



City Council Staff Report

From: City Manager

Report Type: **ACTION ITEMS**

Lead Department: Planning and Development Services

Meeting Date: **September 5, 2023**

Report #:2306-1663

TITLE

Quasi-Judicial/Legislative. 3200 Park Boulevard/340 Portage [22PLN-00287 and 22PLN-00288]: Adoption of a Resolution Certifying an EIR, Adopting Findings of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program; Approval of Applicant's Request for a Development Agreement, Comprehensive Plan Amendment, Rezoning to Planned Community Zones, and a Vesting Tentative Map with Exceptions to the Private Street Width to Allow Redevelopment of a 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street and 278 Lambert. Environmental Assessment: A Draft EIR for the 200 Portage Townhome Development Project was Circulated September 16, 2022 through November 15, 2022. A Revised Final EIR was Made Available for Public Review on June 2, 2023. The Proposed Development Agreement and Associated Actions is Evaluated as Alternative 3 in the Draft EIR. For More Information Contact the Project Planner, Claire Raybould at Claire.Raybould@Cityofpaloalto.org.

RECOMMENDATION

Staff recommends that Council take the following action(s):

1. Adopt the Environmental Impact Report and the Resolution in Attachment B Making findings of overriding consideration and adopting the Mitigation Monitoring and Reporting Plan in Attachment G.
2. Adopt the Ordinance in Attachment C approving the Development Agreement in Attachment D;
3. Adopt the Resolution in Attachment E amending the Comprehensive Plan and Comprehensive Plan Land Use Map;
4. Adopt the five Planned Community ordinances in Attachment F for each of the resulting parcels, amending the zone districts across the project site from RM-30, General Manufacturing, Commercial Services, and Single-family Residential; and

5. Adopt the Record of Land Use Action in Attachment G, including Architectural Review findings for approval of the Development Plan, findings for a Vesting Tentative Map with exceptions and Conditions of Approval of the proposed project.

EXECUTIVE SUMMARY

In Fall 2022, following negotiation with a City Council ad hoc committee, the Sobrato Organization, LLC (Sobrato) submitted a development application requesting a development agreement, rezoning, vesting tentative map, and architectural review. The project is the redevelopment of the 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street and 278 Lambert. The project site is within the boundary of the proposed North Ventura Coordinated Area Plan (NVCAP). The project includes:

- the partial demolition of a commercial building (formerly Bayside Cannery) deemed eligible for the California Register of Historical Resources and retrofit of the remaining portion of the building (340-404 Portage) to retain and restore key historic features
- the construction of (74) new townhome condominiums replacing approximately 84,000 square feet (sf) of the historic cannery building at 200-404 Portage Avenue
- the retention of existing research and development (R&D) uses in the remaining portion of the former cannery building
- the demolition of a building containing commercial recreation use at 3040 Park
- the construction of a two-level parking garage
- the dedication of approximately 3.25 acres of land to the City for future affordable housing and parkland uses
- the retention of office use in the existing building at 3201-3225 Ash Street
- the conversion of automotive use at 3250 Park Boulevard to R&D use
- a Comprehensive Plan amendment and subdivision map with exceptions.

Following Council endorsement of the key-terms of the Development Agreement in closed session on June 20 and June 21, 2022, the parties entered into a Tolling and Processing Agreement to allow the Development Plan, Development Agreement, and other associated ordinances and resolutions to go through a public review process to obtain and integrate feedback from stakeholders as well as recommendations from the Historic Resources Board, Architectural Review Board, and the Planning and Transportation Commission. The Development Program Statement (Project description) is included in Attachment O. The Development Plan (Project Plan) is included in Attachment P).

BACKGROUND

On January 8, 2021, Sobrato submitted a preliminary application under SB 330 for a housing project that would create 85 townhomes, replacing approximately 84,000 square feet (sf) of the historic cannery building at 200-404 Portage Avenue. In conjunction with this preliminary

application, Sobrato asserted that a variety of state housing laws, including the Housing Accountability Act and State Density Bonus Law, limited the City's discretion in reviewing the housing project.

On April 7, 2021, Sobrato submitted a formal application (File No. 21PLN-00108) to construct 91 townhomes on the site ("200 Portage Townhome Project" or "SB 330 Housing Project"). At approximately the same time, the City and Sobrato were engaged in a dispute regarding permitted commercial uses on the site. The June 14, 2021 and September 13, 2021 staff reports to Council¹ provide a history of zoning of the property and details of the code section that currently governs nonconforming uses at this property. On September 10, 2021, Sobrato submitted a letter² asserting that the City's proposed interpretation regarding the permitted commercial uses on the site would subject the City to significant litigation risk.

To facilitate resolution of the dispute, and in light of the pending housing application, on October 25, 2021 City Council established an ad hoc committee (committee) consisting of then Vice Mayor Kou and former Councilmember DuBois to negotiate with Sobrato on potential terms to guide future development at Sobrato's 14.65-acre property located at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street & 278 Lambert Avenue.³

In a closed session on June 20 and 21, 2022 the City Council voted 7-0 to direct staff to prepare a tolling agreement that would suspend the processing of the pending SB 330 housing application. The suspension was to allow Sobrato to pursue a development agreement, based on general terms negotiated with the committee, for the redevelopment of the 14.65-acre property. The City and Sobrato executed a tolling agreement in July 2022.⁴

Council Prescreening

Council held a study session on August 1, 2022 to allow for public comment as well as Council input on the general terms that resulted from the negotiation.⁵ The study session served as the

¹ September 13, 2021, Council report ID#13411: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/09-september/20210913/20210913pccsm-amended-linked-final-council-qa.pdf>; June 14, 2021, Council report ID#12271:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmr/yr-archive/2021/id-12271.pdf>

² September 10, 2021 letter from Tamsen Plume to Jonathan Lait:

<https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/new-development-projects/200-portage/letter-to-september-13-2022-city-council.pdf>

³ Summary Minutes of the October 25, 2021 Council hearing:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/10-october/20211025/20211025amccs.pdf>

⁴ The tolling agreement was amended in March 2023 to extend the timeline for processing the application through September 2023. The current tolling agreement is available on the 200 Portage project webpage at:

<https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Current-Planning/Projects/200-Portage-Ave>.

⁵ August 1, 2022, Council report ID #14548: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutesreports/agendas-minutes/city-council-agendas-minutes/2022/20220801/20220801pccsmlinked.pdf>

prescreening meeting required for a proposed Development Agreement and legislative changes, including Planned Community rezoning, in accordance with PAMC Chapter 18.79. Following the study session, Sobrato filed project plans associated with the Development Agreement project under the address, 3200 Park Boulevard (File No. 22PLN-00287).

Draft EIR Comment Period and Planning and Transportation Commission Initial Review

On September 16, 2022, the City released the Draft EIR for the 200 Portage Townhome Project. The Draft EIR evaluated alternatives in accordance with the requirements of the California Environmental Quality Act. Alternative 3 in the Draft EIR evaluates the proposed Development Agreement project. On October 12, 2022, and continued to October 26, 2022, the PTC held study sessions to allow for public comments at public meetings during the Draft EIR comment period. The Draft EIR comment period was extended to a 60-day comment period, which ended on November 15, 2022.

On November 30, 2022, the PTC held a hearing to recommend that the applicant submit the proposed plans to the ARB for review in accordance with the Planned Community rezoning process. The PTC provided comments on the draft project plans (Development Plan), Development Agreement (including the Development Schedule), Comprehensive Plan Amendment, TDM plan, and proposed intent for rezoning of the resulting parcels. The November 30, 2022 report to the PTC summarizes key comments from the planning commission at early hearings and provides additional information in response to those comments. Formal responses to any comments related to the environmental analysis during the public comment period are included in the Revised Final EIR. This included comments from members of the public as well as commissioners at the October 12, and October 26, 2022 hearings.

Historic Resources Board

The Historic Resources Board (HRB) held a study session on January 12, 2023 to provide initial comments on the proposed project. Staff returned to the HRB on May 25, 2023 for a formal recommendation. The staff report for the May 25, 2023 hearing summarizes the HRB's initial comments and provides responses to those comments. The HRB made the following unanimous (7-0) formal recommendation on the Development Agreement project at its May 25, 2023 hearing:

The HRB advises Council to require:

- (1) HABS-like documentation, augmented by the best current technology available, for the entire Cannery structure and to establish an appropriate repository for the information
- (2) That a post-construction analysis to be conducted of the remaining structure in order to evaluate it for inclusion and nomination of the monitor roof building section to the national register (evaluate for local listing, California landmark status, and historical point of interest status)

(3) That the applicant looks at additions to and separations from the monitor roof section of the building in order to enable eligibility for the national register of historical places.

A condition of approval has been incorporated into the Record of Land Use Action to require evaluation of the building following construction and to nominate the structure any of the four categories to which it is eligible (national register, local register, California landmark status, and historical point of interest status). However, exploring additional separations of the monitor roof to other portions of the structure would require further demolition of the structure; therefore, further separations are not proposed or required to be explored further. The HRB's recommendations for the Historic America Building Survey (HABS) documentation has also been incorporated as a condition of approval.

Architectural Review Board

Staff held two study sessions with the ARB (December 15, 2022 and January 19, 2023) as well as two formal hearings on April 6 and June 15, 2023. Comments from the two study sessions were summarized in the April 6, 2023 staff report along with a summary of responses to those comments. The staff report from the June 15, 2023 hearing summarizes the ARB's April 6, 2023 comments and provides responses to those comments. The ARB made the following formal recommendation (4-0; Thompson absent) on the Development Agreement project at its June 15, 2023 hearing:

The ARB recommends Council approve the project with the condition that the applicant revise the plans to make the following changes to the townhome portion of the project and return to an ARB ad hoc committee:

1. The paseo shall be a minimum of 28 feet wide; the drive aisles may be a minimum of 29 feet at the ground level
2. The end unit of Building #1 (closest to Olive Avenue) be redesigned to eliminate the angled roof form that is incompatible with the rest of the building.

These recommendations have been incorporated into the Record of Land Use Action and is reflected in the vesting tentative map.

In addition to this formal recommendation, the ARB made the following "findings" for Council's consideration.

The ARB finds that:

1. With respect to historic reuse of the cannery building:
 - a. The use of 340 Portage is historically significant and should be preserved so that the public can experience the interior of the building

b. All of the area underneath at least one of the monitor roof portions of the building should be publicly accessible and useable space such that the entirety of the length of the monitor roof is visible

2. With respect to townhomes:

a. A portion of the site currently designated for townhomes should be higher density residential housing

The ARB's "findings" have not been incorporated into the project for several reasons. These include:

- Providing the entire length under one monitor roof not only reduces the office use that was a key benefit to the developer in the negotiated agreement, but is also impractical in that providing a divider between the two monitor roofs breaks up the space in a manner that is inconsistent with the secretary of the interior's standards.
- The Development Agreement already involves two housing types, the 91 townhome units and a higher density design for the future affordable housing component. As designed, the project provides a transition from single family detached (on Olive), to single family attached (townhomes), and then to higher density as it moves further from the single-family residential areas.
- While a different design that provides more units in-lieu of townhomes may increase the City's unit count for RHNA, the addition of more units would also increase impacts on the neighborhood due to increased density. This would require further CEQA evaluation and other impacts evaluated under the code such as GHG, traffic, parking needs, etc.
- Sobrato has asserted that townhomes are the most marketable, and most likely to be built; while other housing typologies are very sensitive to economic conditions.

Planning and Transportation Commission

The Staff report for the November 30, 2022 and July 12, 2023 hearings/study sessions and summarize the PTC's key comments on the project from previous meetings and provides responses to those comments. At the PTC hearing on July 26, 2023 (continued from July 12, 2023) the PTC made the following two formal recommendations:

Motion #1 (Passed 6-0-1; Lu absent):

Having considered the Environmental Impact Report (EIR) and EIR Mitigation Measures in Attachment G, the PTC recommends the following:

- Instead of Service Commercial Land Use, use Mixed-Use land use as specified on pg. 33 of Comp Plan but modify language of description of Mixed Use such that the text that reads "FAR up to 0.15 & 1.15 may be used for residential purposes" be changed to "up to 100% of FAR may be used for residential purpose in a Planned Community zone" and

the rest of text remains the same. Additionally, strike the second to last sentence that refers to SOFA (“As of the adoption of this Comprehensive Plan, the Mixed-Use designation is currently only applied in the South of Forest Avenue (SOFA) area.”)

And recommend that staff further modify language as appropriate, to ensure consistency of the project described in the Development Agreement with the Comprehensive Plan.

Motion #2 (Passed 5-1-1; Summa dissenting, Lu absent):⁶

Having considered the Environmental Impact Report (EIR) and EIR Mitigation Measures in Attachment M, the PTC recommends that Council approve:

- The Development Agreement in Attachment B;
- The Resolution amending the Comprehensive Plan and Comprehensive Plan Land Use Map in Attachment C;
- The Ordinances amending the zone districts from RM-30, General Manufacturing, Commercial Services, and Single-family Residential to Planned Community Zone Districts in Attachment D; and
- The Record of Land Use Action in Attachment E, including the findings for Architectural Review and for a Vesting Tentative Map with exceptions and Conditions of Approval of the proposed project

Modified as required by the motion that just passed (motion #1), and to allow minor changes by staff to correct errors, fill in the blanks, etc.

Chair Summa spoke to her dissent to motion #2 and explained that there were still questions unresolved in her mind with respect to the project, referencing comments previously made throughout the hearing, as well as uncertainty about how the City had gotten to this point.

The project has been revised to reflect the changes requested by the PTC.

Other Commissions and Committees

The City’s Public Arts Commission and Palo Alto Bicycle Advisory Committee also held hearings/meetings to provide input on the proposed project. Their feedback is discussed further below in the analysis as it relates to public art and the new bicycle connection, respectively.

Neighborhood Setting and Character

The site is located within the Ventura neighborhood, within the area defined for the proposed North Ventura Coordinated Area Plan. The site abuts single-family residential uses to the northeast, Park Boulevard to the northwest, a paved at-grade parking lot to the southwest, and

⁶ Note that all references to attachments from the motion reference the relevant attachments from the Planning and Transportation Commission report published on July 12, 2023.

Portage Avenue/Ash Street to the southeast. On the west side, the project site encompasses both the east and west sides of Matadero Creek with a small connection out to Lambert.

PROJECT DESCRIPTION

The project consists of a Development Agreement between the Sobrato Organization and the City, rezoning of the resulting parcels to Planned Community Zone District, a Comprehensive Plan land use map and text amendment, and a vesting tentative map with exceptions. The project would allow for the redevelopment of 14.65 acres located at 200-404 Portage Avenue, 3040- 3250 Park Boulevard, 3201-3225 Ash Street & 278 Lambert Avenue, as shown in the Location Map in Attachment A. The project includes partial demolition (84,000 sf) of the former Bayside Canning Company building. The existing building is eligible for listing on the California Register of Historical Resources (CRHR). The project also includes:

- Development of 74 market-rate townhomes in place of the removed portion
- Retrofit and remodel of the remaining portions of the former cannery building, retaining the same approximate floor area of existing R&D uses in the building and, establishing a new retail tenant space with outdoor seating area
- Construction of a parking garage behind the cannery
- Merger and re-subdivision of the property into five parcels (remaining cannery, townhomes, Ash Building, Audi (3250 Park) Building, and Below Market Rate (BMR)/parkland dedication parcel)
- Dedication of a ~3.25-acre BMR/parkland dedication parcel (including relocation of an existing above-ground powerline)
- Retention of the existing office uses of the Ash Building (no building modifications)
- Conversion of the Audi Building from existing automotive uses to R&D use (no building modifications)
- A ten-year term during which the City may not modify the zoning or approved uses

Attachment A includes a location map and Attachment O includes the Development Program Statement. Attachment P includes links to the project plans (Development Plan) and the Final EIR. The draft Development Agreement is included in Attachment D.

ANALYSIS

Although the proposed development project is the result of negotiations between the City and Sobrato, the project has not been approved or entitled. The public process for this application has allowed for feedback from stakeholders, including staff, various boards, commissions, and committees, Council, other agencies, and the public as summarized in the background section of this staff report. This input resulted in modifications to various aspects of the proposed development. The project has remained consistent with the key terms negotiated for the development agreement and approved by Council in June 2022. Staff has analyzed the project

in accordance with applicable plans, goals, policies, regulations and adopted guidelines, as discussed further below.

Development Agreement

The ordinance in Attachment C adopts the Development Agreement in Attachment D. California Government Code Section 65864 et seq. authorizes the City and any person holding a legal or equitable interest in the subject real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application. The City's requirements and process for a development agreement are set forth in Resolution No. 7104.⁷ A development agreement must specify its duration, the permitted uses of the property, applicable development standards, and any public benefits, including reservation of land for public purposes. A development agreement generally "freezes" local regulations as they exist on the date that the agreement is executed.

Development agreements were created to provide developers with additional certainty that approval would not lapse or become subject to new regulations before a project could be built; for that reason, they are particularly suited for large development projects that may occur over several phases. Development agreements require PTC Review and Council approval, as well as the agreement of the developer. A development agreement is a legislative act that is approved by ordinance and is subject to referendum.

In its negotiations with Sobrato, the City focused on the key goals of the NVCAP and the expressed interests of the public and NVCAP working group to serve as the basis for the negotiations. These included:

- Open space adjacent to Matadero Creek
- Housing, particularly affordable housing
- Retention and historic rehabilitation of the cannery building
- Improved bicycle and pedestrian connections
- Transportation Demand Management Plan

Key public benefits of the agreement include the following:

- 2.25 acres of land adjacent Matadero Creek dedicated to the City for use as future public park
- Approximately 1-acre of land to be used for an affordable housing project (CEQA analysis assumed up to 75 units)
- 74 market-rate townhomes units
- Five million dollars (\$5,000,000) to the City for affordable housing or park-related uses
- A historic covenant requiring the remaining portion of the cannery building to be maintained in its rehabilitated/restored state.

⁷ A link to Resolution No. 7104 is available online at:

<https://www.cityofpaloalto.org/files/assets/public/cityclerk/resolutions/reso7104.pdf>

- Improved bicycle and pedestrian connections across the site, most notable, a connection between Park Boulevard and Portage Avenue for pedestrians and cyclists and an associated public access easement
- A transportation demand management plan for the commercial uses

In exchange for these benefits, the City would agree to approve the project elements described in this report and honor those approvals for a period of ten years (project approvals typically expire after two or three years). The City would also be precluded from applying most new regulations to the site for a period of ten years. Upon expiration of the Development Agreement term, the City may rezone the site or otherwise apply updated land use regulations.

Although the site would no longer be eligible for the CRHR, the project includes retention and restoration of key character defining features of the building (most notably the monitor roofs) and proposes additional project features that convey the history of the building to the public as discussed further below.

Project Phasing

The Development Agreement sets forth the construction of the project in the following general phases:

1. Construction of the parking garage (including necessary relocation of the existing powerline and reinforcement of the remaining cannery to withstand vibration).
2. Demolition of the portion of the cannery necessary to accommodate the townhomes.
3. Recordation of a final map creating five new parcels and offering to dedicate the BMR/Parkland parcel to the City.
4. Construction of the townhomes.

Exhibit C of the Development Agreement sets forth a detailed schedule of the parties' obligations and the remedies available in the event of a breach of the agreement. In short, until Sobrato offers the BMR/Parkland Parcel to the City, the City has powerful remedies: it may seek an order that Sobrato perform its obligations, it may terminate the Development Agreement and, it may withhold occupancy permits for any new R&D leases on the site; in addition, any R&D lease of the 3250 Park Boulevard site would be required to terminate. After the BMR/Parkland parcel is dedicated to the City, the vast majority of parties' obligations under the Agreement will have been fulfilled, and the City's remedies for breach are more limited. The remaining obligations would be construction of the townhomes and the public benefit fee, which is payable upon completion of each townhome. In the event there is a delay in construction of the townhomes, however, the \$5 million public benefit fee, as adjusted for inflation, will still be payable in full.

Historic Maintenance Covenant

Because a large portion of the cannery structure would be demolished to accommodate the new townhomes, the project would not be consistent with the Secretary of the Interior's

Standards for Rehabilitation and would result in the loss of the historic integrity of this California Register Eligible Resource. Despite this, the proposed project seeks to preserve and honor the history of the property and convey that history to the public through various means.

In particular, the most prominent and distinctive character defining features, most notably the monitor roofs, would be preserved and enhanced. Revisions to the proposal were made through the public process to minimize design changes that would be inconsistent with the historic character and preserve components of character defining features such as the grade separation of the loading docks on the north side of the building. An analysis of the project's consistency with the SOI standards as proposed is included in Attachment M; an Historic Maintenance Covenant required per the terms of the Development Agreement includes a provision to maintain the remainder of the cannery building consistent with the Development Plan/Architectural Plans set forth in Attachment P.

The Council ad hoc was also interested in preserving public access for views of the monitor roof. In order to accommodate this while still providing some privacy for future tenants, the project includes skylights across the ceiling of the retail space as well as large windows along the outer walls of the monitor roof structure. To ensure that the interior space is maintained reasonably open to the public, the development agreement calls for the covenant to ensure that there a minimum number of hours it must be available to the public. This was negotiated in detail to ensure flexibility for different retailers that may occupy the space with respect to the hours that they are open, while still providing some assurance that the space would provide meaningful access to the public. Provisions were also included to create other opportunities for the space in the event that the retail is not occupied, despite the property owner's reasonable efforts. The provisions provide opportunities for the City to utilize this space for community uses. This use is responsive to expressed desires by some of the planning commissioners during early hearings as well as members of the public during the NVCAP process to provide a community meeting space.

The mitigation measures for the project, stipulated in the environmental review, include a requirement to provide an interpretive display relating to the historic use of the property as well as HABS documentation for the building. The interpretive display is anticipated to be provided in the public seating area outside of the retail space.

All of the above items, as detailed in the Development Agreement, would be required to be incorporated into a Historic Maintenance Covenant that is recorded for the site.

Additional measures to help convey the history of the site to the public include opportunities through public art (see discussion below under Public Art) as well as through the street naming. Per the conditions of approval in the RLUA, the street names are required to be reviewed and approved by the Palo Alto Historical Association. This is a standard practice but was also a request of members of the public during the prescreening hearing. Moreover, as the City

develops the dedicated park parcel, addition historical context or reflections can be considered in a future park design.

Consistency with the Comprehensive Plan, Area Plans, and Guidelines⁸

The Comprehensive Plan land use designation for the majority of the 14.65-acre site is Multifamily Residential. However, a small portion of the property located at 3040 Park Boulevard has a land use designation of Light Industrial, the small parcel that leads out to Lambert (278 Lambert) is designated Service Commercial, and a small sliver of land that abuts some of the Olive Avenue residents has a designation of single-family residential (APN 132-32-037). The resolution in Attachment E includes a visual of the existing land use designations on the project site and immediately surrounding the project area as well as a visual of the proposed designation.

