TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE: JUNE 21, 2004 CMR: 311:04

SUBJECT: 4219 EL CAMINO REAL [99-EIA-9]: RECOMMENDATION TO CERTIFY THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) AND APPROVE THE MITIGATION MONITORING AND REPORTING PROGRAM (MMRP) PREPARED FOR THE REVISED HYATT RICKEY’S DEVELOPMENT PROJECT (MAY 2004).

REPORT IN BRIEF

Planning applications for redevelopment of the Hyatt Rickey’s Hotel site were filed with the City in 1999. The initially proposed hotel and residential development underwent extensive environmental review, which included the completion and publication of a Draft Environmental Impact Report (DEIR) in March 2002 and a Final Environmental Impact Report (FEIR), which was published in February 2003. Certification of the FEIR has been delayed as a result of an interim moratorium that was imposed in early 2003 to complete the Charleston/Arastradero Corridor Improvement Plan. This Improvement Plan has been completed and was adopted by the City Council in January 2004.

The Hyatt Rickey’s Development Project FEIR is complete for certification. Some revisions to this FEIR have been made to reflect changes that have occurred since document publication in February 2003. The changes include recent revisions to the project (Revised Project, May 2004), which propose a redevelopment of the site with an all-residential project (185 residential units), in lieu of the mixed hotel and residential development. The project description in the FEIR has been amended to reflect this
revised project. The revised project is currently being reviewed and will be subject to separate, future public hearings. However, at this time, the City Council is being requested to take action to certify the FEIR only, which is for the revised project (May 2004) only. As outlined in this report, staff believes the FEIR adequately assesses the environmental effects of this revised project.

It is anticipated that formal applications for ARB review and tentative subdivision map review for the revised project will be submitted at a later time. Prior to the consideration and approval of any such formal applications, it will need to be demonstrated how the FEIR, as certified, adequately addresses the impacts of such applications. If it does not adequately address such impacts, it may need to be supplemented.

Only after the approval of the formal applications for ARB review and tentative subdivision map review, will the City file a Notice of Determination. The filing of the Notice of Determination and the posting of such notice starts a 30-day statute of limitations on court challenges to the approvals under CEQA.
**RECOMMENDATION**

Staff recommends that the City Council adopt the attached resolution (Attachment 1) certifying the Final Environmental Impact Report (FEIR) and Mitigation Monitoring and Reporting Program (MMRP) prepared for the proposed revised Hyatt Rickey’s hotel and residential project.

**BACKGROUND**

**Overview of Project History**

In 1999, planning applications were filed proposing a redevelopment of the 15.84-acre Hyatt Rickey’s Hotel property located at 4219 El Camino Real and Charleston Road. The initial project applications proposed a redevelopment of the site with a new hotel facility (320 rooms) and multiple-family residential units (302 rental apartments). A brief chronology of project events and related activities that have occurred since the initial application filing is provided as follows:

1. **November/December 1999-** An Initial Environmental Assessment was completed recommending the preparation of an Environmental Impact Report (EIR). A public scoping meeting was held on November 15, 1999 to solicit comments from the public on the issues to be studied in the EIR.

2. **December 11, 2001-** The Charleston Road Corridor Traffic Management and Safety Study is completed. The study was undertaken due to resident concerns about high traffic volumes and speeds along this corridor and the large number of existing and future schools along Charleston and Arastradero Roads. The study recommends designating Charleston Road as a “school commute corridor.”

3. **March 6, 2002-** The Draft Environmental Impact Report (DEIR) prepared for the Hyatt Rickey’s Hotel and Residential Project is completed and made available for public review. A 45-day public review period is observed (public review and comment period from March 6-April 24, 2002). A public workshop is held on April 4, 2002 to present and summarize the DEIR to the public.

4. **April 18, 2002-** The Architectural Review Board reviews and provides comments on selected sections of the DEIR. The public provided comments on the DEIR at this meeting.

5. **April 24-30, 2002-** The Planning and Transportation Commission conducts a public hearing on the DEIR. Substantial public comment is provided at this hearing. Following closure of the public hearing, the Commission continued the item to the meeting of April 30, 2003 for Commission discussion and comments on the DEIR.
6. May 1, 2002- City staff organizes and completes an inventory of 140 written
comment letters/e-mails received on the DEIR from the public and agencies.

7. February 2003- The Final Environmental Impact Report (FEIR) is completed and
published.

8. April 2003- The City adopts an interim ordinance imposing a temporary
moratorium on the processing/approval of planning applications in the South El
Camino Real/Charleston Road Corridor area. The temporary moratorium was
imposed so that the City could analyze and identify recommendations for traffic
related improvements along the Charleston/Arastradero corridor.

9. January 2004- The Charleston/Arastradero Corridor Improvement Plan is
completed and adopted by the City Council. Simultaneously, the temporary
moratorium is lifted.

10. January – May 2004- Revisions to the Hyatt Rickey’s development project are
studied. A revised proposal for redevelopment of the site with an all-residential
project was presented to the City for preliminary review in May 2004.

Site Information
The subject property consists of several contiguous parcels totaling approximately 15.84
acres. The two largest parcels (Parcels 1 and 3) encompass approximately 12.9 acres and
are owned by Hyatt Equities LLC (Hyatt). The two smaller parcels (Parcels 5 and 6) are
located at the south end of the subject property, together total approximately 2.9 acres,
and are owned by Evelyn Petrusich and Thelma Rossovich. However, Hyatt maintains a
99-year lease of these smaller parcels, for which approximately 30-33 years have now
run.

The property has frontage on three City streets; Charleston Road to the north, Wilkie
Way to the east and El Camino Real to the west. Vehicular access to the site is presently
provided by five to six driveway cuts along the El Camino Real frontage and one rear
driveway access connecting to Wilkie Way (driveway located on Parcel 6). Two
easements are recorded over Parcel 6, which provide Parcels 1 and 3 with access to the
existing Wilkie Way driveway.

The site is relatively level and is developed with 47 buildings and structures housing a
hotel complex (Hyatt Rickey’s). The buildings range in height from one story to six
stories. A majority of the existing buildings are one- and two-story structures, which
contain hotel guestrooms. The existing complex of buildings includes 344 guestrooms, a
restaurant, conference/meeting room facilities and ancillary retail and auto rental uses.
Comprehensive Plan Designation

The Palo Alto 1998-2010 Comprehensive Plan has adopted two land use designations for this site. The base designation is Multiple Family Residential, which permits residential uses at a density range of 8 to 40 dwelling units per acre. The plan description of this designation states that, “density should be on the lower end of the scale next to residential areas.” In addition, the site is designated with a Commercial Hotel (H) Overlay. This overlay designation permits development of a hotel use in conjunction with the uses permitted under the base multiple-family land use designation. As defined in the Comprehensive Plan, the Hotel Overlay permits a maximum hotel floor area ratio of 1.5 for the portion of a site that is developed for hotel use. The Multiple-Family Residential and Commercial Hotel Overlay designation permits development of the site with both residential and hotel land uses.

