Architectural Review Board
Staff Report (ID # 14408)

Report Type: Action Items  Meeting Date: 6/16/2022

Summary Title: 1700 Embarcadero Road: New Automobile Dealership (1st Formal)

Title: PUBLIC HEARING / QUASI-JUDICIAL. 1700 Embarcadero Road [21PLN-00191]: Consideration of a Site and Design Review, Design Enhance Exception and Off-Street Loading Space Modification to Allow the Demolition of a Vacant Restaurant and the Construction of a new two-Story 31,000 Square Foot Automobile Dealership. Environmental Assessment: Addendum to a Mitigated Negative Declaration. Zoning District: CS(D)(AD) Service Commercial (Site & Design Review / Automobile Dealership Combining Districts). For More Information Contact the Project Planner Sheldon S. Ah Sing at sheldon.ahsing@cityofpaloalto.org

From: Jonathan Lait

Recommendation
It is recommended that the Architectural Review Board (ARB) take the following action(s):

1. Conduct a public hearing, provide feedback, and continue the item to a date uncertain.

Report Summary
The subject application is a request for Site and Design Review, which includes review by the ARB, the Planning & Transportation Commission (PTC) and the City Council. The applicant, Eric Iversen on behalf of Swickard Auto Group, proposes to demolish the former Ming’s Restaurant building to construct a two-story automobile dealership with attached car wash. The 2.54-acre site has been the subject of development proposals in the past, including a hotel and other iterations of automobile dealerships. Most recently, the site received approval for a rezone and development of an automobile dealership that included the neighboring 1730 Embarcadero property.
To approve the current proposal, the ARB must consider a Design Enhancement Exception (DEE) to the required “build-to-line” setback, a waiver or modification of dimensional requirements to one of the off-street loading spaces, the project’s deficiency with respect to parking lot shading, and staff’s recommendation for the property owner to install a multi-use bicycle and pedestrian pathway along the perimeter of the property. The project’s environmental documentation, including traffic and noise studies, are not completed at this time. The purpose of this report is to receive feedback from the ARB on the site layout, architecture, the project’s code deficiencies, and other relevant items.

Background

Project Information

Owner: SC RE Palo Alto, LLC (Eric Iversen)
Architect: SPARC + Architecture Studios
Representative: Eric Iversen/Swickard Auto Group
Legal Counsel: None

Property Information

Address: 1700 Embarcadero Road
Neighborhood: Baylands
Lot Dimensions & Area: 180 feet along Embarcadero Road and ~550 feet deep (2.54 acres)
Housing Inventory Site: No
Located w/in a Plume: No
Protected/Heritage Trees: Yes, Street trees
Historic Resource(s): No, build circa 1968
Existing Improvement(s): 15,207 square feet and one story
Existing Land Use(s): Vacant restaurant
Adjacent Land Uses & Zoning:
   North: ROLM (Offices)
   West: ROLM (Medical offices)
   East: CS(D)(AD) (Car Dealership)
   South: ROLM (Offices)

Aerial View of Property:
Land Use Designation & Applicable Plans

Zoning Designation:
CS(D)(AD) Service Commercial (Site & Design Review/Automobile Dealership Combining Districts)

Comp. Plan Designation:
Service Commercial

Context-Based Design Criteria:
Yes

Downtown Urban Design Guide:
Not Applicable

South of Forest Avenue Coordinated Area Plan:
Not Applicable

Baylands Master Plan:
Yes

Not Applicable

Proximity to Residential Uses or Districts (150'):
Not Applicable

Located w/in the Airport:
Yes

Source: CNES/Airbus, Maxar, Planeet.com, USGS, USDA, Google (4-2018)
Influence Area:

Prior City Reviews & Action
While this is a new formal application for this applicant at this site, this site has been proposed as a Mercedes Benz dealership two previous times. Prior actions by the ARB, PTC and Council are summarized in Attachment D.

| City Council: | See Attachment D for prior City Council action |
| PTC: | See Attachment D for prior PTC action |
| HRB: | None |
| ARB: | February 4, 2021 (Preliminary Review for current applicant)¹ |

See Attachment D for prior ARB action

Prior Development Proposals
The site was a Planned Community zone until the Council adopted a rezoning of the site to the CS(D) zone in 2009. A hotel project was approved in 2013 for the site, but its entitlement expired in 2015. The first proposal for an automobile dealership on the site occurred in 2015. The first proposed dealership was a 62,000 square foot building that was 50 feet in height. Council determined it was not compatible with the surroundings and directed the application back to the ARB for changes and further review.

Thereafter the site was sold, and a subsequent application was submitted in 2018 by a different applicant. This second proposed dealership included the adjacent 2.28-acre Audi property (1730 Embarcadero). The entire project including both properties totaled 104,000 square feet of automobile dealership/showroom space for two brands. The 1700 Embarcadero Road portion of the site equated to 54,628 square feet in floor area and ranged in height from 36 to 43 feet.

The Council adopted development standards changes prior to the submittal of the application that exempted the service area drive portions of the building. The proposal also included a 300-vehicle automated storage system and roof deck parking. The buildings appeared large; however, significant floor area portions of the building were exempted consistent with the zoning code.

Council approved the 2018 project, including the DEE for setbacks, and the adopted the zone change to include the AD combining district. This project also included a multi-use pathway around the frontage of the property. Lastly, Council directed the second project return to the ARB to address specific architectural concerns.

In 2019, the same applicant applied for an Architectural Review to address Council’s direction. The changes focused on colors, materials, and landscaping. Ultimately, these issues were addressed, and the Director of Planning approved the proposed changes to the second project. An appeal of this approval was submitted in 2020, objecting to the placement of the car wash facility next to an office use. Council upheld the Director’s approval of the project with the understanding that sufficient conditions were already in place to limit noise impacts. The implementation of the car wash would have followed the mitigation measures established by the adopted Mitigated Negative Declaration (MND) for the project and the standards contained within Palo Alto Municipal Code (PAMC) Section 9.10.040.

The 2018 applicant sold the property (including the Audi dealership property) in the summer of 2020 and the current owner submitted a new proposal for 1700 Embarcadero Road.

**Current Application & Owner**

On February 4, 2021, the ARB held a preliminary hearing and was generally in favor of the project with the following feedback:

- Work with staff regarding the multi-use path.
  - Consider shifting the building away from Bayshore so that the trees and the multi-use pathway can be accommodated.
- Modulate the massing more to provide more variation along the elevations.
- Need to be consistent with the Baylands Design Guidelines.
- Wrap the green wall around to face the office building.
- Ensure car wash has no negative acoustic impacts.
- Ensure inventory is not off-loaded into traffic lanes.
- Consider more detail on opposite elevations from Embarcadero and East Bayshore.

Attachment E includes the February 4, 2021 ARB hearing excerpt minutes.

**Figure 1: 2021 Preliminary Proposal**

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2 February 4, 2021 ARB Meeting Video: https://www.youtube.com/watch?v=mH2hsLXq9h0&start=245&width=420&height=315
Project Description

Site Description
The project site (site) consists of a single parcel (2.54 acres). The site is located on the southeast corner of Embarcadero Road and East Bayshore Road (see location map, Attachment A). The site has a Comprehensive Plan land use designation of Service Commercial and identifies the site as within the “East Bayshore Employment Center.” Zoning for the site is Commercial Service (CS) with Site and Design Review (D) and Automobile Dealership (AD) combining districts. The site is located within the City’s Baylands Master Plan (Privately Owned Lands) and subject to its design guidelines. The applicant also owns the adjacent Audi dealership (1730 Embarcadero Road).

A portion of the site is developed with a single-story commercial building with 15,207 square feet (sf) of floor area built in 1968, formerly the Ming’s Restaurant and a large surface parking lot. Prior evaluation of the site determined that the building is not considered historic. The existing architecture of the building is characteristic of mid-century modern architecture with some roof elements reminiscent of an Asian style, the cuisine of the former restaurant.

The site includes an approximate 80-foot-wide easement area along East Bayshore Road to accommodate overhead high voltage electric transmission lines parallel to East Bayshore Road, and a sub-surface storm drain line. Surface improvements such as landscaping, driveways, and parking, are allowed within the easement; however, there are restrictions on the height of any new improvements, including trees. Currently, under the high voltage electric transmission lines are mature Chinese Elm trees.

Figure 2: Current East Bayshore Streetscape with mature Elm trees
Proposal
The applicant proposes to demolish the existing building and surface parking lot. In its place, the applicant would construct a new two-story Mercedes-Benz automobile dealership building. Access to the site will include two-way driveways from East Bayshore and Embarcadero Road. Customer, employee, inventory, and display parking will be located along the west, south and eastern portions of the property in a tandem parking configuration. An existing driveway connection between the subject property and the Audi dealership would remain.

The Mercedes dealership would include 31,195 square feet of space for a showroom, sales and administrative offices, vehicle servicing areas, parts storage, car wash and recycling/solid waste enclosure areas. The 4,499 square foot covered service drive would be exempted under the Palo Alto Municipal Code (PAMC) section 18.30(F)(a)(3)(b) from floor area calculations. The total floor area represents a 0.28:1 Floor Area Ratio where 0.6:1 is permitted.

A single-lane automated car wash facility would be located along the south elevation of the building towards the rear. A single vehicle display pad is proposed to be located adjacent to the utility tower at the front corner of the property.

Architecture
The proposed building is contemporary in design, which is typical for automobile dealerships. The building’s basic form includes a high ceiling (20-foot) ‘showroom’ where cars are internally staged and is highly visible by the public via floor to ceiling clear fenestration and an internal service area. The windows are also treated to prevent bird strikes. The covered drive creates a strong horizontal feature for the building connecting the showroom with the service portion.

The Mercedes brand dictates some of the color and material themes proposed by the project. These include aluminum composite material (ACM) panels “charcoal” for the front elevation, “silver” for the front canopy, “black” for the sign element, and “platinum” and “silversmith” for the rear of the building. “Charcoal” ribbed metal panels are used on the west, northwest and southeast elevations. Other wall materials include “gray” stucco for the northeast and southeast elevations as well as the trash enclosure.
Less brand dictated materials include reclaimed wood\(^3\) along the East Bayshore service portion of the elevation (northwest). A “landscaped wall” is also proposed along the East Bayshore elevation (northwest) wrapping around the corner into the rear of the building (southeast elevation). The showroom façade includes aluminum curtain wall with clear glazing. Fenestration on other facades is aluminum storefront. Refer to the plans and the materials board for additional information.