The Development Agreement includes retention of the existing research and development use at 340-404 Portage and office use at 3201-3225 Ash Street. It also includes conversion of the existing legal nonconforming automotive service use at 3250 Park Boulevard to a research and development use. These non-residential land uses are not consistent with the existing multi-family residential land use designation. Therefore, the project includes a Comprehensive Plan Land Use Map Amendment to:

- Re-designate the commercial portions of the property (Cannery Parcel, Ash Street Parcel, and Audi/3250 Park Parcel) from Multi-family Residential and Single-family Residential to Mixed Use;⁹
- Re-designate the proposed City dedication parcel from Multi-family Residential and Commercial Services to Mixed Use; and to
- Re-designate the proposed Townhome Parcel from Multi-family Residential and Light Industrial to Mixed Use.

The proposed commercial uses would align with the Mixed Use designation, particularly the floor area maximum of 1.15 FAR for commercial uses. Based on the new parcel boundaries, the cannery building would have a FAR of 0.54:1, the Ash building would have a FAR of 0.26:1.0, and the Audi building would have a FAR of 0.37:1. However, the proposed townhome development does not include a proposed 0.15 minimum commercial component on the remaining parcel even though commercial uses are part of the project as a whole. To accommodate the proposed development, the PTC identified the proposed Comprehensive Plan Text Amendments in addition to the re-designation (modifications shown in underline/strikeout):

⁸ The Palo Alto Comprehensive Plan is available online:

<http://www.cityofpaloalto.org/gov/topics/projects/landuse/compplan.asp>

⁹ Note that re-designation of the small area of single-family residential land use adjacent the proposed parking garage and re-designation of the Service Commercial land use for 278 Lambert are not technically required as no buildings exist or are planned for these areas. Similarly, housing near transit is an allowed use within the light industrial land use designation; therefore, re-designation of the small triangular parcel at 3040 Park to Mixed-use is not technically required either. However, the proposed re-designations would ensure that each resulting parcel has a single land use designation (versus having a split designation across single parcels).

“The Mixed Use designation is intended to promote pedestrian-oriented places that layer compatible land uses, public amenities and utilities together at various scales and intensities. The designation allows for multiple functions within the same building or adjacent to one another in the same general vicinity to foster a mix of uses that encourages people to live, work, play and shop in close proximity. Most typically, mixed-use developments have retail on the ground floor and residences above. This category includes Live/Work, Retail/Office, Residential/Retail and Residential/Office development. FARs will range up to 1.15, although development located along transit corridors or near multi-modal centers will range up to 2.0 FAR with up to 3.0 FAR possible where higher FAR would be an incentive to meet community goals such as providing affordable housing. The FAR above 1.15 must be used for residential purposes. FAR between 0.15 and 1.15 may be used for residential purposes. Up to 100% of FAR may be used for residential purposes in a Planned Community zone. ~~As of the adoption of this Comprehensive Plan, the Mixed Use designation is currently only applied in the South of Forest Avenue (SOFA) area.~~ Consistent with the Comprehensive Plan’s encouragement of housing near transit centers, higher density multi-family housing may be allowed in specific locations.

Contrary to the current text of the land use designation, the only other parcel within the City designated as Mixed Use is the Jewish Community Center on Fabian Way. Historically, the Mixed Use designation applied to the SOFA I and SOFA II area (1998-2010 Comprehensive Plan), but the current adopted Comprehensive Plan designated those areas with their own land use designations (SOFA I CAP and SOFA II CAP). In 2006 this Mixed Use designation was applied to the Jewish Community Center site (3921 Fabian Way) at the same time the parcel was rezoned for the existing mixed use development.¹⁰ The proposed modifications as part of the subject project would theoretically allow for commercial floor area to be replaced with residential floor area at the JCC too. However, such modifications to the JCC would require discretionary legislative actions to amend the Development Plan and the PC Ordinance, most notably the expressed public benefits of the project. Therefore, the proposed text amendments to the Mixed Use land use designation is not anticipated to affect the JCC site and does not affect any other parcels within the City.

The proposed Mixed Use designation aligns with the PTCs recommendations for this project. Staff initially proposed to modify portions of the site to Service Commercial land use designation (for parcels that would remain commercial) as well as Major Institution Special Facility (City dedication parcel) while maintaining the multi-family residential use for the townhome parcel. Commissioners expressed that the Mixed Use designation accommodated the proposed project while also better aligning with the expressed vision for the North Ventura area in the future. One commissioner noted that while staff’s recommendation seemed to align

¹⁰ Ordinance 4918 is available online at: <https://www.cityofpaloalto.org/files/assets/public/city-clerk/ordinances/ordinances-1909-to-present/ordinances-by-number/ord-4918.pdf>

with the current surrounding land use designations, because modifications are anticipated to surrounding areas as part of the North Ventura Coordinated Area plan process, it seemed more appropriate to select a use that aligned better with the City's future vision of the area as a whole, so long as it still accommodated the proposed project.

A draft of the Resolution for the proposed Comprehensive Plan Land Use Map Amendments is included in Attachment E. The PTC staff report from July 12, 2023 documents other Comprehensive Plan land use designations that were originally considered by staff.

North Ventura Coordinated Area Plan

The project site is located within the boundaries of the proposed North Ventura Coordinated Area Plan (NVCAP). The City began a public meeting process with a Working Group in 2018 for this proposed coordinated area plan. An analysis of the project's consistency with key goals articulated for the NVCAP process is included in Attachment H. The City Council ad hoc, in its negotiations with Sobrato, focused on the key goals of the NVCAP and the expressed interests of the public and NVCAP working group as discussed above under the Development Agreement section of this report.

Ultimately, the preferred Alternative for the NVCAP selected by Council includes the adaptive reuse of the cannery building for residential and retail uses, a park adjacent to Matadero Creek, and a row of multi-family housing buildings up to 35 feet in height adjacent to the park. Although the proposed project does not align with all aspects of the draft NVCAP plan, the project meets many of the NVCAP goals, as it:

- provides a park along Matadero Creek;
- accommodates a higher density affordable housing project adjacent to the park as well as market rate townhomes;
- preserves distinctive portions of the cannery building, highlighting its key features (primarily the monitor roof) and making an area below the monitor roofs as well as an adjacent outdoor area open to the public;
- provides a new separated two-way bicycle/ped connection with an associated public access easement to connect Park Boulevard with Portage Avenue/Ash Street;
- provides a more connected street grid; and
- includes a proposed TDM plan for the commercial uses at the site.

Parks, Trails, Natural Open Space & Recreation Master Plan (Parks Master Plan)

The Parks Master Plan provides the City with clear guidance regarding future renovations and capital improvement needs for parks, trails, open space, and recreation facilities and programs. Policy 1.B states, "...New parkland should be added to meet and maintain the standard of 4 acres/1,000 residents. Parkland should expand with population, be well distributed across the community, and be of sufficient size to meet the varied needs of neighborhoods and the broader community." The current parks-to-resident ratio is 174.7 acres-to-69,500 residents (2.5-acres per 1,000 residents). The proposed project adds 2.25 acres of parkland and is anticipated to result in 149 units (74 townhomes and 75 affordable housing units). Assuming an

average of 2.6 persons per household consistent with the City's adopted Housing Element, the project itself would result in 5.81-acres per 1,000 residents, far exceeding both the adopted standard and the current ratio. The total area also meets the 2-acre minimum goal set forth in the Parks Master Plan for the size of new park areas. The addition of new park areas that meet this minimum goal and improve the City's park-to-resident ratio are often difficult to identify, let alone to obtain.

Zoning Compliance¹¹

The proposed project includes merging and subdividing 11 parcels (including one grant deed) totaling 14.65 acres to create five resulting parcels, one of which would be dedicated to the City. The existing cannery building at 340 and 380 Portage, the office building at 3201-3225 Ash Street, the automotive services building at 3250 Park Boulevard, and a Comcast switch building located on the south side of Matadero Creek are all located on a single existing parcel totaling 12.37 acres. With the dedication of 3.25 acres of this parcel to the City and the location of the new parcel boundaries, these existing buildings become noncomplying with respect to various development standards, particularly those related to the size of the lot (e.g. floor area ratio) as well as parcel boundaries (e.g. setbacks). Additionally, existing aspects of these buildings are legal noncomplying in that they don't meet the RM-30 zone district requirements, nor do they align fully with other existing zone districts. For example, the cannery building exceeds the height requirements and does not meet required setbacks, the existing Audi and Ash Street buildings do not meet all required setbacks, and the existing parking for these buildings does not comply with the current standards for the existing uses. Existing uses of the site (Research and Development and Warehouse [Cannery parcel], Office [Ash parcel], and Automotive services [Audi/3250 Park Parcel]) are also legal nonconforming.

For Council to approve the proposed project, the project would require rezoning. Each of the resulting parcels is proposed to be rezoned as a Planned Community Zone District, creating the flexibility to ensure that the buildings (or portions thereof) that are proposed to remain, the proposed townhomes, and future actions planned for the city dedication parcel all align with the zoning. Staff's detailed review of existing and proposed improvements' consistency with applicable Zoning standards is shown in a summary table provided in Attachment I. The proposed ordinances for each of the resulting parcels is included in Attachment F.

Annual Office Limit

The project includes 11,760 sf of new R&D space, which would be converted from automotive services. Therefore, the proposed project would be subject to the annual office limit under PAMC Section 18.40.210. There were no office projects within the annual office limit area that were approved in FY 23. For FY 2024, the 123 Sherman Avenue Office/Retail project is anticipated to be approved by the Director of Planning around the same time as this report was published and includes a total of 35,371 sf of net new office. Therefore, a total of 64,629 sf of office development potential remains available. This includes the 50,000 sf allotted each year

¹¹ The Palo Alto Zoning Code is available online: http://www.amlegal.com/codes/client/palo-alto_ca

and 50,000 sf available from carryover from FY 2023. Therefore, the project would not exceed the threshold.

Parkland Dedication

The proposed project includes 74 units, which would require approximately 0.62 acres of parkland to be dedicated to the City. The Development Agreement proposes dedication of approximately 2.25 acres for the purposes of parkland.

380 Portage – Canopy Area

In the course of the City's review, it came to staff's attention that a portion of the rear canopy area at 380 Portage was enclosed several years ago by Fry's for storage use and continues to be used by the current tenant, Playground Global, in a similar manner. An additional area under the rear canopy adjacent to the entrance to 380 Portage includes seating areas. Because these areas are covered and used for storage and seating/tables for eating that are not open to the public, they could count toward gross floor area in accordance with the zoning code definition for floor area for non-residential uses. The total area for these uses is approximately 10,000 sf and were not initially accounted for in the figures provided for existing or proposed floor area (i.e. 142,774 square feet and 140,174 square feet of R&D uses in the cannery building, respectively). Although removing the canopy would resolve this, Council, the HRB, and the public have expressed an interest in retaining the existing building wherever feasible; moreover, removal would not be practical under the existing lease. To address this, the applicable PC ordinance includes language limiting the use of the canopy area and ensuring that it is not treated as "existing square footage" in the future. A portion of it will also be used for a loading area to bring the site into conformance with the loading zone requirements. Plants at the corner will be lowered to 3 feet to meet line-of-site requirements for vehicles.

Multi-Modal Access

The proposed project includes five points of vehicular ingress/egress to the site. The Townhome units would be accessed via two locations on Park Boulevard and one location off Portage Avenue/Ash Street. The City Parcel and the Office would be accessed from Park Boulevard and Portage Ave. The Cannery building can be accessed from Portage Avenue, Park Boulevard, and an existing ingress/egress easement through an adjacent parcel at 420 Acacia. The Audi building would continue to be accessed from Park Boulevard. Private streets would be provided between the Townhome units for circulation. The Development Agreement and associated plans include various ingress/egress easements between parcels, as identified on the Vesting Tentative Map (VTM), and will require inclusion of a publicly accessible ingress/egress easement between Portage Avenue and Park Boulevard along the alignment of street B in the plans (also shown on the VTM).

Pedestrian walking paths are provided throughout the site providing multiple connections from Park Boulevard, Portage/Ash, and Acacia across the resulting parcels. A multi-use path is proposed to connect Park Boulevard to Portage/Ash along the alignment of Private Street B. The path is partially located on three of the resulting parcels, including a portion of the City dedication parcel. A condition of approval in the Record of Land Use Action requires

recordation of a maintenance agreement stipulating that Sobrato is responsible for the maintenance of the multi-use path.

Portage Enhanced Bicycle Connection and Other Pedestrian Connections

The transportation impact analysis and the Draft EIR conclude that the Townhome project would be inconsistent with the Bicycle and Pedestrian Transportation Plan and Santa Clara County's Countywide Trail Plan, plans adopted to address the circulation system, including bicycle and pedestrian facilities because those plans identify an enhanced bikeway connecting Portage Avenue to Park Boulevard. Through the development agreement, Sobrato is required to mitigate this impact by providing an enhanced bicycle connection. An enhanced bicycle connection requires, at minimum, sharrows. The proposed development plan includes a shared two-way multi-use path that is 12 feet wide in most locations and 10 feet wide at a pinch point adjacent the existing Ash building. The City presented the project to the Palo Alto Bicycle Advisory Committee (PABAC) on November 1, 2022 and received early input on the design; no specific design was proposed at the time. Staff then returned with a proposed design based on PABAC's feedback and ongoing negotiations with Sobrato. The proposed concept included a two-way Class IV bicycle path. PABAC provided additional feedback to improve safety and the pedestrian connections. The City's Office of Transportation took that feedback and requested improvements to the design accordingly. Staff presented the revised multi-use path concept to PABAC on June 2, 2023. The Development Plan reflects the final design presented to PABAC. The Vesting Tentative Map shows the proposed public access easement that will be placed over the vehicular and multi-use path to allow for public access.

Future pedestrian improvements would also be explored following the dedication of proposed 3.25-acre parcel to the City in order to develop the parcel in a manner consistent with the proposed NVCAPs vision and the Development Agreement. The DA includes five million dollars to support future improvements on the parcel, which includes funds for affordable housing as well as park improvements.

Transportation Impact Analysis

The complete Transportation Impact Analysis (TIA) is included in Appendix H of the EIR. A link to the EIR is included in Attachment P of this report. The project and development agreement alternative do not result in a significant impact with respect to vehicle miles traveled (VMT). In addition, the project does not conflict with Council's adopted Local Transportation Analysis policy with respect to level of service (LOS).

Parking

The proposed townhome development would be fully parked based on the current City code, with two parking spaces per unit. There are also 37 surface-level parking spaces throughout the Townhome parcel.

The cannery and Ash office building would be under-parked by 177 spaces (403 spaces proposed where 592 would be required per Title 18), a 32% reduction across the two parcels in comparison to base zoning standards. This is slightly fewer spaces than proposed previously on

the cannery parcel. The slight decrease is due to changes that increased the setback from the R1 residential areas to address ARB comments as well as to provide a larger outdoor area adjacent the retail space to address staff comments. The existing parking ratio at the site is one space per 376 sf of floor area. The proposed parking ratio is one space per 366 sf of floor area. The proposed development agreement slightly improves the parking ratio on the site for the existing non-residential uses. The existing parking has historically met the parking demand on the site, even with the operation of the former, more parking intensive, retail use. A recorded off-site parking agreement would be required to document parking for the Ash Street building. The parking spaces would be provided on the resulting cannery parcel. The existing Audi building provides 31 spaces, where 37 are required for the existing Automotive Service use and the proposed R&D use.

Bicycle parking would be provided within garages for the townhome development. An additional eight (8) guest bicycle parking spaces are also provided on the new townhome parcel. New bicycle parking would be provided throughout the cannery parcel to accommodate the proposed retail and existing R&D uses to remain at the cannery building. The total long-term bicycle parking would meet the 46-space requirement. The project provides 20 short-term spaces where 12 are required, exceeding the short-term bicycle parking requirement.

TDM Plan

The applicant's proposed Transit Demand Management (TDM) Plan, which is provided in accordance with the terms of the Development Agreement, is provided in Attachment J. It proposes a 15 percent reduction of commercial trips for the existing R&D and office uses that are proposed to remain. TDM requirements are described in Palo Alto Municipal Code (PAMC) Chapter 18.52.050(d). Initial monitoring reports are due after the first two years of implementation and annually thereafter. Reports are reviewed by staff to ensure compliance with targets. The enforceability of TDM depends on establishing clear and readily verifiable performance measures and staff resources. Where the monitoring reports indicate that performance measures are not met, the Director in collaboration with the City's Chief Transportation Official may require program modifications and may impose administrative penalties if identified deficiencies are not addressed within six months if the reports show that the project is not meeting its trip reduction requirements.

Private Street Width

The proposed project plans do not provide a full 32-foot width for some of the private streets in accordance with PAMC Chapter 21.20.240(b)(4). Although the project provides a 32-foot clearance between the building faces on the ground floor, which is consistent with the Code, the upper levels provide approximately a 26-foot clearance. This inconsistency with the Code at the upper levels requires consideration of Conditional Exceptions for the Tentative Map. The provided plans reflect this originally proposed design. The Architectural Review Board has made a recommendation to Council to consider reducing the interior private streets serving the townhome garages by a total of 3 feet on each street to provide a 29-foot clearance on the ground level and 23-foot clearance on the upper levels. The purpose of this change would be to create a wider north/south central paseo while still retaining the viability of the units and

without reducing the number of units provided. For fire safety and trash pickup, 20-feet and 22 feet is required, respectively on private streets D, E, F, and G. A 22-foot backout width for perpendicular parking spaces is also the standard transportation requirement. Consistent with the ARB recommendation, the applicant is amenable to revising the plans to include a minimum 29-foot width on the ground level and 23-foot width on the upper levels for streets D, E, F, and G. On streets A, B and C 26-foot clearance is required for fire access. No exception is requested to the 32-foot width for those streets.

With respect to other jurisdictions: several other cities require anywhere from 24 to 26 feet between building faces on upper levels (San Jose is an outlier requiring only 21 feet, as is Palo Alto requiring 32 feet). On the ground level, most cities in the region require around 28 to 30 feet. Attachment L includes a summary of various jurisdictions in the area and their requirements for private streets/equivalent drive aisles for townhomes. To address the ARB direction for wider paseos, Sobrato presented three options to the City (Attachment K), all of which would require a map with exceptions. The widest paseo option (narrowest street width) proposed by Sobrato would provide 23 feet on upper levels of the private streets and 29 feet at the ground levels of the private streets and meets the ARB's recommendation of adding 6 feet to the central paseo area. This is the current proposal reflected in the Vesting Tentative Map that was recommended by the PTC. A condition of approval is included in the RLUA to require that the revised design for the wider central paseo, if approved by Council, is required to return to the ARB ad hoc committee.

An option providing 25 feet on upper levels and 30 feet on the ground level in order to add four feet to the pedestrian paseo, as well as the originally proposed option of 32 feet at ground level and 26 feet at upper levels, may also be considered. Staff believes that the findings could be made for any of the three options and generally would encourage options that reduce hardscape on a site (i.e. narrower streets) where such changes would not negatively affect the functionality, safety, or aesthetics. Therefore, the minimum 23-foot clearance on the ground level would be sufficient for the safe and functional operation of circulation and services for these townhomes. The Record of Land Use Action in Attachment E reflects the findings for the Vesting Tentative Map and the Exception based on the narrowest street width consistent with the ARB and PTC's recommendations.

FISCAL/RESOURCE IMPACT

The DA includes a public benefit of 3.25 acres of land and payment of \$5 million from Sobrato to the City for affordable housing and park improvement purposes. In addition, the switch building on the City dedication parcel generates rent from the occupant, Comcast, and would continue to generate revenue for the City for as long as the City and the lessee wished to maintain the lease (approximately \$90,000 annually). The project also includes development impact fees totaling approximately \$883,115 for the proposed project (not including the public art impact fee).

Financial Considerations

Several commissioners and members of the public requested more information about the financial tradeoffs of the proposed Development Agreement to better understand how the project may benefit the City and Developer. The City engaged Keyser Marsten Associates (“KMA”) to assist the ad hoc committee in financial analysis during the negotiations with Sobrato. KMA prepared pro forma analyses that compared projections for construction costs with post-construction sales prices and operating income to calculate project valuations for various configurations of the property.

These analyses concluded that the proposed Development Agreement would result in an economic benefit to the developer of approximately \$25 million over a hypothetical “code compliant” use of the site under the code interpretation staff presented to the City Council in 2021.

The analysis estimates that the monetary value of public benefits provided to the City under the Development Agreement is at least \$27 million. This is based on 2.63 acres of land (of a total 3.25 acres [less the 0.62 required under the municipal code for parkland dedication for the townhomes]), valued at \$12 million per acre and a \$5 million public benefits fee, less the value of the on-site BMR units that would otherwise be required. This \$27 million figure also excludes the amount of the typical development impact fees, which will also be paid for the townhomes, and the value of public art provided on-site. Finally, it does not account for potential income to the City from assumption of the switch building lease on the dedication parcel. Taking these other requirements into account, the public benefit increases to at least \$37 million.

These financial analyses do not account for any intrinsic value to the City of additional housing in the form of the townhomes or the opportunity for affordable housing on the dedicated land. Moreover, these figures represent the City’s independent analysis, and rely on assumptions for cost of construction, commercial rent, and residential sales prices that may not hold in the current economic environment or that may differ from the assumptions of the Sobrato organization.

Future Improvements

There would be significant additional costs to the City for the capital improvements required to design and construct a new park on the city dedication parcel. There is no estimate for this work as it would depend on the City’s ultimate design interest, including whether it includes naturalization of a portion of the Matadero Creek. The City is currently working with its consultant, WRA, to prepare an additional conceptual design, at Council’s request, and to estimate the cost of that design. Some regional or governmental funding opportunities may exist to supplement the City’s costs. This effort is not currently listed on the City’s long-range capital improvement plan.

It is also anticipated there will be City costs associated with development of the affordable housing project. While having the land would be a huge benefit to realizing a future project and

entering into a partnership with a non-profit affordable home builder, additional gap funding support from the City will likely be needed.

STAKEHOLDER ENGAGEMENT

The Palo Alto Municipal Code requires notice of this public hearing to 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 August 11, 2023, which is 10 days in advance of the meeting. Postcard mailing occurred on August 8, 2023 which is 13 days in advance of the meeting. Staff has also provided noticing of public hearings on this project, especially for hearings requesting a formal recommendation, to all those on the NVCAP noticing list.

The background section summarizes previous hearings and study sessions with the Council, Planning and Transportation Commission, Architectural Review Board, Historic Resources Board, Palo Alto Bicycle Advisory Committee, and Public Arts Commission. In total, there have been two closed sessions with Council and 17 total study sessions, meetings, and public hearings on the project with these various boards, commissions, and committees.