Zoning

A majority of the property is located within the CS-H (Service Commercial, Hotel Combining) District. The base CS District permits hotels, single-family and multiple-family residential uses, restaurants and retail uses. For mixed residential and non-residential development projects and all-residential (exclusively residential use) development projects in the CS District, the following special provisions must be met:

1. The site development provisions of the CS District (PAMC Section 18.45.050) permit a maximum floor area ratio (FAR) of 0.4, except that a “mixed residential and non-residential use” is permitted an FAR of up to 1.0 (an FAR of up to 0.6 for residential and an FAR of up to 0.4 for non-residential). However, per Section 18.45.070 (Special Requirements) of the CS District, all other design aspects of a mixed residential and non-residential use development must comply with the regulations of Chapters 18.24 (RM-30 District) and 18.28 (Multiple-Family Residence Design Guidelines).

2. Per Section 18.45.070 (Special Requirements) of the CS District, exclusively residential use must comply with the regulations of Chapters 18.24 (RM-30 District) and 18.28 (Multiple-Family Residence Design Guidelines). The RM-30 District includes regulations such as a building height limit of 35 feet, lot coverage and floor area ratio limits, as well as requirements for usable open space. In addition, the RM-30 District requires that single-family residential use comply with the R-1 District site development regulations of Sections 18.12.050 through 18.12.080, which include, among others, a minimum lot size of 6,000 square feet and a 35% lot coverage limit.

The purpose of the H Combining District is to specifically permit hotel development to achieve higher FARs (up to 0.6) than the 0.4 limit established by the base CS District
zoning. A higher FAR can be permitted provided that a Conditional Use Permit and Site and Design Review approvals are secured.

Along a majority of the Charleston Road property frontage and along the entire Wilkie Way property frontage, the property is zoned CS-L (Service Commercial, Landscape Combining) District. The “L” Combining District encompasses a band along both street frontages (depths discussed below). The purpose of the “L” Combining District is to provide specific regulations that would ensure the preservation of a buffer or landscaped open space between adjacent residential neighborhoods and more intensive commercial uses. The “L” Combining District limits the permitted land uses to landscaping and screening. Uses such as pedestrian, bicycle and vehicular drives, which are developed in conjunction with the uses permitted in the base zoning (CS District), are allowed, provided that a Conditional Use Permit is secured. At present, one vehicular driveway crosses over this “L” Combining District at Wilkie Way (driveway connection over Parcel 6 at Edlee Avenue). In 2000, staff researched the status of this driveway and the history of the “L” Combining District and determined:

1. The “L” Combining District was adopted in 1978 and was established as part of a major revision to the City’s zoning ordinance. The “L” Combining District was initially envisioned to be used as a landscape buffer between the Stanford Research Park and Barron Park, but was also adopted on the subject Hyatt site. On the 1978 zoning map (Ordinance 3066, adopted June 17, 1978), the “L” Combining District extends from the middle of the Charleston Road public right-of-way toward and into the site for a distance of 75 feet (28 feet, as measured from the property line). For the Wilkie Way frontage, this district extends from the middle of the street right-of-way toward and into the site for a distance of 65 feet (35 feet, as measured from the property line).

2. Prior to 1978, the land area currently covered by the “L” Combining District was zoned O-A (Open Area) District. The O-A District was established in 1955. The purpose of this former district was similar to the “L” Combining District intended “to provide open space, which would serve as a buffer between industrial and commercial districts, and adjoining residential districts and public streets.” The former O-A District required that a Conditional Use Permit be approved to establish a minor local service street. Therefore, if developed as early as 1955, the Wilkie Way driveway would have required a Conditional Use Permit.

3. Based on a review of available maps, permits and aerial photos documented in City address files, the original Hyatt Rickey’s Hotel was built in the early-mid 1950s and occupied Parcels 1 and 3 only. At that time, Parcel 6 was partially developed with a chicken farm and the Wilkie Way driveway provided access to this parcel. The driveway connection was at its current location (1955 aerial
photo). In the 1970’s, this chicken farm was demolished and replaced with the current hotel conference facilities. There is no documentation in the City files that a Conditional Use Permit or an encroachment permit was approved for this driveway. A Conditional Use Permit was approved by the City in 1956 for the hotel tower addition, but the conditions of approval do not include any reference to or restrictions on the use of the Wilkie Way driveway.

It has been concluded that the Wilkie Way driveway existed prior to 1955, thus pre-dating the Conditional Use Permit requirements of the former O-A and present “L” Combining Districts. The driveway, therefore, has ‘legal non-conforming’ status. This means that the property owners may continue to use it in its existing configuration/width, but that any physical changes or improvements in the driveway would require a Conditional Use Permit.

**Initial 1999 Hotel and Residential Project**

As noted above, planning applications for the Hyatt Rickey’s Hotel and Residential Project were filed in 1999. A complete description of this project is summarized in FEIR Volume 1 (DEIR). While this project description has changed recently, since initial filing of the planning applications, this description was used as the basis for the assessment of impacts in the FEIR and is briefly summarized as follows:

1. **General Overview.** The project proposed the redevelopment of the site with a new hotel complex (320 guestrooms, approximately 272,500 square feet) and 302 new multiple-family residential units. The existing hotel complex facilities would have been demolished and the property would have been cleared. The two proposed land use components were designed as one project, with the intent that the two uses would share site access, driveways and vehicular circulation, common recreational facilities and grounds, as well as some of the proposed on-site surface parking.

2. **Hotel Component.** The 320-room hotel component of the project was sited on the western portion of the site and would have included conference and meeting facilities, a restaurant and other ancillary uses. The facilities would have been housed in two hotel structures oriented toward El Camino Real and Charleston Road. The larger of the two structures included a sub-surface parking structure.

3. **Residential Component.** The 302 multiple-family residential units (three residential unit types) would have been housed in eight buildings, which was sited on the eastern portion of the subject property, with most buildings facing Charleston Road and Wilkie Way. A one-story, 3,500 square-foot recreation building would have been located between the residential component and the northern wing of the main hotel building. The site layout included both surface
parking and sub-surface parking structures. A portion of the surface parking would have been shared with the hotel use component. Three sub-surface parking garages were proposed below the eight residential buildings (one level below grade).

The residential units were proposed to be leased/rented. However, it was also the intent of the project sponsor to ultimately sell the units as condominiums. The project sponsor has indicated that a Tentative Map application would be filed during the review process for this project. City approval and recordation of a subdivision map is still required to sell the individual units as condominiums in the future.