Figure 3: 2021 Formal Proposal Embarcadero Road Elevation

![Figure 3: 2021 Formal Proposal Embarcadero Road Elevation](source: SPARC+, 2022)

**Requested Entitlements, Findings and Purview:**
The following discretionary applications are requested:

- **Site and Design Review:** The process for evaluating this type of application is set forth in PAMC 18.30(G).060. This application will be reviewed by the Architectural Review Board (ARB) and the Planning & Transportation Commission (PTC). Their recommendations are forwarded to the City Council. Site and Design Review projects are evaluated against specific findings. All findings must be made in the affirmative to approve the project. The findings to approve Site and Review are provided in Attachment B.

- **Design Enhancement Exception (DEE).** The process for evaluating this type of application is set forth in PAMC 18.76.050. DEE applications are typically reviewed by the ARB and recommendations are forwarded to the Planning & Development Services Director for action within five business days of the ARB’s recommendation. For this project, the recommendation will be forwarded to the City Council. All findings must be made in the affirmative to approve the project. DEE requests are evaluated against specific findings. Failure to make any one finding requires project redesign or denial. The findings to approve a DEE application are provided in Attachment B.

\(^3\) Terramai reclaimed wood: [https://www.terramai.com/reclaimed-wood-paneling](https://www.terramai.com/reclaimed-wood-paneling)
• **Zoning Amendment:** This is a request to consider changes for the AD Combining District (PAMC 18.30(F)) as it relates to the parking lot shading requirement contained within PAMC 18.54.040(d). The process for evaluating this type of application is set forth in PAMC 18.80. Zoning Amendment applications are reviewed by the PTC and recommendations are forwarded to the City Council.

**Analysis**
This section goes into detail on how the project is consistent or inconsistent with the City’s adopted regulatory documents.

The project is deficient with respect to building setbacks, parking lot shading, off-street loading spaces, and Transportation Demand Management (TDM) target reduction. This section describes the deficiencies and options to address them. Each deficiency on their own may seem small, however, in combination with each other, the degree of the deficiencies is too great to approve. Staff seeks feedback on the following issues:

1. Parking lot Shading.
2. Required Loading Spaces
3. Bike Pathway
4. DEE for Build-to-line
5. Baylands Master Plan compliance – colors, materials

**Neighborhood Setting and Character**
The project is located within the Baylands Master Plan Area, however, in an area designated as “Privately Owned Lands.” This is an urbanized built-out area that includes office buildings and automobile dealerships. No portion of the site directly abuts the Baylands preservation area, and the building is not likely visible from the nearby Renzel trail.

The vicinity around the project site includes two different zoning districts. Each of the zoning districts have different development standards, however, the allowable FAR is 0.4:1 for ROLM and 0.6:1 for the automobile dealerships. The area with the ROLM district is characterized by two story buildings surrounded by parking lots with large street-facing setbacks. Pacific Gas & Electric’s easement along East Bayshore includes tall towers carrying high voltage transmission electric lines. One tower is located on the property at the Embarcadero Road and East Bayshore Road intersection.

**Relationship with the Audi Site (1730 Embarcadero)**

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4 The information provided in this section is based on analysis prepared by the report author prior to the public hearing. The Architectural Review Board in its review of the administrative record and based on public testimony may reach a different conclusion from that presented in this report and may choose to make alternative findings. A change to the findings may result in a final action that is different from the staff recommended action in this report.
The 2.28-acre property adjacent to the subject property has been an automobile dealership since the early 1970s. Renovations and small expansions to the site have occurred over time with the most recent significant addition occurring in 2016 for a new showroom. The 2016 approved project included improvements to the rear of the property with updated landscaping and lighting and other ancillary improvements to support the dealership.

Those improvements were deferred until after certificate of occupancy was granted to the showroom building. The property owner at the time put up a performance bond for the completion of those improvements, acknowledging that a bigger encompassing project would likely occupy the space of the improvements and was prudent to complete it all at the same time. Both properties are under the same ownership. As noted previously, this larger second project (2018) never got built.

The current owner of the properties has applied for a minor architectural permit for the lighting and is in process to apply for a minor architectural permit for the landscaping. However, it appears the owner may have put more attention and resources in the subject property and not into the Audi site improvements. There is a driveway connection between the two properties, and it is expected that both properties would share certain facilities such as the trash enclosure and other dealership functions as necessary. Staff would like to see the Audi improvements completed prior to commencement of the subject property improvements.

**Zoning Compliance**

A detailed review of the proposed project’s consistency with applicable zoning standards has been performed. A summary table is provided in Attachment C. The proposed project complies with many applicable codes and is seeking permission to deviate from certain code standards, as described below. Additional attention needs to be made towards the project’s shading, lighting, noise, massing, and color and those element’s relationship with the Baylands. See Attachment G for information regarding the zoning designation for the property.

**Parking Lot Shading**

PAMC 18.54 (Parking Facility Design Standards) includes landscaping requirements for parking lots. One of the requirements pertains to tree canopies that result in 50% shading of parking lot surface areas within 15 years. Prior automobile dealership proposals on this site have struggled to meet this standard but accomplished it. Parking lot areas include parking spaces and drive aisles. Automobile dealerships typically have larger parking lot areas that include customer and employee parking as well as inventory to be sold. Prior proposals for this site included parking structures and automated parking solutions that consolidated inventory and employee parking leaving a smaller footprint for customer parking at the perimeter of the dealership.

The current project is a more traditionally designed dealership that includes its inventory within a large surface parking lot around the perimeter of the site. As mentioned previously, there is an 80-foot easement area along the East Bayshore frontage that restricts the planting of trees.

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5 The Palo Alto Zoning Code is available online: [http://www.amlegal.com/codes/client/palo-alto_ca](http://www.amlegal.com/codes/client/palo-alto_ca)
with large canopies that would meet the City’s requirements. The proposed project includes tandem parking for employees/customers and inventory parking. The current project proposes that 38% of the parking lot will be shaded (Sheet L-2 of the project plans). With the current site plan, there are limited opportunities to add trees with sufficient canopy sizes to meet the City’s requirement.

Potential options to explore to obtain compliance include:

1. Expanding landscape islands (reduces amount of parking available)
2. Allowing a Variance to the standard because of the easements
3. Adopting a Zoning Amendment to the AD Combining District allowing for a reduction of the shading requirement
4. Requiring planting of trees off-site such as in the Baylands
5. Revising the site plan to minimize the amount of surface parking

Each of these solutions include considerations that should be weighed. These considerations include:
- a reduction in operation efficiency for the dealership;
- pushing parking into structures that increase the massing of the projects; or
- ensuring on-going maintenance of off-site plantings.

Design Enhancement Exception (DEE)
The CS zoning development standards require a 0-10-foot setback along the street and a “build-to-line” setback of 50% of the front setback and 33% of the street side setback. The build-to setback is typically found along commercial corridors such as El Camino Real. In the context of the project, this site is one of two properties zoned CS district surrounded by properties zoned ROLM and a non-residential PC.

Because of the easement along East Bayshore Road, the proposed building has a large setback and therefore, the applicant requests to deviate from the “build-to-line” setback along East Bayshore Road and Embarcadero Road. These setbacks are consistent with surrounding development, except for the Audi showroom, which is closer to the street.

All other dealership proposals have been able to make the findings for approval of the DEE. Staff anticipates the current project to meet the findings as well.

**Consistency with the Comprehensive Plan, Area Plans and Guidelines**

Comprehensive Plan
See Attachment H for information regarding consistency with the City’s Comprehensive Plan.

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6 The Palo Alto Comprehensive Plan is available online: http://www.cityofpaloaltono.org/gov/topics/projects/landuse/compplan.asp
Baylands Master Plan – Private Lands Policies
The following are Bayland Master Plan policies that affect the site:

1. Be sure any future development is consistent with the Comprehensive Plan and continues to receive extensive design review utilizing the Site and Design Review Process and the Site Assessment and Design Guidelines Palo Alto Nature Preserve.
2. Provide screen planting along the southerly urbanized edge of the private property facing the former ITT property.

Site Assessment and Design Guidelines
The Site Assessment and Design Guidelines, Palo Alto Baylands Nature Preserve, developed in 2005, are intended to be used when designing or reviewing projects located in any part of the Baylands—including projects on privately-owned land. Conformance with these Guidelines will help to ensure compatibility with the special aesthetic qualities and environmental conditions unique to the Baylands.

General Design Principals
The following design principles are suggested to reflect and preserve the Baylands’ unique landscape character and have been used to review this application.

- Use only muted, natural colors. Choose materials and finishes that will weather without degrading: The proposed building would be clad in metal panels and cement plaster system with dark, metallic accents. Glass would be high performance, insulated, UV coated, low-e glazing that is bird safe.
  - Recommend that the color palette integrate “sandy hook gray” consistent with the Baylands colors where appropriate.

- Preserve the horizon line with low and horizontal elements: The building would be 26’-0” in height for the parapets with the sign element being at 36’-0”. The building’s mass is articulated and has a horizontal orientation.
  - Recommend in keeping with the ARB’s preliminary assessment to include some additional modulation in the building’s height.

- Mount fences, enclosures, and identity signs low to the ground: The project includes some general details on signs, however, no application for a sign permit has been submitted.
  - When a sign application is submitted, staff will ensure the any approved signs are low lying, and that all wall signs are located below the roof line so as not to puncture the horizon line.

- Reduce the size and mounting heights of regulatory signs: Specific detail on the site signs were not evaluated as they are for reference.
  - Design for practicality: The proposed dealership includes integrated sales and service operations.
Staff seeks comment and direction from the ARB regarding the design of the rear of the building as they relate to these guidelines.