In addition to formal comments received in writing and orally during the Environmental Impact Report public comment period, there have been comments received by members of the public throughout the public process. All written comments from the public received throughout the process, except for those received during the EIR comment period, are included in Attachment N. For those comment received during the EIR comment period (including oral comments provided at the PTC hearings on October 12 and October 26, 2022), the comments and formal written responses to those comments are provided in the Revised Final EIR in Attachment P.

Throughout the process, staff has met with concerned residents whenever requested to talk through their comments. The Development Agreement and plans have been updated throughout the process to reflect input from boards, commissions, committees and the public. Comments from members of the public have generally focused on encouraging exploration of additional alternatives that would adaptively reuse the cannery building in a manner that is consistent with the Secretary of the Interiors standards, preserving the integrity of the resource.

Two of the neighboring residents also called staff to express concern about how the site changes may affect flooding on their parcel. Staff and Sobrato's civil engineer met with the one of the residents to discuss his concerns. The other resident did not respond to requests to meet. Sobrato's civil engineer (Kier and Wright) visited the site to reverify drainage patterns on and adjacent the site and have modified the plans to ensure that the neighboring resident's concern about runoff from his site, which has historically drained toward the project site and into a drain on the Sobrato property, will continue to be drained into and captured through the stormwater treatment system on the site.

On August 24, 2023, the day prior to publication of this report, a resident submitted a request for consideration of local designation of the cannery building on the City's historic inventory. In accordance with the municipal code (Chapter 16.49), the City is required to process that request accordingly and will agendaize it for a recommendation from the Historic Resources Board at its August 14, 2023 hearing. However, due to the timing of the request, Council's deliberations on the Development Agreement are expected to precede that hearing. As recommended by the HRB and incorporated as a condition of approval of the RLUA in Attachment G, the remaining cannery building would be required to be evaluated for consideration of nomination to the City's local historic inventory, as well as for other potential nominations, post-construction.

All written comments received on the project to date are provided in attachment N with the exception of comments specifically provided on the Draft EIR, which are provided in Attachment P.

ENVIRONMENTAL REVIEW

The subject project has been 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. As part of the Notice of Preparation for the Draft EIR, the City received comments from one individual and three agencies, the Native American Heritage Commission, California Department of Transportation, and County Department of Parks and Recreation. The Notice of Preparation and Comments on the Notice of Preparation are included in Appendix A of the Draft EIR. The City, acting as the lead agency, circulated a Draft Environmental Impact Report (EIR) for the 200 Portage Avenue Townhome project on September 16, 2022. The 45-day comment period was extended to 60-days in response to public comment and ended on November 15, 2022. The Development Agreement and associated actions currently before Council is analyzed as Alternative 3 in the EIR. The City released a Final EIR on May 15, 2023. The Final EIR inadvertently omitted the comment letter submitted by Sobrato and responses to that comment letter. Therefore, the City released a Revised Final EIR on June 2, 2023.

Historic Review

The existing cannery building located at 200-404 Portage/3200 Park (commonly referred to as 340 Portage) as well as the office building at 3201-3225 Ash Street were deemed eligible for listing on the California Register of Historic Resources (CRHR) at the local level of significance under Criterion 1 (events) for its association with the history of the canning industry in Santa Clara County. The buildings were constructed as part of the former Bayside Cannery company, which was owned by a prominent Chinese immigrant and a groundbreaking figure in the canning industry, Thomas Foon Chew. Following the closure of the cannery, the site has been occupied by extensive retailers Maximart and Fry's Electronics as well as other Research and Development and warehouse uses. The 84,000 sf of retail space previously occupied by Fry's is currently vacant.

The completely Historic Resource Evaluation for this site is included in Appendix C of the Environmental Impact Report in Attachment P. The EIR concludes that the proposed project would have a significant and unavoidable impact on a historic resource because it includes the partial demolition of a building that has been identified as being eligible for the California Register of Historical Resources. Therefore, to approve the proposed project, Council would be required to adopt a Statement of Overriding Consideration for the proposed project as well as any of the proposed alternatives (including the Development Agreement).

There has been ongoing discussion regarding how much of the existing windows and corrugated metal could be salvaged and reused versus replaced in kind. Ultimately, a complete structural upgrade of the building from the interior would be required to bring the project into conformance with the code. The applicant proposes to provide framing on the exterior to support the corrugated metal walls while reconstructing the roof. The portion of the building located at 380 Portage, which is a reinforced, board-form concrete and is currently occupied by Playground Global would be retained as is.

Hazardous Materials

The City hired Northgate Environmental to complete its own independent Phase I report of the City dedication parcel. Ultimately, the Phase I report did not identify any new information with respect to hazards on the subject property.

At the City's request, Northgate also summarized its recommendations for additional Phase II testing the City may want to complete in order to better understand potential hazards for the proposed uses and/or those that would likely be requested by an oversight agency as part of its review and approval of any future development on the parcel. The City and Sobrato have conducted additional Phase II testing. Although a final Phase II sampling report summarizing the findings is not yet available, the raw data indicated increased levels of arsenic across the site and one sample on the 278 Lambert site indicated an increased level of lead in the soil (over the residential screening level). Arsenic is naturally occurring within soils throughout the bay area and the levels on the site further documentation that would be included in the Phase II reporting is anticipated to show that the levels are consistent with background conditions; therefore, remediation for arsenic is not anticipated to be necessary to safely accommodate future planned uses on this site. The Development Agreement provides a cost sharing structure to pay for soil removal/clean backfill on the 278 Lambert parcel at the time that the park is developed to address the lead exceedance at this location.

Appropriate measures for addressing contamination at the site associated with the California-Olive-Emerson plume are not be expected to include clean-up because the site is downgradient from the contamination source. A passive vapor intrusion mitigation system would likely be required for the safety of future residents on the affordable housing site. However, the exact recommendation and design, as determined in coordination with a qualified oversight agency (e.g. RWQCB or SCCDEH) would be dependent on the design of the building.

Alternatives

During the PTC hearing on July 26, two commissioners raised concerns regarding the adequacy of the Alternatives analysis in the Project's EIR (Chapter 6). They wanted to be assured that the EIR would survive a legal challenge, in particular, questioning whether the EIR needs to contain more discussion of Alternatives that study adaptive reuses of the Cannery building such as one story of housing, parking, or other commercial uses, rather than including any demolition. The City's CEQA consultant, Rincon Consultants, and the City's Attorney provided a response during the public hearing, explaining that the EIR contains a reasonable range of alternatives that either meet all or most of the Project objectives, but that in the course of studying potential alternatives including adaptive reuse, it was determined that any changes to the building to make it habitable and meet code standards, would not avoid a significant impact.

More specifically, the EIR identified Alternative 2, Adaptive Reuse, as the adaptive reuse option. It was selected because it complies with the requirements of CEQA to discuss and carry forward only alternatives that attain most of the project's basic objectives¹² and because it aligned with Council's expressed preferred Alternative identified for the Draft North Ventura Coordinated Area Plan. The EIR need not carry forward multiple variations of Alternative 2, especially when they do not offer significant environmental advantages in comparison to Alternative 2 and would not eliminate impacts altogether.

With regard to whether single-story adaptive reuse variations would significantly lessen historic resource impacts associated with Alternative 2, the City concluded that they would not, as detailed in the responses to comments. Any reuse of the structure for residential units, regardless of how many stories it contained, will require that all four walls of the building exterior be profoundly modified through the introduction of windows and door openings to accommodate conversion. The large open interior of the building would also have to be modified to provide access to light and air for all units, if residential, due to the building's 230-foot-wide floor plates.

In addition, adaptive reuse for residential purposes (regardless of whether in the existing footprint or with additional floors added) would require significant structural upgrades. A much larger number of kitchens and bathrooms would need to be added than for commercial use, meaning that plumbing and electrical systems must be entirely overhauled to supply them. Other major upgrades would be needed to improve ventilation and insulation, both for residential and other uses. Because of the significant nature of work that would be required, a significant and unavoidable historic resource impact would still result from adaptive reuse in the existing single-story footprint.

Given the similar level of historic impacts for these variations, and to maximize the potential for the adaptive reuse alternative to meet project objectives and City goals of densifying housing in

¹² While it is not required for an alternative to be able to attain all project objectives in must be able to attain most of them.

this area, the City evaluated three additional stories for Alternative 2. For all of the above reasons, the City did initially consider whether the EIR should analyze single- or double-story versions of the adaptive reuse Alternative 2, but these were ultimately not carried forward and are likewise not required to be studied in depth in a revised EIR.

One proposed alternative put forth in public comment would use the portion of the Cannery to be demolished as a parking garage while placing townhomes in the site currently proposed for a parking garage. This alternative was considered and rejected because it would drastically reduce the number of townhomes that could be constructed, and thus would not meet the basic project objectives. Specifically, the area designated for a future parking garage is long and narrow, such that only one row of townhomes could be accommodated while providing appropriate setbacks and circulation. In addition, in order to convert the existing structure into a parking garage, a ramp would need to be constructed, affecting at least one side of the exterior, portions of the wall would need to be removed to accommodate airflow requirements, load bearing walls and columns on the interior would need to be removed to efficiently accommodate access and parking, and the floor levels would need to be modified as they are not even across the entire building. Therefore, this alternative would not be expected to reduce the significant impact on a historic resource to a less than significant level.

ATTACHMENTS

Attachment A: Location Map

Attachment B: Resolution Making Findings of Overriding Consideration

Attachment C: Draft Ordinance Approving the Development Agreement

Attachment D: Draft Development Agreement

Attachment E: Draft Ordinance Amending the Comprehensive Plan and Comprehensive Plan Land Use Map

Attachment F: Draft Ordinances for Planned Community Rezonings

Attachment G: Draft Record of Land Use Action

Attachment H: NVCAP Goals Consistency Analysis

Attachment I: Zoning Consistency Analysis Table

Attachment J: TDM Plan

Attachment K: Paseo Exhibits

Attachment L: Comparison of Private Street Requirements by Jurisdiction

Attachment M: Secretary of the Interiors Standards Consistency Analysis

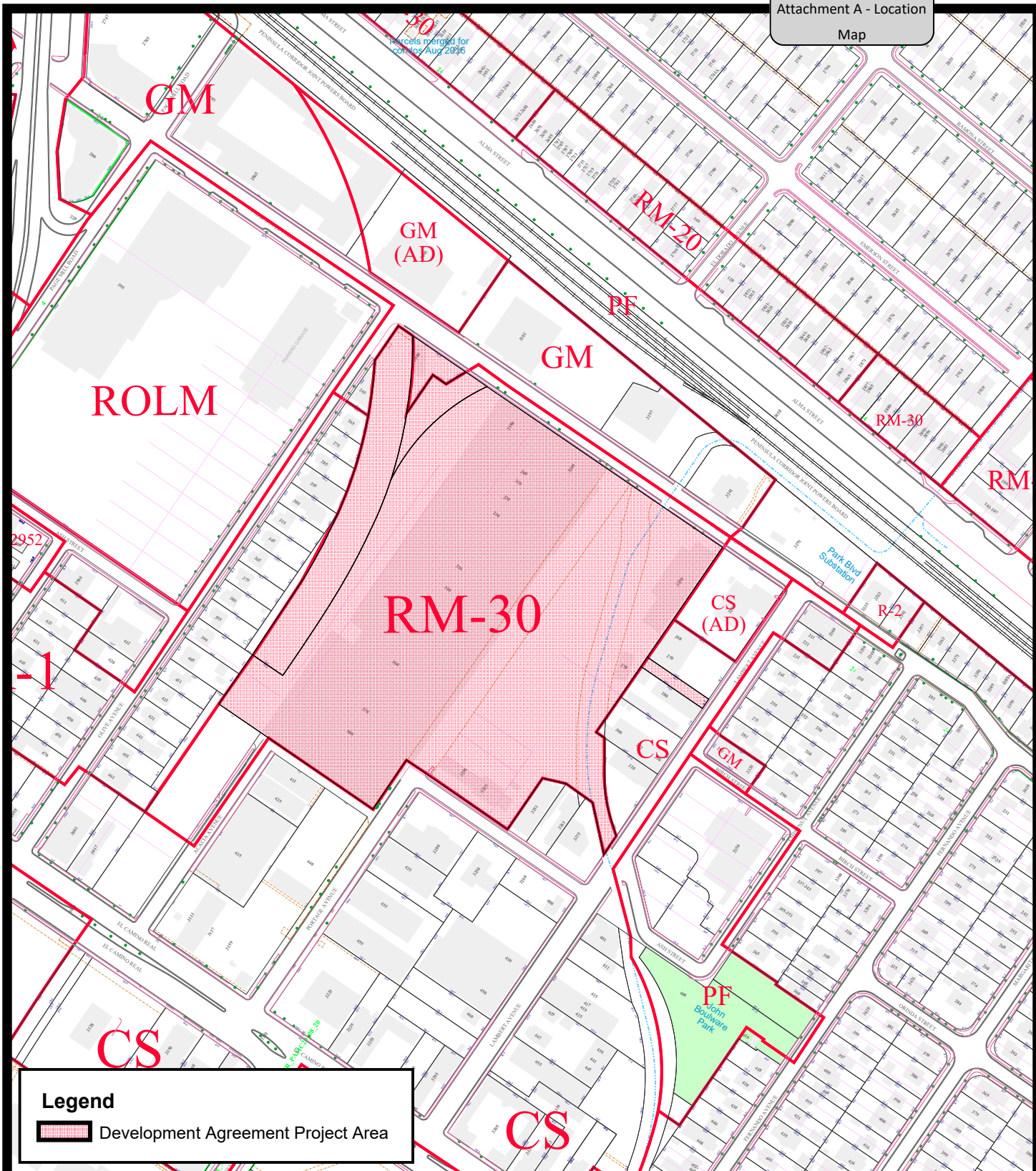
Attachment N: Written Comments on the Project (other than formal comments on the EIR)

Attachment O: Development Program Statement Attachment

Attachment P: Development Plan (Project Plans) and Environmental Analysis

APPROVED BY:

Jonathan Lait, Planning and Development Services Director

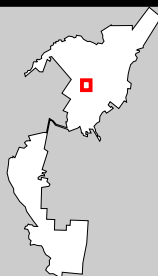


Legend

 Development Agreement Project Area



The City of
Palo Alto



Attachment A:
Development
Agreement Area
(14.65 acres)

This map is a product of the
City of Palo Alto GIS



0' 293'

Resolution No. ____

Resolution of the Council of the City of Palo Alto Certifying the Adequacy of the
Final Environmental Impact Report for the 200 Portage Townhome Project,
Adopting the Mitigation Monitoring and Reporting Program, and Making
Findings of Overriding Consideration, All Pursuant to the California
Environmental Quality Act

RECITALS

- A. On November 17, 2020, SI 45, LLC (“Applicant”) submitted a preliminary application pursuant to SB 330 to redevelop an approximately 4.65-acre site at 200 Portage Avenue with 85 townhomes.
- B. On April 8, 2021, Applicant submitted applications for Major Architectural Review and a Tentative Map to redevelop the 200 Portage Avenue site with 91 townhomes (the “200 Portage Project”).
- C. At the conclusion of a City Council ad hoc committee process and City Council hearing pre-screening on August 1, 2022, SI 45, LLC applied in the Fall of 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Development Agreement Project” or “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).
- D. Approval of the Development Agreement Project would constitute a project under the provisions of the California Environmental Quality Act of 1970, together with related state and local implementation guidelines promulgated thereunder (“CEQA”).
- E. The City is the Lead Agency pursuant to Public Resources Code section 21067 as it has the principal responsibility to approve and regulate the Development Agreement Project.
- F. The City, in compliance with CEQA, prepared an Environmental Impact Report (EIR) to provide an assessment of the potential environmental consequences of approving and constructing the 200 Portage Townhome Project. The potential environmental consequences of approving and constructing the Development Agreement Project were analyzed in the EIR as Project Alternative No. 3.
- G. The City circulated a Draft Environmental Impact Report (“Draft EIR”) for public review from September 16, 2022 through November 15, 2022, during which time the City’s Planning and Transportation Commission held two public hearings on October 12, 2022

and October 26, 2022 to receive comments on the Draft EIR.

- H. The City considered the comments received during the Draft EIR public review period and prepared a Final Environmental Impact Report (“Final EIR”). The Final Environmental Impact Report was published on May 15, 2023. A Revised Final EIR was subsequently released on June 2, 2023 which included a letter from the applicant and associated responses that were inadvertently omitted from the Final EIR. The Revised Final Environmental Impact Report is comprised of the Draft EIR, together with the Revised Final Responses to Comment published on June 2, 2023 (collectively, all of said documents are referred to herein as the “EIR”).
- I. The Council is the decision-making body for approval of the Development Agreement Project.
- J. CEQA requires that in connection with approval of a project for which an environmental impact report has been prepared that identifies one or more significant environmental effects of the project, the decision-making body of a public agency make certain findings regarding those effects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALO ALTO AS FOLLOWS:

SECTION 1. Certification and General Findings

The City Council, in the exercise of its independent judgment, makes and adopts the following findings to comply with the requirements of CEQA, including Sections 15091, 15092, and 15093 of the CEQA Guidelines, based upon the entire record of proceedings for the Project. All statements set forth in this Resolution constitute formal findings of the City Council, including the statements set forth in this paragraph and in the recitals above.

1. The City Council was presented with, and has independently reviewed and analyzed, the EIR and other information in the record, and has considered the information contained therein prior to acting upon and approving the Project. The City Council bases the findings stated below on such review.
2. The EIR provides an adequate basis for considering and acting upon the Project. The City Council has considered all of the evidence and arguments presented during consideration of the Project and the EIR. In determining whether the Project may have a significant impact on the environment, and in adopting the findings set forth herein, the City Council certifies that it has complied with Public Resources Code Sections 21081, 21081.5, and 21082.2.
3. The City Council agrees with the characterization of the EIR with respect to all impacts initially identified as “less than significant” and finds that those impacts have been

described accurately and are less than significant as so described in the EIR. The finding does not apply to impacts identified as significant or potentially significant that are reduced to a less than significant level by mitigation measures included in the EIR. The disposition of each of those impacts and the mitigation measures adopted to reduce them are addressed specifically in the findings below.

4. Mitigation measures associated with the potentially significant impacts of the Project will be implemented through the Mitigation Monitoring and Reporting Program (MMRP) described below, which is the responsibility of the City to enforce.
5. The EIR considers a reasonable range of potentially feasible alternatives, sufficient to foster informed decision making, public participation and a reasoned choice, in accordance with CEQA.
6. The Revised Final EIR contains responses to comments received on the Draft EIR. The Final EIR also contains corrections and clarifications to the text and analysis of the Draft EIR where warranted. Factual corrections and minor changes added to the Draft EIR have been made to merely clarify, amplify, and/or make insignificant modifications to the information provided in the Draft EIR. The City Council does hereby find that such changes and additional information are not significant new information under CEQA because such changes and additional information do not indicate that any of the following would result from approval and implementation of the Project: (i) any new significant environmental impact or substantially more severe environmental impact (not already disclosed and evaluated in the Draft EIR) would result from the project or from a new mitigation measure proposed to be implemented, (ii) any feasible mitigation measure considerably different from those analyzed in the Draft EIR that would lessen a significant environmental impact of the Project has been proposed and would not be implemented, (iii) any feasible alternative considerably different from those analyzed in the Draft EIR that would lessen a significant environmental impact of the Project has been proposed that would not be implemented, or (iv) the Draft EIR was fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded. The City Council does find and determine that recirculation of the Final EIR for further public review and comment is not warranted or required under the provisions of CEQA.
7. The City Council finds and certifies that the EIR has been prepared and completed in compliance with CEQA and reflects the City of Palo Alto's independent judgment and analysis.
8. The City Council makes findings in this resolution with respect to significant effects on the environment of the Project, as identified in the EIR, with the understanding that all of the information in this Resolution is intended as a summary of the full administrative record supporting the EIR, which full administrative record should be consulted for the full details supporting these findings.

SECTION 2. Significant Impacts Reduced to Less than Significant.

Pursuant to Public Resources Code Section 21081 and CEQA Guidelines Section 15091, the City Council hereby makes these findings with respect to the potential for significant environmental impacts from approval and implementation of the Project and the means for mitigating those impacts.

These findings do not attempt to describe the full analysis of each environmental impact contained in the EIR. Instead, the findings provide a summary description of each impact, describe the applicable mitigation measures identified in the EIR and adopted by the City, and state the findings on the significance of each impact after imposition of the adopted mitigation measures. A full explanation of these environmental findings and conclusions can be found in the EIR. These findings hereby incorporate by reference the discussion and analysis in the EIR that support the EIR's determinations regarding significant project impacts and mitigation measures designed to address those impacts. The facts supporting these findings are found in the record as a whole for the Project.

In making these findings, the City ratifies, adopts, and incorporates into these findings the analysis and explanation in the EIR, and ratifies, adopts, and incorporates into these findings the determinations and conclusions of the EIR relating to environmental impacts and mitigation measures, except to the extent that any such determinations and conclusions are specifically and expressly modified by these findings.

The EIR identified a number of significant and potentially significant environmental impacts that the Project will cause or to which the Project would contribute. The following significant effects can be fully addressed and reduced to less than significant through the adoption and implementation of standard project requirements incorporated as part of the Project and feasible mitigation measures. Those impacts, along with the standard project requirements and mitigation measures to reduce them to less than significant, are listed below as referenced in the EIR.