The initial project description said that fifteen percent (15%) of the units (45 units) would be reserved for rental to moderate- and low-income households, which is consistent with the City BMR requirements adopted at the time of application filing.

4. Planning Applications. The planning applications that were filed in 1999 include:
   • Site and Design Review. In the CS District, projects proposing a mix of residential and non-residential land uses are subject to Site and Design Review approval.
   • Conditional Use Permit. The Conditional Use Permit is required for three requests: (a) The development of two vehicular driveways within the “L” Combining District along the Charleston Road frontage; (b) a hotel floor area ratio (FAR) in excess of the CS District 0.4 FAR limit for Parcels 1 and 3; and (c) approval of a surface parking lot as a “principal” land use on Parcel 5.
   • A request for reduction in the required off-street parking (PAMC Section 18.83.120(c)). A 12% reduction in the parking requirement was proposed based on shared use of the surface parking for the two land uses.

Revised Project – May 2004
In May 2004, the project sponsor filed revisions to the project described above and assessed in the FEIR. The revised project now proposes an all-residential development of the 15.84-acre site, with no hotel land use component. The revised project presents a similar land use concept as Alternative 18.8, described and analyzed in Section 18 of this Final Environmental Impact Report (FEIR). Additionally, the revised project presents site-planning features that are similar to the initially proposed project and FEIR Alternatives 18.2, 18.3 and 18.4. However, the revised all-residential project proposes a development that is substantially lower in scale, size and density than the initial project
and these FEIR alternatives. In part, the project revisions were filed to address and mitigate the environmental impacts and recommended mitigation measures summarized in the FEIR.

The revised project proposes a redevelopment of the site with 185 for-sale residential units, which would result in an overall gross density of 11.7 dwelling units per acre. The revised site plan includes the following features:

- Some of the residential units are designed to front and orient toward El Camino Real, Charleston Road and Wilkie Way. These units would be sited to meet setback requirements and would respect the existing landscape buffer (“L” Combining District) along the Charleston Road and Wilkie Way frontages. The majority of the residential units are oriented inward to the project site and are clustered around courts. Building-to-site-area coverage is estimated at 26%.

- The revised site plan is designed to include large expanses of common open space and landscaped grounds (32% of the site coverage). This common open space has been arranged to preserve many of the “regulated trees” (which include protected trees) that are found on the site. Floor area ratio is estimated at 0.75, which includes the garages proposed for each residential unit.

- As this revised project proposes an all-residential development within the CS (Service Commercial) District, it is required to comply with the standards of the RM-30 (Multiple-Family Residential) District and the City’s Multiple-Family Residence District Guidelines (PAMC Chapter 18.28). The revised project is designed to comply with the spatial standards of the RM-30 District, including daylight plane and special setback requirements. However, the RM-30 District requires that detached single-family residential homes comply with the R-1 District site development regulations (PAMC Chapter 18.12).
The proposed residential unit types include:

- Fifteen two-story, detached single-family homes sited along the Wilkie Way frontage.

- Ninety-five attached row homes and 75 attached townhomes. The row homes are designed to be 2100 square feet in size, while the attached townhomes would be 1700 square feet. These units would range in height from two to three stories, with no structure exceeding 35 feet. The two-story structures are sited along the project edges fronting Charleston Road and El Camino Real. The taller, three-story buildings are sited within the project site, where they are less visible from off-site.

- Each residential unit is designed to include an attached two-car garage. Unlike the initial mixed hotel/residential project, no sub-surface parking garages are proposed.

- Each residential unit is designed to include a fenced, private yard/patio area.

The revised project proposes that 20% of the units (37 townhomes) be reserved for sale as below-market-rate (BMR) units. This proposal is intended to comply with the City’s recently adopted Housing Element policy, which requires a 20% BMR housing component for development projects on sites of five acres or more.

To date, the revised project has been filed for CEQA review only. The revised project will require Major Architectural Review, subject to the provisions of PAMC Chapter 16.48. The revised project will require a redesign so that the single-family lots facing Wilkie Way meet size and dimensional requirements for an R-1 District. Section 18.24.070 of the PAMC requires single-family houses on multi-family sites to be developed using single-family standards of the R-1 District (PAMC Sections 18.12.050 through 080). As this revised project does not propose a mix of hotel and residential land uses, Site and Design Review approval is not required. Additionally, Conditional Use Permit approval would not be required for this revised project in that: 1) no new access driveways would be developed over the “L” Combining District fronting Charleston Road; 2) no hotel land use is proposed that would necessitate a request for additional building floor area ratio; and 3) no physical changes or improvements are proposed to the Wilkie Way driveway that would necessitate approval of this permit. A conceptual plan has been submitted and was reviewed by the Architectural Review Board (ARB) at a study session on June 3, 2004. The formal ARB is expected to be scheduled shortly after a formal application is filed. The revised project will also require tentative subdivision map review.

**ENVIRONMENTAL REVIEW**

Draft Environmental Impact Report (DEIR)
A Draft Environmental Impact Report (DEIR) was completed and distributed for public review on March 6, 2002. Consistent with the CEQA Guidelines, a minimum 45-day public review period was required, with the comment period closing on April 24, 2002 (at closure of Commission public hearing on DEIR). A summary of the DEIR format, content and the major, significant environmental and policy issues addressed in the DEIR is provided as follows:

Format and Content
The DEIR consists of one volume (Volume 1) containing 21 chapters and an appendix. Separate from and on file with the City are a number of supplemental documents and studies that were commissioned by the project sponsor and referenced in the DEIR. Among these supplemental documents are a transportation impact analysis (TJKM Transportation Consultants, 2000) and a tree survey (Mayne Tree Expert Company, 1998.) The DEIR also contains City documents researched and gathered on: a) the determination of the Comprehensive Plan land use designation for the subject property; b) the CS District provisions for mixed residential and non-residential uses; c) the history and background on the Wilkie Way driveway access; and d) research on and study of mixed use.

Project Effects Initially Determined To Be Insignificant
During the initial Notice of Preparation (NOP) and public scoping process, it was determined that the project would not result in a number of environmental impacts or effects in certain resource areas. As explained on page 19-6 of the DEIR, project effects that were initially found to be insignificant are summarized in the Initial Study checklist, which is provided in Appendix 22.1 of the DEIR. As it was initially determined that these areas would not be subject to impacts, the DEIR does not provide any further analysis or study in the following areas: 1) agricultural resources, loss of prime agricultural land or area zoned for agricultural use; 2) riparian resources; 3) landslides or areas of slope instability; 4) depletion of groundwater supplies; and 5) mineral resources.

Project Effects Determined To Be Significant
The DEIR identifies 12 categories of study of potential environmental impacts. The major categories that were studied are listed and summarized below.

