

## Commissioner Questions and Staff Answers October 24, 2012 PTC Study Session

### Commissioner Panelli

Q1: (a) If this proposal was for a private parcel (not Stanford), how would staff evaluate it?  
(b) Specifically, what zoning designation would staff likely recommend? (c) And consequently, what density would be permitted under current rules?

### Part A: Evaluation Process

The first step to determining what type of development is appropriate for any location is referring to Comprehensive Plan policies. There are a number of applicable policies, however several policies have particular relevance and are listed below. In addition, this site has a history of master planning that goes back decades. Staff needs to ensure that any proposed development is consistent with the Comprehensive Plan and the spirit of the master planning efforts:

#### Sample of Relevant Comp Plan Policies:

- Pursue development of the University Avenue Multi-modal Transit Station conceptual plan based on the 1993-1994 design study.
- Program T-3: "Locate higher density development along transit corridors and near multi-modal transit stations"
- Program T-1: "Transit stations and bus routes present opportunities for higher density development, and Palo Alto will promote a land use pattern that supports walking, bicycling and reduced dependence on cars."
- Economics Element Goal B-3 encourages "new business that provide needed local services and municipal revenues, contribute to economic vitality, and enhance the City's physical environment. Related Program B-3 notes a need for public investment in infrastructure and modification of land use regulations.

Given the ownership, parkland requirements and existing easements onsite, any development would require a partnership between multiple agencies and the private developer, and review by multiple bodies. This includes ARB, PTC, PRC and Council review and approval of Comprehensive Plan Amendments, Zoning Code Amendments and related planning entitlements. Full environmental review would be required, too.

#### Part B & C:

Given the goals above, site complexities, and the proximity to transit, the most appropriate zoning designation from the "existing menu" of designations would most likely be the Community Commercial (CC). CC Zoning would allow a theater via Conditional Use Permit (and a Variance would be required to allow the theater fly space to exceed 50 feet). No offices could be located at the ground unless the existing amount of retail/person service floor area

(MacArthur Park restaurant and Red Cross) is preserved at the ground floor of the new building. The office use permitted in the CC zone is professional and general business offices; administrative office services and research and development uses are not allowed. Administrative office services are headquarters, regional or other level management and administrative services for firms and institutions. For this site, FAR in the CC(2) zone may be up to 2.0:1.

Q2: What is the City's maximum allowable FAR, in the most permissive zoning designation, if there is no residential included in the project? (my recollection is 2.0, but please confirm)

A2: Non-residential development is allowed up to 2.0:1 FAR in the Regional/Community Commercial land use designation and Community Commercial zone district.

Q3: Do we have any benchmarks from other bay area cities for "A&I" type developments (whether or not they are close to transit)? It would be helpful to understand what the comps are.

A3: Walnut Creek, Uptown Oakland, and San Jose are some benchmark centers near rail stations. Staff can do additional research into development density/intensity at these centers.

#### Commissioner Keller

Q1: What are the reasons for a time-constrained review of this project, including an early public vote?

A1: The vote is more occur June, rather than March. Staff is proposing to have the vote early on in the process in order to have community input, and gauge the community's support for the project, prior to proceeding with full procedural and environmental review of the project.

Q2: How many workers are expected to occupy the 260,000 sq ft of office space?

A2: Based on existing zoning assumptions, 1,040 employees. However, if the City proceeds with a full environmental review, a detailed examination into current workplace practices will help refine this expectation.

Q3: I don't understand Table 6, Page 15, Direct Traffic Assessment, for Theatre. How do we account for the people who arrive early for a 7:30pm weeknight performance in order to eat dinner near the Theatre? Will only 8 cars of people do that?

A3: It is important to note that this is a preliminary traffic analysis, and a much more detailed and comprehensive analysis would occur during prior to or during the

environmental review phase. That said, the referenced table will be clarified to identify egress trips from office against ingress trips from Theatre use during both the AM/PM peak periods. Theatre trips will arrive at various times during an event but the table assumes a worst case scenario over one hour. Theatre trips arriving to the site earlier to take advantage of retail space (dining) would benefit the trip generation table by reducing the actual number of trips in the peak hour approaching an event start time. As a Traffic Impact Analysis (TIA) is prepared a theatre program will be developed to better estimate trip generation throughout a typical day.

- Q4: We have had major tenants of downtown leave before (e.g., Digital), and those arrivals and departures resulted in a boom and bust cycle with downtown retail. How will arrival and departure of tenants in a new 260,000 sq ft office complex affect downtown retail?
- A4: There are multiple factors for retail vacancy downtown. The recession hit Palo Alto retail at the same time as it hit other cities in the Bay Area. Industry changes (i.e. closure of Borders) have also impacted retail vacancy downtown. Palo Alto has a robust office demand, especially near transit nodes. It is possible that because of the proposed development, some existing ground floor office users in older downtown buildings may vacate and move to the newer, larger buildings. This would then free up additional space for downtown retail. Facebook is one recent example of a company that vacated smaller, downtown office space, because they needed a larger, more modern facility. An increase in employees near downtown and transit would help provide additional retail customers both daytime and evening.
- Q5: To what extent is building a theatre for the primary use of TheatreWorks a public benefit or a private benefit?
- A5: The scope of the project is large and includes a substantial public gift (i.e. Theater) which is an atypical public benefit. The Commission's thoughts and insights on this will help inform the Council as a determination is made on this point. From a land use standpoint, the concepts being explored are not likely to utilize a Planned Community Zone that requires a specific public benefit. However, because of the potentially large scope and impact of a project of this sort would have on the community the Council wants to consider the larger benefits and impacts these concepts being discussed could or should have. Regarding other Planned Community applications, it is unusual for the benefit being offered to be a benefit to the entire community. There are exceptions of course, such as street and road improvements. However, it is much more common for a project of this sort to benefit some sub-set of the general public; a Senior Assisted Living facility serves only seniors and may have subsidized services for some seniors; not all seniors. The question the Commission should help answer is what these benefits are or could be that the community will value.