**Multi-Modal Access & Parking**

The site will have one driveway entrance on East Bayshore Road and one driveway entrance on Embarcadero Road with a continuous on-site driveway around the building. Service vehicles will be allowed to circulate on this driveway to service the trash enclosure in the rear of the property as well as to drop off or pick up inventory (parts & vehicles). No bicycle lanes currently exist along the street frontage of the site. A traffic study for the project is still in progress and not yet completed.

**Transportation Demand Management (TDM)**

Per PAMC 18.52.050(d), a TDM plan is required for any project requesting a parking reduction or generating more than 50 peak hours trips. The proposed project is expected to generate more than 50 peak hour trips. Per the City’s Comprehensive Plan Program T1.2.3, the required peak-hour trip reduction with TDM is 20% for the project site.

The applicant anticipates that the proposed automobile use would not be able to reduce peak hour trips by 20% due to it being a car-oriented business. Given the location and car-oriented nature of the business, staff has been working with the developer to come up with other improvements that would have a similar benefit. These could include TDM measures such as active transportation infrastructure improvements in the project vicinity that can help reduce non-project-related trips. This project is in the vicinity of regional bike trails, which provide bike access to major employment areas and inter-city bike connections. Also, safe, and protected bike routes for all age groups are vital to encourage more biking in the community.

The Embarcadero / East Bayshore intersection is very congested and not considered safe for bicyclists. To achieve active transportation infrastructure improvements, staff believes that a protected multi-use path to separate bicyclists from the vehicle traffic is necessary. This project’s TDM plan can include constructing on-site bike improvements to increase biking in the project area.

To conform with PAMC 18.52.050(d), the proposed project shall be required to implement the following elements:

1. Prepare and implement a TDM plan to reduce peak hour trips by 20% for employees only.
2. Design and construct a 10-foot-wide multi-use path at property frontage linking the existing East Bayshore bike lane to Embarcadero / East Bayshore intersection and Geng Road connection. City believes that the proposed multi-use path will fill the existing gap in the regional bike network, and provide a safer bicycle connection to schools, major employment locations, and recreational activities. Project may not be able to reduce project-generated peak hour trips, but the multi-use path will help in reducing non-project-related peak hour trips and contribute to VMT reduction.
Currently, the project is inconsistent with PAMC 18.52.050(d) because its TDM plan cannot demonstrate reduction in peak-hour trips. Following the ARB’s preliminary input, staff has continued to engage the applicant on this issue. However, the applicant has objected to each comment and proposed resolution, offering no alternatives or suggestion to work together.

**Bicycle Path**

While Map T-3 within the Comprehensive Plan shows that there is an existing Class II bikeway along the frontage of the subject property, that is not the case. There presently is a gap in the system at this location. The following related program is from the Comprehensive Plan:

**Program L10.4.1** Continue to provide a bicycle/pedestrian path adjacent to Embarcadero Road, consistent with the Baylands Master Plan and open space character of the Baylands subject to federal and State airport regulations.

This gap along the subject property represents a major opportunity to resolve. Staff negotiated with the prior project to include a multi-use pathway as a part of the overall project that included a legislative action by the Council for rezoning of the site—allowing an automobile dealership. Council therefore expects this project to bridge the pathway gap in keeping with Program L10.4.1. Staff at the direction of the ARB’s preliminary input has put forward a good faith effort to resolve the issue with a lot of resistance from the applicant.

The Palo Alto Bicycle Advisory Committee (PABAC) is a volunteer citizen advisory committee that provides technical advice to the City on issues related to bicycle issues. On April 5, 2022, transportation staff presented the subject project plans for discussion to the PABAC. The PABAC supported staff’s recommendation for a multi-use path connecting from the Geng Road intersection to Embarcadero at the other end of the property, along the frontage of the property or the rear of the property, and possibly flashing beacons or a HAWK signal as an offsite improvement at the Embarcadero crossing and potentially at the driveway and extending the southbound bike lane north as far as possible to connect the property.

**Required Parking and Loading Spaces**

Attachment C describes the project’s conformance with PAMC Chapter 18.52 regarding off-street parking spaces, bicycle parking and off-street loading spaces. With the approval of a modification to the required off-street loading requirements, the project complies with the parking requirements.

Based on the use and the amount of floor area, the project requires two off-street loading spaces. Off-street loading spaces need to meet certain criteria to be considered in compliance. One of two loading spaces meet the requirements, while the second loading space does not allow for adequate driveway clearance if the space was occupied by a delivery (18’-0” instead of 24’-0”).
Pursuant to PAMC 18.52.050 Adjustments by the Director (Table 4), the Director may allow modifications to the off-street loading requirements. The Director may waive in its entirety, an entire space or allow modifications to dimension requirements. Staff recommends that modifications be allowed with conditions approval to prioritize using the first loading space or use the second loading space when customers are not present.

The applicant proposes unloading vehicles offsite at a remote location. Staff’s position is that this detail needs to be refined. Having vehicles unload onsite would be preferable so that additional vehicle trips and greenhouse gas emissions are avoided.

**Consistency with Application Findings**

The project is subject to a few applications as described previously. Each application requires the City Council to make findings for any approval. The ARB is tasked with recommending findings for Architectural Review for the Site and Design Review and the DEE. A list of the findings is included as Attachment B.

As noted previously, the project is deficient regarding setbacks, off-street loading parking spaces, parking lot shading and TDM compliance. The applicant requests deviations and relief from a variety of standards that require findings to be made.

**Environmental Review**

The subject project has been preliminarily assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. An addendum to the previously adopted Mitigated Negative Declaration (MND) for the site will be completed and discussed prior to any recommendations by the ARB. An updated acoustic report will be included in the analysis for consideration.

**Public Notification, Outreach & Comments**

The Palo Alto Municipal Code requires notice of this public hearing be published in a local paper and mailed to owners and occupants of property within 600 feet of the subject property at least ten days in advance. Notice of a public hearing for this project was published in the *Daily Post* on June 3, 2022, which is 12 days in advance of the meeting. Postcard mailing occurred on June 2, 2022, which is 13 in advance of the meeting.

**Public Comments**

As of the writing of this report, no project-related, public comments were received.

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**Report Author & Contact Information**

Sheldon S. Ah Sing, AICP, Principal Planner  
(650) 838-2821

**ARB Liaison & Contact Information**

Jodie Gerhardt, AICP, Planning Manager  
(650) 329-2575

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7 Emails may be sent directly to the ARB using the following address: arb@cityofpaloalto.org
Sheldon.ahsing@cityofpaloalto.org   jodie.gerhardt@cityofpaloalto.org

**Attachments:**
- Attachment A: Location Map (PDF)
- Attachment B: Required Findings (DOCX)
- Attachment C: Zoning Comparison Table (DOCX)
- Attachment D: Prior Hearing Actions (DOCX)
- Attachment E: Excerpt Minutes for February 4, 2021 ARB Hearing (DOCX)
- Attachment F: Applicant’s Project Description (PDF)
- Attachment G: Zoning Designation Information (DOCX)
- Attachment H: Comprehensive Plan Consistency Information (DOCX)
- Attachment I: Project Plans (DOCX)
ATTACHMENT B
ARB FINDINGS FOR APPROVAL
1700 Embarcadero Road
21PLN-00191

In order for the ARB to make a future recommendation of approval, the project must comply with the following Findings for Architectural Review as required in Chapter 18.76.020 of the PAMC.

Finding #1: The design is consistent with applicable provisions of the Palo Alto Comprehensive Plan, Zoning Code, coordinated area plans (including compatibility requirements), and any relevant design guides.

Finding #2: The project has a unified and coherent design, that:
   a. creates an internal sense of order and desirable environment for occupants, visitors, and the general community,
   b. preserves, respects and integrates existing natural features that contribute positively to the site and the historic character including historic resources of the area when relevant,
   c. is consistent with the context-based design criteria of the applicable zone district,
   d. provides harmonious transitions in scale, mass and character to adjacent land uses and land use designations,
   e. enhances living conditions on the site (if it includes residential uses) and in adjacent residential areas.

Finding #3: The design is of high aesthetic quality, using high quality, integrated materials and appropriate construction techniques, and incorporating textures, colors, and other details that are compatible with and enhance the surrounding area.

Finding #4: The design is functional, allowing for ease and safety of pedestrian and bicycle traffic and providing for elements that support the building’s necessary operations (e.g. convenient vehicle access to property and utilities, appropriate arrangement and amount of open space and integrated signage, if applicable, etc.).

Finding #5: The landscape design complements and enhances the building design and its surroundings, is appropriate to the site’s functions, and utilizes to the extent practical, regional indigenous drought resistant plant material capable of providing desirable habitat that can be appropriately maintained.

Finding #6: The project incorporates design principles that achieve sustainability in areas related to energy efficiency, water conservation, building materials, landscaping, and site planning.
Pursuant to PAMC 18.16.090(b), the following context-based design considerations and findings are applicable to this project. These context-based design criteria are intended to provide additional standards to be used in the design and evaluation of development in a commercial district. The purpose is to encourage development in a commercial district to be responsible to its context and compatibility with adjacent development as well as to promote the establishment of pedestrian oriented design.

1. **Pedestrian and Bicycle Environment**
   The design of new projects shall promote pedestrian walkability, a bicycle friendly environment, and connectivity through design elements

2. **Street Building Facades**
   Street facades shall be designed to provide a strong relationship with the sidewalk and the street(s), to create an environment that supports and encourages pedestrian activity through design elements

3. **Massing and Setbacks**
   Buildings shall be designed to minimize massing and conform to proper setbacks

4. **Low Density Residential Transitions**
   Where new projects are built abutting existing lower scale residential development, care shall be taken to respect the scale and privacy of neighboring properties

5. **Project Open Space**
   Private and public open space shall be provided so that it is usable for the residents and visitors of the site

6. **Parking Design**
   Parking shall be accommodated but shall not be allowed to overwhelm the character of the project or detract from the pedestrian environment

7. **Large Multi-Acre Sites**
   Large sites (over one acre) shall be designed so that street, block, and building patterns are consistent with those of the surrounding neighborhood

8. **Sustainability and Green Building Design**
   Project design and materials to achieve sustainability and green building design should be incorporated into the project
In order for the ARB to make a future recommendation of approval for a design enhancement exception, the project must comply with the following Findings for a Design Enhancement Exception as required in Chapter 18.76.050 of the PAMC.

