TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: OCTOBER 11, 2005

CMR: 312:05


RECOMMENDATION

Staff and the Planning and Transportation Commission (P&TC) recommend that the City Council adopt the attached ordinance to approve specific sections of a new Chapter 18.20 of the Zoning Ordinance for the GM, ROLM and ROLM-E districts east of El Camino Real, encompassing revisions to the current office, research, and manufacturing zoning districts (Chapters 18.37, 18.55, 18.57, 18.60, and 18.63) and related definitions in Chapter 18.04 (Attachment A). Staff also recommends modifications regarding the definition of “medical research” and the review of automatic teller machines (see discussion below).

Staff recommends that the City Council adopt two additional recommendations that would require the following; 1) Conditional Use Permits for all residential developments in the GM, ROLM and ROLM-E Districts and 2) Conditional Use Permits for medical office use in the GM, ROLM and ROLM-E Districts.

BACKGROUND

On October 4, 2004, the City Council reviewed and discussed preliminary recommendations of the Planning and Transportation Commission (P&TC) regarding proposed uses, standards, and issues related to the Research, Office and Limited Manufacturing (ROLM), Research, Office and Limited Manufacturing (ROLM-E), and General Manufacturing (GM) districts, along with relevant combining districts and definitions. A separate chapter providing for performance standards to address impacts on neighbors and criteria for mixed use development is to be prepared later for incorporation into this chapter.

The Council accepted many of the modifications, but directed that staff address several issues in conjunction with moving forward with the changes to the zoning districts located east of El Camino Real:

1. Delete the phrase “within a medical office” from the definition of “medical research.”
2. Return with added provisions for mixed use and residential uses, and for performance standards regarding noise, lighting, access, etc. for these zones.

The minutes of the October 4, 2004 Council meeting are included as Attachment D.

On May 11 and May 18, 2005, the P&TC considered revisions to the draft ordinance to address the Council’s concerns. The P&TC considered the ordinance in two parts: 1) those provisions related to the proposed MOR and RP zones located on Stanford lands west of El Camino Real; and 2) those provisions related to the proposed ROLM and GM zones, located east of El Camino Real. Chair Cassel did not participate in the Stanford lands (RP and MOR) discussion due to a conflict, and Commissioner Bialson did not participate in either discussion, due to a conflict. The P&TC’s recommended modifications to the ordinance are discussed below. The P&TC’s May 11th staff report is included as Attachment B and the P&TC minutes from the two meetings are included as Attachment C to the staff report.

DISCUSSION
Staff has prepared two ordinances that will allow the Council to address the zoning districts located east of El Camino Real and west of El Camino Real (Stanford lands). After adoption, the two ordinances will merged to create one Chapter 18.20 in the Zoning Ordinance. This CMR and Ordinance address only those zoning districts east of El Camino Real.

The revised ordinance (Attachment A) reflects the changes recommended by the P&TC. The revised definitions are directly incorporated into the ordinance as well.

The districts east of El Camino Real include the General Manufacturing (GM), Research, Office and Limited Manufacturing (ROLM), and Research, Office and Limited Manufacturing - Embarcadero (ROLM-E) zones. The Commission voted 4-1 to recommend approval of the ordinance provisions related to these districts. The P&TC’s action on each of the key issues addressed in these zones is summarized below.

Deletion of the GM(B) Combining District
The draft ordinance, as recommended by the P&TC, includes the deletion of the GM(B) combining district, so that all such properties would be governed by the GM regulations. The City Council supported this action in its preliminary review of the draft ordinance on January 21, 2003, after review and recommendation by the P&TC on July 10, 2002. The (B) combining district was recommended for deletion for the following reasons:

