping with the rest of the project, as well as with our local neighborhood. Additionally, we are eagerly awaiting the new grocery store and other services that we have watched disappear, one by one, from that site (since Jim's donuts went away back in 1998!).

We hope you will see fit to give this project a go ahead, so we can, once again, live next to a living entity, instead of a dead parking lot full of kids having loud parties and doing wheelies at all hours of the night.

Sincerely



Ari and Joy Cartun

cc: Jim Baer
Patrick Costanzo
Melissa Holmes
John McNellis

RECEIVED
DEC 07 2006
Department of Planning and
Community Development

Bourne, Beth

From: Serra Energy, Inc. [serraenergy@sbcglobal.net]
Sent: Thursday, March 01, 2007 12:23 PM
To: Bourne, Beth; Planning Commission; Council, City
Cc: John McNellis; Jim Baer
Subject: Alma Plaza

March 1, 2007

Planning Commission City Hall
250 University Avenue
Palo Alto, CA 94301

Re: Approve the Alma Plaza Mixed-Use Development

Dear Commissioners:

We have lived in Palo Alto for 30+ years and have witnessed many changes in the City. Among these has been the reduction of the Alma Plaza to a blighted area. Living west of El Camino Real we have seen all retail virtually disappear, chief among which was All American, our area convenience store.

It would appear that Alma Plaza is a prime prospect to serve Barron Park and other areas west of El Camino Real. It is our understanding that certain developers are considering revitalizing Alma Plaza. Please number us among the many citizens who consider approval of this prospect vital to the welfare of Palo Alto.

Cordially yours,

John B. Childress

Bourne, Beth

From: Erin McAuliffe [emcauliffe@sbcglobal.net]
Sent: Thursday, March 01, 2007 12:25 PM
To: Bourne, Beth; Planning Commission; Council, City
Cc: John McNellis; Jim Baer
Subject: Alma Plaza

March 1, 2007

Planning Commission City Hall
250 University Avenue
Palo Alto, CA 94301

Re: Approve the Alma Plaza Mixed-Use Development

Dear Commissioners:

I have lived in Palo Alto for over 14 years and have followed the many year process related to Alma Plaza. Previously, the City directed the applicant to develop a mixed-use housing and retail project with smaller retail area than existed. In mid-2006 the City Council again directed the applicant to proceed with a mixed-use project with single-family homes and retail area of about 20,000 sq.ft.

The proposal submitted by McNellis Partners and Greenbriar Homes for Alma Plaza was well designed and is a good location for a re-development project in Palo Alto. The city needs more single-family homes and below market apartments for it's residents.

The time is now to approve re-development of Alma Plaza. This decision impacts the entire community and should not be an abusive approval process. Please consider me among those who approve of the McNellis and Greenbriar proposal of the Alma Plaza project.

Sincerely yours,

Erin McAuliffe

3/1/2007