TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: MAY 13, 2002

SUBJECT: 2051 EL CAMINO REAL [01-PC-04]: REQUEST BY MEHMOOD TAQUI ON BEHALF OF OAK SHADOWS LLC TO REZONE A 4,938 SQUARE FOOT PARCEL FROM CN DISTRICT TO PC DISTRICT TO CONSTRUCT A 4,555 SQUARE FOOT, THREE STORY, MIXED USE BUILDING

RECOMMENDATION

Staff, the Architectural Review Board and the Planning and Transportation Commission recommend that the Council introduce for first reading an Ordinance of the City Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (the Zoning Map) to Change the Classification of the Property Known as 2051 El Camino Real from CN Neighborhood Commercial to PC Planning Community (Oak Shadows LLC, Applicant). The ordinance is Attachment C to this report and incorporates the necessary findings for approval of a PC district.

BACKGROUND

On February 4, 2002, the City Council voted 8-1 not to deny the project, and referred the project to the Architectural Review Board (ARB) for review. Minutes of the Council meeting are attached (Attachment E). On September 24, 2001, the City Council had previously reviewed an earlier version of the project, a Site and Design and Variance application, and had continued that review. Those applications were withdrawn when the Planned Community application was submitted.

The current project description and changes made since the last City Council review of this project are described in the attached Planning and Transportation Commission staff report (Attachment F). In summary, the project revisions are:

- Landscaping was added to enhance the pedestrian experience, including two additional street trees and enhanced plantings adjacent to the building
The exterior finish and color were changed to reduce the apparent mass
The stairway in front of the oak trees was partially opened up to improve visibility
The garage door will remain open during business hours
Shared parking during business hours would allocate five spaces to commercial tenants and visitors, and two spaces to residential tenants (one parking space for each residential tenant). A Transportation Demand Management (TDM) program encouraging business tenants to use alternate modes of transportation is also required.

The applicant’s development program statement and schedule have also been revised (see Attachment D).

DISCUSSION
Findings for the Planned Community and ARB approvals (Attachment A) were supported by both the Architectural Review Board and Planning and Transportation Commission. The findings for the Planned Community, with specific references to Comprehensive Plan Policies and Programs, are included in the Draft Planned Community (PC) Ordinance (Attachment C).

The Draft PC ordinance also briefly describes:
- The project
- The public hearings leading to Council decision
- The zoning map change from C-N District to PC District
- Uses and site development regulations
- Special conditions which are the below market rate rental unit and transportation demand management components
- Development schedule
- Restrictions for hours of trash/recycling pickups and deliveries to reduce potential noise impacts on adjacent properties, consistent with Comprehensive Plan Policy N-42.

The Below Market Rate (BMR) letter of agreement for one BMR unit is attached to this report as Attachment I.

The vehicle and bicycle parking facilities and shared parking proposal are described in the Planning and Transportation Commission Report (Attachment F, page 6). In summary, the residential tenants would each have one parking space during business hours, leaving five spaces for use by the building’s commercial tenants during business hours, which is two spaces short of the requirement per the ratio for commercial parking facilities set forth in PAMC Chapter 18.83. The property owner is required to enter into an agreement with the City to reduce the number of on site parking spaces used by the building’s commercial tenants. The Transportation Demand Management (TDM) agreement will need to incorporate flexibility to allow the Transportation Division to adjust the transportation demand management program as needed. The City will explore
the Planning Commission’s suggestion for timed curbside parking adjacent to the project to facilitate convenient retail customer parking on the street.

The recently adopted libraries, parks and community facilities impact fees, and increased housing fees that apply to this project are included in the conditions of approval.

**BOARD AND COMMISSION REVIEW AND RECOMMENDATIONS**

**Planning and Transportation Commission**

On May 1, 2002, the Planning and Transportation Commission (Commission) reviewed the revised project and staff report (Attachment F), which reiterated the reasons the Commission had recommended denial on November 28, 2001. The Commission voted 4-2-0-1 to recommend approval of the proposed project, based upon the draft findings and subject to staff recommended conditions of approval. The Commission added conditions that the retail store cannot be operated by appointment only and that the term “neighborhood” be added to the Planned Community ordinance to describe certain permitted uses for the second floor commercial space. The two Commissioners who voted no expressed their concerns about the reduced number of parking spaces and suggested a further reduction in the office floor area to reduce the parking demand by one space.

Commissioners stated their concern regarding the TDM program, in that it could result in the unintended consequence of residents parking a second car on the street during business hours while they take public transit. The Commission also noted that staff’s conditions that restrict trash and recycling pickups, and interior lighting may be too restrictive. Staff, however, recommended restrictions on trash and recycling collection because of the close proximity of residential uses.

The Commission discussion concluded that the project is consistent with the El Camino Real guidelines and is not in conflict with the Comprehensive Plan. The Commission also determined that the improvements added to the project during the ARB review will effectively reduce the apparent massing. Commissioners observed that the oak trees will help mitigate the new building’s height and mass and represent a special circumstance on the site. Commissioners noted their appreciation for the placement of parking behind the building, the provision of ground floor retail, and the overall project, which is a more intense, urban development along the transit corridor of El Camino Real.

During the meeting, one Commissioner questioned staff about including personal services as a permitted use in the second floor commercial space. Personal services are listed as a permitted use for the first floor in the proposed Planned Community Ordinance. Although the use would also seem appropriate for the second floor, the parking ratio would be one space per 200 square feet compared to an office parking ratio of one space per 250 square feet. Therefore, personal services on the second floor are not
included in the draft Planned Community Ordinance attached. The City Council may wish to add personal services to the permitted uses on the second floor.

The Commission meeting minutes (Attachment G) include a record of the public testimony. Two members of the public spoke in favor of the project, and one of them submitted a letter of support. A third member of the public spoke against the project. A fourth member of the public, who arrived after the close of public testimony, submitted comments in writing criticizing staff’s determination that the project is categorically exempt from CEQA. The two letters are attached to this report, as is a complete copy of the text of CEQA Guideline 15303, and other letters received prior to the printing of this report (Attachment J).

Architectural Review Board
The ARB reviewed the revised project on March 21, 2002, and requested that the applicant explore ways to reduce the apparent massing through architectural approaches, adding street trees, and changing the exterior colors and materials. The applicant revised the project to address the ARB’s concerns and the revised project was reviewed on April 4, 2002 by the ARB, which noted its appreciation of the architectural changes and additional landscaping, and recommended approval on a 3-0 vote (2 absent). The remaining items for ARB consent calendar review are to review the garage door material, green building features, and locations of utilities and mechanical equipment. The specific ARB conditions are included in Attachment B, and the ARB meeting minutes are attached to this report as Attachment H.

ATTACHMENTS
Attachment A: Findings for approval of PC District and ARB applications
Attachment B: Conditions of approval
Attachment C: Draft Planned Community Ordinance
Attachment D: Development Program Statement and Development Schedule
Attachment E: City Council minutes of 2/4/02
Attachment F: Planning and Transportation Commission Report of 4/10/02
Attachment G: Planning and Transportation Commission minutes of 5/1/02
Attachment H: Architectural Review Board minutes of 3/21/02 and 4/4/02
Attachment I: Below Market Rate Agreement
Attachment J: Letters from public and CEQA Section 15303
Current project plans (Council Members only)

PREPARED BY: ________________________________

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COURTESY COPIES

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