1. The area of the (B) combining district is minimal compared to the adjacent areas of much more intense uses (e.g., Agilent, Fry’s) and is therefore of limited effect relative to traffic impacts (Attachment G).
2. The restrictions in the district are inconsistent with the pedestrian/transit-oriented location in proximity to the California Ave. train station and El Camino Real, in that the Comprehensive Plan’s transit-oriented provisions encourage higher intensity uses near the train station while the (B) overlay restricts the intensity of uses.
3. Administrative office uses in the GM zone would require a conditional use permit, rather than being a permitted use, as is now the case. Other office uses remain prohibited in the GM zone.
4. All development in this area of the GM zone, including administrative office and research and development, is subject to CEQA review, including traffic. The Floor Area Ratio (FAR) for non-residential use would remain at 0.5 to 1. A mixed use project with a residential component would be allowed at 1.0 to 1, provided that the floor area ratio of the non-residential uses shall not exceed 0.5 to 1. Administrative office use would also require a conditional use permit in the GM Zones under the new ordinance.

The deletion of the (B) combining district has been raised as a concern recently because of a proposal for a mixed use development in that zone. Staff and the Commission continue to recommend that the (B) combining district should be eliminated for the above reasons.

**Increased Height for Biotech/R&D**
The P&TC voted (5-0) to recommend that the additional height not be allowed in the ROLM and ROLM-E zoning districts based on view impacts, the development intensity adjacent to sensitive environmental lands (in the ROLM-E zone), and the proximity of residential uses (in the ROLM zone). Increased height in the GM zone is not an issue since the height limit there is currently 50 feet and is recommended to remain at 50 feet.

**Residential Uses and Mixed Use**
The P&TC voted (3-2) to recommend to Council prohibition of single-family and two-family residential uses in the General Manufacturing (GM) and Research, Office and Limited Manufacturing (ROLM) districts and allowance for multi-family development pursuant to RM-30 densities and development standards, adding some intent language about providing for compatible transitions from low-density residential zones. The P&TC voted (4-1), however, to prohibit residential uses within 150 feet of any H (hazardous materials) building occupancy in the GM area east of San Antonio Road and north of Charleston Road, and to require a conditional use permit (CUP) for other residential development in that subarea, due to the historical and current heavy industrial use in that area.

Staff has discussed this recommendation with the Fire Department and is concerned that the H occupancy can apply to several classes of hazardous materials storage, some of which can be very minimal (a few gallons of paint or gasoline), so that the proposed 150 foot requirement would likely eliminate any future residential use in this area. The CUP process should provide sufficient discretion to determine whether a residential use would be appropriate. The CUP review would require determination that the proposed residential use would be compatible with surrounding uses and would not cause any adverse impacts on the subject or adjacent properties. The CUP would also require review by the Fire Department, who could identify the proximity of hazardous materials to the residential site.

Staff also believes that the CUP process could help to assure that extensive redevelopment of industrial and/or research sites for residential development does not reduce economic diversity or cause relocation of needed industrial support services, substantially alter traffic generation and/or characteristics, or impact adjacent sensitive environmental areas or neighborhoods. Therefore, Staff recommends that Conditional Use Permits be required for all multi-family residential uses in the ROLM, ROLM-E and GM Districts. This would also include mixed use projects that have a residential component. Staff believes that this added level of review would provide for further
protection of those areas that are important for support of the City’s economic base, and would require a more detailed assessment of potential impacts.

The P&TC voted (4-1) to recommend to Council that in the ROLM-Embarcadero (ROLM-E) district, near the Baylands, multi-family development should be restricted to the RM-15 densities and development standards, to reduce the intensity of development in an environmentally sensitive area.

The P&TC voted (4-1) to allow mixed use (residential/non-residential) development in the GM, ROLM, and ROLM-E zones, subject to current allowable floor area ratios and density limitations (RM-15 or RM-30) for residential uses in each zone, except in the GM area east of San Antonio and north of Charleston. In that area, mixed use development would be prohibited, again because of the concentration of heavy industrial uses and the intent to protect that area for industry.