**Finding #1:** There are exceptional or extraordinary circumstances or conditions applicable to the property or site improvements involved that do not apply generally to property in the same zone district;

**Finding #2:** The granting of the application will enhance the appearance of the site or structure, or improve the neighborhood character of the project and preserve an existing or proposed architectural style, in a manner which would not otherwise be accomplished through strict application of the minimum requirements of this title (Zoning) and the architectural review findings set forth in Section 18.76.020(d); and

**Finding #3:** The exception is related to a minor architectural feature or site improvement that will not be detrimental or injurious to property or improvements in the vicinity and will not be detrimental to the public health, safety, general welfare or convenience.

**SITE AND DESIGN OBJECTIVES**

1700 Embarcadero Road
21PLN-00191

The PTC shall review the site plan and drawings, and shall recommend approval or shall recommend such changes as it may deem necessary to accomplish the following Site and Design objectives, as required in Chapter 18.30(G).060 of the PAMC.

**Objective (a):** To ensure construction and operation of the use in a manner that will be orderly, harmonious, and compatible with existing or potential uses of adjoining or nearby sites.

**Objective (b):** To ensure the desirability of investment, or the conduct of business, research, or educational activities, or other authorized occupations, in the same or adjacent areas.

**Objective (c):** To ensure that sound principles of environmental design and ecological balance shall be observed.

**Objective (d):** To ensure that the use will be in accord with the Palo Alto Comprehensive Plan.
<table>
<thead>
<tr>
<th>Regulation</th>
<th>Required</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Site Area, width and depth</td>
<td>None</td>
<td>2.53 acres</td>
<td>2.54 acres</td>
</tr>
<tr>
<td>Minimum Front Yard</td>
<td>0-10 feet to create an 8-12 foot effective sidewalk width (1), (2), (8)</td>
<td>37 feet</td>
<td><strong>45’-6”</strong></td>
</tr>
<tr>
<td>Rear Yard</td>
<td>None</td>
<td>154 feet</td>
<td><strong>68’-8”</strong></td>
</tr>
<tr>
<td>Interior Side Yard</td>
<td>None</td>
<td>52 feet</td>
<td><strong>66’-8”</strong></td>
</tr>
<tr>
<td>Street Side Yard</td>
<td>None</td>
<td>87 feet</td>
<td><strong>89’-3”</strong></td>
</tr>
<tr>
<td>Min. yard for lot lines abutting or opposite residential districts or residential PC districts</td>
<td>10 feet (2)</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Build-to-lines</td>
<td>50% of frontage built to setback on Embarcadero Road 33% of side street built to setback on Bayshore Road (7)</td>
<td>Not applicable</td>
<td><strong>No Build-To proposed</strong></td>
</tr>
<tr>
<td>Max. Site Coverage</td>
<td>None</td>
<td>11% (12,207 sf)</td>
<td>32% (35,313 sf)</td>
</tr>
<tr>
<td>Max. Building Height</td>
<td>50 ft</td>
<td>33’-6”</td>
<td>26 feet to parapet 36 feet to sign element</td>
</tr>
<tr>
<td>Max. Floor Area Ratio (FAR)</td>
<td>0.4:1 (44,173 sf) 18.30(F)(a)(1)</td>
<td>0.14.1 (15,207 sf)</td>
<td>1st floor: 25,099* sf  2nd floor: 5,715 sf  Trash enclosure: 381 sf  Showroom/Dealership/Service: 0.29:1 (31,195 sf)*  <strong>Excludes 4,499 sf service drive</strong></td>
</tr>
<tr>
<td></td>
<td>0.2:1 Additional FAR for Automobile Dealership Showrooms on the first floor. 0.6:1 (66,259 sf) 18.30(F)(a)(2)</td>
<td>Exclude service drives (PAMC 18.30(F).050(a)(3)(b)</td>
<td></td>
</tr>
</tbody>
</table>

(1) No parking or loading space, whether required or optional, shall be located in the first 10 feet adjoining the street property line of any required yard.

(2) Any minimum front, street side, or interior yard shall be planted and maintained as a landscaped screen excluding areas required for access to the site. A solid wall or fence between 5 and 8 feet in height shall be constructed along any common interior lot line.

(6) The initial height and slope shall be identical to those of the most restrictive residential zone abutting the site line in question.

(7) 25 foot driveway access permitted regardless of frontage, build-to requirement does not apply to CC district.
The table below compares the Non-residential Development Standards from Chapter 18.16 (CS District) with Chapter 18.30(F) (AD Combining District).

<table>
<thead>
<tr>
<th>Topic</th>
<th>Requirement</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours of Operation (18.16.040 (b))</td>
<td>Businesses with activities any time between the hours of 10:00 p.m. and 6:00 a.m. shall be required to obtain a conditional use permit. The director may apply conditions of approval as are deemed necessary to assure compatibility with the nearby residentially zoned property.</td>
<td>Compliant</td>
</tr>
</tbody>
</table>
| Outdoor Sales and Storage (18.16.060 (h))  | (3) In the CS district, outdoor sales and display of merchandise, and outdoor eating areas operated incidental to permitted eating and drinking services shall be permitted subject to the following regulations:  
   (A) Outdoor sales and display shall not occupy a total site area exceeding the gross building floor area on the site, except as authorized by a conditional use permit.  
   (B) Areas used for outdoor sales and display of motor vehicles, boats, campers, camp trailers, trailers, trailer coaches, house cars, or similar conveyances shall meet the minimum design standards applicable to off street parking facilities with respect to paving, grading, drainage, access to public streets and alleys, safety and protective features, lighting, landscaping, and screening.  
   (C) Exterior storage shall be prohibited, unless screened by a solid wall or fence of between five and eight feet in height. | Not Applicable because the site is subject to the AD combining district |
| Outdoor Sales and Storage (18.30(F).050(c)) | (c) Outdoor Sales and Storage  
   Outdoor sales and display of automobiles and merchandise shall be permitted subject to the following regulations:  
   (1) Two automobile display pads shall be permitted in the required setback area, including landscaped areas, adjacent to a public right-of-way. A single automobile display pad shall be no higher than eight feet, measured to the highest point of the automobile on the display pad, and the surface of the display pad area shall be no larger than 175 square feet.  
   (2) Areas for outdoor sales and display of motor vehicles, other than automobile display pads, shall meet the minimum design standards applicable to off-street parking facilities with respect to paving, grading, drainage, safety and protective features, lighting, and screening. Striping for parking stalls shall not be required for auto display and storage areas.  
   (3) Exterior storage shall be screened by a solid wall or fence of between five and eight feet in height. | Compliant                       |
Recycling Storage (18.16.060 (i))

All new development, including approved modifications that add thirty percent or more floor area to existing uses, shall provide adequate and accessible interior areas or exterior enclosures for the storage of recyclable materials in appropriate containers. The design, construction and accessibility of recycling areas and enclosures shall be subject to approval by the architectural review board, in accordance with design guidelines adopted by that board and approved by the city council pursuant to Section 18.76.020.

Employee Showers (18.16.060 (j))

Retail Services requires one (1) shower for 25,000-49,999 sf

Office Use Restrictions (18.16.050)

Total floor area of permitted office uses on a lot shall not exceed 25% of the lot area, provided a lot is permitted between 2,500 and 5,000 sf of office use. The maximum size may be increased with a CUP issued by the Director.

### 18.16.080 Performance Standards.

All development in the CS district shall comply with the performance criteria outlined in Chapter 18.23 of the Zoning Ordinance, including all mixed use development.

### 18.16.090 Context-Based Design Criteria.

As further described in a separate attachment, development in a commercial district shall be responsible to its context and compatible with adjacent development, and shall promote the establishment of pedestrian oriented design.

<table>
<thead>
<tr>
<th>Type</th>
<th>Required</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
</table>
| Vehicle Parking     | Outdoor vehicle display 3,078/500 = 6.16 spaces  
Automobile Dealership 30,814/400 = 77.03 spaces  
Total: 83 spaces | 161 spaces | 85 spaces |
| Bicycle Parking     | 1 per 10 employees (100% short term)          | None     | 4 spaces (40 employees) |
| Loading Space       | 2 loading spaces for 30,000 - 69,999 sf        | None     | 2 spaces** |

* On-site employee amenity space is exempted from the parking requirements

** Requires Director’s modification to required dimensions
Table 4: CONFORMANCE WITH CHAPTER 18.54 (Parking Facility Design Standards) for Automobile Dealerships*

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Required</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tree Canopy and Sizes</td>
<td>Landscaping within surface parking areas shall include tree plantings designed to result in <strong>50 percent shading</strong> of parking lot surface areas within 15 years. Trees required to meet any section of this title shall be a minimum fifteen gallon size, and at least twenty-five percent (25%) shall be twenty-four-inch box or larger. Fifty percent (50%) of shrubs shall be a minimum of five-gallon size. Provided, in the Site and Design Review (D) combining district, the minimum plant size requirements set forth in this section may be decreased, as set forth in <a href="#">Chapter 18.30(G)</a>.</td>
<td>38%</td>
</tr>
<tr>
<td>Perimeter Landscaping</td>
<td>Each unenclosed parking facility shall provide a perimeter landscaped strip at least five feet wide between and adjacent to a line defining the exterior boundary of the parking area and the nearest adjacent property line, not separated by a building.</td>
<td>Complies</td>
</tr>
<tr>
<td>Interior Landscaping – Amount Required</td>
<td>Interior landscaping is required within the parking facility between the perimeter landscaped area and the edge of pavement adjacent to any building on the site. Each unenclosed parking facility shall provide a minimum of interior landscaping. Size of parking facility: &gt;30,000 = min. 10% landscaping Parking facility = 54,728 SF = min 5,473 SF landscaping</td>
<td>Complies</td>
</tr>
</tbody>
</table>
Attachment D: Actions from prior Hearings

City Council:
20APL-00002, June 22, 2020 Appeal
Upheld approval decision for 19PLN-00291

18PLN-00186, June 24, 2019:
Approval of project – Return to ARB for certain items (see 19PLN-00291)

15PLN-00394, June 6, 2016:
Was reviewed by ARB six times in 2015/2016; Reviewed by PTC on April 27, 2016; then referred back to ARB by Council, at which time the applicant withdrew the application.