Biological Resources

Impact BIO-1: Potential Impacts on Nesting Birds. The project may result in impacts to protected nesting bird species.

a) Potential Impact. The impact identified above is described and discussed in Section 4.9.3 of the EIR.

b) Mitigation Measures. The following mitigation measure will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings:

MM BIO-1 Nesting Bird Surveys and Avoidance. Construction of the project, and other site disturbing activities that would involve vegetation or tree removal, shall be prohibited during the general avian nesting season (February 1 – August 31), if feasible. If nesting season avoidance is not feasible, the applicant shall retain a qualified biologist, as approved by the City of Palo Alto, to conduct a preconstruction nesting bird survey to determine the presence/absence, location, and activity status of any active nests on or adjacent to the project site. The extent of the survey buffer area surrounding the site shall be established by the qualified biologist to ensure that direct and indirect effects to nesting birds are avoided. To avoid the destruction of active nests and to protect the reproductive success of birds protected by the MBTA and CFGC, nesting bird surveys shall be performed not more than 14 days prior to scheduled vegetation clearance and structure demolition. In the event that active nests are discovered, a suitable buffer (typically a minimum buffer of 50 feet for passerines and a minimum buffer of 250 feet for raptors) shall be established around such active nests and no construction shall be allowed within the buffer areas until a qualified biologist has determined that the nest is no longer active (i.e., the nestlings have fledged and are no longer reliant on the nest). No ground disturbing activities shall occur within this buffer until the qualified biologist has confirmed that breeding/nesting is completed, and the young have fledged the nest. Nesting bird surveys are not required for construction activities occurring between August 31 and February 1.

c) Finding and Rationale. Changes or alterations have been required in, or incorporated into, the project, which avoid or substantially lessen the significant environmental effect identified in the EIR. The only wildlife that is anticipated to be present within the project area is wildlife associated with the built urban environment such as rodents, other small animals, and native and migratory birds. These small animals are not restricted by the type of developments in the project area. Tree removal activities have the potential to disturb resident and migratory birds resulting in a short-term reduction in potential nesting and foraging habitat as well as directly destroying active nests if present; however, it is anticipated that resident and migratory bird species would resume nesting and foraging behavior once the construction is complete, and would utilize existing nearby nesting and foraging habitat during construction. With implementation of MM BIO-1 to protect active nests, if present, the project would have a less than significant impact on these migratory birds and their movements in the area.

d) Remaining Impact. Mitigation Measure BIO-1 specified above would reduce all potential impacts to less than significant.

Hazards and Hazardous Materials

Impact HAZ-3. The project is located on a list of hazardous waste generating site pursuant to Government Code Section 65962.5 and, as a result could create a hazard to the public or the environment from construction activities could expose the public and environment to

contaminated groundwater and soils. This impact would be less than significant with the incorporation of mitigation.

a) Potential Impact. The impact identified above is described and discussed in Section 4.5.2 of the EIR for the 200 Portage Project and 6.3.2 as it relates to the Project.

b) Mitigation Measures. The following mitigation measures will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings.

MM HAZ-1 Regulatory Agency Notification and Approval. Prior to the issuance of deconstruction, demolition, grading, building, or other permits necessary for beginning of construction or development, the project applicant shall contact an appropriate oversight agency such as the Santa Clara County Department of Environmental Health (SCCDEH), Department of Toxic Substances Control (DTSC), or San Francisco Bay Regional Water Quality Control Board (SFBRWQCB), to discuss the proposed redevelopment project, the proposed residential land use, and the prior environmental investigations, and determine the lead agency for assessment and/or remediation at the project site. The project applicant shall provide the oversight agency with the proposed site use plans regarding the conversion of commercial land use to residential land use, copies of the 2020 and 2021 PES investigative reports, and discuss the onsite presence of groundwater impacted by VOCs at the project site as well as any concerns regarding potentially impacted soils or soil vapor.

The oversight agency may require the project applicant to conduct additional investigation/studies, including, but not limited to, soil investigation, soil vapor surveys, and/or groundwater investigations to delineate the extent of contaminated soil, soil vapor, and groundwater. The oversight agency may require approval of the final Site Management Plan (SMP) required by Mitigation Measure HAZ-2, below, prior to issuance of any required project permits. The project applicant shall comply with the oversight requirements, conduct further investigations as required, and submit the results to the oversight agency.

The oversight agency's (SCCDEH, SFBRWQCB, or DTSC) agency approval documents shall be delivered to and reviewed by the project applicant. The project applicant shall furnish copies of the documents, including the final Site Management Plan or equivalent document required by Mitigation Measure HAZ-2, to the City Planning Department prior to issuance of grading permits.

If groundwater wells or soil vapor monitoring probes are identified during demolition, subsurface demolition, or construction at the project site, they will be abandoned, protected in place, or relocated per Santa Clara Valley Water District specifications. Abandonment activities will be documented in a letter report submitted to Santa Clara Valley Water District within 60 days of the completion of abandonment activities.

MM HAZ-2 Site Management Plan for Impacted Soils, Soil Vapor and Groundwater.

The project applicant shall retain a qualified environmental consultant, California Professional Geologist (PG) or California Professional Engineer (PE), to prepare a Soil Management Plan (SMP) prior to construction. The SMP, or equivalent document, will be prepared to address onsite handling and management of impacted soils, soil vapor, groundwater, or other impacted wastes, and reduce hazards to construction workers and offsite receptors during construction. The plan shall establish remedial measures and/or soil management practices to ensure construction worker safety, the health of future workers and visitors, and the off-site migration of contaminants from the project site. These measures and practices may include, but are not limited to:

- Stockpile management, including stormwater pollution prevention and the installation of BMPs
- Soil sampling procedures for imported fill material (in accordance with DTSC's 2001 Information Advisory Clean Imported Fill Material)
- Proper disposal procedures for contaminated materials
- Monitoring, reporting, and regulatory oversight notifications
- A health and safety plan for contractors working at the project site that addresses the safety and health hazards of each phase of site construction activities with the requirements and procedures for employee protection
- The health and safety plan will also outline proper soil handling procedures and health and safety requirements to minimize worker and public exposure to hazardous materials during construction.

The City of Palo Alto and/or the oversight agency (SCCDEH, DTSC, or RWQCB) will review and approve the SMP for impacted soils, soil vapor, and groundwater prior to issuance of any permits necessary for the beginning of construction. The project applicant will review and implement the SMP prior to and during demolition and grading (construction).

c) Finding and Rationale. Changes or alterations have been required in, or incorporated into, the project, which avoid or substantially lessen the significant environmental effect identified in the EIR. Mitigation measures HAZ-1 and HAZ-2 would reduce the potential for construction workers and nearby residents to be exposed to contaminants. By contacting SCDEH closure prior to the issuance of any permits necessary for the beginning of construction or development, the implementation of Mitigation Measure HAZ-1 would ensure that the proper regulatory oversight is applied to project approval and proper cleanup activities occur throughout the development process.

Mitigation Measure HAZ-2 would ensure that planning for the procedures to be implemented throughout work with impacted soils, soil vapor, or groundwater is conducted prior to approval of permits to begin construction from City or other agencies. Adherence to an approved SMP developed under regulatory oversight would reduce potential impacts relating to disturbance and removal of potentially

contaminated soils and exposure to soil vapor or groundwater. Further, implementation of the SMP would reduce potential impacts with regard to fugitive dust and VOCs generated during ground disturbance that could pose a temporary risk to human health due to inhalation.

With implementation of these mitigation measures and adherence to existing regulatory requirements for development of the project site, impacts to the public and the environment from on-site contamination would be less than significant. Therefore, the impacts would be less than significant with mitigation incorporated.

d) Remaining Impact. Mitigation Measures HAZ-1 and HAZ-2 specified above would reduce all potential impacts to less than significant.

Noise and Vibrations

Impact N-2. Excessive Groundborne Vibrations. Construction activities associated with implementation of the Project would intermittently generate groundborne vibration within and adjacent to the project site. Institutional land uses with sensitive daytime activities could be exposed to vibration levels exceeding FTA guidelines. Additionally, vibration could exceed Caltrans standards for potential damage to historical buildings due to the proximity of construction equipment with vibration levels similar to a large dozer. This impact would be less than significant with mitigation incorporated.

a) Potential Impact. The impact identified above is described and discussed in Section 4.7.2 of the EIR for the 200 Portage Project and 6.3.2 as it relates to the Project.

b) Mitigation Measures. The following mitigation measures will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings.

MM N-1 Vibration Reduction. The applicant shall retrofit the remaining historical building at 200 Portage/340 Portage to withstand construction vibration up to 0.4 in/sec PPV or higher (the Caltrans threshold for buildings in good repair) prior to demolition or construction activities. The structure's ability to accommodate vibration at the specific level shall be verified by a qualified engineer

c) Finding and Rationale. Changes or alterations have been required in, or incorporated into, the project, which avoid or substantially lessen the significant environmental effect identified in the EIR. With implementation of MM N-1, the portion of the historic cannery building to remain would be retrofitted prior to demolition or other construction activities to withstand the vibrations from these adjacent activities. A qualified engineer shall verify that the retrofitted building will accommodate the anticipated vibrations from construction and demolition activities prior to commencing

with that work. Therefore, impacts would be less than significant with mitigation incorporated.

d) Remaining Impact. Mitigation Measure N-1 specified above would reduce all potential impacts to less than significant.

Transportation

Impact T-1. Conflict with Plan, Ordinance, Policy – Circulation. The proposed project would not conflict with applicable policies addressing transit, roadway, or pedestrian facilities. However, an enhanced bikeway is planned between El Camino Real and Park Boulevard along the alignment of Portage Avenue and traversing the project site in the City's Bicycle and Pedestrian Transportation Plan and Countywide Trails Plan. While the 200 Portage Project would conflict with these adopted plans addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities, the Development Agreement Project would not, because it incorporates an enhanced bikeway across the Project Site.

a) Potential Impact. The impact identified above is described and discussed in Section 4.8.2 of the Draft EIR as it relates to the 200 Portage Project and Section 6.3.2 as it relates to the Project.

b) Mitigation Measures. No mitigation is necessary because the Development Agreement Project does not conflict with a circulation plan, ordinance, or policy.

Archeological and Tribal Cultural Resources

Impact CUL-2: The project could cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines §15064.5.

a) Potential Impact. The impacts identified above are described and discussed in Section 4.2.2 of the EIR for the 200 Portage Project and 6.3.2 as it relates to the Project.

b) Mitigation Measures. The following mitigation measures will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings.

MM CR-3 Worker Environmental Awareness. Prior to commencement of any project-related construction activities, a qualified Archeologist shall provide a worker environmental awareness training to all site personnel. The training shall discuss the appearance of resources that may be encountered during construction as well as the procedures and notification process in the event of discovery.

MM CR-4 Unanticipated Discovery of Archeological Resources. In the event that archaeological resources are unearthed during project construction, all earth-disturbing

work near the find must be temporarily suspended or redirected until an archaeologist meeting the Secretary of the Interior's Professional Qualification Standards for archaeology (NPS 1983) has evaluated the nature and significance of the find. If the discovery proves to be significant under CEQA (Section 15064.5f; PRC 21082), additional work, such as preservation in place or archaeological data recovery, shall occur as recommended by the archeologist in coordination with City staff and if applicable, descendants and/or stakeholder groups. Once the resource has been properly treated or protected, work in the area may resume. A Native American representative shall be retained to monitor mitigation work associated with Native American cultural material.

c) Finding and Rationale. Changes or alterations have been required in, or incorporated into, the project, which avoid or substantially lessen the significant environmental effect identified in the EIR. Incorporation of Mitigation Measures CR-3 and CR-4 would reduce impacts to previously unidentified archaeological resources to a less than significant level by requiring education for on-site workers and steps to be taken in the event of an unanticipated discovery to avoid or, if avoidance is infeasible, to appropriately treat the resource. For these reasons, the project would have a less than significant impact with mitigation incorporated.

d) Remaining Impact. Mitigation Measures CR-1 and CR-4 specified above would reduce all potential impacts to less than significant.

Impact CUL-4: The project could cause a substantial adverse change in the significance of a Tribal cultural resource as defined in Public Resources Code Section 21074 that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k) or substantial adverse change in the significance of a Tribal cultural resource as defined in Public Resources Code Section 21074 that is a resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1.

a) Potential Impact. The impacts identified above are described and discussed in Section 4.2.2 of the EIR for the 200 Portage Project and 6.3.2 as it relates to the Project.

b) Mitigation Measures. The following mitigation measures will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings.

MM CR-5 Suspension of Work Around Tribal Cultural Resources. In the event that cultural resources of Native American origin are identified during implementation of the Project, all earth-disturbing work within 50 feet of the find shall be temporarily suspended or redirected until an archaeologist and culturally affiliated Native American representative have evaluated the nature and significance of the find. If the City, in consultation with local Native Americans, determines that the resource is a tribal

cultural resource and thus significant under CEQA, a mitigation plan shall be prepared and implemented in accordance with state guidelines and in consultation with local Native American group(s). The plan shall include avoidance of the resource or, if avoidance of the resource is infeasible, the plan shall outline the appropriate treatment of the resource in coordination with the culturally affiliated local Native American tribal representative and, if applicable, a qualified archaeologist. Examples of appropriate mitigation for tribal cultural resources include, but are not limited to, protecting the cultural character and integrity of the resource, protecting traditional use of the resource, protecting the confidentiality of the resource, or heritage recovery.

c) Finding and Rationale. Changes or alterations have been required in, or incorporated into, the project, which avoid or substantially lessen the significant environmental effect identified in the EIR. Incorporation of Mitigation Measure CR-5 would ensure that any unanticipated discoveries of tribal cultural resources are avoided or, where avoidance is infeasible, appropriately treated in coordination with the culturally affiliated local Native American tribal representative. Therefore, with implementation of Mitigation Measure CR-5 impacts to tribal cultural resources would be reduced to a less than significant level. For these reasons, the project would have a less than significant impact with mitigation incorporated.

d) Remaining Impact. Mitigation Measure CR-5 specified above would reduce all potential impacts to less than significant.

SECTION 3. Significant and Unavoidable Impacts.

Pursuant to Public Resources Code Section 21081 and CEQA Guidelines Section 15091, the City Council hereby makes these findings with respect to the potential for significant environmental impacts from approval and implementation of the Project and the means for mitigating those impacts.

These findings do not attempt to describe the full analysis of each environmental impact contained in the EIR. Instead, the findings provide a summary description of each impact, describe the applicable mitigation measures identified in the EIR and adopted by the City, and state the findings on the significance of each impact after imposition of the adopted mitigation measures. A full explanation of these environmental findings and conclusions can be found in the EIR. These findings hereby incorporate by reference the discussion and analysis in the EIR that support the EIR's determinations regarding significant project impacts and mitigation measures designed to address those impacts. The facts supporting these findings are found in the record as a whole for the Project.

In making these findings, the City ratifies, adopts, and incorporates into these findings the analysis and explanation in the EIR, and ratifies, adopts, and incorporates into these findings the determinations and conclusions of the EIR relating to environmental impacts and mitigation measures, except to the extent that any such determinations and conclusions are specifically and expressly modified by these findings.

The Draft EIR and the Revised Final EIR documented that the Project would result in significant and unavoidable impacts which cannot be adequately mitigated through the adoption and implementation of feasible mitigation measures. Those impacts, along with mitigation measures to mitigate them to the extent feasible, are listed below as referenced in the EIR.

Cultural Resources

Impact CUL-1: The project would cause a substantial adverse change in the significance of a historical resource pursuant to CEQA Guidelines §15064.5.

a) Potential Impact. The impacts identified above are described and discussed in Section 4.2.2 of the EIR for the 200 Portage Project and 6.3.2 as it relates to the Project.

b) Mitigation Measures. The following mitigation measures will be adopted and will be implemented as provided in the MMRP, and as further described in the remainder of these findings.

MM CR-1 Building Recordation. Impacts resulting from the partial demolition of the warehouse building at 200 Portage Avenue, also known as 340 Portage Avenue, shall be minimized through archival documentation of as-built and as-found condition. Prior to issuance of demolition permits, the lead agency shall ensure that documentation of the buildings and structures proposed for demolition is completed that follows the general guidelines of Historic American Building Survey (HABS)- Level III documentation. The documentation shall include high resolution digital photographic recordation, a historic narrative report, and compilation of historic research. The documentation shall be completed by a qualified architectural historian or historian who meets the Secretary of the Interior's Professional Qualification Standards for History and/or Architectural History. The original archival-quality documentation shall be offered as donated material to repositories that will make it available for current and future generations. Archival copies of the documentation also would be submitted to the City of Palo Alto and the Palo Alto Public Library, where it would be available to local researchers. Completion of this mitigation measure shall be monitored and enforced by the City of Palo Alto.

MM CR-2. Interpretive Display. Impacts resulting from the partial demolition of the warehouse building at 200 Portage Avenue, also known as 340 Portage Avenue, shall be minimized through the installation of a high-quality, on-site interpretive display in a publicly-accessible location, preferably near or within a portion of the retained warehouse building at 200 Portage Avenue at the applicant's expense. The display could focus on the property's history, particularly the agricultural past of Santa Clara County and the canning operations of Bayside Canning Company. The interpretive display should be prepared by a professional exhibit designer and historian; historic information contained in Page & Turnbull's HRE can serve as the basis for the interpretive display. The goal of the interpretive display would be to educate the public about the property's

historic themes and associations within broader cultural contexts. The display shall be approved by the Director of Planning & Development Services or designee.

(c) Findings. The above-noted mitigation measures will reduce the severity of this potentially significant impact by documenting the building materials. The mitigation measures also provide the opportunity to display an interpretation of the site's history. However, because of the implementation of the project requires the partial demolition of the building, these measures would not fully mitigate this Impact to a less-than-significant level.

(d) Remaining Impacts. There are no other feasible mitigation measures available to mitigate this impact to a less-than-significant level. Implementation of Mitigation Measures CR-1 and CR-2 would lessen the Project's impacts on the described historical resource through documentation and providing an interpretive archival of the building's materials as well as through providing an interpretive display on-site to convey the history of the site to the public. However, the implementation of the Project requires demolition that materially alters the historic resource and these mitigation measures would not result in reversing the material alteration of the resource. Therefore, the Project would still result in a significant impact to a historic resource.

(e) Overriding Considerations. The environmental, social, economic and other benefits of the Project override any remaining significant adverse impacts of the Project relating to historical resources as set forth in the Statement of Overriding Considerations below.

SECTION 4. Findings Regarding Project Alternatives. Public Resources Code section 21002 prohibits a public agency from approving a project if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of the project. When a lead agency finds, even after the adoption of all feasible mitigation measures, that a project will still cause one or more significant environmental effects that cannot be substantially lessened or avoided, it must, prior to approving the project as mitigated, first determine whether there are any project alternatives that are feasible and that would substantially lessen or avoid the project's significant impacts. Under CEQA, "feasibility" includes "desirability" to the extent that it is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors, and an alternative may be deemed by the lead agency to be "infeasible" if it fails to adequately promote the project applicant's and/or the lead agency's primary underlying goals and objectives for the project. Thus, a lead agency may reject an alternative, even if it would avoid or substantially lessen one or more significant environmental effects of the project, if it finds that the alternative's failure to adequately achieve the objectives for the project, or other specific and identifiable considerations, make the alternative infeasible.

The City Council certifies that the Final EIR describes a reasonable range of alternatives to the Project, which could feasibly obtain the basic objectives of the Project, and that the City Council

has evaluated the comparative merits of the alternatives. As described below, the Council has decided to approve the Project, also known as Alternative 3, Development Agreement Alternative, as described in Chapter 6 of the EIR, and to reject the 200 Portage Project and the remainder of the alternatives, as summarized below.

Chapter 2 of the Draft EIR set forth the Project applicant's objectives for the Project. That list is incorporated herein by reference. In light of the applicant's objectives for the Project, and given that the Project is expected to result in certain significant environmental effects even after the implementation of all feasible mitigation measures, as identified above, the City hereby makes the following findings with respect to whether one or more of the alternatives evaluated in the Draft EIR could feasibly accomplish most of the goals and objectives for the Project and substantially lessen or avoid one or more of its potentially significant effects.

No Project Alternative

The No Project Alternative assumes that the 91 townhome units proposed at the 200 Portage Avenue project site would not be constructed. The existing buildings and uses on the site would remain under this alternative and uses would be governed by the City's non-conforming use regulations. The No Project Alternative is discussed in Section 6.1 of the Draft EIR. The No Project Alternative is hereby rejected as infeasible because it would not achieve the Project objectives, as explained in Section 6.4 of the Draft EIR. This Alternative would not provide any housing to help the city meet its housing supply and affordability goals.

Alternative 2: Adaptive Reuse of Eligible Historic Building

Alternative 2, Adaptive Reuse of Eligible Historic Building is designed to align with Council's preferred plan for the Draft North Ventura Coordinated Area Plan. It includes retention of the eligible historical resource at 200 Portage (also known as 340 Portage), which would be increased in height to three stories, and the interior of the building would be developed with 281 residential units. An additional residential townhome building up to 35 feet in height with 12 units would be constructed in the current parking area east of the 200-404 Portage building. Overall, this alternative assumes up to 293 residential units across the project site. The existing commercial space in the 200 Portage building would be reduced and only 7,400 square feet of commercial space would remain. The building at 3040 Park Boulevard and the auto uses east of Matadero Creek would not be demolished and would remain. Alternative 2, Adaptive Reuse of Eligible Historic Building, is hereby rejected as infeasible due to the cost and impractical nature of conversion, which ultimately does not reduce a significant and unavoidable impact to a less than significant level.

More specifically, the applicant has stated that the market return for the commercial component of the site (which would mostly be discontinued under Alternative 2) would be vital to the applicant's construction of the housing component.

Moreover, the width of the building (as viewed from East/West) is 230 feet, meaning that much of the interior of the floor area on the building does not front a façade that can provide appropriate access to light and air in conformance with the building and fire code. It is

anticipated that major modifications to the building to create new openings, provide light to the interior portion of the building; alternatively, a large portion of the interior floor area would be unusable for residential purposes.

In addition, the majority of the interior structure would need to be removed and major building systems and supports relocated to accommodate a residential layout. This would be costly and would remove interior character defining elements of the historic structure. Alternative 2 would also likely require completely new plumbing and electrical to accommodate the significant increase in kitchens and bathrooms for the new residences. To support additional floors, further structural analysis would be needed and additional substructure within the existing structure would likely be required to support the additional weight and to support the existing walls while the existing roof, floor systems, etc. would be rebuilt to accommodate the new addition. The applicant has stated that all of these modifications would be unreasonably costly.

The property owner has indicated that the costs associated with Alternative 2 would not provide a reasonable market return for the investment that would be required and under no circumstance would they pursue alternative 2. Therefore, although theoretically it would result in additional housing units, it is unlikely that Alternative 2, if selected, would ultimately be constructed such that it would contribute to the City's housing supply and affordability goals. Finally, although Alternative 2 was identified as the environmentally superior alternative in the EIR, for the reasons stated above with respect to required modifications to support residential use, it is still anticipated to result in a significant and unavoidable impact on the historic resource.

200 Portage Townhome Project

Referred to in the EIR as the "proposed project," the 200 Portage Project would not achieve the City's goal of obtaining a site for a future park and affordable housing development in the North Ventura neighborhood and would not reduce a significant impact to less than significant level. It also does not achieve the City's goal of providing additional opportunities to convey historic aspects of the site to the public by creating a small public area outside the cannery or providing views of the monitor roof from the interior of the building. Therefore, while the 200 Portage Project is feasible and would achieve the applicant's project objectives, it is less desirable when compared to the Project (Alternative 3) because it does not provide the desired public park/open space on the site, provides fewer overall potential for housing units (when taking into account the land and funds set aside for the future affordable housing project) and because the proposed development agreement provides an opportunity to provide some of the below market rate units at a deeper level of affordability to assist the City in meeting its Regional Housing Needs Assessment Goals for lower income levels. The 200 Portage Townhome Project also would not reduce environmental impacts compared to the Project.