**Medical Office/Medical Research Uses**
The P&TC voted (5-0) to recommend that the allowable uses table (Table 1) be modified to allow “medical research” uses in the ROLM and ROLM-E zoning districts, even if they are not “within medical offices.” The Commission indicated that stand-alone medical research uses in these districts was acceptable since they were not intended primarily for medical office use. If the Council determines, for the areas west of El Camino Real, to delete the phrase “within medical offices” from the definition, this issue would be moot and no action would be needed for the districts east of El Camino Real.

**Staff Alternative Recommendation:** Delete the phrase “within medical offices” from the definition of “medical research.” At the Council’s direction from a recent review of an office building in the industrial area, Staff further recommends that all medical office use, in the ROLM and ROLM-E Districts require a conditional use permit. The conditional use permit would provide for additional review of medical office use, especially in the area of traffic analysis.

**Performance Criteria**
The P&TC voted (5-0) to recommend that the existing performance criteria chapter (18.64) of the Zoning Ordinance (Attachment E) be retained while staff works with the ARB and the ZOU environmental consultant to update and refine those criteria. The Commission’s approval was made with the caveat that the development standards may be revisited if the performance criteria do not adequately address impacts of the industrial uses. Staff intends for the criteria to address commercial as well as industrial standards, and to be prepared in conjunction with the revisions to the commercial districts. Until that time, Chapter 18.64 provides broad discretion to address lighting, noise, visual and site access impacts from those land uses.

**Automatic Teller Machines (ATMs)**
The Commission voted (4-1) to recommend that automatic teller machines (ATMs) exterior to a building only be allowed with a conditional use permit, and require review by the ARB (not minor review by staff). ATMs interior to a building would be a permitted use. They also suggested that the location and design of ATMs should be included in the preparation of performance criteria for these zones. Staff believes that this recommendation over-regulates
minor accessory structures that are largely governed by State law and is contrary to the City’s efforts to streamline permit review.

Staff Alternative Recommendation: Allow automatic teller machines as a permitted accessory use in all of the Office, Research and Manufacturing districts, subject to staff level ARB review.

RESOURCE IMPACT
The implementation of the proposed ordinance amendments is not expected to impact staff resources or the City’s budget. Some additional staff time will be required to monitor office uses in the Stanford Research Park, but that should be an occasional rather than ongoing task. Some time will also be required to educate staff and the public regarding the revisions. The overall effect of the ordinance amendments, however, should be to provide for updated development standards and allowable uses, which should facilitate increased economic development in the City.

POLICY IMPLICATIONS
The Zoning Ordinance Update is intended to bring the Zoning Ordinance into compliance with the 1998-2010 Comprehensive Plan. Staff and the Commission believe that the proposed amendments are a significant step in that direction, and will be supplemented with performance criteria for industrial and commercial uses.

ENVIRONMENTAL REVIEW
The proposed Office/Research/Manufacturing Chapter 18.20 revisions are consistent with the environmental analysis conducted for the adoption of the Comprehensive Plan. Land uses and development standards are not expanded, and performance standards are retained, so that impacts should be minimized. The Comprehensive Plan Environmental Impact Report (EIR) was certified by the City Council on July 20, 1998. Staff has considered the proposed revisions to the Office/Research/Manufacturing districts, and finds that they do not comprise changes or new information not analyzed in the prior environmental analysis. Additionally, they do not have any additional significant environmental effects or increase any previously analyzed effects that were contained within the Comprehensive Plan EIR. The City’s environmental consultant for the ZOU has reviewed the proposed changes and concurs with this conclusion.

ATTACHMENTS
Attachment A: Industrial/Manufacturing Districts: Draft Ordinance
Attachment B: May 11, 2005 P&TC Staff Report
Attachment C: May 11, 2005 and May 18, 2005 P&TC Minutes
Attachment D: October 4, 2004 City Council Minutes
Attachment E: Chapter 18.64 of the Zoning Ordinance
Attachment F: Diagram of Increased Height and Setbacks for Interstitial Space
Attachment G: Map of Office/Research/Manufacturing Districts

COURTESY COPIES
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