A good, broader question to try and answer would be: Compared to PC projects, does this “benefit” address more or less of the community? Are there “extra” community benefits serving the broader community or region?

Q6: Would this new proposed development count towards the cap of 3.2 million square feet of new non-residential development?

A6: Comprehensive Plan Policy L-8 includes a maximum city wide development limit of 3,257,900 square feet of new non-residential. Comprehensive Plan Policy L-8 reads: “Maintain a limit of 3,257,900 square feet of new non-residential development for the nine planning areas evaluated in the 1989 Citywide Land Use and Transportation Study, with the understanding that the City Council may make modifications for specific properties that allow modest additional growth. Such additional growth will count towards the 3,257,900 maximum.” In addition, Comprehensive Plan Program L-7 reads: “Establish a system to monitor the rate of non-residential development and traffic conditions related to both residential and non-residential development at key intersections including those identified in the 1989 Citywide Study and additional intersections identified in the Comprehensive Plan EIR. If the rate of growth reaches the point where the citywide development maximum might be reached, the City will reevaluate development policies and regulations.”

These two provisions of the Comprehensive Plan coupled with the legislative history surrounding adoption of the Plan, appear to support a 3-pronged approach to finding that development complies with the growth limit in the Comp Plan. If any one of the three below conditions applies, the development would comply with Policy L-8:

1. The proposed development falls within the applicable sub-area allowance specified in the 1989 Citywide Land Use and Transportation Study (1989 Study) and the total citywide cap of 3.2 Million square feet is not exceeded; or
2. The proposed development would cause the sub-area allowance to exceed the levels specified in the 1989 Study but the total citywide cap of 3.2 Million square feet would not be exceeded and the City Council approves the project with a finding that it represents “modest additional growth.” This finding can only be made by the Council and thus would only apply to projects that are approved by Council. This would thus primarily apply to projects that require a zone change; or
3. The proposed development would cause the sub-area allowance to exceed the levels specified in the 1989 Study but the total citywide cap of 3.2 Million would not be exceeded, the project can comply with the growth limits if a traffic study shows that the project will not cause any of the 11 key intersections identified in the 1989 Study to exceed the Levels of Service identified in the Comp Plan build-out levels identified in the 1989 Study.

The project review and EIR will include an assessment of these criteria for the 27 University Avenue site and will be timely with the ongoing revisions to the Comprehensive Plan and the updated citywide traffic model. The project's parking and traffic impacts would be fully analyzed in an EIR that would be prepared for the project.

- Q7: How would the layout of bus stops affect inter-bus-line transfers? (Note that the Dumbarton Bridge bus does not appear to be mentioned, but I believe one or more routes stop at the station.)
- A7: The designation of bus stops to transit agencies is still pending. Outreach in the development of the improved transit mall as currently shown was with the three major transit operators: Valley Transportation Authority, Stanford Marguerite, and Samtrans/Caltrain. The improved transit mall significantly increases transit capacity over the current operations and accommodations and plan also retains future transit capacity along Urban Lane. Dumbarton Express route operators will be contacted for input.
- Q8: No left turn is currently allowed from the El Camino Real northbound on-ramp to Quarry Road. Is this proposed to be changed, per Proposed Transit Routes map in the City Managers Report? (The Marguerite route onto southbound El Camino Real veers off the overpass onto roadway below in a manner not physically possible, and should probably follow the VTA path.)
- A8: The University Loop NB on-ramp to El Camino Real currently does not allow left turn movements onto Quarry Road. There is no proposed change to this operation. Transit operators may use Quarry Road Extension around the rear of the theatre as a route to Quarry Road/Stanford University Medical Center as a preferred alternative or use University Avenue to Arboretum Road.
- Q9: Why is there a mention of VMware founding in the timeline of Attachment E of the City Managers Report? Why is there no mention of the 50-foot high limit establishment in this timeline? Should the 1940 reference to "Train Overpass (bridge) over el (sic) Camino built" remove mention of "Train" as no trains traverse this bridge?
- A9: The timeline included in the Council's CMR is not yet complete. VMware was included because it was and remains one of Palo Alto's larger employers; however it is not the only one. The year of the 50-foot high limit was not included because at the time of the publishing of the CMR, the actual date of the ordinance had not been verified. Thank you for the correction of the 1940 Overpass reference.
- Q10: There is reference to the proposal completing Olmstead's plan; however, no graphics showing Olmstead's plan for the area is provided.

A10: The Olmsted plan was shown on the presentation boards that were on display in the Council Chambers during the September 24th, 2012 Council Hearing. Staff will provide an 8 ½ x 11 of the plan at places.