PTC:
18PLN-00186, March 27, 2019:
Recommend approval to City Council

ARB:
19PLN-00291, March 5, 2020 2nd Formal:
Recommend approval to Director
December 19, 2019 1st Formal:
Continue

18PLN-00186, June 6, 2019 3rd Formal:
Continue to date uncertain (no recommendation to City Council)
April 4, 2019 2nd Formal:
Continue
September 20, 2018 1st Formal:
Continue
Call to Order/Roll Call

Present: Chair Osma Thompson, Vice Chair Grace Lee, Board Members Peter Baltay, David Hirsch and Alexander Lew.

Absent: None.


Chair Thompson: Thanks. We will move on to our first action item. This is 1700 Embarcadero Road: request for preliminary architectural review of a proposed two-story approximately 31,377 square foot automobile dealership. Environmental assessment: not a project. The formal application will be subject to California Environmental Quality Act (CEQA) review. I want to ask the Board if there are any disclosures.

Board Member Baltay: I have visited the site.

Vice Chair Lee: I have as well.

Board Member Hirsch: No disclosures regarding this project.

Board Member Lew: No disclosures.

Chair Thompson: Great. I visited the material board.

Board Member Hirsch: Oh, me too.

Chair Thompson: I will hand it over to staff.

Ms. Gerhardt: Yes, we have Sheldon Ah Sing here to present first off.

[Setting up presentation.]

Sheldon Ah Sing: Good morning. Here we are. Some things changed and some things remain the same. Welcome to the new year. We are back with another iteration of this site. We will learn a little bit about the background here in just a moment. Great overview by the Chair. It’s a preliminary review of a
commercial project located on 2.5 acres. It is just at the corner property. It does not include the alley site. It is zoned CS with the site design as well as an automobile dealership district. The request from the applicant would be an Architectural Review, site and design review, as well as design enhancement exception for setbacks. We are just here to review and provide some comments to the applicant as well as to staff. This site has been the subject of many projects, as well as hearings. Sixteen public hearings to date. The site is a vacant site of a former restaurant that was closed in 2014. The site was rezoned to CS from industrial in 2009. A hotel was previously approved in 2013, but that entitlement expired in 2015. That is an image on the lower left there from the intersection. Then you have had an automobile dealership proposed in 2015 for the site. That project went all the way to the City Council, and then it was directed back to the ARB. It was deemed to be too big. It didn't fit in with the context of the baylands. The applicant withdrew the application. Another application came in in 2018, that's the one at the far right. That one also encompassed the adjacent alley site as well. It was a bigger project but a little shorter in height. That went all the way to the Council. The zoning reached the change to add the automobile dealership combining overlay. There was an appeal earlier last year and that was upheld but when the applicant decided to withdraw and sell the site to the current owner. A little bit of site context here, it is located in an area that is predominately commercial office use. the two properties that are adjacent along Embarcadero Road are dealerships, that's the Audi and the Honda site. There are some automobile uses behind one of the streets there. It is within the baylands area but these properties are in the private properties area. This property does not directly abut the baylands. You can see a little bit of that green in this photograph in the upper right there where this property does not touch that directly. The properties in the area are generally characterized by larger buildings with large setbacks and surface parking. The one exception really is the Audi showroom has the closest setback to Embarcadero Road. It is about 30 feet. All of the others have larger setbacks. On this property, in particular, it is 1,700. There was an 80-foot easement along East Bayshore for various utilities including the overhead transition line. That does preclude structures from being included there, especially height-wise in terms of the height limit of 15 feet for structures and that includes vegetation. The project summary for this project is just solely a Mercedes-Benz brand. It includes service and sales. The total square footage is 31,000 square feet. The total FAR is .29, and that includes .25 for the dealership as well as .04 for the showroom area. The site coverage is 27 percent. Height is up to 26 feet with an architectural element that does go up to 36 feet. Then there is surface parking, there is no mechanical lifts. The only mechanical lifts are for the vehicles that are booping serviced. That is very typical for a dealership but not any customer parking or inventory parking. There is also an additional setback that is proposed along East Bayshore and Embarcadero Road that is consistent with all of the other dealership applications for this site. There is also a carwash for the dealership. Some notable differences between the approved prior project and the proposed project: you can see the square footage is down by about 20,000 square feet; the FAR is down; the lot coverage is also less; the height is less; setback is also less there. It is a little greater along the Bayshore side by a few feet. The approved project had a multi-use path; this project does not propose that. The approved project proposed a removal of trees along East Bayshore and this project does not propose that at all. It does preserve those trees. A little bit more about the site plan and massing. It shows that it will follow the predominant pattern in the area with a larger setback, surface parking, and the building situated in the middle. The CS zone does require build-to setbacks. Mostly that makes sense in the El Camino Real area to try to get your building close to the pedestrian realm. This is an automobile dealership with automobile-oriented use, and then, of course, a couple lifts of the easement restraints. It does make sense to support the design enhancement exception. The height of the building would be mostly consistent with the surrounding units at 26 feet. It is a standard two-story type of building. The covered drive-through for the service is exempted from the gross floor area, and that is consistent with the automobile dealership providing this district. That area is 4,300 square feet. Showing some of the floor plans here. It breaks down the showroom there in yellow and then the dealership area in green, which includes the service area. The service drive, as I mentioned, is excluded. There is a little bit of limited second-floor space there with some offices and storage areas. Going to the elevations here -- the applicant will discuss more about the materials -- the project is, again, two-story height in some areas, but it does roughly maintain that 26-foot plate. Then you have that 36-foot architectural element which would have a future sign. Along this elevation, the building does have and the site does have a (inaudible) shape but generally here at the corner you have a showroom, which has the fenestration, and then you have some of those elements that are consistent with the brand of Mercedes which is that black colored and silver-colored metal being used there with some of that white. They are introducing some of that reclaimed wood siding as well as a landscape wall. It is more consistent
with some of the features that we had in the prior project and trying to bring in the consistency with the Baylands. This is along Embarcadero Road, kind of similar features here. Again, because of the shape of the building and the shape of the lot, some of these views are similar but, again, you are continuing that silver panels mostly along Embarcadero Road. On the opposite side of Bayshore faces Audi. Here you have the silver panels closer to the street and then as you get towards the rear of the property it transitions to a stucco-type of material. Then, opposite of Embarcadero, you can see on the left side a little bit of that landscape wall terminates there and it transitions to paneling closest to the street. From there, it turns to stucco towards the rear of the building. This is the side with the carwash. Then, we just show a little bit more detail here. Obviously, this is at the preliminary stage and a little bit more conceptual. We will ask for more detail and contextual type of exhibits for the formal. The landscaping, as we expect, with a smaller footprint. The project to the left side, the prior project to the right side. Then, you have more opportunities for landscaping, and as I mentioned, they are saving those trees along Bayshore Road and Embarcadero Road. Some considerations here to think about, and what we are looking for some feedback from the Board on, is how the project fares against the required findings. Some of these are just relationship to the neighborhood setting and context, the transitions and scales to adjacent properties, as well as scale and mass. Then, architectural design, theme, cohesiveness, use of materials. We need to consider how the project is consistent with the Baylands Master Plan, using natural colors and choose materials and finishes that will weather well, preserve the horizon line, low horizontal elements, reduce the size of signs, and also just to design for practicality. I think we have a lot of experience on this site with the other two projects and this project tried to bring some of those features here, which we could probably hone a little bit more. Lastly, the pedestrian-oriented design. That brings us to the multi-use path, which I think is something worth considering. The city's Bicycle/Pedestrian Master Plan does indicate that there is a class two bicycle facility along this frontage, but when you actually go out there that does not exist. There is no facility such as that. The plan does not prescribe how to address a gap in that situation because it assumed that there was something there. We knew that; staff knew that so when we were having discussions with the prior applicant for their request -- their request had a legislative request for the zone change -- we negotiated to get this gap reconciled. This multi-use path is something that was proposed by the prior applicant. It did necessitate the removal of the trees there with some other planting on the site that were at 15 feet. What would be needed here is we need 12 feet. We need to have eight feet for two lanes and then we need two two-foot shoulders to make this work. There is a right-of-way now of ten feet and then there is a five-foot landscape buffer between the edge of the property and the parking lot. There is some room that we could put something there. There are tradeoffs implementing the pathway, it would be the removal of trees. There could be some other options. We would need to work this out but we want to hear some direction from the Board whether there is something we can get support to pursue. It is something that was on the previous project, and we would expect to see something here to alleviate that gap. This is an important area to have bicycle travel, especially with the Baylands. The other issue we noticed with the last project was the carwash. It is still facing the neighboring property that had the objection to the issue. With this project, we will have to have a new acoustic study that will address the noise for the site. The site does not have any backup generators. That will help a little bit but certainly, we have an updated acoustic study that will address the issues and be consistent with the municipal code. That ties into CEQA. The prior project had included an adopted mitigated negative declaration. We would propose to provide an addendum to the previous document and will include updated studies which are acoustic and traffic analysis. That will be included with the formal application. With that, we will be conducting the public hearing, provide direction on the project, and the applicant will consider those and file a formal application. Staff recommends that the ARB take the following action, which is to review and provide comments. No formal action is requested. With that, I conclude my presentation. Thank you.

Chair Thompson: Thank you. I guess next we’ll hear from the applicant.

Eric Iversen, Director of Real Estate Construction: Hello, this is Eric Iversen with Swickard Automotive Group. We are the applicant here today for the Mercedes of Palo Alto site. I also have my team with me. We can go through a short presentation and then we are also able to answer any questions should anybody have any questions.

[Setting up presentation.]
Chair Thompson: Thanks. You’ll have ten minutes.

Mr. Iversen: Okay.

[Setting up presentation.]

Chair Thompson: Jodie, will we require applicants to state and spell their name for the record?

Ms. Gerhardt: It can be very helpful, yes, otherwise it ends up misspelled in the minutes.

Chair Thompson: Okay. Mr. Iversen, could you also state and spell your name for the record?

Mr. Iversen: Absolutely. It is right in front of you right now, but Eric Iversen [spells name]. Eric Iversen, Director of Real Estate Construction for Swickard Automotive Group.