Land Use
Land use issues and impacts are addressed in Chapter 5 of the DEIR. Section 5 includes a list of Comprehensive Plan goals and policies related to land use, which include policies from other elements of the plan. In addition, this section addresses basic zoning provisions that are pertinent to the project and site, and provides a list of all pending and approved development projects in the area for the purpose of assessing cumulative impacts. The DEIR concludes that the project would result in several significant land use impacts, which can be reduced with the implementation of mitigation. Recommended
mitigation measures would reduce these impacts to less-than-significant levels. Potentially significant land use impacts are summarized as follows:

- Impact 5-1 (Conflict with Height Regulations in CS District). The initial project would have conflicted with the 35-foot height limitation of the CS District for mixed residential and non-residential use. The CS District requires that mixed residential and non-residential use projects comply with the RM-30 District standards, except for allowable floor area ratio. The RM-30 District height limit is 35 feet. The mitigation measure recommended that: a) the building height be reduced to 35 feet or less; or b) that a variance request be filed for approval of the additional building height; or c) that the applicant apply for a rezoning of the property to PC District. NOTE: The revised project (May 2004) are designed to comply with the 35-foot height limit. Therefore, it would implement this mitigation measure and reduce impacts to a less-than-significant level.

- Impact 5-2 (Land Use Compatibility Impacts). The initial project would have resulted in residential densities averaging 19 dwelling units per acre, significantly higher than the density in the surrounding residential neighborhood. Secondly, the project would have conflicted with Policies LU-6 and LU-35, which require that scale and density between new and existing residential development gradually transition and that building heights in the South El Camino area provide a mix of one-, two- and three-stories. The recommended mitigation was to redesign the project to improve scale transition along the edges of the project where it abuts lower density residential development. NOTE: The revised project (May 2004) would result in an all-residential development of the site at an overall density of 11.9 dwelling units per acre. In addition, this revised project has been designed to propose an even lower density transition along Charleston Road and Wilkie Way edges of the project, although as previously stated, this still needs to be revised. Buildings on the remainder of the site are designed to be two and three stories in height. Therefore, it would implement this mitigation measure and reduce impacts to a less-than-significant level.

**Aesthetic Factors**

Visual and aesthetic impacts are addressed in Chapter 7 of the DEIR. As discussed in Chapter 7, the subject property consists of 15.84 acres of level land that is developed and contains mature tree cover. Views of the site and existing improvements from Charleston Road and Wilkie Way are partially screened and buffered by the landscape setback (L Combining District) and an eight-foot-high wooden fence. The initial project would have resulted in the development of new buildings, situated behind the L Combining District landscape setback. Five (5) computer-generated visual simulations of the project site were prepared and used in the DEIR to assess visual and aesthetic impacts. The five viewpoints were selected during the EIR scoping process.
It was concluded that the initial project would have resulted in several visual and aesthetic impacts, which would be significant but could be reduced with the implementation of mitigation. Recommended mitigation measures would have reduced these impacts to less-than-significant levels. These potentially significant visual and aesthetic impacts are summarized as follows:

- Impact 7-1 (General Visual Compatibility Impact). The initial project would have substantially increased the intensity, mass and scale of development on the project site. The initial project proposed building footprints that are substantially larger than the existing single-family homes on the opposite sites of Charleston Road and Wilkie Way. The recommended mitigation was to step-down the building heights along the edges of the project, where the project abuts existing residential development. NOTE: The revised project (May 2004) is designed to comply with the 35-foot height limit. In addition, this revised project has been designed to propose a lower density transition along Charleston Road and Wilkie Way edges of the project. As noted, redesign of the single-family lots will be required to meet R-1 standards. This redesign would implement this mitigation measure and reduce impacts to a less-than-significant level.

Transportation and Parking
Transportation and parking impacts are addressed in Chapter 8 of the DEIR. The DEIR presents existing level of service conditions at local and critical intersections in the area, as well as those intersections that are fairly remote to the site, but are subject to analysis based on regional traffic impacts and considerations (Santa Clara County Congestion Management Program). The DEIR also factors in the traffic that is currently being generated by the existing hotel, as well as observations of current hotel parking. The DEIR concludes that the initial project would have resulted in a number of significant traffic and circulation impacts. In fact, some of the recommended mitigation measures had the potential to result in secondary significant impacts, which were also analyzed. The list of potential impacts and recommended mitigation is provided as follows:

- Impact 8-1 (Impacts to Charleston Road/Alma Street Intersection). The estimated traffic from the initial project was expected to increase average, critical delay at the Charleston Road/Alma Street intersection by more than four seconds. Recommended Mitigation 8-1 provided four options to reduce this impact to less-than-significant levels. These mitigation options included: a) providing an exclusive right-turn lane on the eastbound Charleston Road approach to Alma Street within the existing, available, curb-to-curb width of Charleston Road; b) providing an exclusive right-turn lane by widening the curb-to-curb width of Charleston Road by 10 feet; c) providing a second left-turn lane on the southbound Alma Street approach to the intersection, which would reduce AM peak hour
impacts only; and d) either reducing the size of the residential portion of the project by 40% (from 302 units to 181 units), or reducing the size of the project by 20% (from 302 units to 242 units) and redesigning the project so that all project access restricted to El Camino Real. NOTE: The revised project (May 2004) proposes an all-residential development of the site with 185 residential units with no site access from Charleston Road. Traffic impacts at the Charleston Road/Alma Street intersection would be reduced to a level so that the right-turn lane would not be warranted. Therefore, it would implement this mitigation measure and reduce impacts to a less-than-significant level.

- Secondary Impact 8-1A (Impacts from Mitigation 8-1). The first option under Mitigation 8-1 recommended installing an exclusive right-turn lane on the Charleston Road eastbound approach to Alma Street, within the existing curb-to-curb street width. In order to accommodate this turn lane within the available curb-to-curb width, the existing bicycle lane would have to be removed with bicycle riders directed onto the sidewalks. Removal of the bicycle lane would have been in conflict with Comprehensive Plan Policy T-27. NOTE: As noted above, the revised project (May 2004) would reduce impacts to a level so that the right-turn lane would not be warranted. Therefore, this mitigation measure would not be required for approval of the revised project.

- Secondary Impact 8-1B (Impacts from Mitigation 8-1). Similar to Impact 8-1A, Impact 8-1B would have resulted from widening the street approach to accommodate the right-turn lane and replacing the existing bicycle lane by widening the street by 10 feet. This improvement required the purchase of additional right-of-way from homeowners on north and south sides of Charleston Road and would have required moving the railroad crossing gates and signals. NOTE: As noted above, the revised project (May 2004) would reduce impacts to a level so that the right-turn lane would not be warranted. Therefore, this mitigation measure would not be required for approval of the revised project.