SECTION 5. Statement of Overriding Considerations. Pursuant to Public Resources Code Section 21081 and Section 15093 of the CEQA Guidelines, this City Council adopts and makes the following Statement of Overriding Considerations regarding the remaining significant

unavoidable impacts of the Project, as discussed above, and the anticipated costs and other benefits of the Project.

The City finds that: (i) the majority of the significant impacts of the Project will be reduced to less than- significant and acceptable levels by the mitigation measures described in the Revised Final EIR and approved and adopted by these Findings; (ii) the City's approval of the Project will result in certain significant adverse environmental effects that cannot be avoided even with the incorporation of all feasible mitigation measures into the Project; and (iii) there are no other feasible mitigation measures or feasible Project alternatives that would further mitigate or avoid the remaining significant environmental effects.

The significant effects that have not been mitigated to a less-than-significant level and are therefore considered significant and unavoidable are identified in Section 4 herein. Despite these potentially significant impacts, it is the City's considered judgment that the benefits offered by the Project outweigh the potentially adverse effects of these significant impacts. The substantial evidence supporting the following described benefits of the Project can be found in the preceding findings and in the record of proceedings.

The benefits of the Project which the City Council finds serve as overriding considerations" justifying its approval include the following:

- (1) The site is in an area that is identified in the City's Housing Element for increased housing production with a realistic capacity of 134 units. The proposed project provides 74 market rate units and provides lands and a contribution of funds to support a future affordable housing project on the City/BMR parcel that is anticipated to include 75 units for a total of 149 units. Based on recent and current housing demand, the preservation and expansion of this opportunity site is necessary for the City to meet its current Regional Housing Needs Allocation (RHNA) goals. Moreover, it provides an opportunity for the City to pursue options that would provide a large number of units at a deep level of affordability to better meet its RHNA allocation goals for low and very low-income housing units which are often difficult to achieve. While the loss of the historic structure would result in a negative impact on the environment, this loss is outweighed by the benefit of the needed increase in the City's housing stock.
- (2) The project would provide a 2.25-acre park adjacent Matadero Creek, consistent with the community's desire for open space adjacent the creek, as was expressed through the Draft North Ventura Coordinated Area Plan planning process. The dedication of this area for the purposes of a public park/open space is also consistent with the Parks Master Plan, which seeks to improve the City's Park-to-resident ratio and to seek to acquire new public park areas that are at least 2-acres or greater. This park is more than three times larger than the amount of parkland that would normally be provided to the City for a project of this size.
- (3) The project would provide a public benefit payment of at least \$5 million for

development of a park and/or below-market-rate housing. This payment is in addition to normally assessed development impact fees. In total, the project will provide 3.25 acres of land and the payment of approximately \$ 6,303,115.71 (\$5 million + impact fees) to the City as well as an estimated \$420,000 in value of on-site public art.

- (4) Redevelopment of the site will include a mix of uses across the project site that would include market rate housing, future affordable housing, office and R&D uses, and a retail or community room component. This mix of uses contributes to the complete neighborhood vision for the Draft North Ventura Coordinated Area Plan planning area.

SECTION 6. Mitigation Monitoring and Reporting Program

- (a) CEQA requires the lead agency approving a project to adopt a Mitigation Monitoring and Reporting Program (MMRP) for the changes made to the project that it has adopted in order to mitigate or avoid significant effects on the environment. An MMRP has been prepared and is recommended for adoption by the City Council concurrently with the adoption of these findings to ensure compliance with standard project requirements incorporated as part of the project and mitigation measures during Project implementation. As required by Public Resources Code section 21081.6, the MMRP designates responsibility and anticipated timing for the implementation of the mitigation measures recommended in the Final EIR. The MMRP will remain available for public review during the compliance period.
- (b) The City Council hereby adopts the MMRP for the Project attached hereto as Exhibit A and incorporated by reference, and finds, determines, and declares that the adoption of the MMRP will ensure enforcement and continued imposition of the mitigation measures recommended in the Final EIR, and set forth in the MMRP, in order to mitigate or avoid significant impacts on the environment.

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SECTION 7. Location and Custodian of Records. The documents and other _____ constitute the record of proceedings on which the City Council based the foregoing findings and approval of the Project are located at the Department of Planning and Community Environment, 250 Hamilton Avenue, Palo Alto, CA 94301. The official custodian of the record is the Planning Director at the same address.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Approving a
Development Agreement with SI 45, LLC, for the 14.65-acre Property at
200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash
Street, and 270 Lambert Avenue

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Determinations

- A. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development, the Legislature of the State of California enacted Sections 65864 et seq. of the Government Code, which authorizes the City and any person holding a legal or equitable interest in the subject real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application.
- B. SI 45, LLC (“Applicant” or “Owner”) has a legal interest in certain real property located in the City consisting of approximately 14.65 acres and commonly known as 200-404 Portage Avenue, 3201-3225 Ash Street, 3040-3250 Park Boulevard and 278 Lambert Street in Palo Alto, California (collectively, the “Property”).
- C. At the conclusion of a City Council ad hoc committee process, Owner applied in the Fall of 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for Property.
- D. The Project proposes to redevelop the Property by:
- (i) Removing approximately 84,000 sf of the cannery building located at 200-404 Portage Avenue to accommodate development of 74 townhomes.
 - (ii) Restoring and rehabilitating the remaining portion of the cannery, retaining the same area of existing R&D uses in the cannery, and including the Retail/Display and Outdoor Seating Area;
 - (iii) Constructing a two-level parking garage to facilitate dedication of an approximately 3.25-acre parcel to the City;
 - (iv) Merging and resubdividing the Property into five parcels to facilitate the Project and dedication of the approximately 3.25-acre parcel;
 - (v) Retaining the existing office uses of the existing 3201-3225 Ash Street building;
 - (vi) Retaining and converting the existing 3250 Park Boulevard building from the current automotive uses to R&D use; and
 - (vii) Developing 74 Townhomes.

E. The purpose of Government Code Sections 65864 to 65869.5 is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations. As authorized by Government Code Section 65865(c), the City has adopted Resolution No. 7104, establishing procedures and requirements for consideration of development agreements in Palo Alto. This Development Agreement has been processed, considered, and executed in accordance with such procedures and requirements.

F. Notice of intention to consider this Development Agreement has been given pursuant to Government Code section 65867.

G. The City's Planning and Transportation Commission and City Council have given notice of intention to consider this Development Agreement, have conducted public hearings thereon pursuant to Government Code section 65867 and City's Resolution No. 7104, and the City Council has found that the provisions of this Development Agreement are consistent with City's Comprehensive Plan, as amended.

H. The City has prepared an EIR for the Project and, through Resolution No. [REDACTED], certified the EIR, adopted a mitigation monitoring and reporting program, and made a statement of overriding considerations prior to the execution of this Agreement.

SECTION 2. The City Council hereby approves the Development Agreement between the City of Palo Alto and SI 45, LLC, a copy of which is attached hereto as Exhibit "A," and authorizes the Mayor to execute the Agreement on behalf of the City.

SECTION 3. The City Clerk is directed to cause a copy of the development agreement to be recorded with the County Recorder not later than ten (10) days after it becomes effective.

SECTION 4. The City Council adopts this ordinance in accordance with the California Environmental Quality Act ("CEQA") findings adopted by Resolution No. [REDACTED].

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SECTION 5. This ordinance shall be effective upon the thirty-first (31st) day after its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

NOT PARTICIPATING:

ABSENT:

ATTEST:

APPROVED:

City Clerk

Mayor

Assistant City Attorney

City Manager

Director of Planning and Development Services

Not yet adopted

Item 7
Attachment C - Draft
Ordinance Approving the
Development Agreement

EXHIBIT A

See Attachment D to staff report 2306-1663

This document is recorded
for the benefit of the City
of Palo Alto and is entitled
to be recorded free of charge
in accordance with Section 6103
of the Government Code.
After Recordation, mail to:

OFFICE OF THE CITY ATTORNEY
City of Palo Alto
250 Hamilton Avenue
P.O. Box 10250
Palo Alto, Ca 94303

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEVELOPMENT AGREEMENT

By and Between

CITY OF PALO ALTO, A Chartered City

and

SI 45, LLC,

A Delaware Limited Liability Company

3200 Portage Avenue

Effective Date:

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EXHIBIT A – Legal Description

EXHIBIT B – Plat

EXHIBIT C - Schedule and Parties’ Remedies for Default or Breach

EXHIBIT D – [Form of] Assignment and Assumption Agreement

DRAFT

DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF PALO ALTO AND SI 45, LLC

THIS DEVELOPMENT AGREEMENT (hereinafter “Agreement”) is entered into as of [date], by and between the CITY OF PALO ALTO, a chartered city of the State of California (“City”), and SI 45, LLC, a Delaware limited liability company (“Owner”). City and Owner are each a “Party” and collectively, the “Parties.”

RECITALS

THIS DEVELOPMENT AGREEMENT is entered into on the basis of the following facts, understandings and intentions of the parties:

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development, the Legislature of the State of California enacted Sections 65864 *et seq.* of the Government Code, which authorizes the City and any person holding a legal or equitable interest in the subject real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application.

B. Pursuant to Government Code Section 65865, the City has adopted Resolution No. 7104, establishing procedures and requirements for consideration of development agreements in Palo Alto. This Development Agreement has been processed, considered, and executed in accordance with such procedures and requirements.

C. Owner has a legal interest in certain real property located in the City consisting of approximately 14.65 acres and commonly known as 200-404 Portage Avenue, 3201-3225 Ash Street, 3040-3250 Park Boulevard and 278 Lambert Street in Palo Alto, California (collectively, the “Property”), which Property is described in the attached Exhibit A, and shown on the map attached as Exhibit B.

D. City and Owner through a City Council-appointed ad hoc subcommittee conducted good faith and collaborative negotiations regarding the current and future uses of the Property, including a dispute regarding legal non-conforming uses of the property (“LNCU Dispute”) and Owner’s pending application for a 91-unit residential project, including 15% moderate for sale affordable units, on a portion of the Property pursuant to certain state housing laws, including SB 330 (“SB 330 Residential Project”). As a means of resolving the LNCU Dispute and as a more holistic alternative to the SB 330 Residential Project, City and Owner entered into a Tolling and Process Agreement (“TPA Agreement”), dated July 31, 2022, for consideration of this Agreement and related Approvals by City officials. The recitals of the TPA Agreement contain a more full contextual chronology.

E. City desires to grant Owner vested development rights to construct and operate the Project in a manner consistent with this Agreement. In exchange for these development rights, Owner agrees the LNCU Dispute is resolved, to proceed with the Project in lieu of the SB 330 Residential Project and to provide certain public benefits, including, but not limited to, (i) transfer of approximately 3.25 acres of land to the City for affordable housing and park uses, (ii) construct a one level over grade structured parking garage to allow relocation of the existing surface parking

on the dedication property, (iii) renovate/rehabilitate the remaining portion of the historic cannery building, including an approximately 2,600 square foot retail space to facilitate public appreciation of the interior historic elements of the cannery building and an adjacent outdoor landscaped seating area, (iv) implement a Transportation Demand Management (“TDM”) program for the existing R&D and office uses to reduce single occupant trips by 15%, (v) payment of \$5 Million fee to the City to support affordable housing and open space at the City’s discretion, and (vi) payment of all other applicable fees per the City’s municipal code as specified herein.

F. Concurrently with approval of this Development Agreement, the City has taken several actions to review and plan for the future development of the Project, including all required noticing and review and recommendation by the Architectural Review Board, Historic Review Board and Transportation and Planning Commission, and duly noticed public hearings by the City Council. These actions include the following, collectively the “Existing Approvals”:

- a. Environmental Impact Report: The environmental impacts of the Project, including associated Approvals, have properly been reviewed and evaluated by the City pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. (“CEQA”). Pursuant to CEQA, the City Council certified the Environmental Impact Report (“EIR”) for housing development at 200 Portage, which includes analysis of the Project as a project alternative, and adopted a Statement of Overriding Considerations by Resolution No. XXXX, adopted on [date]. As required by CEQA, the City adopted written findings and a mitigation monitoring and reporting program (“MMRP”).
- b. Comprehensive Plan Amendment: Resolution No. XXXX on [date], making a text amendment to the “Mixed Use” designation and amending the land use designations for the Property to “Mixed Use,” in a manner consistent with the Project (“Comp Plan Amendment”).
- c. Rezoning Ordinances: Ordinance Nos. XXXX [Cannery Parcel], XXXX [Park Building Parcel], XXXX [Townhome Parcel], XXXX [Ash Building Parcel], and XXXX [Dedication Parcel] on [date], rezoning the future parcels on the Property to individual Planned Community zones in a manner consistent with the Project (“Rezoning Ordinances”).
- d. Architectural Review/Development Plan: Ordinance Nos. XXXX [Cannery Parcel] and XXXX [Townhome Parcel] and Record of Land Use Action No. XXXX on [date] approving of the Parking Garage and Historic Restoration and Rehabilitation of the Remaining Cannery (“Cannery Architectural Review Approval”) and Townhomes (“Townhomes Architectural Review Approval”).
- e. Tentative Map: Record of Land Use Action No. XXXX on [date] to merge and resubdivide the Property into five parcels for the Remaining Cannery, the Townhomes, including a 74-unit condominium subdivision, the Ash Building, the Park Building, and the BMR/Parkland Dedication Parcel (“Tentative Map”).

- f. TDM Program: Record of Land Use Action No. XXXXX on [date] includes approval of a TDM Program for the Project, consistent with Section 5.7 this Agreement (“TDM Plan”).
- g. The City is desirous of encouraging the creation of quality housing at all economic levels, thereby advancing the interests of its citizens, taken as a whole. The City has determined that the Project, with the associated approvals complies with the plans and policies set forth in the City’s Comprehensive Plan and zoning regulations, as amended.
- h. A primary purpose of this Development Agreement is to assure that the Project can proceed without disruption caused by a change in the City’s planning policies and requirements following the Approvals and to ensure that the community benefits Owner committing to provide in connection with development of the Project are timely delivered. Owner also desires the flexibility to develop the Project in response to the market, which remains uncertain due to the COVID-19 pandemic, and to ensure that the Approvals remain valid over the projected development period.
- i. These Recitals use certain terms with initial capital letters that are defined in Section 1 of this Agreement. City and Owner intend to refer to those definitions when the capitalized terms are used in these Recitals.
- j. These recitals are intended in part to paraphrase and summarize this Agreement; however, the Agreement is expressed below with particularity and the Parties intend that their rights and obligations be determined by those provisions and not by the Recitals.
- k. Following duly noticed public hearings, this Development Agreement was reviewed by the Planning Commission and recommended for approval by City Council on July 26, 2023 and, thereafter, approved by the City Council of the City by Ordinance No. [REDACTED], which was introduced on September 5, 2023, and finally adopted on [REDACTED], and became effective thirty (30) days thereafter, and was duly executed by the parties as of [REDACTED] (the “Effective Date”).

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

ARTICLE I — DEFINITIONS

1.1 Definitions

In this Agreement, unless the context otherwise requires:

“Agreement” is defined in the Preamble.

“Annual Review” is defined in Section 8.1.

“Applicable Rules” means the City ordinances, resolutions, rules, regulations and official policies in effect on the Effective Date, as amended by the Existing Approvals.

“Approvals” means all Existing Approvals and Subsequent Approvals, as those terms are defined herein.

“Architectural Review Approval” means the approval of an application for architectural review or approval of a development plan in connection with a Planned Community Zone application under the Applicable Rules.

“Ash Building” means the existing 4,707 sf building located at 3201-3225 Ash Street.

“BMR/Park Dedication Parcel” means the approximately 3.25 acres of land to be offered for dedication and dedicated to the City pursuant to applicable provisions of this Agreement, currently expected to be developed, at City’s sole cost and discretion, as affordable housing (on an approximately one (1) acre portion thereof) and parkland (on an approximately 2.25 acre portion thereof) in the approximate location shown on the Tentative Map.

“Cannery” means the existing historic cannery building at 200-380 Portage Avenue/3200 Park Boulevard.

“Cannery Architectural Review Approval” is defined in Recital F.

“CEQA” is defined in Recital F.

“City” means the City of Palo Alto, a chartered city of the State of California.

“City Party” is defined in Section 14.8.

“Claims” is defined in Section 14.8.

“Commencement of Townhome Construction” means the issuance of building permits to construct the Townhomes. This does not include permits that are exclusively for site preparation.

“Comp Plan Amendment” is defined in Recital F.

“Compliance Notice” is defined in Section 9.2(c)

“Comprehensive Plan” means the 2030 Palo Alto Comprehensive Plan, adopted in November 2017 and in effect as of the Effective Date, as amended by the Existing Approvals.

“Days” means calendar days.

“Development Agreement” shall mean this Agreement.

“Development Impact Fees” means all fees now or in the future collected by the City from applicants for new development (including all forms of approvals and permits necessary for

development) for the funding of public services, infrastructure, improvements or facilities, but not including taxes or assessments, regulatory in-lieu fees such as the public art in-lieu fee, or fees for processing applications or permits or for design review. The fees included in this definition include, but are not limited to those fees set forth in Chapters 16.58 and 16.59 of the Municipal Code, fees for traffic improvements and mitigation, and fees for other community facilities or related purposes (but not including any school fees imposed by a school district); provided nothing herein shall preclude City from collecting fees lawfully imposed by another entity having jurisdiction which City is required or authorized to collect pursuant to State law.

“Discretionary Action” includes a “Discretionary Approval” and is an action or decision which requires the exercise of judgment, deliberation, and which contemplates the imposition of revisions or conditions, by City, including the City Council or any board, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires City, including the City Council or any board, commission or department and any officer or employee thereof, to determine whether there has been compliance with applicable statutes, ordinances, regulations, or Conditions of Approval.

“Effective Date” is defined in Recital K.

“EIR” is defined in Recital F.

“Existing Approvals” is defined in Recital F.

“Expiration Date” means the 10th anniversary of the Effective Date, except as extended pursuant to Section 3.3.

“Historic Covenant” is defined in Section 5.2.

“Final Map” is defined in Section 5.3.

“LNCU Dispute” is defined in Recital D.

“MMRP” is defined in Recital F.

“Mortgage” means and refers, singly and collectively, to any mortgages, deeds of trust, security agreements, assignments and other like security instruments encumbering all or any portion of the Property or any of Owner’s rights under this Agreement.

“Mortgagee” means and refers to the holder of any Mortgage encumbering all or any portion of the Property or any of the Owner’s rights under this Agreement, and any successor, assignee or transferee of any such Mortgage holder.

“Notice of Breach” is defined in Section 9.2(a).

“Operating Memorandum” is defined in Section 10.4(a).

“Owner” means SI 45, LLC, a Delaware limited liability company.

“Park Building” means the existing approximately 11,762 sf building located at 3250 Park Boulevard (and formerly referred to as the “Audi” Building).

“Parking Garage” means the new structured (one level above grade) parking garage shown on the Cannery Architectural Review Approval that will allow relocation of most of the existing surface parking for the Cannery as required by the Approvals.

“Party” means a signatory to this Agreement, or a successor or assign of a signatory to this Agreement.

“Permitted Delay” is defined in Section 3.2.

“Planning Director” means the Director of the City’s Department of Planning and Development Services.

“Public Benefit Fee” means the monetary payment by Owner to the City for City’s use towards parkland improvement and/or provision of affordable housing, in the City’s sole discretion as set forth in Section 5.8(b).

“Prevailing Wage Laws” is defined in Section 14.8.

“Project” means proposed redevelopment of the Property in accordance with the Applicable Rules, Approvals, and this Agreement, which is generally described as follows:

- (i) Construction of the Parking Garage to facilitate dedication of the BMR/Parkland Dedication Parcel (including relocation of an existing above ground powerline);
- (ii) Restoration/rehabilitation of the Remaining Cannery, retaining the same area of existing R&D uses in the Cannery but relocated into the Remaining Cannery and including the Retail/Display and Outdoor Seating Area;
- (iii) Removal of approximately 84,000 sf of the Cannery to accommodate development of the Townhomes;
- (iv) Merger and resubdivision of the Property into five parcels (Remaining Cannery (Lot 3), Townhomes (Lot 1) including subdivision for condominium purposes, Ash Building (Lot 4), Park Building (Lot 5) and BMR/Park Dedication Parcel (Lot 2) to facilitate the Project and dedication of the BMR/Park Dedication Parcel to the City for affordable housing and park purposes;
- (v) Retention of the existing office uses of the Ash Building;
- (vi) Retention and conversion of the existing Park Building from the current automotive uses to R&D use; and
- (vii) Development of the Townhomes.

“Property” is defined in Recital C.

“Retail/Display and Outdoor Seating Area” shall mean approximately 2,600 sf of new ground floor retail in the Remaining Cannery with: (1) public view opportunities to the monitor roof portion/internal truss system of the Remaining Cannery, (2) an exhibit of historic information about the Cannery, and (3) outdoor landscaped seating area, all as further defined on the Cannery Architectural Review Approval and pursuant to Section 5.2.

“Remaining Cannery” shall mean that portion of the Cannery remaining after approximately 84,000 square feet are demolished on the northeast end of the building, as shown on the Cannery Architectural Review Approval.

“Research and Development” or “R&D” shall mean the land use defined in Palo Alto Municipal Code section 18.04.030(a)(123) as that section read on the Effective Date.

“R&D Relocation” is defined in Section 4.3(a)

“Rezoning Ordinances” is defined in Recital F.

“SB 330 Residential Project” is defined in Recital D.

“Subsequent Applicable Rules” means the ordinances, resolutions, rules, regulations and official policies of City, as they may be adopted and effective after the Effective Date that do not conflict with the Applicable Rules, or that are expressly made applicable to the Project by this Agreement.

“Subsequent Approvals” is defined in Section 4.2.

“Switch Building” means those certain premises consisting of approximately 1,650 square feet of building space located at the end of the driveway adjacent to 270 Lambert Street, also known as 278 Lambert Street, currently leased to Comcast of California IX, Inc.

“TDM” is defined in Recital E.

“TDM Plan” is defined in Recital F.

“Tentative Map” is defined in Recital F.

“Term” is defined in Section 3.1.

“Townhomes” means the 74-market rate, for-sale townhome-style 3- and 4-bedroom residential units and related infrastructure, landscaping and circulation proposed as part of the Project as shown on the Townhomes Architectural Review Approval.

“Townhomes Architectural Review Approval” is defined in Recital F.

“TPA Agreement” is defined in Recital D.

ARTICLE II - PROPERTY SUBJECT TO THE DEVELOPMENT AGREEMENT; BINDING EFFECT; NEGATION OF AGENCY

2.1 **Property Subject to the Development Agreement.** All of the Property shall be subject to this Development Agreement. Owner agrees that all persons holding legal or equitable title in the Property shall be bound by this Development Agreement.

