TO: HONORABLE CITY COUNCIL

FROM: CITY Manager  DEPARTMENT: PLANNING & COMMUNITY ENVIRONMENT

DATE: SEPTEMBER 27, 2004 CMR: 422:04

SUBJECT: RECOMMENDATION FOR DENIAL OF REQUEST BY COURT HOUSE PLAZA COMPANY FOR DEVELOPMENT OF A PROPERTY AT 195 PAGE MILL ROAD AND 2825, 2865, 2873, 2891, AND 2901 PARK BOULEVARD VIA A COMPREHENSIVE PLAN AMENDMENT FROM LIGHT INDUSTRIAL TO MIXED USE, AND A REZONE FROM THE EXISTING GM(B) DISTRICT TO A PLANNED COMMUNITY FOR A FOUR STORY BUILDING WITH GROUND FLOOR RETAIL AND RESEARCH AND DEVELOPMENT SPACE TOPPED BY THREE LEVEL RESIDENTIAL APARTMENTS TOTALING 177 UNITS, PLUS A SUBTERRANEAN PARKING GARAGE AND RELATED SITE IMPROVEMENTS INCLUDING THE USE AND LANDSCAPING OF THE ADJACENT SECTION OF PAGE MILL ROAD. FILE NUMBERS 03-PC-01, 04-CPA-01, 03-EIA-18.

RECOMMENDATION
The Planning and Transportation Commission (Commission) and staff recommend that the Council deny the proposed Comprehensive Plan Map Amendment and Planned Community (PC) project and allow the applicant the opportunity to submit a new application. A draft record of land use action is attached (Attachment A) for Council denial of the project.

DISCUSSION
The Planned Community application process set forth in Palo Alto Municipal Code Section 18.68.065 requires a preliminary review by the Commission to allow discussion of major policy issues prior to reviewing more specific details of a project. For the initial public meeting, plans are to be preliminary and the environmental analysis is not yet prepared. Technical documents, such as traffic reports, remain in draft form.
This two-step review by the Commission allows the Commission to provide their comments and direction to the applicant prior to the next public hearing. If the Commission is generally in favor of the project concept and land uses, the next review body is the Architectural Review Board (ARB) and an environmental document is prepared for public review. In this case, the Commission voted not to recommend the project; therefore, the next public hearing review body is the City Council.

The project as proposed is described in the attached Planning and Transportation Commission report (Attachment F). It would require a Comprehensive Plan Amendment to “Mixed Use” to allow the residential density and mix of uses. The PC rezoning was requested to allow the project to exceed allowable density, maximum floor area ratio, maximum building height, minimum building setbacks, maximum site coverage, and reductions in the required amount of common and private open space.

The Commission identified their concerns about the project, as set forth in the draft record of land use action, provided later in this report and in meeting minutes (Attachment G). Briefly, the concerns include the project’s inconsistency with Comprehensive Plan policies, impacts to the neighborhood, density, mass and height, setbacks and open space, access and parking, and public benefits.

If the City Council concurs with staff and the Commission and denies this application without prejudice, the applicant could submit a new application addressing issues discussed by staff and the Commission. The project could be revised to include: (a) only residential use in conformance with the existing Transit Oriented Residential land use designation, with densities not exceeding 50 units per acre as currently defined in the Comprehensive Plan, or (b) a mix of uses, with a Comprehensive Plan Amendment from Light Industrial to Mixed Use with residential and non-residential not exceeding a 2.0 Floor Area Ratio in areas adjacent to transit corridors or 3.0 in areas resistant to revitalization as defined in the Comprehensive Plan.

The following information is provided to clarify and discuss in greater detail project related information as reported in the Commission report and/or presented at the Commission meeting.

**Comprehensive Plan Designation**

The applicant is basing the proposed density of 50 units per acre on the existing Comprehensive Plan land use designation of Transit Oriented Residential. This designation would be applicable only to residential projects within walking distance (2,000 feet) from a Caltrain station. Although the project site is approximately 1600 feet from the California Avenue Caltrain station, the project...
as proposed does not qualify for this land use designation because it includes non-residential floor area; specifically, research and development (approximately 46,000 square feet) and some retail (2,000 square feet). The Mixed Use land designation is proposed to allow the Research and Development use.

The project’s research and development component would not be compatible with the proposed Pedestrian Transit Oriented Development (P/TOD) zone district, which the Comprehensive Plan anticipates and the new zoning ordinance will implement. The Zoning Ordinance Update (ZOU) team is bringing this new P/TOD to Council later this year. Attachment K to this report provides the ZOU Issues Paper for the new zone district, prepared by the City’s consultant Van Meter Williams and Pollock. The paper identified key issues and Comprehensive Plan Policies for the development of this new land and these were presented to the Council at a joint study session with the Planning and Transportation Commission in July 2003.