- Impact 8-2 (Safety Impacts at Charleston Road/Wilkie Way intersection). Traffic from the initial project would have caused an increase in left turn moves from westbound Charleston Road to southbound Wilkie Way, resulting in increased, unsafe maneuvers, causing a significant impact during the AM and PM peak hours. Recommended mitigation (Mitigation 8-2) would have required a split-phase signalization for eastbound and westbound Charleston Road intersection approaches, which would have reduced potential safety impacts to less-than-significant levels. NOTE: This mitigation measure would still be required for the revised project (May 2004), as the existing Wilkie Way driveway would continue to provide access to the site. In the event this driveway is limited to emergency vehicle access only, this measure would not be required.
• Impact 8-3 (Inbound Safety Impacts at Charleston Road Main Entrance). Inbound left turn moves from westbound Charleston Road into the main driveway entrance would have resulted in unsafe maneuvers by westbound drivers, causing a significant impact during the AM and PM peak hours. Recommended mitigation (Mitigation 8-3) would have required the installation of a left-turn deceleration lane on Charleston Road, east of the driveway approach. NOTE: The revised project (May 2004) proposes an all-residential development of the site with 185 residential units with no site access from Charleston Road. Therefore, this impact would be eliminated and the mitigation would not be necessary. It should be noted that the Charleston/Arastradero Corridor Improvement Plan (January 2004) recommends a center tree-planting median along this segment of Charleston Road, which would be in conflict with recommended Mitigation 8-3. Elimination of the project driveway access along Charleston Road would be consistent with the Charleston/Arastradero Corridor Improvement Plan.

• Impact 8-4 (Outbound Safety Impacts at Charleston Road Main Entrance). Outbound left-turn moves from the Charleston Road main access driveway to westbound Charleston Road would have experienced extended delays during the AM and PM peak hours. Mitigation 8-4 recommended a raised median along the centerline of Charleston Road to prohibit left-turns. NOTE: Regarding the revised project (May 2004), see the response to Impact 8-3. This revised project proposes no access from Charleston Road.

• Secondary Impact 8-4A (Impacts from Mitigation 8-4). The installation of a raised median that would prohibit left turns from the Charleston Road main access driveway would have caused a diversion of traffic to the Wilkie Way Drive, resulting in a noticeable change in character of Wilkie Way. NOTE: Regarding the revised project (May 2004), see the response to Impact 8-3. This revised project proposes no access from Charleston Road. Additionally, the amount of traffic from the revised project that is projected to use the Wilkie Way driveway would be well below the TIRE analysis threshold for a significant impact on Wilkie Way. In the event this driveway is limited to emergency vehicle access only, this secondary impact would be eliminated.

• Impact 8-5 (Impacts at Westerly Charleston Road Driveway). Any significant increase in the number of left turns inbound and outbound from the initial project’s westerly Charleston Road driveway would have resulted in safety impacts similar to Impact 8-3 and 8-4 (main driveway). Recommended mitigation (Mitigation 8-5) required a prohibition on left turns and/or designing the on-site circulation so that project traffic is not diverted to this driveway. NOTE:
Regarding the revised project (May 2004), see the response to Impact 8-3. This revised project proposes no access from Charleston Road.

- Impact 8-7 (Inadequate Hotel Parking Supply). The amount of hotel parking proposed with the initial project was not adequate to accommodate eight to ten medium-sized special events per year. Mitigation 8-7 recommended that an ongoing parking management program be developed, which monitored hotel parking for the first three (3) years following hotel occupancy. This measure required that, if parking proved to be inadequate, then additional on-site parking was to be provided. The contingency provision for additional on-site parking had site plan design implications. NOTE: As noted above, the revised project (May 2004) would result in an all-residential development of the site. Therefore, this impact would be eliminated and the mitigation would not be necessary.

- Impact 8-8 (Bicycle Safety Impacts at Westbound and Northbound Approaches to the El Camino Real/Charleston Road Intersections). The initial project generated additional bicycle trips on the westbound Charleston Road approach to El Camino Real, which would have contributed to additional bicycle safety deficiencies at this intersection. Recommended mitigation (Mitigation 8-8) would have required that additional public right-of-way be dedicated along the Charleston Road frontage so that a continuous five-foot wide bicycle lane could be accommodated on the south side of the street. NOTE: This mitigation measure would still be required for the revised project (May 2004). The Charleston/Arastradero Corridor Improvement Plan recommends the elimination of the “pork chop” island at the Charleston Road/El Camino Real intersection and the improvement of bicycle lanes along Charleston Road.

Public Services and Utilities
Public service and utility impacts are addressed in Chapter 9 of the DEIR. The DEIR analyzed current utilities and project impacts to sanitary sewer service, water service, solid waste disposal, as well as electricity and natural gas. The section also analyzed current police and fire services and project impacts to staffing, response time (during non-peak and peak traffic hours) and long-term needs. Potential park and recreation and childcare impacts had also been assessed. Mitigation measures were recommended for each significant public service and utilities impact that has been identified. In some cases, mitigation included a recommendation for improvement to or upgrading of existing facilities, or the payment of an impact fee. NOTE: The revised project (May 2004) would not result in any significant changes to the impacts that have been identified or the mitigation measures that were recommended. Therefore, these mitigation measures would still be required.
Noise
Noise impacts are addressed in Chapter 10 of the DEIR. The subject property fronts on El Camino Real, a major arterial, and Charleston Road, a residential arterial. Both streets experience significant traffic with recorded noise levels ranging from 50 dBA (decibels) in the middle of the night on Charleston Road to 67-69 dBA during peak traffic periods on El Camino Real. Wilkie Way, a local street, experiences noise levels ranging from 37 dBA in the middle of the night to a high of 62 dBA during peak traffic periods. The DEIR concluded that the initial project would not result in any significant, unavoidable noise impacts that cannot be mitigated. However, significant noise impacts would have been realized, which require the implementation of mitigation. This section includes the following impact:

- Impact 10-1 (Project Compatibility with Existing Noise Environment). Both the hotel rooms and residential units proposed with the initial project would have been exposed to exterior noise levels exceeding the 60 dBA noise/land use compatibility standard. Recommended mitigation (Mitigation 10-1) required that the project be designed to incorporate noise insulation measures to ensure that the resulting interior noise levels are 45 dBA or less. NOTE: The revised project (May 2004) would not result in any significant changes to this impact or this mitigation measure. The mitigation measure would still be required to reduce impacts to a less-than-significant level. It should be noted that an acoustical consultant has reviewed the recent project revisions, confirming that Mitigation 10-1 is appropriate for the residential development proposed along the El Camino Real frontage.