2.2 **Binding Effect.** Except as otherwise expressly provided herein, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, the Parties and their respective assigns, heirs, or successors in interest.

2.3 **Negation of Agency.** The Parties acknowledge that, in entering into and performing this Agreement, each Party is acting as an independent entity and not as an agent of the other in any respect. Nothing contained herein or in any document executed in connection herewith shall be construed as making City and Owner joint-venturers or partners.

ARTICLE III — TERM; FORCE MAJEURE; CANCELLATION

3.1 **Basic Term.** The term of this Agreement (the “Term”) shall commence as of the Effective Date and, unless earlier terminated in accordance with the terms hereof, shall continue in full force and effect until the Expiration Date. Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to any outstanding obligation which was required to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Agreement that has occurred prior to such termination or with respect to any obligations or rights that are specifically set forth as surviving this Agreement.

3.2 **Force Majeure.** Performance by either Party of an obligation hereunder shall be excused during any period of “Permitted Delay.” Permitted Delay shall mean delay beyond the reasonable control of a Party including, without limitation, war; insurrection; strikes and labor disputes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; pandemics; epidemics; quarantine and public health restrictions; freight embargoes; legal challenges to this Agreement, legal challenges to the Project Approvals, or legal challenges to any other approval required from any public agency other than the City for the Project, or any initiatives or referenda regarding the same; environmental conditions, pre-existing or discovered, delaying the construction or development of the Property or any portion thereof; and moratorium as set forth in Section 3.3, so long as the Party claiming a Permitted Delay is acting diligently and in good faith. A Party’s financial inability to perform shall not be a ground for claiming a Permitted Delay. The Party claiming the Permitted Delay shall notify the other Party of its intent to claim a Permitted Delay, the specific grounds of the same and the anticipated period of the Permitted Delay within 10 business days after (i) the occurrence of the conditions which establish the grounds for the claim and (ii) the affected Party’s actual knowledge of such occurrence. The period of Permitted Delay shall last no longer than the conditions preventing performance.

3.3 **Extension of Term Due to Moratoria.** In the event of any publicly declared moratorium that applies to the Project under the terms of this Agreement or other interruption in the issuance of permits, approvals, agreements to provide utilities or services or other rights or

entitlements by any State, or Federal governmental agency, or public utility which could postpone the construction of improvements at the Project, the term of this Development Agreement shall be extended without further act of the parties by a period equal to the duration of any such moratorium or interruption; provided, however, the total term extension under this Section 3.3 shall not exceed a total of two (2) years. Nothing in this Section is intended, however, to confer on City or any related agency any right to impose any such moratorium or interruption.

3.4 **Cancellation by Mutual Consent.** Except as otherwise permitted herein, this Development Agreement may be canceled in whole or in part only by the mutual consent of the City and Owner or their successors in interest, in accordance with the provisions of the City Code. Any fees paid pursuant to this Development Agreement prior to the date of cancellation shall be retained by the City, and any sums then due and owing to the City shall be paid as part of the cancellation.

ARTICLE IV — DEVELOPMENT OF THE PROPERTY

4.1 **Vested Development Rights.** City hereby grants Owner the vested right to develop the Project for the Term of this Agreement in accordance with and subject to: (a) the terms and conditions of this Agreement and the Approvals and any amendments to any of them as shall, from time to time, be approved pursuant to this Agreement; and (b) the Applicable Rules (as defined in Section 1). Nothing contained herein shall restrict the City's discretion to approve, conditionally approve, or deny amendments or changes to the Approvals proposed by Owner. Except as is expressly provided otherwise in this Agreement, no future modifications of the following shall apply to the Project:

- (a) the City Comprehensive Plan or a Coordinated Area Plan,
- (b) the Palo Alto Municipal Code,
- (c) applicable laws and standards adopted by the City which purport to: (i) limit the use, subdivision, development density, design, parking ratio or plan, schedule of development of the Property or the Project in a manner inconsistent with this Agreement and the Approvals; or (ii) impose new dedications, improvements, other exactions, design features, or moratoria upon development, occupancy, or use of the Property or the Project; or
- (d) any other Applicable Rules.

Notwithstanding Section 18.77.090, and to the extent permitted by state law, including the Subdivision Map Act (Gov. Code §§ 66410 et seq.), the Existing Approvals and Subsequent Approvals shall be extended and shall not expire during the Term of this Agreement. In the event any Approval expires by operation of law during the term of this Agreement, City agrees that it will accept, process, and review in good faith and in a timely manner a new application that is consistent with the expired Approval, which application shall be governed by the Applicable Rules.

4.2 **Subsequent Approvals.**

Certain subsequent land use approvals, entitlements, and permits other than the Existing Approvals, will be necessary or desirable for implementation of the Project (“Subsequent Approvals”). The Subsequent Approvals may include, without limitation, the following: amendments of the Approvals, final map(s), demolition permits, grading permits, building permits, sewer and water connection permits, certificates of occupancy, and any amendments to, or repealing of, any of the foregoing. The conditions, terms, restrictions, and requirements for such Subsequent Approvals shall be in accordance with the Applicable Rules (except as otherwise provided in Article VII) and shall not prevent development of the Property for the uses provided under the Approvals, the Applicable Rules, and this Agreement (“Permitted Uses”), or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, as long as Owner is not in default under this Agreement.

Any subsequent discretionary action or discretionary approval initiated by Owner that is not otherwise permitted by or contemplated in the Approvals or which changes the uses, intensity, density, or building height or decreases the lot area, setbacks, parking or other entitlements permitted on the Property shall be subject to the rules, regulations, ordinances and official policies of the City then in effect and City reserves full and complete discretion with respect to any findings to be made in connection therewith.

4.3 **Sequence of Development.**

The Parties acknowledge and agree that, given the existing uses and leases of the Property, certain elements of the Project will need to be approved, developed and implemented in the following certain order:

(a) Construction of the Parking Garage (including the necessary relocation of an existing City of Palo Alto Utilities above-ground powerline) to allow the relocation of the existing surface parking serving the Cannery Building, Ash Building and Switch Building and (b) relocation of R&D space (for the relocation of existing R&D tenants or new R&D tenants) to the Remaining Cannery, including all necessary associated interior historic restoration and tenant improvements (to warm shell condition) to prepare for the demolition of a portion of the Cannery to accommodate the Townhomes (“R&D Relocation”). It is noted that the construction of the Parking Garage will cause vibration so in the event the Parking Garage construction commences before or during the work on the Remaining Cannery, the Owner will comply with Mitigation Measure N-1, as provided in the MMRP.

(b) Demolition of the portion of the Cannery Building necessary to accommodate the Townhomes and ensure no buildings located on the future new property line and completion of the exterior and any remaining interior historic restoration, Retail/Display and Outside Seating Area.

(c) Recordation of final map(s) including dedication of the BMR/Park Dedication to the City, pursuant to Sections 5.3 and 6.2, and then;

(d) Construction of the Townhomes (as dictated by the market);

(e) Conversion of the Park Building to R&D uses may occur at any time, as dictated by the market, subject to the City’s remedies in Exhibit C and Section 9.1.

4.4 **Permitted Uses.**

The permitted uses of the Property during the Term of this Agreement shall be as follows and as may be further defined in the applicable Rezoning Ordinances:

- (a) Research and Development uses shall be permitted for up to approximately 140,174 square feet of the Cannery on Lot 3, within the existing Cannery until redevelopment and within the Remaining Cannery after redevelopment consistent with the Approvals.
- (b) Approximately 2,600 square feet of the Remaining Cannery on Lot 3 shall be dedicated to the Retail Use/Display and Outdoor Seating Area consistent with Section 5.2.
- (c) Most uses permitted within the ROLM District (including office uses) shall be permitted for up to 4,707 square feet in the Ash Office Building on Lot 4.
- (d) Multiple family residential uses shall be permitted on Lot 1 in a manner consistent with the proposed Townhomes.
- (e) Research and Development uses shall be permitted for up to 11,762 square feet at the Park Building on Lot 5 pursuant to Section 5.6.

ARTICLE V — OWNER PROMISES

5.1 **Construction of the Parking Garage and R&D Relocation.**

Within the deadlines set forth on Exhibit C, Owner will have submitted a good faith application and all applicable processing fees for the necessary ministerial permits (e.g., demolition, grading, building) to (a) relocate the existing City of Palo Alto Utilities above-ground powerline, (b) construct the Parking Garage and (c) complete the R&D Tenant Relocations within the Remaining Cannery consistent with the Approvals, including all applicable compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties, and (d) demolish the applicable portion of the Cannery, all consistent with the Approvals.

After all necessary permits are issued, and within the deadlines set forth on Exhibit C, Owner will have commenced and diligently complete, as concurrently as possible, (a) relocation of the existing City of Palo Alto Utilities above-ground powerline, (b) construction of the Parking Garage and (c) the R&D Relocation within the Remaining Cannery consistent with the Approvals, including all requirements of the Cannery Architectural Review Approval.

Until such time as the BMR/Park Dedication Parcel has been created and offered to the City pursuant to this Agreement, Owner will not voluntarily enter any new R&D Lease or additional extension of an Existing R&D Lease without including a clear acknowledgement and acceptance by such tenant of this Development Agreement, including the City's remedies hereunder set forth in Section 9.1 and Exhibit C.

5.2 **Demolition of Portion of Cannery and Completion of Retail/Display and Outdoor Seating Area.**

After the R&D Relocations and Parking Garage are complete, within the deadlines set forth in Exhibit C, Owner will have commenced and diligently completed demolition of the applicable portion of the Cannery and completed all related internal and external historic restoration/rehabilitation and the Retail/Display and Outdoor Seating Area consistent with the Approvals, including issuance by the City of all necessary final inspections. For purposes of this section, “complete and operational” shall mean that the City has issued final inspections or certificates of occupancy for the Parking Garage and final inspections and temporary certificates of occupancy for the R&D Relocation. Final certificates of occupancy for the R&D Relocation shall be issued after demolition and all related work under this Section 5.2 are complete.

Prior to final certificates of occupancy for the R&D Relocation, City and Owner will develop a recordable restrictive covenant (“Historic Covenant”) on the Remaining Cannery Building, including the Retail/Display and Outdoor Seating Area, for the benefit of the City, which will run with the land and be binding on successors and assigns of the Owner, in a form approved by the City Attorney, to ensure that the Remaining Cannery Building will be held, pledged, mortgaged and leased subject to and all of the following:

- Rehabilitation and maintenance of the essential elements of the Remaining Cannery as provided in the Cannery Architectural Review Approval and MMRP.
- The use of the Retail/Display and Outdoor Seating Area as provided in Ordinance No. XXXX for the Remaining Cannery Parcel.
- Terms related to reasonable public opportunities to view the interior roof trusses during any tenant’s business hours (to be set by the tenant) in a manner that supports the tenant’s operations, including but not limited to reasonable accommodation for the hours appropriate for the nature of the tenant’s business, staffing, maintenance closures, reasonable number of private events, normal business requirements and events of force majeure typical to a commercial lease. The covenant will not contain any affirmative obligation to operate, provided, however, that while occupied by a tenant, the space shall be open to the public for a minimum of 100 hours per month averaged over a calendar year.
- A reasonable process for the development, installation, modification and replacement of an interpretive historic display(s) both in the interior and/or exterior of the Retail/Display and Outdoor Seating Area consistent with the Cannery Architectural Review Approval to support and accommodate a commercial tenant’s operations, including reasonable times for review and response to support the tenant’s operations.
- Reasonable review and approval of minor modifications of the covenant by the Planning Director and identification of material modifications that require City Council approval.
- In the event the interior portion of the Retail/Display and Outdoor Seating Area is not subject to a lease and closed to public access for a period of six consecutive months following the initial certificate of occupancy, or sixty consecutive days

from the last day of occupancy by a tenant, and there are no active lease negotiations nor reasonable expectation of entering a lease, the Owner will offer to the City a non-exclusive, revocable license to provide, at the City's sole cost and expense, opportunities for members of the public to enter the interior space. The license terms will include obligations for the City to staff and secure the space against damage, loss, and third-party claims. The license will also provide for termination with 30 days' notice in the event the Owner engages in negotiations for a lease with a tenant. The license will not provide the City with any right to make any changes or improvements to the space (AS IS/WHERE IS condition).

- Owner notice to the City following the termination of any tenancy.
- In the event the interior portion of the Retail/Display and Outdoor Seating Area is not subject to a lease and closed to public access for a period of over two consecutive years (from either the initial certificate of occupancy or from the last day of occupancy by a tenant) and there is no active lease negotiations and no reasonable expectation of entering a lease, the Owner will offer to the City the option (at the City's sole discretion) to enter a \$1 dollar per year lease, on otherwise standard triple net lease terms with the City, for a period to be set by the City and Owner for the City to provide, at its sole cost and expense, opportunities for members of the public to enter the interior space. The lease terms will include obligations to staff and secure the space against damage, loss and third-party claims. The lease will not provide any right for the City to make any changes to the space without the prior written consent of the Owner, in Owner's sole and absolute discretion. The lease will include the length of the initial term and potential extension(s).

To ensure the Owner's ability to meet any lease obligations, the City will not withhold temporary certificates of occupancy for the R&D Relocation so long as the Owner is cooperating in good faith to complete and record the Historic Covenant.

5.3 Recordation of Final Map and Dedication of BMR/Parkland Dedication Parcel.

Promptly after the Parking Garage and demolition are both complete (removing the structure from the proposed new property line and relocating the surface parking) and within the deadlines set forth in Exhibit C, Owner will promptly submit and process for recordation one or more final maps (each a "Final Map") that creates, at a minimum: (a) the Townhome Parcel; (b) the BMR/Parkland Dedication Parcel for acceptance by the City pursuant to the terms of this Agreement; and (c) all necessary easements for a multimodal connection from Portage Avenue to Park Boulevard, consistent with the City's Bicycle and Pedestrian Master Plan or the Approvals. Conveyance to the City of the BMR/Parkland Dedication Parcel will be accomplished solely by means of City's acceptance, as shown on the Final Map or subsequently thereto, of Owner's offer of dedication as shown on the Final Map of the BMR/Parkland Dedication Parcel. In no event shall City require of Owner, nor be entitled to receive from Owner, dedication of the BMR/Parkland Dedication Parcel by means of a separate grant deed or other separate instrument of conveyance.

5.4 **Environmental Conditions.**

Northgate Environmental's Phase I report prepared for the City recommended limited Phase II testing on the BMR/Dedication Parcel. PES Environmental Inc. ("PES"), with the City's review of their scope of work, completed the recommended limited Phase II testing entitled "Results of 2023 Additional Subsurface Investigation City Dedication Project – El Camino Center Adjacent to 200 – 320 Portage Avenue and 278 Lambert Avenue

Palo Alto, California dated August __, 2023 ("PES Limited Phase II Report"), which was also reviewed by the City's consultant. The PES Limited Phase II Report identified a single location (SB-39) with an isolated detection of total lead (390 mg/kg) at a depth of one foot below ground surface (bgs) as shown on Plate 3 (the "Lead Outlier"). To remediate this Lead Outlier, upon the City's development of the park, Owner and the City shall share equally in the cost of any soil removal on APN 132-38-043 to remove the Lead Outlier to a maximum depth of three feet and its replacement with clean soil. Upon the request of either Party, the Parties will meet and confer in good faith on other options to address this Lead Outlier at an earlier time to achieve a similar results.

In addition, Owner shall provide an updated Phase I report, prepared by a consultant selected by the City, within 6 months prior to the offer of dedication of the BMR/Park Dedication parcel to the City. Owner shall only be responsible for removing any new Hazardous Materials deposited on the BMR/Dedication Parcel to the residential environmental screening thresholds of the agency responsible for oversight of this Property to the City's reasonable satisfaction. Owner shall not be responsible for any environmental conditions already identified and known (or that should have been known) to the Parties prior to the Effective Date of this Agreement, or any changes in regulatory screening levels related to those already known conditions.

5.5 **Switch Building.**

To the extent feasible and desirable to the City, Owner shall facilitate assignment to the City of any existing lease of the Switch Building concurrent with acceptance of the BMR/Parkland Dedication Parcel by the City and a full release of Owner upon transfer. Owner shall have no obligation to modify any existing lease (other than to document an assignment to the City as the new fee owner) or incur any additional costs or liability related to the Switch Building for conveyance. Prior to conveyance to the City of the BMR/Parkland Dedication Parcel, Owner shall not voluntarily enter into or extend a lease of the Switch Building without first consulting the City.

5.6 **Development of Townhomes and Park Building.**

Following demolition of the portion of the Cannery, recordation of the final map that includes the Townhomes and offer of dedication of the BMR/Parkland Dedication Parcel to the City, and issuance of all applicable ministerial permits, and as otherwise dictated by the market, Owner (or Owner's assignee) may begin construction and complete the Townhomes consistent with the Approvals. Owner shall make good faith efforts to effectuate development of the Townhomes as soon as commercially practical. For each year, as part of Article VIII (Annual Review), following creation of the Townhome parcel in which construction of the townhomes has

not commenced, Owner shall provide the City with a summary of its efforts to market the Townhomes and an analysis of market conditions related to the Townhomes.

Owner shall incorporate or cause to be incorporated into the Covenants, Conditions, and Restrictions for the Townhomes a condition prohibiting members of the homeowners' association from participating in any Residential Preferential Parking District that includes the Townhome parcel.

Subject to the City's remedies in Exhibit C and Section 9.1, Owner may complete, at any time dictated by the market, the conversion of use of the Park Building from automotive to R&D. At all times following demolition of the portion of the Cannery and before the Commencement of Townhome Construction, Owner shall secure the Townhome Parcel, and ensure that it is free of public nuisances. If any issues arise with maintenance, the City and Owner shall meet and confer regarding the appearance and maintenance of the site.

5.7 **Transportation Demand Management Program.**

New non-residential uses on the Property (applicable to new tenants after the termination of the existing leases as of the Effective Date) shall be subject to the TDM Program that achieves a 15% reduction in single-vehicle-occupancy trips consistent with the Approvals. In addition, Owner shall implement, for tenants under existing leases as of the Effective Date, those elements of the TDM Program that may be implemented by Owner without a lease amendment. The TDM Program contains contingency provisions to ensure the program can be modified as appropriate over time and the City's approval of requested modifications to the TDM Program will not be unreasonably withheld or delayed.

5.8 **Payment of Fees.**

(a) **Development Fees, Assessments, Exactions, and Dedications.** Except as provided herein, Owner shall pay all applicable City fees, including processing fees, Development Impact Fees, in-lieu fees, water and sewer connection and capacity charges and fees; assessments; dedication formulae; and taxes payable in connection with the development, build-out, occupancy, and use of the Project that apply uniformly to all similar developments in the City at the rates in effect at the time Owner applies for a building permit approval in connection with the Project (regardless of whether such fees, assessments, dedication formulae or taxes became effective before, on or after the Effective Date). Provided, however, Owner shall not be required to pay any new or increased Development Impact Fees adopted after the Effective Date, with the exception of increases to adjust for inflation. Additionally, Owner may elect to defer payment of Development Impact Fees for the Townhomes until construction of the Townhomes, in which case the Development Impact Fees shall be paid on a pro-rata basis (1/74th) at final inspection for each residential unit.

City shall accept the dedication of the BMR/Parkland Dedication Parcel pursuant to Sections 5.3 and 6.2 and payment of the Public Benefit Fee as set forth in Section 5.8(b) in full and complete satisfaction of any and all parkland dedication requirements under Palo Alto Municipal Code Chapter 21.50 and inclusionary housing requirements under Chapter 16.65. The City acknowledges and understands that the Owner intends to market the Townhomes to third party

homebuilders and that the necessary credits and documentation will be assignable to such builder(s).

(b) Public Benefit Fee. Owner shall also pay a \$5 million (\$5,000,000.00) Public Benefit Fee to the City for its use toward affordable housing or parkland improvement in the City's sole discretion. Owner may elect to defer payment of the Public Benefit Fee until construction of the Townhomes, in which case it shall be paid on a pro-rata basis (1/74th) at final inspection for each residential unit. However, if Commencement of Townhome Construction has not occurred within 5 (five) years of the City's acceptance of the BMR/ Parkland Dedication Parcel, the Public Benefit Fee shall be increased in accordance with the increase in the Construction Cost Index for the San Francisco Bay Area from the Effective Date to the date of payment or partial payment, until payment in full. If final inspections for the Townhomes have not been approved by the Expiration Date, Owner shall pay the full Public Benefit Fee to the City on or before the Expiration Date. The City acknowledges and understands that the Owner intends to market the Townhomes to third party homebuilders and that the obligation to pay the Public Benefit Fee will be assignable to such builder(s) pursuant to Article XII.

ARTICLE VI — CITY PROMISES

6.1 Processing of Subsequent Approvals

Provided Owner is not in default of this Agreement, City shall promptly accept, review and shall not deny or unreasonably delay any Subsequent Approval, including all ministerial permits and inspections, necessary to the exercise of the rights vested in the Owner by this Agreement and all permits and approvals necessary to relocate the existing above-ground powerline necessary for construction of the Parking Garage. The Parties acknowledge and agree that the City's compliance with this obligation directly and materially relates to the Owner's ability to timely perform its obligations under this Agreement.

6.2 Acceptance of BMR/Parkland Dedication Parcel

Provided Owner is not in default under this Agreement, and subject to Section 5.3, City shall expeditiously and in good faith review and accept Owner's offer of dedication for the BMR/Parkland Dedication Parcel as such offer is set forth on the Final Map. Following such offer of dedication, City shall promptly review and act upon any Subsequent Approvals for the Townhomes, whether or not the City has completed its review and acceptance of the BMR/Parkland Dedication Parcel. The Parties further acknowledge and agree that: (a) subject only to, and without limiting, the provisions of Section 5.4 and this Section 6.2, Owner makes no representation or warranty, express or implied, regarding the title, physical, environmental, or legal condition of BMR/Parkland Dedication Parcel or its fitness or suitability for any particular purpose or use and City accepts dedication, title, and ownership of the BMR/Parkland Dedication Parcel in its "AS IS" and "WITH ALL FAULTS" condition; (b) City shall not be required to accept title to the BMR/Parkland Dedication Parcel subject to any deeds of trust or other monetary liens or encumbrances; (c) without limiting the foregoing, City accepts dedication, title, and ownership of the BMR/Parkland Dedication Parcel subject to (i) all matters of record, including easements, encumbrances, covenants, conditions, restrictions, reservations, and rights-of-way; (ii) installments of general and special real property taxes and assessments not then delinquent; (iii)

any encumbrance or possessory interest arising from the acts of City; and (iv) matters that would have been disclosed by an inspection or a survey; and (d) except as otherwise expressly set forth in this Agreement, City shall be solely responsible for all costs and expenses attendant upon the transfer of title to the BMR/Parkland Dedication Parcel from Owner to City.