The P/TOD zone district would allow residential and retail developments with an emphasis on designs that are conducive to pedestrians. Allowable densities would be up to 50 units per acre, maximum building heights would be 50 feet, with shared and/or reduced parking standards. Specific development standards (such as required setbacks) could be site-specific, with a strong reliance on Architectural Review Board review for design compatibility with surrounding development. A major emphasis of the P/TOD land use would be on mixture and type of residential housing with commercial uses that support the development and surrounding area. The development standards would support designs that promote a pedestrian environment, including ground floor neighborhood serving retail and residences that have a street entry emphasis.

**Building Height and Daylight Plane**
The maximum allowable building height in the GM(B) Zone district is 50 feet. An additional fifteen feet of height is allowed for rooftop mechanical and elevator equipment and screening. The proposed building measures approximately 49’-4” to the top of the roof and 51’-0” to the top of the parapet. A 15’ tall mechanical equipment enclosure, located on the roof at the intersection of Park Boulevard and Page Mill Road, would meet the additional height allowance. The combination of building parapet and the equipment screen produces a height of 66 feet tall for a distance of 22 feet.

For a mixed use project within the GM(B) zone district, the residential portion could not exceed a height of 35 feet or a daylight plane restriction in accordance with PAMC Section 18.55.070(2), which references use of the RM-30 district standards for the residential portion.
The proposed project would exceed the maximum allowable building height by approximately 16 feet and would project beyond the required daylight plane at each side and rear property line for the full length of the structure.

As a comparison, the Agilent Technologies building located on the opposite side of Park Boulevard at 395 Page Mill Road is 45 feet tall as measured to the top of the parapet. A seven-foot tall rooftop mechanical equipment screen brings the building to an overall height of 52 feet. This overall height is 1 foot taller than a portion of the proposed project, but 14 feet shorter than the corner of the proposed project, where the equipment screen would be located.

Floor Area Ratio
The total Floor Area Ratio of the proposed project is 2.35 (258,282 square feet). The maximum allowable floor area (FAR) for nonresidential land uses in the GM(B) zone district is .50. The maximum FAR for residential mixed-use developments in the GM(B) zone is 1.0, provided that the FAR of any nonresidential use does not exceed .50 (54,970 square feet) on this particular site. The nonresidential R&D portion of the proposed project would have an FAR of .43 (47,115 square feet).

The .43 FAR for the R&D and Retail would leave an allowable remaining FAR of .57 (62,666 square feet) for residential use. The residential portion of the proposed project would have a FAR of 1.92 (211,167 square feet), exceeding the maximum allowable square footage by 148,501 square feet.

There currently exists 50,468 square feet (.46 FAR) of R&D space on the site that could be demolished and reconstructed under the existing zoning.

Parking Analysis
The project would require 552 parking spaces. The proposed project includes 392 parking spaces, which is a shortage of 160 spaces. The following table provides clarification regarding the requested reduction in parking spaces. Additional analysis of the proposed reduction in the required number of parking spaces is included in the Commission report.

<table>
<thead>
<tr>
<th></th>
<th>Required Number of Parking Spaces</th>
<th>Proposed 20% Reduction for Joint Use (20% Allowable)</th>
<th>Proposed 10.1% Reduction for Proximity to Caltrain Station (20% Allowable)</th>
<th>Total Proposed Spaces</th>
<th>Parking Shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Spaces</td>
<td>552</td>
<td>104</td>
<td>56</td>
<td>392</td>
<td>160</td>
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Noise
The project would be located adjacent to railroad tracks used by the Union Pacific Railroad and Caltrain. The Noise Element of the Comprehensive Plan and California State Title 24 standards specify a limit of 60 dBA DNL (average day-night level, also call Ldn) for exterior residential uses and 45 dBA DNL for interior living spaces. The 60 dBA DNL for the City noise element is a guideline with the understanding that a 60 dBA DNL is a goal that cannot be reached in all residential areas. The California Building Code requires that mechanical ventilation of air conditioning be provided for every room exposed to this sound level (60 dBA).

The proposed project site is exposed to noise levels of 70 dBA DNL based on the Comprehensive Plan Noise Exposure Contour Map. These ambient conditions include noise from nearby land uses, traffic noise from Alma Street and Page Mill Road and rail noise from the Union Pacific Railroad/Cal Train line. According to a noise assessment study submitted by the applicant and conducted by Charles M. Salter Associates, Inc. (Attachment K) the existing noise environment on-site is due primarily to vehicular traffic and the CalTrain line. The noise study identified noise levels from 65 dB A (auto traffic noise) to 74 dBA (train noise). The proposed project has a building wall facing the CalTrain facing which would be exposed to a DNL of 70. Noise levels indicate that building design measures are required to reduce noise level exposure for the project residents. Measures designed to minimize noise impacts would be designed into the project.