Health and Safety (Hazardous Materials)
Health and safety impacts are addressed in Chapter 13 of the DEIR. A Phase I Environmental Assessment (ESA) of the project site was prepared in 1992. This ESA disclosed that a gasoline/service station previously occupied the northwest corner of the site. Soil samples detected elevated concentrations of gasoline hydrocarbons at the depth of groundwater. Additional research, clean-up of the hydrocarbons and on-going monitoring was conducted between 1992 and 1998. The 1998 monitoring report disclosed that hydrocarbon pollutants have declined, and that the property owner had requested closure. The Santa Clara Valley Water District serves as the oversight agency, which has the authority to grant closure or approval. The DEIR also identifies potentially significant impacts associated with exposure to asbestos and lead-based paint during demolition.

The DEIR concluded that the initial project would have resulted in three potentially significant health and safety impacts, which require mitigation. NOTE: The revised project (May 2004) would not result in the development of a sub-surface parking, as proposed with the initial project. Nonetheless, the impact associated with soil movement.
at the northwest corner of the site remains potentially significant and mitigation would still be required. Furthermore, as the revised project (May 2004) would still result in the demolition of existing buildings and improvements exposure to asbestos and lead-based paint would still be potentially significant and require mitigation.

**Drainage and Water Quality**

Drainage, hydrology and water quality impacts are addressed in Chapter 14 of the DEIR. As noted above, the site is relatively level. While the project site is not within the federally designated flood hazard zone (FEMA), it is located in and drains to an area that has documented flooding problems. A City-maintained storm drain line, designated System ZB in the City’s Storm Drainage Master Plan, serves the site. This system includes 12-inch diameter pipes along Charleston Road and along a portion of Wilkie Way. Approximately 77% of the subject property is currently covered in impervious surface material (buildings, pavement and concrete). It was estimated that the amount of impervious surface coverage would have decreased with the initial project (by 12,000 square feet), which would typically decrease the storm water runoff. Nonetheless, the DEIR identified Impact 14-1 concludes that, although the amount of project runoff is expected to decrease from the existing runoff conditions, the proposed drainage facilities and the increased velocity of runoff could alter drainage patterns on adjacent properties or exceed the capacity of existing downstream facilities. This impact could be reduced by introducing on-site detention, increasing on-site infiltration, or re-routing runoff. Recommended mitigation (Mitigation 14-1) would have required the preparation of a hydrologic analysis to ensure that the existing rate and volume of runoff from the site is not exceeded with the project. This analysis would have required the implementation of some or all of the above measures. NOTE: The revised project (May 2004) would result in a similar amount of or less impervious surface coverage than the initial project. However, this mitigation measure would still be required.

**Biological Resources**

Biotic resources are addressed in Chapter 15 of the DEIR. A biological assessment of the site was conducted to determine the extent of wildlife use and potential presence of special-status plant and animal species. While wildlife was observed on the site (birds and squirrels), no special-status or sensitive species known to occur in areas of Palo Alto were observed on the site.

An inventory and assessment of the existing, significant trees found on the site was completed. Approximately 360 mature native and non-native trees were found on the site. Of this total, 21 are oak trees (Coast live oak and Valley oak) and three are Coast Redwoods, which are protected trees under the provisions of Chapter 8.10 (Tree Preservation and Management Regulations) of the Palo Alto Municipal Code. The site also contains many “specimen” trees, which are primarily large, non-native trees (such as Deodor Cedars and elms), which are important in providing the landscape buffer around
the site and are a part of the landscaped character of site and the City’s “urban forest.” The EIR biologist and the Planning Division Managing Arborist reviewed the tree inventory and assessment. The report from the Planning Division Managing Arborist is provided as an attachment to Exhibit A of Attachment 1 of this report (Memorandum from Dave Dockter, dated September 9, 2002).

The following biotic resource impacts were identified:

- Impact 15-1 (Project Tree Removal Impacts). The project would have resulted in the removal of up to 170 existing trees. Mitigation 15-1 recommended that: a) the site plan be revised to protect and preserve existing “regulated” trees and tree stands recommended by the Planning Division Managing Arborist, and b) tree replacement for trees to be removed. Implementation of this measure would have reduced tree removal impacts to less-than-significant levels. NOTE: The revised project (May 2004) proposes to preserve many but not all of the “regulated trees” recommended for protection by the Planning Division Managing Arborist. Therefore, further revisions to the revised project would be required to preserve all regulated trees and to reduce this impact to a less-than significant level.

- Impact 15-2 (Project Impacts on Protected Trees). The project would have resulted in the removal of 10 Coast live oak, Valley oak and Coast redwood trees, which are protected trees. As a retention of these trees would not result in a reduction of permissible building area by more than 25 percent (of the total site area), Mitigation 15-2 recommended that these trees be protected and that the site plan be revised so that buildings avoid tree removal. Implementation of this measure would have reduced protected tree removal impacts to less-than-significant levels. NOTE: The recent revisions to the project (Revised Project, 2004) include the preservation of the “protected trees” recommended for protection by the Planning Division Managing Arborist.

Unavoidable Significant Adverse Effects

CEQA requires that the DEIR identify and discuss significant environmental effects which cannot be avoided if the proposed project is implemented. The DEIR concluded that the initial project would have resulted in three significant, unavoidable, secondary traffic and circulation impacts, which are impacts that would result from proposed mitigation alternatives. These secondary impacts are discussed above (under Transportation and Circulation) and are identified as follows:

- Secondary Impact 8-1A. Mitigation recommended for Impact 8-1 included the provision for an exclusive right-turn lane on the Charleston Road eastbound approach to Alma Street. In order to accommodate this turn lane within the available curb-to-curb width, the existing bicycle lane would have to be removed with bicycle riders
directed onto the sidewalks. Removal of the bicycle lane would have been in conflict with Comprehensive Plan Policy T-27.

- Secondary Impact 8-1B. Similar to Impact 8-1A, Impact 8-1B would have resulted from widening the street approach to accommodate the right-turn lane and replacing the existing bicycle lane. This improvement would have required the purchase of additional right-of-way from homeowners on north and south sides of Charleston Road and would require moving the railroad crossing gates and signals.

- Secondary Impact 8-4A. Mitigation recommended for Impact 8-4 included the provision for a raised median along Charleston Road, opposite the project driveway where most inbound left-turns and some outbound left turns would be diverted from Charleston Road to Wilkie Way. This diversion of traffic would have resulted in a noticeable effect on the residential environment along Wilkie Way.

Given that significant, unavoidable impacts have been identified, approval of the initial hotel and residential project would have required that the City Council adopt “Findings of Overriding Consideration” if the approval did not involve a reduction of residential units or changes in site access such that the significant secondary impacts would be eliminated. The City would have been required to balance the benefits of the project against these impacts and approved the project only if it is determined that the benefits outweigh the unavoidable impacts. The revised project (May 2004) would result in far less traffic impact to this intersection, and would fall below the threshold for warranting a right-turn lane. Therefore, should the City approve the revised project, there would be no unavoidable, secondary impacts, which would require the adoption of “Findings of Overriding Consideration”.