ARTICLE VII - EXCEPTIONS AND EXCLUSIONS

7.1 Subsequent Applicable Rules

Notwithstanding anything to the contrary in this Agreement, the following Subsequent Rules that are adopted on a general, City-wide or North Ventura Area-wide basis shall apply to development of the Property (“Subsequent Applicable Rules”):

(a) Subsequent Rules that relate to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure imposed at any time, provided such Subsequent Rules are uniformly applied throughout the City or the North Ventura Coordinated Area Plan area to all substantially similar types of development projects and properties, and such procedures are not inconsistent with procedures set forth in the Approvals or this Agreement.

(b) Subsequent Rules that are determined by City to be reasonably required in order to protect occupants of the Project, and/or residents of the City, from a condition dangerous to their health or safety, or both. This Section 7.1 is not intended to be used for purposes of general welfare or to limit the intensity of development or use of the Property but to protect and recognize the authority of the City to deal with material endangerments to persons on the Property not adequately addressed in the Approvals.

(c) Subsequent Rules that do not conflict with the Applicable Rules, this Agreement or the Approvals, provided such Subsequent Rules are uniformly applied throughout the City or the North Ventura Coordinated Area Plan area to all substantially similar types of development projects and properties; and

(d) Other Subsequent Rules that do not apply to the Property and/or the Project due to the limitations set forth above, but only to the extent that such Subsequent Rules are accepted in writing by Owner in its sole discretion.

7.2 Supervening Rules of Other Governmental Agencies

If any governmental entity or agency other than the City passes a law or regulation after the Effective Date which prevents or precludes compliance with one (1) or more provisions of this Agreement or requires changes in plans, maps, or permits approved by the City notwithstanding the existence of this Agreement, then the provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with such new law or regulation. Immediately after enactment of any such new law or regulation, the parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. In addition, Owner shall have the right to challenge the new law or regulation preventing compliance with the terms of this Agreement, and, to the extent such challenge is successful, this Agreement

shall remain unmodified and in full force and effect; provided, however, that Owner shall not develop the Project in a manner clearly inconsistent with a new law or regulation applicable to the Project and adopted by any governmental entity or agency other than the City, except to the extent that enforcement of such law or regulation is stayed or such law or regulation is repealed or declared unenforceable or such law or regulation is not applicable to projects as to which a development agreement has been executed.

7.3 **Building Codes.**

The Project shall be constructed in accordance with the provisions of the California Building Code, Green Building Code, Mechanical, Plumbing, Electrical, and Fire Codes as adopted and amended by the City, City standard construction specifications and Title 24 of the California Code of Regulations, relating to building standards, in effect at the time of approval of the appropriate building, grading or other construction permits for the Project. Those codes, as modified from time to time, are Subsequent Applicable Rules.

7.4 **Utility Services.**

This Agreement does not limit the power and right of the City to adopt and amend from time to time rules and procedures governing the provision and use of utility services provided by the City. These rules, as modified from time to time, are Subsequent Applicable Rules.

7.5 **No General Limitation of Future Exercise of Power**

This Agreement does not limit the power and right of the City to adopt and amend from time to time rules and procedures governing the provision and use of utility services provided by the City.

7.6 **Alternative Approvals.**

Notwithstanding any provisions in this Development Agreement, Owner may apply for, and the City may thereafter review and grant, in accordance with applicable law: (i) amendments or modifications to the Approvals; or (ii) other approvals (“Alternative Approvals”) for the development of the Property in a manner other than that described in the Approvals. The issuance of any Alternative Approval which approves a change in the Permitted Uses, density or intensity of use, height or size of buildings, provisions for reservation and dedication of land, conditions, terms, restrictions, and requirements relating to subsequent discretionary actions, monetary contributions by the Owner, or in any other matter set forth in this Development Agreement, shall not require or constitute an amendment to this Development Agreement, unless Owner and the City desire that such Alternative Approvals also be vested pursuant to this Development Agreement. If this Development Agreement is not so amended, it shall continue in effect unamended, although Owner shall also be entitled to develop the Property in accordance With the Alternative Approvals granted by the City, without such permits and approvals being vested hereby.

ARTICLE VIII - ANNUAL REVIEW

8.1 **Annual Review.**

The annual review required by California Government Code, Section 65865.1 shall be conducted pursuant to Resolution No. 7104 by the City's Planning Director every twelve (12) months from the Effective Date for compliance with the provisions hereof (the "Annual Review"). The Planning Director shall notify Owner in writing of any evidence which the Planning Director deems reasonably required from Owner in order to demonstrate good-faith compliance with the terms of this Development Agreement. Such annual review provision supplements, and does not replace, the provisions of Article IX below whereby either the City or Owner may, at any time, assert matters which either party believes have not been undertaken in accordance with this Development Agreement by delivering a written Notice of Breach and following the procedures set forth in said Section 9.2. Owner shall pay the City's actual costs for its performance of the Annual Review, including staff time if and to the extent that more than two (2) hours of staff time is required to perform the annual review.

ARTICLE IX - DEFAULT, REMEDIES, TERMINATION

9.1 **Remedies for Breach.** City and Owner acknowledge that the purpose of this Development Agreement is to carry out the parties' objectives and local, regional, and Statewide objectives by developing the Project. The parties acknowledge that City would not have entered into this Development Agreement had it been exposed to damage claims from Owner for any breach thereof. As such, the parties agree that in no event shall Owner be entitled to recover any actual, consequential, punitive, or other monetary damages against City for breach of this Development Agreement. Therefore, City and Owner agree that, in the event of a breach of this Development Agreement, each of the parties hereto may pursue the following: (a) specific performance; (b) suits for declaratory or injunctive relief; (c) suits for mandamus or special writs; or (d) cancellation of this Development Agreement and Approvals, as set forth in Exhibit C. In addition to the foregoing remedies, City shall be entitled to recover monetary damages with respect to actual monetary amounts payable by Owner under this Development Agreement. In no event will the City be entitled to consequential or punitive damages from Owner. All of the above remedies shall be cumulative and not exclusive of one another, and the exercise of any one (1) or more of these remedies shall not constitute a waiver or election with respect to any other available remedy.

9.2 **Notice of Breach.**

(a) Prior to the initiation of any action for relief specified in Section 9.1 above because of an alleged breach of this Development Agreement, the party claiming breach shall deliver to the other party a written notice of breach (a "Notice of Breach"). The Notice of Breach shall specify with reasonable particularity the reasons for the allegation of breach and the manner in which the alleged breach may be satisfactorily cured.

(b) The breaching party shall cure the breach within thirty (30) days following receipt of the Notice of Breach; provided, however, if the nature of the alleged breach is nonmonetary and such that it cannot reasonably be cured within such thirty (30) day period, then the commencement of the cure within such time period and the diligent prosecution to completion of the cure thereafter at the earliest practicable date shall be deemed to be a cure, provided that if the cure is not so diligently prosecuted to completion, then no additional cure period shall be required to be provided. If the alleged failure is cured within the time provided above, then no

default shall exist, and the noticing party shall take no further action to exercise any remedies available hereunder. If the alleged failure is not cured, then a default shall exist under this Development Agreement and the non-defaulting party may exercise any of the remedies available under this Development Agreement.

(c) If, in the determination of the alleged breaching party, such event does not constitute a breach of this Development Agreement, the party to which the Notice of Breach is directed, within thirty (30) days of receipt of the Notice of Breach, shall deliver to the party giving the Notice of Breach a notice (a “Compliance Notice”) which sets forth with reasonable particularity the reasons that a breach has not occurred.

9.3 **Applicable Law.** This Development Agreement shall be construed and enforced in accordance with the laws of the State of California without reference to its choice of laws rules.

ARTICLE X — AMENDMENTS

10.1 **Modification Because of Conflict with State or Federal Laws.**

(a) In the event that State or Federal laws or regulations enacted after the Effective Date of this Development Agreement prevent or preclude compliance with one (1) or more provisions of this Development Agreement or require changes in plans, maps, or permits approved by City, such modifications shall be governed by the provisions of Section 4.2 and Article VII. Any such amendment or suspension of this Development Agreement shall be approved by the City Council in accordance with the City Code and this Development Agreement and by Owner.

(b) In the event changes in State or Federal laws or regulations substantially interfere with Owner’s ability to carry out the Project, as the Project has been approved, or with the ability of either party to perform its obligations under this Development Agreement, the parties agree to negotiate in good faith to consider mutually acceptable modifications to such obligations to allow the Project to proceed as planned to the extent practicable.

10.2 **Amendment by Mutual Consent.** This Development Agreement may be amended in writing from time to time by mutual consent of City and Owner, subject to approval by the City Council (except as otherwise provided herein), and in accordance with the procedures of State law and the City Code.

10.3 **City Costs for Review.** During the Term of this Development Agreement, Owner shall promptly reimburse City for costs incurred by City to have its staff, consultant, or outside counsel review, approve, or issue assignments, estoppel certificates, transfers, amendments to this Development Agreement, and the like. Owner’s obligations under this Section 10.3 shall survive expiration or earlier termination of this Development Agreement.

10.4 **Minor Amendments.**

(a) The parties acknowledge that the provisions of this Development Agreement require a close degree of cooperation between City and Owner, and, during the course of implementing this Development Agreement and developing the Project, refinements and

clarifications of this Development Agreement may become appropriate and desired with respect to the details of performance of City and Owner. If, and when, from time to time, during the Term of this Development Agreement, City and Owner agree that such a refinement is necessary or appropriate, City and Owner shall effectuate such refinement through a minor amendment or operating memorandum (the "Operating Memorandum") approved in writing by City and Owner, which, after execution, shall be attached hereto as an addendum and become a part hereof. Any Operating Memorandum may be further refined from time to time as necessary with future approval by City and Owner. No Operating Memorandum shall constitute an amendment to this Development Agreement requiring public notice or hearing.

(b) Notwithstanding the provisions of Section 10.5, and by way of illustration but not limitation of the above criteria for an Operating Memorandum, any refinement of this Development Agreement which does not affect: (a) the Term of the Development Agreement as provided in Section 3.1; (b) the right to develop, and Permitted Uses of, the Property as provided in this Development Agreement; (c) the general location of on-site and off-site improvements; (d) the density or intensity of use of the Project; (e) the maximum height or size of proposed buildings; (f) monetary contributions by Owner as provided in this Development Agreement; or (g) material modifications to public view opportunities of the monitor roofs/interior trusses of the Cannery Building or material modifications to essential historic elements of the Cannery Building as defined in Section 5.2, shall be deemed suitable for an Operating Memorandum and shall not, except to the extent otherwise required by law, require notice or public hearing before either the Planning Director or the City Council before the parties may execute the Operating Memorandum; provided, that such amendment shall first be approved by Owner and the Community Development Director (or if the City does not then have a Planning Director, then by the holder of the position which includes the majority of the planning responsibilities held, as of the date of this Development Agreement, by the Planning Director); and provided further, that the Planning Director (or substitute) in consultation with the City Attorney shall make the determination on behalf of City whether a requested refinement may be effectuated pursuant to this Section 10.4 or whether the requested refinement is of such a character to constitute a major modification hereof pursuant to Section 10.5. The Planning Director (or substitute) shall be authorized to execute any Operating Memoranda hereunder on behalf of City. Minor modifications to the Project as to the location, operational design, or requirements for maintenance of improvements shall be suitable for treatment through Operating Memoranda subject to the provisions of this Section 10.4, and not "major modifications" subject to the provisions of Section 10.5.

10.5 Amendment of Approvals. Approval of any major modifications to the Project or Approvals requires City Council approval and the approval of Owner. Any of the following amendments to Approvals shall be deemed a "major modification" and shall require an amendment of this Development Agreement: (a) the term of the Development Agreement as provided in Section 3.1; (b) the right to develop, and Permitted Uses of, the Property as provided in this Development Agreement; (c) the general location of on-site and off-site improvements; (d) the density or intensity of use of the Project; (e) the maximum height or size of proposed buildings; (f) monetary contributions by Owner as provided in this Development Agreement; or (g) material modifications to the public view opportunities of the monitor roof/interior trusses of the Cannery Building or material modifications to essential historic elements of the Cannery Building as defined in Section 5.2. Such amendment shall be limited to those provisions of this Development Agreement, which are implicated by the amendment of the Approvals. Any other amendment of

the Approvals shall not require amendment of this Development Agreement unless the amendment of the Approvals relates specifically to some provision of this Development Agreement.

ARTICLE XI — COOPERATION AND IMPLEMENTATION

11.1 **Cooperation.** It is the parties' express intent to cooperate with one another and to diligently work to implement this Agreement in a manner that ensures that all Parties realize the intended benefits of the Agreement.

11.2 **City Processing.**

(a) **By City.** City will not use its discretionary authority in considering any application for a Subsequent Approval to change the policy decisions reflected by this Development Agreement or otherwise to prevent or delay development of the Project. The City shall cooperate with Owner in a reasonable and expeditious manner, in compliance with the deadlines mandated by applicable statutes or ordinances, to complete, at Owner's expense, all steps necessary for implementation of this Development Agreement and development of the Project in accordance herewith, including, without limitation, in performing the following functions to process the Project:

(i) Scheduling all required public hearings by the City Council, Planning Commission, Architectural Review Board, or other City bodies in accordance with the City's regularly established meeting schedule for these bodies; and

(ii) Processing and checking all maps, plans, land use permits, building plans and specifications, and other plans relating to development of the Project filed by Owner or its nominees.

(b) **By Owner.** When Owner elects to proceed with construction of the Project or any part thereof, Owner, in a timely manner, shall provide City with all documents, applications, plans, and other information necessary for City to carry out its obligations hereunder, and Owner shall cause its planners, engineers, and all other consultants to submit in a timely manner all necessary materials and documents.

11.3 **Other Governmental Permits.** Owner shall apply prior to the expiration of the Term of this Development Agreement for approvals which may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. City shall cooperate reasonably with Owner in its endeavors to obtain such permits and approvals at no cost to City. If such cooperation by City requires the approval of the City Council, such approval cannot be predetermined because decisions are made by a majority vote of the City Council.

ARTICLE XII — TRANSFERS AND ASSIGNMENTS

12.1 **Transfers and Assignments.** Owner may assign this Development Agreement with the express written consent of City, which consent shall not be unreasonably withheld, conditioned, or delayed. Owner may assign this Development Agreement in whole or in part as to the Property, in connection with any sale, transfer, or conveyance thereof, and upon the express

written assignment by Owner and assumption by the assignee by an assignment and assumption agreement in substantially the form of Exhibit D, subject to prior approval of the City Manager and City Attorney, which approval shall not be unreasonably withheld or delayed, and the conveyance of Owner's interest in the Property related thereto. Upon execution of an assignment and assumption agreement, Owner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Owner," with all rights and obligations related thereto, with respect to such conveyed property.

12.2 Covenants Run with the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants, and obligations contained in this Development Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise), and assigns, devisees, administrators, representatives, lessees, and all of the persons or entities acquiring the Property or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, including foreclosure or deed in lieu of foreclosure, and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation, or otherwise), and assigns. All of the provisions of this Development Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do or refrain from doing some act on the Property hereunder, or with respect to any City-owned property: (a) is for the benefit of such properties and is a burden upon such property; (b) runs with such properties; (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person or entity having any interest therein derived in any manner through any owner of such properties, or any portion thereof; and (d) shall benefit each property hereunder, and each other person or entity succeeding to an interest in such properties.

ARTICLE XIII — MORTGAGE PROTECTION; CERTAIN RIGHTS OF CURE

13.1 Mortgage Protection. This Development Agreement shall be superior and senior to any lien placed upon the Property or any portion thereof after the date of recording this Development Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Development Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

13.2 Mortgagee Not Obligated. Notwithstanding the provisions of Section 13.1 above, no Mortgagee shall have any obligation or duty under this Development Agreement to construct or complete the construction of improvements or to guarantee such construction or completion; provided, however, a Mortgagee shall not be entitled pursuant to this Development Agreement to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Development Agreement or otherwise under the Approvals. Nothing in this Section 13.2 shall prevent or impair the right of any Mortgagee to apply to City for the approval of entitlements to construct other or different improvements than the

Project, although this Development Agreement shall not be construed to obligate City to approve such applications, and City retains full and complete discretion with respect to consideration of any such applications for approval.

13.3 **Notice of Default to Mortgagee.** If City receives a notice from a Mortgagee requesting a copy of any notice of default given Owner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Owner, any Notice of Breach given to Owner with respect to any claim by City that Owner has committed an event of default, and, if City makes a determination of noncompliance hereunder, City shall likewise serve notice of such noncompliance on such Mortgagee concurrently with service thereon on Owner. Each Mortgagee shall have the right during the same period available to Owner to cure or remedy, or to commence to cure or remedy, the event of default claimed, or the areas of noncompliance set forth in City's Notice of Breach.

ARTICLE XIV — GENERAL PROVISIONS

14.1 **Project is a Private Undertaking.** It is specifically understood and agreed by the parties that the development contemplated by this Development Agreement is a private development, that City has no interest in or responsibility for or duty to third persons concerning any of said improvements, and that Owner shall have full power over the exclusive control of the Property herein described subject only to the limitations and obligations of Owner under this Development Agreement.

14.2 **Notices, Demands, and Communications between the Parties.** Formal written notices, demands, correspondence, and communications between City and Owner will be sufficiently given if dispatched by first-class mail, postage prepaid, or overnight courier, to the offices of the City and Owner indicated below. Such written notices, demands, correspondence, and communications may be sent in the same manner to such persons and addresses as either party may from time to time designate by mail as provided in this Section:

City: City Manager
City of Palo Alto
250 Hamilton Avenue
Palo Alto, California 94301

with copies to: City Attorney
City of Palo Alto, 8th Floor
250 Hamilton Avenue
Palo Alto, California 94301

Director of Planning and Development Services
City of Palo Alto, 5th Floor
250 Hamilton Avenue
Palo Alto, California 94301

Owner: SI 45, LLC
Attn: Tim Steele and Robert Tersini
c/o The Sobrato Organization

599 Castro Street, Suite 400
Mountain View, CA 94041

With a copy to: Holland & Knight
Attn: Tamsen Plume
560 Mission Street, 19th Floor
San Francisco, CA 941051

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served forty-eight (48) hours after the date of deposit or if sent via overnight courier on the next business day.

14.3 **Severability.** Except as otherwise provided herein, if any provision of this Development Agreement is held invalid, the remainder of this Development Agreement shall not be affected and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

14.4 **Section Headings.** Article and Section headings in this Development Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants, or conditions of this Development Agreement.

14.5 **Entire Agreement.** This Development Agreement, including the Recitals and the Attachments to this Development Agreement which are each incorporated herein by reference, constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof. The Attachments are as follows:

Exhibit A	Legal Description
Exhibit B	Plat
Exhibit C	Schedule and Parties Obligations and Remedies for Default or Breach
Exhibit D	[Form of] Assignment and Assumption Agreement

14.6 **Estoppel Certificate.** Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party: (a) this Development Agreement is in full force and effect and a binding obligation of the parties; (b) this Development Agreement has not been amended or modified orally or in writing, and, if so amended, identifying the amendments; (c) the requesting party is not in default in the performance of its obligations under this Development Agreement, or if in default, to describe therein the nature and amount of any such defaults; and (d) any other matter reasonably requested by the requesting party. The party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it is not obligated to do so within twenty (20) business days following the receipt thereof. Either the City Manager or the Planning Director of City shall have the right to execute any certificate requested by Owner hereunder. City acknowledges that a certificate hereunder may be relied upon by transferees and Mortgagees.

14.7 **Statement of Intention.** Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing

of development and controlling the parties' agreement, it is the intent of City and Owner to hereby acknowledge and provide for the right of Owner to develop the Project in such order and at such rate and times as Owner deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms of this Development Agreement. City acknowledges that such a right is consistent with the intent, purpose, and understanding of the parties to this Development Agreement, and that without such a right, Owner's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Legislation and this Development Agreement.

14.8 Indemnification and Hold Harmless. Owner shall indemnify, defend (with counsel reasonably acceptable to City) and hold harmless City and its elected and appointed officials, officers, employees, contractors, agents, and representatives (individually, a "City Party," and, collectively, "City Parties") from and against any and all liabilities, obligations, orders, claims, damages, fines, penalties and expenses, including reasonable attorneys' fees and costs (collectively, "Claims"), including Claims for any bodily injury, death, or property damage, resulting directly or indirectly from the development, construction, or operation of the Project and, if applicable, from failure to comply with the terms of this Development Agreement, and/or from any other acts or omissions of Owner under this Development Agreement, whether such acts or omissions are by Owner or any of Owner's contractors, subcontractors, agents, or employees; provided that Owner's obligation to indemnify and hold harmless (but not Owner's duty to defend) shall be limited (and shall not apply) to the extent such Claims are found to arise from the gross negligence or willful misconduct of a City Party. This Section 14.8 includes any and all present and future Claims arising out of or in any way connected with Owner's or its contractors' obligations to comply with any applicable State Labor Code requirements and implementing regulations of the Department of Industrial Relations pertaining to "public works" (collectively, "Prevailing Wage Laws"), including all claims that may be made by contractors, subcontractors, or other third-party claimants pursuant to Labor Code Sections 1726 and 1781. Owner's obligations under this Section 14.8 shall survive expiration or earlier termination of this Development Agreement.

14.9 Recordation. Promptly after the Effective Date of this Development Agreement, the City Clerk shall have this Development Agreement recorded in the Official Records of Santa Clara County, California. If the parties to this Development Agreement or their successors in interest amend or cancel this Development Agreement as hereinabove provided, or if City terminates or modifies this Development Agreement as hereinabove provided, the City Clerk shall record such amendment, cancellation, or termination instrument in the Official Records of Santa Clara County, California.

14.10 No Waiver of Police Powers or Rights. Except as expressly provided in this Agreement, in no event shall this Development Agreement be construed to otherwise limit in any way City's rights, powers, or authority under the police power and other powers of City to regulate or take any action in the interest of the health, safety, and welfare of its citizens.

14.11 City Representations and Warranties. City represents and warrants to Owner that, as of the Effective Date:

(a) City is a California charter city and municipal corporation and has all necessary powers under the laws of the State of California to enter into and perform the undertakings and obligations of City under this Development Agreement.

(b) The execution and delivery of this Development Agreement and the performance of the obligations of City hereunder have been duly authorized by all necessary City Council action, and all necessary City approvals have been obtained.

(c) This Development Agreement is a valid obligation of City and is enforceable in accordance with its terms.

During the Term of this Development Agreement, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 14.11 not to be true, immediately give written notice of such fact or condition to Owner.