If the exterior noise level is greater than 60 dB, then maximum instantaneous noise levels generated by repetitive, commonly occurring events should be maintained at 50 dB in bedrooms and 55 dB in other rooms. The Salter study recommends that windows in residential units have a minimum STC (sound transmission class) rating of 38 for units facing the CalTrain tracks. The Page Mill facing façade, the Park Boulevard façade, and the side facing Stanford European would have a minimum STC rating of 35, 32, and 35 respectively. The Salter study recommends Sound Transmission Class (STC) ratings for exterior windows and along the CalTrain tracks to meet the State Building Code Requirements. The project would include a minimum of STC 50-rated exterior walls facing CalTrain and bedroom windows would have a STC 45 rating. The proposed project would exceed the minimum standards recommended in the Salter report.

The exterior building façade would act as a sound barrier for the courtyard facing facades, which the Salter study estimates would be subjected to a DNL below 60. The courtyard building facades would not be required to have sound-rated glass.
The possibility that the proposed project would act as a sound wall and reflect train noise into the neighborhoods on the opposite side of Alma Street was discussed at the August 11, 2004 meeting of the Planning Commission. The applicant has provided a letter prepared by Charles Salter regarding reflective train noise (Attachment M). The letter indicates the reflected sound would contribute less than 1 dBA to the overall noise level, and that there is mitigation for that incremental increase in noise.

Contaminated Groundwater
The applicant submitted a geotechnical report prepared by Jo Crosby and Associates (included as Attachment J), which did not identify toxic materials on the property. However, the report states that a toxic plume of contaminated groundwater underlies the site. According to the report, this contamination from nearby electronic manufacturing plants has been known since at 1981, and is commonly known as the Hewlett Packard-Varian plume. The extent of the plume and its contaminants are well documented, and a number of developments including residential have been built in the area over this plume.

Excavation for the underground garage and foundation for the building would not exceed a depth of 17 feet. The geotechnical report states that groundwater was located at soil depths below twenty feet and contact with the groundwater would not be expected. The applicant has stated that the presence of contaminated groundwater limited the depth of the below grade parking garage to one level instead of two and that one level of underground parking necessitated some ground level parking.

The Fire Department’s Environmental Protection Coordinator reviewed the geotechnical report and concluded the project could proceed without any significant negative impacts from the toxic plume. The Fire Department would require that any groundwater encountered during construction be sampled and analyzed for contaminants and properly disposed. Before any further work could proceed, the applicant would be required to obtain confirmation from the Regional Water Quality Control Board that the construction and site activity would not result in exposure of construction workers or the public to those contaminants.

Vacation of Page Mill Extension
The applicant is proposing four public benefits as part of the PC rezoning, as discussed in the Commission report. One of the public benefits proposed by the applicant would be a request for the City of Palo Alto to vacate the adjacent portion of Page Mill Road for conversion into a landscaped plaza. It should be noted that the proposed area to be vacated was not calculated into the lot area or used to determine the required building setbacks, floor area ratio, lot coverage, and the amount of required open space.
Staff would not consider the landscape plaza as a public benefit because these types of spaces are often dominated by the adjacent use and could become more of a private than a public plaza.

**Joint Powers Board (Caltrain) Right of Way**
The current design of the proposed street vacation as shown on the development plans (Attachment F) would include a new cul-de-sac at the current terminus of Page Mill Road within the Caltrain right of way. The cul-de-sac would need to be shortened so that it is not located within the Caltrain right of way. The road that runs parallel to the railroad tracks linking Page Mill Road to the Caltrain Station is located within the Joint Powers Board right of way. Staff has contacted the JPB to determine its plans for this area. It is the Joint Powers Board’s future intention to remove the road to add two additional passing tracks, to bring the total number of tracks up to four. These new tracks would allow Caltrain to improve the efficiency of the baby bullet trains and increase the number of daily trains from 85 to 120 trains per day. The Page Mill Road extension would become a dead end street terminating at the railroad tracks, with no vehicle access, but providing pedestrian and bicycle access.

**BOARD/COMMISSION REVIEW AND RECOMMENDATIONS**
The Planning and Transportation Commission held a special meeting for a site tour at the proposed project site at 5:30 P.M. on August 11, 2004. During the tour, staff described the project and provided the Commission the opportunity to view the existing site and surrounding land uses and the section of Page Mill Road proposed for vacation.