Alternatives
Per the provisions of the California Environmental Quality Act (CEQA), the DEIR is required to review alternatives to the proposed project. Project alternatives were presented and analyzed in Chapter 18 of the DEIR. A total of nine project alternatives were prepared (Alternatives 18.1 through 18.9). A tenth alternative (Alternative 18.10) assessed the initial project with five site access options. Some of these alternatives are required by CEQA; however, a majority of the alternatives were formulated based on individual requests and comments submitted during the Notice of Preparation/EIR scoping process. In addition, three of the alternatives (Alternatives 18.2 and 18.3, prepared by Van Meter, Williams and Pollack, the City’s urban design consultants and Alternative 18.4, prepared by the project architects) were prepared as a result of meetings and workshops held in mid-late 2000 with City staff, the project sponsor and neighborhood representatives. The purpose of this exercise was to reach a consensus among the City staff, project sponsor and neighbors on a project alternative agreeable to the goals and objectives of all parties. While no agreement was reached at that time, these three alternatives were completed and assessed in the DEIR.
The following is a brief summary of the project alternatives that were developed and analyzed in the DEIR:

1. Alternative 18.1, No Project.
   A “No Project” alternative is required to be assessed under the provisions of CEQA.

   This alternative, referred to as City Option A was prepared by Van Meter, Williams and Pollack, the City’s urban design consultant. The alternative presented a hotel/residential development with a 320-room hotel facility and 207 multiple-family and single-family residential units. In addition, this alternative included a small commercial/retail component along El Camino Real, a neighborhood park/open space element and no project access from Wilkie Way.

   This alternative, referred to as City Option B was prepared by Van Meter, Williams and Pollack, the City’s urban design consultant. Under this option, the 320-room hotel facility would be limited to a 35-foot height limit. The residential component proposed 108 multiple-family, attached townhouse and single-family residential units, consistent with Comprehensive Plan Village Residential land use designation. Under this alternative, all access to the project would be provided by El Camino Real only.

   This alternative, referred to Applicant Option B was prepared by the project architects. This alternative best represented the goals and objectives of the project sponsor at the time of preparation. Under this option, the hotel facility would be increased to 365 rooms with a maximum hotel building height of 50 feet. The residential component proposed 246 multiple-family and townhouse units with no project access on Wilkie Way.

5. Alternative 18.5, Hotel/Residential Consistent with Zoning.
   This alternative presented a hotel/residential development designed to comply with the CS District provisions for mixed residential and non-residential uses. These provisions require project compliance with the RM-30 District zoning standards, with the exception of the allowable floor area ratios in the CS District. This alternative included a 293-room hotel facility and 272 multiple-family residential units, with structures complying with the 35-foot height limit of the RM-30 District. Access to the site for this alternative would be provided from El Camino Real and Charleston Road, with no project access from Wilkie Way.
5. Alternative 18.6, Hotel and Residential on Separate Sites.
This alternative presented a hotel development on the western 8.83 acres of the site and an adjacent residential development on the eastern 7.01 acres of the site. Under this alternative, the hotel was sized to accommodate 166 hotel rooms, while the residential development would consist of 164 multiple-family residential units. Access to the site for this alternative would be provided from El Camino Real, Charleston Road and Wilkie Way.

This alternative presented a hotel/residential development designed to consider a larger, 375-room hotel facility with a smaller residential component of 281 multiple-family residential units. The design and layout would be similar to the proposed project with building heights of up to 50 feet and access from El Camino Real, Charleston Road and Wilkie Way.

7. Alternative 18.8, All Residential Development.
This alternative presented a redevelopment of the site with residential land use only (no hotel development). Under this alternative, the site would be developed with 475 multiple-family residential units in two-three story buildings (35 feet). The 475 units represents a 30 dwelling units per acre density, which would be the maximum density permitted under the RM-30 District standards. Access to the site for this alternative would be provided by El Camino Real, Charleston Road and Wilkie Way.

8. Alternative 18.9, All Hotel Development.
This alternative presents a redevelopment of the site with hotel land use only (no residential development). Under this alternative, the site would be developed with a 500-room hotel facility with a maximum building height of 35 feet. The resulting floor area ratio would be 0.4, which would be consistent with the provisions of the CS District. Access to the site for this alternative would be from El Camino Real, Charleston Road and Wilkie Way.

The DEIR provided a detailed analysis of the various alternatives, including a quantitative review of the varying traffic impacts (Table 18.2, Net Additional Traffic Generated by Each Land Use Alternative).

CEQA requires that an environmentally superior alternative must be identified. The “No Project” alternative (Alternative 18.1) is the environmentally superior alternative. However, Section 15126.6(e)(2) of CEQA, states that when the environmentally superior alternative is determined to be the “No Project” alternative, the EIR must identify an environmentally superior alternative among the other alternatives. The DEIR identifies Alternatives 18.6 and 18.3 as secondary environmentally superior alternatives. As
discussed above, the revised project (May 2004) represent a hybrid of Alternative 18.2, 18.3, 18.4 and 18.8. As the revised project would result in a significantly smaller project than the alternatives assessed in this analysis, the resulting impacts would be less. Therefore, the revised project would be environmentally superior to these alternatives.

Final Environmental Impact Report (FEIR)
The City received over 140 comment letters/correspondence on the DEIR. In addition, many people commented on the document during the two public hearings that were held. A written response to all comments on the DEIR was prepared and presented in Volume 2- Response to Comments (February 2003). All of the letters, correspondence, e-mails and meeting minutes summarizing oral comments on the DEIR is provided in Volume 3 (February 2003).

The comments on the DEIR have resulted in changes and corrections to segments of the DEIR, including revisions to tables and recommended mitigation measures. Volume 2 contains these changes and corrections. None of the comments on the DEIR have resulted in any major changes or additions to the document, the identification of new significant environmental impacts or new mitigation measures that would be cause for recirculation of this document. The FEIR was published and made available to the public in February 2003.

Minor Modifications and Revisions to FEIR – May 2004
Over a year has passed since the February 2003 publication of the FEIR. Since then, there have been a number of changes in the status of information in the document. These changes include:

1. The City’s adoption of the Charleston/Arastradero Corridor Improvement Plan (January 2004), which sets forth recommended improvements to address school commute and other safety concerns for pedestrians, bicyclists and drivers, as well as other amenities and improvements that would not induce traffic onto nearby residential streets.