Chair Thompson: Thank you, go ahead.

Mr. Iversen: We are here. Hopefully you can see a screen with a green Mercedes on it right now. My team is involved, our architect also on the call is Doug Van Kay. Al Shaghaghi is our civil engineer and Bryan Love is our landscape architect. Again, if there are any detail questions, they are here to answer those questions. Sheldon went through the overall perspective and overall general design of the facility. I don’t want to repeat some of the things that he already touched on. I think one of the largest items here today is that we have come back with a much more scaled-down proposal than the previous Mercedes proposal. Again, we had bought this land -- and bought basically the franchise rights -- for Mercedes to go here. The prior owners couldn’t put it all together and the cost of the facility was just simply too great. We came back with what I think is a much simpler and straight-forward proposal more in line with the other car dealerships on Embarcadero, the Audi and the Honda store, yet providing a, what I would call, a better design. Adding some fun elements like the reclaimed wood and the live green wall. Location, I think Sheldon went over that very well. Again, we are next to the other two car dealerships and other than that surrounded by office buildings. With Audi being the newest store, which is a very standard corporate Audi design, is immediately next door. Behind us are office buildings, as we all know. Then, of course, the Baylands is just beyond that. As we know, our biggest challenge is the high-powered transmission lines and those don’t go anywhere. There is a large easement underneath them. We can’t obviously build on them, and our stormwater drainage is also very limited what we can do within that easement. If you take a quick note here on this slide, you will see to the right the trees that Sheldon had mentioned that personally I am very much in love with and very much in love with the shade that they provide. I’d love to do everything possible to maintain that row of trees along East Bayshore. As I had previously mentioned, this is a picture that Sheldon didn’t show but it shows the massing of the previously submittal that was approved and how significantly larger that building was. It had multi-story service, it had car elevators; many things. They were trying to accomplish everything on this one site which ultimately made the project unbuildable and not affordable for them. Again, we came back with a much simpler straightforward, overall smaller dealership. As you can see, the dash line is just how significantly larger the previous proposal was. Again, this is the side view from East Bayshore. Again, you’re starting to see some of the fun stuff, which is the reclaimed wood siding and the landscape wall to really break up that overall façade. You have the modern glass and architectural composite panels along the front going into a reclaimed wood product. If anybody has any questions, I could talk for 15 or 20 minutes just on how awesome and cool reclaimed wood is. Then, I think landscaped walls are great, especially in the climate that we have in Palo Alto. The plan itself on the inside does separate what we call the front of house and back of the house. Along Embarcadero is the front of the house with the showroom. It is the part of the car dealership that we’re all familiar with, the showroom, service riders separated with a service drive that does have opening and closing doors. The weather is great maybe nine months of the year and those doors will be open during the day but closed at night for the service drive. Then, the actual service shop with 22 bays to work on cars. The carwash in this proposal as opposed to the previous one is attached to the building. It is approximately 40 feet further away from the property line as the previous proposal. The acoustic study, as Sheldon had mentioned, obviously we will get that updated. We have talked to the same acoustic engineer. I mean, common sense tells us moving that facility farther away from the property line will only
reduce noise. We have brought on the same landscape architect that had worked on one of the earlier proposals and I think we have ourselves a pretty good landscape plan. Again, preserving those trees along East Bayshore is critical at least in my mind. Reclaimed wood product, like I said, I can talk for half an hour on that. It is an awesome product. The company goes around to churches, anything that is being demolished not only in the United States but around the world; they salvage it, they re-mill it, re-plane it, and then send it back out and it gets installed on a building. The green wall that we talked about is not just vines growing up the side of the building, it is actually a green wall with vertical planters. Should an area or a planter die off, they can actually be removed and rehung with a new one grown in a nursery to always have a fresh green wall appearance. Then, finally, once again my favorite trees. I don't think I am going to stop talking about my favorite trees because they provide excellent shade, they are under and adjacent to high-powered lines. It would be really hard for us to replace those with anything that is going to get much more than 8 to 12 feet tall. Here we have established trees that provide excellent shade whether you are walking or biking on the street. That's all I have. I am able to answer any questions, as is our architect engineer and landscape architect. We are all here to chat with everyone.

Chair Thompson: Thank you. Do we have any questions of the applicant? I don't see any. I guess I will open this to public comment. Do we have any members of the public that would like to comment?

Mr. Nguyen: We do not have any public speakers for this item

Chair Thompson: Okay. I guess that concludes the public hearing and brings this back to the Board. Shall we start with Board Member Lew?

Board Member Lew: Sure. Thanks for your presentation. I am generally in support of the project. I have got a couple items for you. I think the first one is how much off-site parking are you going to need for inventory of cars. If I look at other similar dealerships, they have large parking garages. Even if you look at the Audi dealer next door, they have been using this property for car inventory for several years now. I guess my question is how much is there and then where are the [distortion].

Chair Thompson: Alex, you are cutting out a little bit.

Board Member Lew: Why don't you skip me and I'll try [distortion].

Chair Thompson: Okay. We will circle back to you. Board Member Baltay.

Board Member Baltay: Thank you, Osma. Thank you to the applicant for this presentation. I am generally in favor of the project presented to us. I think it is an easier pill to swallow than the large building we already approved. It is hard not to be in favor of it in principle. I would like to see if the applicant can't shift the building perhaps slightly farther away from Bayshore in order to give us both the tree and the pathway. I have argued strongly in previous projects on this site, and I really do feel that the trees should be preserved. They are mature trees under a powerline, so they cannot be replaced. It is really a shame not to have a pathway for the public at the same time. If there is any way to push the building back a bit further, perhaps, or whatever it takes to get the parking and display area they need but also to have some sort of a pathway perhaps inboard of the trees that would be really appreciated. I think it can be done, although it might impact one row of parking in the front unless you shift the building back. It would certainly be a wonderful gesture to the city if you could get all of the pedestrian, bicycle path along Bayshore and preserve those trees. That would go a long way to really smoothing your approval process on what has been a very contentious site. It is a great gesture to the city of goodwill. I would love to see you make an effort to make that happen. Other than that, the building siding is fine, I think. I am wondering if you can't modulate the massing just a little bit more. Looking straight at the elevations, the height of the building is consistently the same throughout with the exception of the Mercedes wall. It seems to me it would be a pretty easy matter to raise up or down different pieces of it to give it a little more modulation and variation. It is a fairly long façade and it would benefit from that. Again, it could just be the way you did the parapets but it would help to have that. I would like to see you consider flipping what I call the (inaudible). The reclaimed wood and the green wall and such to be on the Embarcadero side. I don't know if you followed the approval process from previous (inaudible), we had come to the idea that the
building does need to conform to the Baylands design guidelines, which require muted and natural materials. We had felt that going towards the Baylands is where it was important to have these materials. Say on the Bayland side of the Mercedes fin, your design seems to do the opposite. You have the natural and muted Baylands-type materials but along Bayshore, not along Embarcadero where you’re leading backward. I appreciate that the Audi dealership immediately to the left really doesn’t seem to have those kinds of materials, so it does lead you to some sort of design challenge but it will be easier for this to be claimed to be in compliance with the Baylands design guideline standards if you get those materials flipped to the other side of the building. I think that would be easily done, again. You could put, say a reclaimed wood façade, on the office facility while you leave the showroom having the glass and steel look that Mercedes likes. I caution you -- or maybe you just want to check and see -- on the previous projects there was a strong design aesthetic about some kind of decorative metal poles and elements used to hold up the canopy at the front and you aren’t showing any of that now. You may want to really be sure that Mercedes will accept this design quality or this design style. We were told on previous projects that they would note. That they wanted more of that decoration that you see on other Mercedes dealerships. I think it could go either way, but you want to be sure that you have got that covered with them. The carwash, I think, is going to be fine where it is. The previous one was right on the property line and that was where the problems came from. Nonetheless, they did a detailed acoustic study and they had to actually put closing doors on their carwash to make sure that it didn’t acoustically bother neighbors. The folks in the office building to your right behind you have lunch tables out in the back area there and you really don’t want to disrupt that with a loud carwash. Perhaps you could just come back to us with an acoustic study showing that it doesn’t do that. The fact that you’re 30 feet away is a big help and I would hate to see you have to put those closing doors on this but study it and just see if you can make it work. I don’t see it as a problem otherwise with that. My last comment to you is if you could be sure to supply real material samples next time so we can really understand, especially the reclaimed wood. What are you proposing? A photo of it just doesn’t cut it. I understand these days it is hard to do that, but we would love to see it. That’s what I think. Thank you very much.

Chair Thompson: Thank you, Board Member Baltay. I want to check in with Board Member Lew to see if his audio got setup.

[Adjusting Audio.]

Board Member Lew: I just have a few items. One is any off-site car inventory and where do those get delivered to this particular project site. I would just say that I do know that we do have some issues with other car dealers in Palo Alto where they unload the cars in the traffic lanes during commute times. On the elevations, I do like the changes that you have made with the reclaimed wood and the planted façade. I am actually okay with the location. On the elevations though, I think the northeast elevation could use a little bit more work. It is very flat and you have two different materials that are coplanar with each other. I think that that one is not up at the same level as the other three elevations. On the bike path, it seems to me that a bike path would be appreciated but it does have a flaw. The southbound bicyclists using that path would then still have to crossover across East Bayshore. It’s not a perfect solution. If we can get the bicyclist route to work in the street, I am actually okay with that. If there is a way for staff to look at that; if there is a way of narrowing lanes to get a bike route in there. The issue is that in the late afternoon the car traffic backups from the Dumbarton Bridge on occasion, and then the bicycles end up using the sidewalk. On the existing trees, I think that is also tied in probably to the flood elevations. The previous scheme had to raise the grade up, and that can cause issues with saving existing trees if you’re re-grading the entire site. I think that we do need more information on that and how you’re handling the grade. I you’re going to raise the full side up similar to the previous scheme for the Audi dealer next door. I think that is all I have. I am generally in support of the project. I think the massing looks good and the material changes are well-considered. Thanks.

Chair Thompson: Thank you, Board Member Lew. We will go on to Board Member Hirsch.