The Commission reviewed the application at its regularly scheduled meeting on August 11, 2004. One of the ten public speakers spoke in favor of the project, citing the need for housing. The other nine speakers requested denial of the project, citing the following reasons in brief:
(1) The project’s mass, scale and height are out of proportion to the surroundings
(2) Negative impacts upon the west midtown neighborhood, particularly train noise, lost views of the foothills, light pollution, setbacks and landscaping, uninteresting east facing façade
(3) Inadequate parking and access, and traffic congestion
(4) Insufficient public benefits, retail area and common usable open space.

The Commission unanimously recommended the Council deny the PC application and Comprehensive Plan Amendment, finding that the project as proposed does not comply with three comprehensive plan policies noted in the Policy Implications section. In addition, the Commission was not supportive of the Planned Community benefit package as proposed.
The action of the Commission is reflected in the draft record of land use action (Attachment A) and is recorded in the minutes (Attachment H) and generally includes the following comments:

- The project is out of scale with adjacent buildings as well as other buildings in the neighborhood
- The massing is too large for the area
- The project would exceed and nearly double the RM-40 development standards (the Commission previously recommend the site be rezoned to RM-40 from its current zoning of GM(B)
- The building wall adjacent to the railroad tracks could reflect train noise into Midtown neighborhoods
- There are inadequate building setbacks, which would limit landscaping opportunities
- The PC findings are difficult to make
- The 2,000 square foot retail is potentially inadequate
- The vehicle entrances may be better suited on Page Mill Boulevard instead of Park Avenue
- The height of the project could limit hillside views from Alma Street
- Rental housing should not be considered a public benefit for a PC
- Additional BMR units are not a public benefit if they result in additional market rate units
- Vacating a public street for private use would not be a public benefit
- The project has inadequate open space, especially in the interior courtyard
- The design should be more creative, less dense, with increased pedestrian opportunities, and a few commissioners thought a greater amount of retail was needed
- The requested parking reductions may be too generous

**ALTERNATIVES**
The Council has the option to send the currently proposed project to the ARB for a complete analysis of architectural detail, consultant reports, and to direct staff to prepare an environmental document. However, staff does not recommend the Council exercise that option because the Commission has already identified major drawbacks of the project as proposed. Should the City Council decide to refer the currently proposed project to the ARB, staff recommends that Council give the applicant direction or development parameters including FAR, massing, bulk, parking and neighborhood compatibility.
POLICY IMPLICATIONS
As noted in Commission report and discussed by the Commission, the project would not meet Comprehensive Plan policies L-3, L-5 and L-31, relating to the size of the project. The particular focus of the Commission was the two latter policies. Staff has prepared additional description under policy L-5 and L-31.

Policy L-5
Maintain the scale and character of the city; avoid land uses that are overwhelming and unacceptable due to their size and scale.

The project is four stories, and features a design that includes an interior parking lot such that the full building height abuts the two street frontages and the rear property line facing the Caltrain right of way. The large-scale walls at the edges are not well articulated, with facades that are basically flat with only slight projections and recesses, unmitigated with landscaping due to proposed setbacks. The scale of the development exceeds standards for residential density and non-residential floor area on one site. A large portion of the Park Boulevard façade is devoted to vehicle access and parking, and the fountain will not mitigate this bad entry design. The extent of parking within the courtyard prevents the use of this area for usable common open space for the residents.

Policy L-31
Develop the Cal-Ventura area as a well-designed mixed use district with diverse land uses, two to three story buildings, and a network of pedestrian oriented streets providing links to Cal Avenue.

The project is a four-story building that exceeds the two and three story policy for this neighborhood, and appears to exceed the 50-foot height limit as well. The residential use, located wholly on the upper floors, is separated from the commercial use on the first floor instead of interfacing with the streets or ground floor edges of the project site to allow pedestrian access.

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ATTACHMENTS
Attachment A: Draft Record of Land Use Action
Attachment B: Location Maps
Attachment C: Applicant Submittal
Attachment D: Comprehensive Plan Table (prepared by staff)
Attachment E: Zoning Table (prepared by staff)
Attachment F: Commission staff report dated August 11, 2004 (without attachments)
Attachment G: Commission minutes from meeting August 11, 2004
Attachment H: Correspondence
Attachment I: Geotechnical Report prepared by Jo Crosby and Associates, dated May 10, 2004
Attachment K: Zoning Ordinance Update Issues Paper prepared for Pedestrian/Transit Oriented Development by the City's consultant Van Meter Williams and Pollock presented to the Council at a joint study session with the Planning and Transportation Commission in July 2003.
Attachment L: Reflective Train Noise Letter
Attachment M: Traffic Impact Analysis prepared by Fehr and Peer, dated July 2004
Attachment N: Project Plan Set (Council Members Only)

COURTESY COPIES:
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