RECOMMENDATION
Staff, the Planning and Transportation Commission, and the Architectural Review Board recommend that the City Council approve the following:

1. Mitigated Negative Declaration, prepared for the property located at 3000 Alexis Drive, in accordance with the California Environmental Quality Act (Attachment G).

2. A Record of Land Use Action approving a Site and Design Review and Conditional Use Permit applications to allow the construction of a new spa and fitness facility, and other site improvements subject to the findings and conditions of approval contained in the draft Record of Land Use Action (Attachment A).

BACKGROUND
The project is located in the Palo Alto Foothills at the Palo Alto Hills Golf and Country Club, on a 125 acre site in the Open Space (OS) zone district, surrounded by single family residences and the Arastradero Preserve. The Comprehensive Plan map designation is open space/controlled development. The adjacent residential development is primarily zoned Residential Estate (RE) with some properties in the OS zone district.

The proposed two-story, spa/fitness center would be located at the south end (left side) of the existing country club building at the southeast side of the property near Alexis Drive. The 16,276 square foot building would include a basement providing 27 parking spaces and a storage and laundry facility, with ground floor areas for reception, hot tub, spa, locker room, teen room, and child watch. The second floor would contain a workout room and two exercise rooms for group classes.
Changes to the existing clubhouse would include the addition of a porte cochere and two small banquet rooms, relocation of the existing administrative offices, new roof screens, and an expansion of the pro shop and members’ bar area. The proposal also includes a new turf tennis court, a small wading pool, and replacement and reconfiguration of the existing driving range area.

BOARD/COMMISSION REVIEW AND RECOMMENDATIONS

ARB Review
On September 7, 2006, the Architectural Review Board (ARB) reviewed conceptual plans for a building that exceeded the height limit, supporting the original butterfly roof design that increased the building height. The ARB encouraged the use of story poles to study the potential impact on adjacent residents’ views, though there was no public testimony about the building height. The board expressed some concerns over the introduction of the mansard roof to act as a screen for existing mechanical equipment and how the new building connects to the old.

The first formal ARB hearing was held on May 15, 2008, with a review of revised plans that comply with the 25 foot height limit of the Open Space zone district. The board was generally supportive of the project but continued the item requesting that the applicant come back with the following information:
- All landscape lighting fixtures and locations with consideration for step lights in the stairs;
- Bike rack locations and details;
- Details for the concrete walls and the railings;
- Reconsideration of the porte cochere roof;
- Reconsideration of the fenestration at the front right side of the spa/fitness building;
- Consideration of integral color stucco;
- Depiction of how the roof will cover the wall portion of the proposed spa/fitness building that does not have overhangs to show how rain will not run down the inside of the wall.

At the ARB’s second hearing on June 5, 2008, the ARB voted (5-0) to recommend approval with an additional condition. The applicant has recently proposed to add new trees to the existing parking lot and to remove a large cedar tree in front of the building. Staff is still working with the applicant to finalize the specifics of the landscape revisions and the ARB has recommended approval with the condition that the applicant work with staff to finalize these details. This condition has been added to condition number five. There were no public speakers on this item.

Planning and Transportation Commission (PTC) Hearings
The proposal was heard by the PTC on April 2, 2008. The PTC unanimously voted (6-0-1-0) to recommend approval with staff’s conditions including the building height reduction, with two added conditions: (1) that the Conditional Use Permit limit the club membership to 425 proprietary members and 200 Social members, and (2) that the applicant revise the landscape plan to adequately screen the view of the proposed building from an adjacent residence. There were seven speakers in favor of the project and three speakers against. Those in support of the project cited the family oriented programs offered by the Club and the Club’s history of being a good neighbor as some of the community benefits. Those opposed expressed concerns over traffic, controls over the number of club members, future membership costs, and the proposed location of the spa/fitness building. The PTC meeting minutes are included as Attachment I (for
The project was reviewed a second time by the PTC on August 27, 2008 to make a recommendation to the City Council on the Conditional Use Permit (CUP). Typically, a CUP is subject to review and approval by the Director of Planning and Community Environment. A CUP application alone would not be brought before the PTC unless a hearing was requested. In this case, staff had decided to bring the CUP before the PTC as it is associated with a Site and Design Review application. This would allow Council to conduct a single hearing on all of the project elements. The PTC recommended approval of the CUP by a vote of 5-1-0-1. The draft excerpt of the PTC minutes for the August 27th meeting are also attached for Council and available on the City’s website at http://www.cityofpaloalto.org/knowzone/agendas/council.asp.