Board Member Hirsch: Thank you for the presentation. It certainly is a step down in massing and prominent of the site and the building on the site. I have similar questions about the parking as Board Member Lew. What has happened here is the previous scheme managed to keep the significant amount
of the parking in the building itself, but here we are doubling up on the lanes of parking and storage for a significant element of the site here where you cut back on the building and you increase the storage on the site itself. I don’t think it bothers me much on the site that faces the office building, but it is more of a problem on Bayshore. I think where more of the visible nature of this building is going to be seen daily to have a double layer of parking. Then, where does it go if you don’t put it there? I don’t have a good answer to that but I would’ve hoped that it could look a little bit more natural. I think that keeping the trees, I agree, is a good idea but then somehow you have to work out the bicycle path and the issues related to a limited sidewalk. It is not a sidewalk where pedestrians will use it very much, so perhaps there is a way of compromising; take a little bit of it closer to the tree or find a way in which the trees can actually live with a drainage scheme under them that allows for an expansion of the sidewalk. It is a study that needs to be done; to expand that enough to have a bike path I think is important. To have that indicated to us all the way around the corner onto Embarcadero is also significant. In terms of parking and entry to the building, I am somewhat discouraged by the fact that if you get out of your car, you’re a visitor along there to get to the front door of this building means you have to pass the service entry area. If you’re familiar with the way those usually get jammed in the early morning and there is very a really difficult pedestrian issue there. Certainly, what will happen -- from my experience -- is that those cars will backup and align with your whole passageway into the site from the Bayshore and a lot of those parking spots will be basically parking for vehicles coming for repair. I don’t know. That seems to me to be a problem relative to how you deal with the entry to the building at the same time. I noticed on the inside that there doesn’t seem to be any planning for people who are going to wait in some way for their cars. I mean, that is a question I probably should have addressed to you earlier. Maybe you can come up to an answer to that at some point a little later. No waiting area, no intention of people who are going to be staying for minor car repair issues or whatever. I wonder if actually maybe the service isn’t brought into the back of the building and you create more a plaza entry on this side and limit the exit the other way? That may be that that might solve that kind of issue because, after all, you could have a backup of cars waiting for service at the backside, whereas the front side does create a conflict with your front door. In terms of the material, in general, I am sort of favorable to the design. Yes, it does take away a lot of the detail, as Mr. Baltay commented on. The front, which I really rather liked, the detail that was Mercedes like but this is a different kind of canopy. Maybe something more in the detail of that will occur later on in the design here. It is a very thin element now. I don’t know exactly what to suggest. The point of view is taken to see the elevations completely jammed because it is far enough away, but if you’re closer in it becomes a different elevation. You’re using that to kind of link the two major forms, and, frankly, I don’t quite see where the industrial feel of the Mercedes car and the detail of the part that faces Embarcadero relates to all of a sudden introducing this kind of a wood element, and then switching to a very much more natural feel of the planting. But if others think it is appropriate… I will say one thing about it is at least it turns the corner, which the planting doesn’t do and I wish it would. Whether or not the building has a lower profile as seen from the Baylands or not, I don’t like the idea of a material like that just ending at the corner. I think even though it is a sharp corner, I sort of feel if you’re going to make a statement that you’re doing a natural building and its environmental building and then all of a sudden you switch when you turn the corner; I don’t see how that really works well. I would think you’d carry it around at least to the notch on the side that faces the office building. It would certainly be a nicer gesture towards the office building rather than just being the back of something functional like it is now. Other aspects of this, I think we need to see the perimeter elevation and the planting in much, much more detail. I am sure your landscape people can work on that. I do question -- so I wait to see if others on the Board also do -- this use of the wood and then the planting wall, and whether that is kind of... the way in which the forms are used in order to do that because all of a sudden, you’re going to switch now from wood to metal canopy to the metal building above. It is a strange connection of paste on elements, in my opinion. Maybe it should one or the other, or maybe the planting area really turns the corner as it enters into that niche. I think my most major concern is that somehow the entry to this building, for me, doesn’t function well at all, and it should be an emphasis here. The question that Alex raised I think is a very good question. What do you do with the storage of cars? Is this the best way? To be honest, one thing I really did like about the previous scheme is it got more cars off the site, and I wondered whether or not it would be possible to somehow use the roof of the maintenance area for the storage of cars. Would that make a better site plan? I could go along with it the way it is as long as there is plenty of planting and softening of the perimeter. Thank you.
Chair Thompson: Thank you, Board Member Hirsch. Let's move on to Board Member Lee.

Vice Chair Lee: I want to thank Sheldon for a very complete presentation, and thank the applicant for bringing this forward. This site has a long history and it is great to see that it is going to move forward. I recall the hotel discussion, which was as far back as 2011 I remember. I can be brief. I am in support of this project. I think that knowing this is a preliminary and that the project will be coming forward with more information on a greater scale I look forward to that. I will begin with this multi-use path discussion. I appreciate Sheldon's way of communicating that there is a larger plan for access in this area. This is one site; however, we do want to connect. My feeling is I did appreciate that multi-use pathway in the previous project that we saw and I don't want to tell you how to do it. I am not a huge bicyclist, not like Alex, but I don't know how to do it but I encourage you to work with the city and collaborate and see what is possible. I look forward to seeing that move forward. Maybe it is possible -- I just want to put it out there -- that the benefits of the path outweigh the preservation of those trees. Sometimes that occurs and I don't know what is the right answer but please pursue that goal would be my advice. The overall architectural massing and the elevations the way they are presented, even at this beginning preliminary, I feel very comfortable with just how... for me, it is that terrific corner of where you see... I know there is that tower and the corner is set back quite a bit, but I love how the showroom turns and it is a very simple design. There is a brow, it wraps, and then you have this highlight which is very important. You have your sign that is ten feet larger that highlights and I am fine with the Embarcadero elevations as it turns. I did go and see the materials board at City Hall and I appreciate the diversity of materials, absolutely. I think the general placement of them make a lot of sense. One thing, though, I did want to note -- I appreciate Board Member Peter's comments -- it is true, there is an extreme horizontality here and the length of those facades, though they are setback quite far back from the property line and from the street, you really read... I just think facades on a big building like this with long lengths and a lot of surface area the overall design moves make sense. However, it is true, it is very long and I am just not sure given the length of those facades if small popups are going to make a difference. I am fine with the 26 feet to 36 feet in the way that it is sitting. If you want to show us an option that shows that it comes up and down in different areas, I think you'll still see an extreme horizontality and I'm open to reviewing that as well. The other piece that I wanted to mention was glare. The way the sun is moving around the site... I am always really hesitated and at first when I saw the material board, I wasn't sure the brow is white, right, and then you have two different tones of silver. What I find is that the light silver sometimes reads as white under extreme glare or sun. When I look at the elevation, it really is just on the East Bayshore where there is a little bit of length and it is up and it is light silver. I just want to make sure about glare issues and if maybe that's not too much. It is just something that I want to bring up. I believe that the whole screen wall, I love to see how that is going to move forward. I couldn't tell from the landscape plan. I don't know what's planted there, so it will be terrific to see what that is. The reclaimed wood, the warm color is a terrific addition to have. The issue is where you turn, though, from East Bayshore and that northeast elevation. I agree with Board Member Lew. I think that could use another round; it is rather blank. Let's see, did I cover it? There is the other piece in terms of the plants. When you show it in terms of the green screen wall, I think you're going to come back with landscape plans that are a little bit larger in scale so we can get a sense of the choices there in terms of... because it is a feature and it is kind of nice that it is on that side of the building and that we just want it to thrive. I can stop there. I will hand it back to Chair Osma.

Chair Thompson: Thank you, Vice Chair Lee. Great. I share a lot of the similar opinions that have been expressed. Not all of them, so I will go in order and we will try to wrap at the end to try to come to a consensus. In general, I am also in support of the project. I appreciate how low-rise it is. I appreciate the horizon that it is kind of promoting. For the materials, the more I was looking at your elevations the more I started to notice this parti diagram where there is kind of like a sandwich where there were the tough metal materials that are overlaying on these natural materials. I am hearing some of my other Board Members’ feedback and I can see pushing that a little bit more where -- I like where the wood and the green walls are currently -- maybe there is an opportunity to introduce them on the Embarcadero side, the shorter side. I think also what is really lovely about reclaimed wood is being really close to it, so perhaps there is an opportunity to snake it through the interior and have it connect on the other side. There is kind of a cool experience for the customers to see that kind of relationship that you're creating between these more brand-appropriate materials and then this natural material that makes everyone feel a lot better. As
it related to the Mercedes columns that are pretty typical, I don't have any love for them necessarily. I think the design as you have it now makes a lot of sense in this context. In some ways I think those other columns didn't really make much sense in this context. I think I would also even encourage pushing that natural palette even more. I think a previous iteration of those facades on that face the Baylands, that Board Member Lee and Lew mentioned, are a little blank. I think a previous iteration had just green screens in some locations where there was a little opportunity for greenery on those sides with a lot less maintenance. I think also because those sides face the Baylands there is some kind of good relationship to create there. I might even encourage a green roof. This is kind of a cool location and you're doing something really amazing with this green wall and how cool would it be to have that even creep over onto the roof? This is just some feedback for pushing your design concept but I think it is in a really good place right now. Hopefully, this feedback is helping to bring it even further. I am just going to mention that for the DEE I am okay with that DEE to not build to the line. I am also a big fan of those trees. I really would hate to see those trees go away. I'm sort of in the camp where try to keep those trees at all costs. Try to make it work on the street side, if possible. I think I would support a proposal that keeps those trees at any cost. Let's see. I think everything has been said for the most part. All right. Is there any other discussion from other Board Members from things that they've heard others say?

Ms. Gerhardt: I was just taking some notes as well. There were some concerns about the loading spaces where off-site cars may be coming from. We talked about the bike path and the trees. Board Member Lew was also talking grade changes and how that may affect trees that are to remain. The carwash, we are aware and we will get a noise report for that. We definitely, for a formal application, will need lots more detail as far as details and elevations and landscape plans. Staff will make sure to get that. There was a question about where customers were going to wait and the path of travels internal to the site. I think those are the majors concerns or discussion items that I was picking up on. Maybe if we can ask the applicant if they had any questions before we move forward.