2. The City’s adoption of the Palo Alto Comprehensive Plan Housing Element Update (December 2003).

Secondly, it has been determined that some information was left out of the published FEIR document, which included a detailed memorandum from the Planning Division Managing Arborist that outlines recommendations for tree preservation. Thirdly, since a revised project has been prepared and submitted to the City, this revised project should be acknowledged in the FEIR record. In order to certify the FEIR as complete, accurate and current, the changes in the information need to be identified and incorporated into the document. A memorandum has been prepared which summarizes minor modifications,
revisions and corrections to the FEIR that would incorporate or acknowledge the new information. This June 7, 2004 memorandum is provided in Exhibit B of Attachment 1 (draft resolution) of this report. The memorandum, together with Volumes 1 (DEIR), 2 (Response to Comments) and 3 (Appendices) would comprise the FEIR.

It should be noted that the information and recommended changes contained in the attached memorandum would: 1) essentially update, amplify and clarify information that is already provided in the FEIR; 2) would not result in any new or more severe significant impacts that had not been previously identified; and 3) would not result in any new mitigation measures that had not been previously recommended. Consequently, per CEQA Guidelines Section 15088.5, a re-circulation of the document is not required.

**Mitigation Monitoring and Reporting Program (MMRP)**

The CEQA Guidelines require the preparation of a Mitigation Monitoring and Reporting Program (MMRP) to identify how and when the mitigation measures identified in the environmental document will be implemented. The MMRP must be approved either prior to or in conjunction with the action on the project. An MMRP has been prepared in table form and is presented in Exhibit B or Attachment 1 (resolution). The MMRP lists the required mitigation measures and the specific procedures and timing for implementing the measures. It should be noted that MMRP acknowledges and notes how the revised project (May 2004) would address and/or implement the recommended mitigation measures. This acknowledgement is provided in the far right column of this table. Because the Applicant has not yet filed the final, complete plans for the project revisions, the accompanying resolution reserves the City’s right to make changes in the MMRP, as necessary, to refine the MMRP to reflect the final project revisions, and the authority to make these changes in the MMRP is delegated to the Director of Planning and Community Environment.

The FEIR has been prepared and processed in compliance with the California Environmental Quality Act (CEQA) Guidelines and the City of Palo Alto Environmental Review Guidelines. The FEIR adequately assesses all potential environmental effects and presents reasonable mitigation measures that would either eliminate or reduce environmental impacts to a less-than-significant level.

The FEIR adequately assesses the environmental impacts of the recently revised project (Revised Project, May 2004) in that:

1. The revised all-residential project is essentially a smaller, hybrid of the initial project and four of the FEIR alternatives described and assessed in the project FEIR. Subject to review of the final project revisions, the revised project would not result in any new significant environmental effects that have not been
previously analyzed, nor would it result in any new mitigation measures that have not been included and recommended in this document.

2. The impacts and mitigation measures presented in FEIR represent a worst-case assessment, and for many of these impacts the project revisions would either mitigate the identified impacts to a less-than-significant level or result in lower impacts than those presented in this document.

3. The revised project has been designed to implement and/or respond to a number of the mitigation measures recommended in the FEIR. Specifically, the revised project is designed to: a) comply with the 35-foot height limit (recommended by Mitigation 5-1); b) be significantly reduced in scale and density (recommended by Mitigation 5-2 and 7-1); c) comply with the current affordable housing policies and requirements (recommended by Mitigation 6-1); d) be reduced in size to reduce traffic impacts along the Charleston Road corridor and at local intersections (recommended by Mitigation 8-1, 8-1A and 8-1B); e) eliminate access along the Charleston Road frontage (eliminating the need for Mitigation 8-3, 8-4, 8-5); and f) avoid impacts to and potential loss of regulated and protected trees (Mitigation 15-1 and 15-2). For those significant impacts not mitigated by the project revisions, the mitigation measures addressing those impacts in the EIR would be applied.

It is recommended that the City Council certify the FEIR and approve the accompanying Mitigation Monitoring and Reporting Program (MMRP). A draft resolution has been prepared, which includes the required findings for certification of the FEIR. This draft resolution is provided in Attachment 1 of this report. Per CEQA Guidelines Section 15090, the required findings for certification the FEIR are as follows:

1. The FEIR has been completed in compliance with CEQA.

2. The FEIR was presented to the decision-making body of the lead agency (City Council) and the decision-making body has reviewed and considered the information contained in the FEIR prior to approving the project.

3. The FEIR reflects the City’s independent judgment and analysis.

POLICY IMPLICATIONS
The FEIR includes a detailed analysis of initial project consistency/conformance with City policies, provisions and standards. Chapter 17 of FEIR Volume 1 (DEIR) entitled “Project Consistency with Adopted Plans and Policies” provides a table of all plan policies and ordinance provisions and standards that are pertinent to the subject property and the project (Tables 17.1 through 17.5). Some revisions to this analysis were made to
respond to comments on the DEIR. The revisions are reflected in amended pages to these tables, which are included in FEIR Volume 2 (Responses to Comments). In addition, staff has indicated the respects in which the revised project is consistent or not with adopted plans and code provisions. The determination of consistency will be reviewed again when the final project revisions are filed by the Applicant.

RESOURCE IMPACT
Action on this FEIR will have no resource or fiscal impact on the City of Palo Alto. However, the revised project (May 2004) will involve the construction of 185 residential units and the subdivision of land, which would generate property taxes, City development impact fees and school impact fees. As a hotel land use component is not included in the recent project revisions, no transient occupancy tax would be realized. A full resource analysis will be provided when the revised project is considered for action.

ALTERNATIVES TO STAFF RECOMMENDATION
The City Council can consider the following alternatives to the staff recommendation:

1. Reject the FEIR as complete and direct staff to prepare a new Environmental Impact Report and a re-circulation for public review.
2. Direct staff to revise the FEIR and return to the City Council for certification of the document.

PREPARED BY: _____________________________________________
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Contract Planner

REVIEWED BY: _____________________________________________
Lisa Grote
Chief Planning Official

DEPARTMENT HEAD REVIEW: _____________________________________________
STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL: _____________________________________________
EMILY HARRISON
Assistant City Manager
ATTACHMENTS
Attachment 1: Draft resolution certifying the FEIR and MMRP prepared for the proposed Hyatt Rickey’s hotel and residential development, which includes:
   Exhibit A- Memorandum summarizing minor modifications and revisions to FEIR, June 7, 2004.
   Exhibit B- Mitigation Monitoring and Reporting Program (MMRP), June 7, 2004.
Attachment 2: Preliminary site plan of project revisions and supportive documents, May 2004.

Previously distributed to the Council on May 27, 2004:
Final Environmental Impact Report (FEIR), which consists of the following:
   Volume 1- Draft Environmental Impact Report (DEIR); March 2002
   Volume 2- Response to Comments on the DEIR and associated revisions to the DEIR; February 2003
   Volume 3- Verbatim written comments and public hearing minutes, coded to correspond to the summary comments and related responses in Volume 2; February 2003

COURTESY COPIES
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