RESOURCE IMPACT
The proposed project will generate additional annual General Fund revenues in the form of property taxes and Utility Users Tax. Total revenues from these sources are projected to equal $11,405. In addition, one-time impact fees of $146,153 are expected from the project.

POLICY IMPLICATIONS
Commercial Recreation is a conditionally permitted use within the OS zone district. As a Commercial Recreational Use, the expansion of the club facilities requires a Conditional Use Permit (CUP). A CUP was included in the filing of the application for Site and Design review. The City Council does not typically act on the CUP as it is a Director-level decision. Because the application includes Site and Design review which requires Council action, and that fact that each element would need to be conditioned upon the approval of the other, staff has decided to have the City Council also act on both elements, the Site and Design Review and the CUP.

ENVIRONMENTAL REVIEW
A Draft Initial Study, which reviewed the environmental issues as required by the California Environmental Quality Act (CEQA), and Intent to Adopt a Mitigated Negative Declaration (MND) were posted and circulated for public review. The 20-day public review circulation period began March 28, 2008 and ended April 17, 2008. A letter from a neighbor’s attorney (Attachment H) objecting to the environmental review was submitted subsequent to the PTC hearing but in advance of the City Council’s scheduled Site and Design hearing on June 16, 2008. A revised analysis incorporated changes to: 1) add more details about the existing uses on the site; 2) include geotechnical conditions as mitigation measures; 3) expand the scope of the grading discussion; and 4) update the traffic analysis and require transportation demand management (TDM) measures to be specified and implemented with the project, rather than subsequent to future traffic monitoring. Staff believes these changes adequately respond to the attorney’s letter and that other concerns were previously addressed and require no further modification to the IS/MND.

The 20-day public review circulation period for the revised MND began August 19, 2008 and ended September 9, 2008. Mitigation measures have been identified that would be required as conditions of approval to ensure the project will not have a significant negative impact on the environment. These mitigations include the following:

- The requirement for night shades to prevent light leak from windows of the new building
in the evening;
• The requirement for the implementation of the recommendations of the Geotechnical Report to ensure the new construction will be structurally sound relative to the specific soil conditions of the site;
• The requirement for implementation of noise reduction measures to ensure the noise levels do not exceed allowable thresholds;
• The requirement for a Transportation Demand Management (TDM) program to reduce the number of vehicular trips such that the City’s thresholds (TIRE index) are not exceeded; and
• The requirement that measures be implemented to ensure that parking is contained on site.

A copy of the environmental document is provided as Attachment G.

PREPARED BY:
____________________________________________
RUSS REICH
Planner

DEPARTMENT HEAD:
_____________________________________
CURTIS WILLIAMS
Interim Director of Planning and Community Environment

CITY MANAGER APPROVAL:
_____________________________________
JAMES KEENE
City Manager

ATTACHMENTS
Attachment A: Draft Record of Land Use Action.
Attachment B: Location Map
Attachment C: PTC Staff Report April 2, 2008 (w/o attach)
Attachment D: PTC Staff Report August 27, 2008 (w/o attach)
Attachment E: ARB Staff Report, May 15, 2008 (w/o attach)
Attachment F: ARB Staff Report, June 5, 2008 (w/o attach)
Attachment G: Draft Initial Study and Mitigated Negative Declaration
Attachment I: PTC Verbatim Minutes of April 2, 2008
Attachment J: PTC Verbatim Minutes of August 27, 2008
Attachment K: Applicant’s Submittals
Attachment L: Correspondences from the public
Attachment M: Project Plans (Council packet only)
COURTESY COPIES
Chris Wasney, Applicant
Palo Alto Hills Golf and Country Club, Dirk Zander, Owner
Sal Giovanotto, Neighboring Property Owner
Stephen E. Velyvis, Miller Starr Regalia