Chair Thompson: Okay.

Mr. Iversen: This is Eric Iversen again. No specific questions. On the big general, if you would like me to answer a question on the vehicle storage, I could do that. If that's inappropriate we could wait for the future but I will keep that one really short. In the automotive industry, we go up and down with our inventory. Almost all of our facilities have short-term storage on a month-to-month basis as inventory changes over the year. The key is to not overdesign the site so that there is empty parking on-site but to find parking in an industrial area. We will have off-site vehicle storage of one kind of another. As far as the other items, I think there were a lot of great suggestions and I think we will take a look at how we can variate the façade and how to play around with the green walls and such stuff. It's all great ideas. We'll see what we can come up with.

Chair Thompson: Great, thank you. If there is nothing else...

Board Member Baltay: Osma, I have a question if I could?

Chair Thompson: Yeah, go ahead.

Board Member Baltay: Jodie, is the approval process now ARB to completion? We recommend approval and the Planning Department says it's okay or does it have to go to City Council again?

Ms. Gerhardt: Sorry, remind me, Sheldon, this is site and design though. Actually it would go through, PTC, ARB, and then the Council.

Board Member Baltay: This has to go back to the Council again?

Ms. Gerhardt: Yes, that's our standard site and design process because it is in the Baylands area and it has that D-overlay is why it needs to do that.
Board Member Baltay: Okay. The gist of my question is that I think the staff and the town as a whole is tired of keeping going over this same thing over and over again, and anything we can do to expedite this process... to the applicant, if you can find a way to really resolve that bike path issue it’s going to really smooth your passage through all this regulatory stuff. To planning staff, is there just a way we can get the next application in front of us and one we can recommend approval on? Let’s get the pieces together and make it go a lot smoother this time. I think everybody would really appreciate that, certainly I would. This has been quite a few times now to look at the same property.

Ms. Gerhardt: We agree and we will just make sure that we have all of those details that you expect with the materials.

Board Member Baltay: Thank you. Thank you, Osma.

Chair Thompson: All right. Thank you. If there is nothing else, we will close this item and I believe Board Member Lee will be leaving.

Vice Chair Lee: Yes, thank you, Chair Osma. I will recuse myself given employment with Stanford.

Chair Thompson: Right.

Vice Chair Lee: Thank you.

Chair Thompson: Thank you.
May 20, 2022

City of Palo Alto
Department of Planning & Development Services
250 Hamilton Avenue
Palo Alto, CA 94301

Re: Proposed Mercedes-Benz Dealership
    Project Description & Justification
    1700 Embarcadero Road
    Palo Alto, CA 94303

To Whom It May Concern:

Swickard Auto Group proposes to demolish the former Ming’s Restaurant building and construct a new two-story Mercedes-Benz automobile dealership with a service facility at 1700 Embarcadero Road. On site improvements will include customer and employee parking spaces, inventory storage spaces, landscaping, a driveway connection to the adjacent existing Audi dealership, and a dumpster enclosure. The small scale of the building proposed with the project is specifically designed to serve the surrounding community.

The existing parcel is 2.535 ac (110,432 sq. ft.) with a former 15,207 sq. ft. Ming’s Restaurant building and 161 parking spaces. There are existing PGE high powered electric lines along the west side of the site.

The proposed auto dealership will include 30,814 sq. ft. of floor area. The first floor of the building will have 25,099 sq. ft. of dealership space and 4,097 sq. ft. of showroom space. The first floor of the dealership will be separated by a 4,499 sq. ft. covered service drive between the showroom and service facility. The west side of the first floor of the building is the primary customer contact area and includes the vehicle showroom, consulting rooms, restrooms, and service write-up. The second floor on the west side consists back of house operations including offices, a file room, and a training/break room. The second floor will be 5,715 sq. ft. The east side of the building consists of 22 service bays, parts storage (on the first and second floor), and a carwash. The proposed development also includes a covered dumpster enclosure (381 sq. ft.) in the southeast corner of the lot. The new dealership will provide 86 customer parking spaces and 42 inventory parking spaces. Proposed hours of operation will be 7 am to 9 pm seven days per week.

The design concept of the proposed dealership is intended to blend in with the natural environment and surrounding area. The scale of the building is specifically designed to serve the surrounding community.
The building uses a mixture of materials to blend in with the surrounding buildings and landscape. Naturals materials, such as reclaimed wood and a full height landscape wall soften the appearance of the building in relation to the nearby Baylands. The proposed Mercedes-Benz dealership also takes proportion and massing into consideration with the surrounding environment. The proposed building has a low profile and clean simple lines. The new Mercedes-Benz dealership building has a parapet height of 26 feet and a maximum height of 36 feet. Exterior cladding of the proposed facility will consist of glazing, ACM panels, reclaimed wood siding, stucco, and a landscape wall. The rear of the site contains a driveway allowing access from the proposed Mercedes-Benz dealership to the existing Audi dealership next door.

This building has mixed occupancy classes of B, S-1, and S-2.

The proposed project Site and Design complies with the following objectives from 18.82.060 PAMC:

a. To ensure construction and operation of the use in a manner that will be orderly, harmonious, and compatible with existing or potential uses of adjoining or nearby sites.

The proposed Mercedes-Benz dealership will be consistent with the surrounding uses. Professional offices are to the north and south of the project site. Medical offices are located across Bayshore to the west of the dealership. The local Audi and Honda dealership are located to the east of the proposed site. This proposed automobile dealership will further extend the automobile dealerships to the East, continuing and further consolidating the automobile dealership uses in the area, providing an efficient area for the surrounding community to shop for automobiles.

b. To ensure the desirability of investment, or the conduct of business, research, or educational activities or other authorized occupations, in the same or adjacent areas.

The proposed Mercedes-Benz dealership will further the desirability of investment by replacing a dilapidated restaurant building with a new modern automobile dealership building. This will provide further consistency with the surrounding uses as it will continue the row of automobile dealerships to the east of the site. By developing a new high end dealership for the area, Swickard Auto Group hopes to further stimulate the area for future investment and redevelopment.

c. To ensure that sound principles of environmental design and ecological balance shall be observed.

The proposed Mercedes-Benz dealership utilizes sound principles of environmental design and ecological balance by designing a building that is harmonious to the natural environment and surrounding area. The proposed automobile dealership maintains a low profile and clean lines so
as not to impose the surrounding building and area. The proposed building also uses natural earth tone colors and natural materials. In addition, the proposed building has a full height landscaped wall feature that wraps around the Southwest corner of the building and full height window panels to let natural light in to further promote sound principles of environmental design and ecological balance.

d. To ensure that the use will be in accord with the Palo Alto Comprehensive Plan.

The proposed Mercedes-Benz automobile dealership use is consistent with the Palo Alto Comprehensive Plan. The proposed development continues the automobile dealership uses to the East of the site and is consistent with the uses described in the Service Commercial land use designation. The project is on land that already has development and is consistent with the surrounding development pattern, including larger buildings and larger street setbacks.

Sincerely,

Eric Iversen
Director of Real Estate and Facilities
Swickard Auto Group
541.301.2748
Zoning Designation

The site is zoned CS(D)(AD) Service Commercial zone with Site and Design Review and Automobile Dealership Combining Districts. The CS Service Commercial district is intended to create and maintain areas accommodating citywide and regional services that may be inappropriate in neighborhood or pedestrian-oriented shopping areas, and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The Site and Design Review (D) combining district described in PAMC 18.30(G) is intended to provide a process for review and approval of development in environmentally and ecologically sensitive areas, including established community areas which may be sensitive to negative aesthetic factors, excessive noise, increased traffic or other disruptions, in order to assure that use and development will be harmonious with other uses in the general vicinity, will be compatible with environmental and ecological objectives, and will be in accord with the Palo Alto Comprehensive Plan. The project is subject to Site and Design Review because of its location within the Baylands.

The Automobile Dealership (AD) combining district described in PAMC 18.30(F) is intended to modify the regulations of the service commercial (CS) and general manufacturing (GM or GM[B]) districts to create and maintain areas accommodating automobile dealerships primarily engaged in new and used automobile sales and service on a citywide and regional basis. Such uses generally require special parking, access, and outdoor display provisions for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles. The combining district allows for an additional 0.20 Floor Area Ratio (FAR) for showroom space.
Comprehensive Plan Consistency

The Comprehensive Plan includes Goals, Policies, and Programs that guide the physical form of the City. The Comprehensive Plan provides the basis for the City’s development regulations and is used by City staff to regulate building and development and make recommendations on projects. Further, ARB Finding #1 requires that the design be consistent and compatible with applicable elements of the Palo Alto Comprehensive Plan.

The Comprehensive Plan land use designation for the project site is Service Commercial. This includes facilities that provide citywide and regional services and relying on customers arriving by car. These uses do not necessarily benefit from being in high volume pedestrian areas such as shopping centers or Downtown. Typical uses include auto services and dealerships, motels, lumberyards, appliance stores and restaurants, including fast service types. In almost all cases, these uses require good automobile and service access so that customers can safely load and unload without impeding traffic. In some locations, residential and mixed-use projects may be appropriate in this land use category. Examples of Service Commercial areas include San Antonio Road, El Camino Real and Embarcadero Road northeast of the Bayshore Freeway. Nonresidential FARs will range up to 0.4:1. Consistent with the Comprehensive Plan’s encouragement of housing near transit centers, higher density multi-family housing may be allowed in specific locations.
Attachment I

Project Plans

In order to reduce paper consumption, a limited number of hard copy project plans are provided to Board members for their review. The same plans are available to the public, at all hours of the day, via the following online resources.

Directions to review Project plans online:

1. Go to: bit.ly/PApendingprojects
2. Scroll down to find “1700 Embarcadero Road” and click the address link
3. On this project specific webpage you will find a link to the project plans and other important information

Direct Link to Project Webpage:

https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1700-Embarcadero-21PLN-00191

Materials Boards:

Color and material boards will be available to view in the display case outside of City Hall, on the exterior elevator near the corner of Hamilton Ave. and Bryant St. For closer examination, this same board will be brought to Chambers during the ARB hearing.