14.12 **Owner Representations and Warranties.** Owner represents and warrants to City that, as of the Effective Date:

(a) Owner is duly organized and validly existing under the laws of the State of California, and is in good standing, and has all necessary powers under the laws of the State of California to own property interests and in all other respects enter into and perform the undertakings and obligations of Owner under this Development Agreement.

(b) The execution and delivery of this Development Agreement and the performance of the obligations of Owner hereunder have been duly authorized by all necessary corporate action and all necessary corporate authorizations have been obtained.

(c) This Development Agreement is a valid obligation of Owner and is enforceable in accordance with its terms.

(d) Owner has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Owner's creditors; (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Owner's assets; (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Owner's assets; or (v) admitted in writing its inability to pay its debts as they come due.

During the Term of this Development Agreement, Owner shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 14.12 not to be true, immediately give written notice of such fact or condition to City.

14.13 **Counterparts.** This Development Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.14 **Waivers.** Notwithstanding any other provision in this Development Agreement, any failures or delays by any party in asserting any of its rights and remedies under this Development Agreement shall not operate as a waiver of any such rights or remedies or deprive

any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies. A party may specifically and expressly waive in writing any condition or breach of this Development Agreement by the other party, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. Consent by one party to any act or failure to act by the other party shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or similar acts or failures to act in the future.

14.15 **Time is of the Essence.** Time is of the essence of this Development Agreement and of each and every term and condition hereof. All references to time in this Development Agreement shall refer to the time in effect in the State of California.

14.16 **Venue.** Any legal action regarding this Development Agreement shall be brought in the Superior Court for Santa Clara County, California.

14.17 **Surviving Provisions.** In the event this Development Agreement is terminated, neither party shall have any further rights or obligations hereunder, except for those obligations of Owner which by their terms survive expiration or termination hereof, including, but not limited to, those obligations set forth in Sections 10.3 and 14.8.

14.18 **Construction of Agreement.** All parties have been represented by counsel in the preparation and negotiation of this Development Agreement, and this Development Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Development Agreement. Unless the context clearly requires otherwise: (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "includes" and "including" are not limiting; and (f) "days" means calendar days unless specifically provided otherwise.

IN WITNESS WHEREOF, City and Owner have executed this Development Agreement as of the date first written above.

Signatures to follow on next page

“City”:

CITY OF PALO ALTO,
a California charter city and municipal corporation

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Name: _____
Title: _____

“Owner”:

SI 45, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

DRAFT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
 } ss.
County of Santa Clara }

On _____, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal

NOTARY PUBLIC, STATE OF CALIFORNIA

My Commission # _____

Expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
 } ss.
County of Santa Clara }

On _____, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal

NOTARY PUBLIC, STATE OF CALIFORNIA

My Commission # _____

Expires: _____

**EXHIBIT A
LEGAL DESCRIPTION**

Real property in the City of Palo Alto, County of Santa Clara, State of California, described as follows:

DRAFT

**EXHIBIT B
PLAT**

DRAFT

EXHIBIT C
SCHEDULE OF PARTIES' OBLIGATIONS AND
REMEDIES FOR DEFAULT OR BREACH

#	Deadline	Owner and City Phasing Obligations and Remedies
1	Ongoing from Effective Date to completion of Townhomes.	Owner to provide regular updates to the City regarding the status of the Project, permitting, construction and marketing efforts, and City to provide the Owner with regular updates regarding the status of any permits or approvals under review.
Prior to Physical Work Commencing.		
2	Within 90 Days of Effective Date	<p>Owner has prepared and submitted applications, including all applicable application fees, for the necessary ministerial permits for Phase A as described in the Project Approvals, including (i) relocation of the City's above ground powerline, (ii) the Parking Garage, (iii) the rehabilitation/renovation of the Remaining Cannery (including the Retail/Display and Outdoor Seating Area), and (iv) demolition of the portion of the Cannery (the "Phase A Work") consistent with this Agreement and the Approvals. City's exclusive remedy for an Owner's failure to meet this deadline for this Section is termination of the Agreement and Approvals.</p> <p>The City will accept and process such permit applications expeditiously and in good faith pursuant to Section 6.1. Owner's exclusive remedy for the City's Default in processing is (1) specific performance and (2) an extension to this and all remaining deadlines in this schedule.</p>
3	Within 90 days of the City issuance of a permit ready letter(s) for all Phase	Owner has Commenced Construction on the Phase A Work. For the purposes of this Section, "Commenced Construction"

#	Deadline	Owner and City Phasing Obligations and Remedies
	A work (upon Owner's payment of all applicable fees) to Owner.	<p>means the Owner has obtained all necessary ministerial permits (including the payment of all applicable fees), entered a construction contract and started physical grading and/or site preparation work related to the Phase A Work. City's exclusive remedy for an Owner's failure to meet this deadline for this Section is termination of the Agreement and Approvals.</p> <p>Once Owner Commences Construction on the Phase A Work, as long as the Owner is in good faith compliance with all applicable permits related to such work, the City will no longer have the right to terminate the Approvals (as opposed to the Agreement). In the event Owner Abandons the Phase A Work, the City retains the right to terminate both the Agreement and the Approvals. For the purposes of this Section "Abandons" means the Owner has stopped all work for more than 180 consecutive days without a good faith reason, extension or Event of Force Majeure.</p> <p>The City will issue such permits, subject to Owner's submittal of all required plans, information and fees, expeditiously and in good faith pursuant to Section 6.1. Owner's exclusive remedy for the City's Default in issuing permits requested by Owner is (1) specific performance and (2) an extension to this and all remaining deadlines in this schedule.</p>
After Physical Work Commences, but Prior to Recordation Final Map Creating Townhome Parcel and BMR/Park Dedication Parcel.		
4	24 months from Commencement of Construction of the Phase A Work.	Owner has completed the Parking Garage (meaning the City has issued a final inspection and cars are allowed to

#	Deadline	Owner and City Phasing Obligations and Remedies
		<p>park in the structure in the normal course) and completed Demolition of the applicable portion of the Cannery. For the purposes of this Section “Demolition” means either that (i) the portion of the building is removed so that there is no longer a building over a new property line creating the Townhome Parcel or (ii) the City approves the recordation of the Final Map creating the Townhome Parcel with the portion of the Cannery to remain vacant and unoccupied on the property line until issuance of build permit for the Townhomes. City’s exclusive remedies for an Owner’s failure to meet this deadline for this Section are (1) specific performance; (2) termination of the Agreement, and/or (3) the City may withhold occupancy permits for New R&D uses in the Remaining Cannery, and/or Park Building. For the purpose of this Section “New” means a use that is not subject to an existing lease as of the Effective Date. If a New R&D use has occupied the Park Building (subject to the required notices to such tenant of the requirements of this Agreement), the City also has the remedy to require such user to cease any R&D use of the Park Building within three (3) years of the tenant’s initial occupancy.</p> <p>The City will schedule inspections and issue final inspections expeditiously and in good faith pursuant to Section 6.1. Owner’s exclusive remedy for the City’s Default in issuing final inspections is (1) specific performance and (2) an extension to this and all remaining deadlines in this schedule pursuant.</p>

#	Deadline	Owner and City Phasing Obligations and Remedies
5	Within 60 days of City's issuance of final certificates of occupancy for all of the Phase A Work (including the Demolition of the portion of the Cannery Building as defined above).	<p>Owner has submitted a request, with all supporting documentation and applicable fees, to the City to record a Final Map that includes both the creation of the Townhome Parcel and the BMR/Park Dedication Parcel consistent with this Agreement and the Approvals. City's exclusive remedies for an Owner's failure to meet this deadline for this Section are (1) specific performance; (2) termination of the Agreement, and/or (3) the City may withhold occupancy permits for New R&D uses in the Remaining Cannery and/or Park Building. For the purpose of this Section "New" means a use that is not subject to an existing lease as of the Effective Date. If a New R&D use has occupied the Park Building (subject to the required notices to such tenant of the requirements of this Agreement), the City also has the remedy to require such user to cease any R&D use of the Park Building within three (3) years of the tenant's initial occupancy.</p> <p>The City will process such Final Map in expeditiously and in good faith pursuant to Section 6.1. The City will not withhold recordation of the Final Map for acceptance of the BMR/Park Dedication Parcel if the Final Map is otherwise ready to record consistent with this Agreement and the Approvals. Owner's exclusive remedy for the City's Default in processing is (1) specific performance and (2) an extension to this and all remaining deadlines in this schedule.</p>
After Recordation of Final Map Creating Townhome Parcel and BMR/Park Dedication Parcel, but Prior to Acceptance by City and/or Completion of Townhomes.		

#	Deadline	Owner and City Phasing Obligations and Remedies
6	N/A	<p>Once Owner has recorded the Final Map creating the Townhome Parcel and BMR/Park Dedication Parcel, including an offer on the Final Map to dedicate the BMR/Park Dedication Parcel to the City in fee, the City may not withhold demolition permits, grading permits (if not previously issued), building permits, occupancy permits, permits for offsite improvements, or any other post-discretionary entitlements development permits under this Agreement related to the Remaining Cannery, Park Building, Ash Building or Townhomes. The City's exclusive remedies are (1) termination of this Agreement (but not the Approvals) or (2) specific performance.</p> <p>The City will accept the offer of dedication expeditiously and in good faith pursuant to Section 6.2. Owner's exclusive remedy for the City's Default in accepting the offer of dedication is (1) specific performance and (2) an extension to all remaining deadlines in this schedule.</p>
After BMR/Park Dedication Accepted by City but Prior to Completion of Townhomes.		
7	End of Term	<p>The City and Owner acknowledge the Townhomes will be constructed at the time dictated by the market, but in the event the Townhomes have not been constructed by the end of the Term, Owner will pay the full amount of the Public Benefit Fee to the City pursuant to Section 5.8(b). The City's exclusive remedy for an Owner Default in the payment of the Public Benefit fee is specific performance.</p>

In addition to notice and opportunity to cure as provided in Section 9.2, extensions by formal written amendment as provided in Section 10.2, and Force Majeure, the deadlines in this Exhibit C may be extended by each or a combination of the following:

- City Extension: The deadlines set forth in this Exhibit C are subject to a ninety (90) day extension, provided (1) that the Owner submits a written request for an extension prior to the deadline which shall include the rationale for the request and summary of the actions Owner has taken to satisfy the obligation prior to the deadline and (2) the extension request is approved by the City Manager, which such approval shall not be unreasonably withheld or delayed.
- Owner Extension. The deadlines set forth in this Exhibit C are also subject to a maximum of six extensions of 30 days each (no more than 180 days) upon written notice to City and an increase of \$25,000 for each such 30-day extension shall be added to the Public Benefit Fee.
- City Review: The deadlines set forth in this Exhibit C are each contingent upon the City reviewing and providing comments or approving the ministerial permit and improvement plans submitted by Owner within thirty (30) days of submission of complete plans. This 30-day period shall commence anew each time that Owner submits revised plans in response to City comments on the prior version of the permit or improvement plans. Owner shall be solely responsible for submitting complete plans that satisfy all code and City requirements. Owner shall be responsible for payment of all required City building permit fees including costs for City to retain contract plan check services. In the event that City review exceeds 30 days, the relevant deadline set forth in this Section 13 shall be extended one day for each day the City review exceeds 30 days.

EXHIBIT D

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attn: _____

(Space Above for Recorder's Use)

[FORM OF] ASSIGNMENT OF RIGHTS AND ASSUMPTION OF OBLIGATIONS UNDER DEVELOPMENT AGREEMENT

(_____)

THIS ASSIGNMENT OF RIGHTS AND ASSUMPTION OF OBLIGATIONS UNDER DEVELOPMENT AGREEMENT (this "Assignment") is made and entered into as of _____, 20__, by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee"), and approved and agreed to by the City of _____, a _____ ("City").

RECITALS

A. Assignor and City entered into that certain Development Agreement dated as of _____ for the _____ project, and recorded on _____ in the Official Records of the _____ County Recorder's Office ("Official Records") as Document No. _____, (the "Development Agreement"), with respect to approximately _____ acres of land within the City, as more particularly described in Exhibit A attached hereto (the "Property").

B. Assignor and Assignee have entered into that certain Agreement for Purchase and Sale _____ dated _____ (as may be amended from time to time, the "Purchase Agreement"), pursuant to which Assignor intends to transfer to Assignee the Property. Concurrently with transfer of the Property to Assignee, and solely in connection with such transfer in accordance with the Purchase Agreement, Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor the rights, interests and obligations as Owner under the Development Agreement.

C. Section 12.1 of the Development Agreement provides that the Owner shall be released from its obligations under the Development Agreement upon the assignment of the Owner's rights, interests and obligations under the Development Agreement if the City agrees to such release in writing, and Assignor wishes to memorialize that, upon the effective date of this Assignment, as set forth in Section 4 hereof, Assignor is hereby fully released from the duties and obligations of "Owner" with respect to the Development Agreement, including, without limitation, the Project Approvals, which release is hereby given by the City's execution of this Assignment as provided below.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals and for the purposes and in consideration of the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Defined Terms. All capitalized terms used but not defined in this Assignment shall have the meanings given to them in the Development Agreement.

2. Assignment and Assumption. Assignor hereby assigns to Assignee and Assignee hereby expressly and unconditionally assumes from Assignor, all rights, title, duties, interests and obligations under the Development Agreement.

3. Compliance with Assignment Requirements; Release. Approval of this Assignment by the City pursuant to Section 12.1 of the Development Agreement is an express condition precedent to the effectiveness of this Assignment. Each of Assignor and Assignee has complied with and satisfied all of the requirements and conditions under the Development Agreement with respect to assignment and assumption of the Assigned Interests, and all of the requirements and conditions under the Development Agreement for the release of Assignor from those obligations related to the Assigned Property and the Assigned Interests (collectively, the “Requirements”). Upon approval by the City, Assignor shall be fully released from all of the duties, obligations and liabilities of the “Owner” under the Development Agreement with respect to the Assigned Interests.

Assignee on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases, acquits and discharges, Assignor and its directors, officers, employees and agents of and from any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, (including, without limitation, reasonable attorneys’ fees and costs and consultants’ fees and costs) of whatever kind or nature, known or unknown, contingent or otherwise, whether direct or indirect, known or unknown, foreseen or unforeseen, that Assignee may now have or that may arise at any time on account of or in any way be connected with the Development Agreement.

In connection with the foregoing release, Assignee acknowledges that it is familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Assignee agrees that the release contemplated by this Section includes unknown claims. Accordingly, Assignee hereby waives the benefits of Civil Code Section 1542, or under any other statute or common law principle of similar effect, in connection with the releases contained in this Section.

Assignor

Assignee

Without limiting the foregoing and notwithstanding any contrary provision in the Development Agreement, City (i) acknowledges and agrees to the terms and conditions of this Assignment and that the Requirements have been satisfied, (ii) hereby fully releases Assignor, and Assignor is fully released, from all of the duties and obligations of the “Owner” under the Development Agreement and (iii) shall look solely towards Assignee with respect to performance, compliance and satisfaction of all covenants and obligations of Developer related to the Assigned Property.

4. Effective Date. Subject to the condition precedent set forth in Section 3 above, this Assignment shall be effective upon the later to occur of (i) the date all Parties have duly executed this Assignment and (ii) the date of the transfer of the Assigned Property to Assignee (the “Effective Date”). The Parties shall use a mutually acceptable escrow agent to record this Assignment Agreement and establish the Effective Date pursuant to mutually acceptable joint escrow instructions.

5. Acknowledgement of the Development Agreement and Project Approvals. Assignee further agrees that: (i) Assignee has had adequate opportunity to obtain and review copies of the Development Agreement and Project Approvals, and all other documents and materials containing or relating to the terms and conditions of the development of the project; (ii) Assignee has read and understands all of the terms and conditions of said documents and materials; (iii) Assignor has not made any representations or warranties with respect to the Assigned Property, the Project Approvals or any other aspect of development of the Property or the Development Agreement, and (iv) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other financial mechanisms and obligations described in such documents and materials, Assignee nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all obligations and requirements and be bound by all of the provisions of such documents and materials.

6. Terms of Development Agreement Not Affected. Except that Assignee shall be subject to, and Assignor shall be released from, the Development Agreement, the provisions of the Development Agreement shall remain in full force and effect and shall not be altered, amended or modified by this Assignment.

7. Modifications. This Assignment may be amended, terminated or otherwise modified in any respect only by a writing duly executed on behalf of Assignor and Assignee and approved by the City.

8. Attorneys’ Fees. In the event of any controversy, claim, dispute, or litigation between the parties hereto to enforce or interpret any of the provisions of this Assignment or any right of either party hereto, the non-prevailing party to such litigation agrees to pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys’ fees, incurred therein by the prevailing party, including, without limitation, fees incurred during a trial of any action and any fees incurred as a result of an appeal from a judgment entered in such litigation. To so recover, it shall not be necessary that the prevailing party prevail in each and every

one of its claims. Rather, the amount of the award of attorneys' fees shall, in the court's discretion, reflect the degree to which the prevailing party or parties have prevailed in some of their claims.

9. Consent of City. By signature of the City Manager below, the City approves and agrees to the assignment, assumption and release set forth in this Assignment. The City is a party to this Assignment solely respect to Section 3 and Section 4 hereof.

10. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of California, as they apply to contracts executed in and to be carried out entirely within California.

11. Further Assurances. Each party to this Assignment, upon the request of any other party to this Assignment, will execute, acknowledge and deliver such further documents or instruments and perform such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Assignment. Each of the individuals executing this Assignment certifies that he or she is duly authorized to do so.

12. Counterparts. This Assignment may be executed in one or more counterparts. All counterparts so executed shall constitute one agreement, binding on all parties, even though all parties are not signatory to the same counterpart.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date and year first above written.

ASSIGNOR:

_____, a _____

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

**ACKNOWLEDGED AND APPROVED
TO BY CITY:**

CITY OF PALO ALTO, _____

By: _____

Name: _____

Its: _____

[Signatures must be notarized]

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY
[See attached]

Resolution No. _____

Resolution of the Council of the City of Palo Alto Amending the Comprehensive Plan Land Use Map by Changing the Land Use Designation for 200-404 Portage Avenue, 3201-3225 Ash Street, and 3250 Park Boulevard from “Multi-family Residential” (MF) to “Mixed Use”; changing the land use designation for 3040 Park from “Light Industrial” (LI) to “Mixed use”; changing the land use designation of the newly created City dedication parcel area from MF and CS to Mixed Use; changing the land use designation of the vacant parcel at APN 132-32-037 from single-family residential to Mixed Use; and amending the Comprehensive Plan Land Use and Design Element Text to amend the description of the Mixed Use land use designation.

RECITALS

- A. Although the cannery building at 200-404 Portage; the Ash building at 3201-3225 Ash Street, and the Audi building at 3250 Park Boulevard have historically and currently occupied the space with non-residential uses, the site currently has a Multi-family Residential Land Use Designation, as well as a small portion with a Single-family Residential Land Use Designation.
- B. To better align the Comprehensive Plan Land Use Map with the past, present, and future uses of the site as set forth in the Development Agreement, the property owner, Sobrato Organization (“Sobrato”), desires to amend the Land Use Designation of these parcels.
- C. To better align the Comprehensive Plan Land Use Map with the future use of the site as set forth in the Development Agreement, Sobrato desires to amend the land use designation of the parcel at 3040 Portage to Mixed Use.
- D. To better align the Comprehensive Plan Land Use Map with the future use of the site for a park and affordable housing as set forth in the Development Agreement adopted concurrently herewith, the City desires to amend the Land Use Designation of the City dedication parcel to Mixed Use.
- E. Because the project includes merging and subdividing adjacent parcels such that the proposed townhomes would be dedicated to their own parcel, the resulting Townhome Parcel would not provide a minimum of 0.15 commercial floor area ratio identified in the Mixed Use land use designation description in the Land Use and Community Design Element.
- F. To permit a fully residential use in the Mixed Use land use designation, the Comprehensive Plan Land Use and Community Design Element would be amended as set forth below in Section 4.
- G. Whereas the Planning and Transportation Commission, after a duly noticed public hearing on July 12, 2023 and continued to July 26, 2023, recommended that the City Council amend the Land Use Map of the City of Palo Alto Comprehensive Plan as set forth below.
- H. Whereas the City Council considered said recommendation after a duly noticed public hearing held on [REDACTED], 2023 and now desires to amend the Land Use Map and Comprehensive Plan Land Use and Design Element as set forth below.

NOW, THEREFORE, the Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The City Council finds that the public interest, health, safety and welfare of Palo Alto and the surrounding region would be furthered by an amendment of the Land Use Map of the Palo Alto Comprehensive Plan as well as a Text Amendment to the Land Use and Community Design Element.

SECTION 2. The proposed Land Use Map amendment and Land Use and Community Design Text Amendments is consistent with the Comprehensive Plan as a whole; in particular, it furthers the following goals and policies of the Comprehensive Plan:

Policy L-1.1: Maintain and prioritize Palo Alto's varied residential neighborhoods while sustaining the vitality of its commercial areas and public facilities.	The proposed amendments would allow for implementation of the development agreement, which provides additional housing types within the area (market rate townhomes and a future affordable housing project); maintains the existing commercial uses; and provides for new public facilities (a 2.25-acre public park).
Policy L-1.3: Infill development in the urban service area should be compatible with its surroundings and the overall scale and character of the city to ensure a compact, efficient development pattern.	The proposed amendments would allow for implementation of the development agreement, which provides a mix of new housing, a public park, and retention of commercial uses within existing single-story buildings.
Policy L-1.4: Commit to creating an inventory of below market rate housing for purchase and rental. Work with neighbors, neighborhood associations, property owners and developers to identify barriers to infill development of below market rate and more affordable market rate housing and to remove these barriers, as appropriate. Work with these same stakeholders to identify sites and facilitate opportunities for below market rate housing and housing that is affordable.	The proposed amendments would allow for implementation of the development agreement. Although the development agreement does not proposed construction of the affordable housing units; the project dedicates 1-acre of land and \$4 million in funds to support the development of an affordable housing project, removing barriers to providing additional below market rate units.
Policy L-1.5: Regulate land uses in Palo Alto according to the land use definitions in this Element and Map L-6	The proposed amendments ensure compliance with this policy and modify the land use map to align with past, current, and future uses of the site in order to address current inconsistencies between the map and existing uses and to facilitate housing and a public park as the future use on a portion of the site
Policy L-1.6: Encourage land uses that address the needs of the community and manage change and development to benefit the community.	The proposed amendments provide a plan for the site that takes into consideration the needs of the community for additional housing and parkland; while providing a solution that the property owner is amenable to.
Policy L-2.2: Enhance connections between commercial and mixed-use centers and the surrounding residential neighborhoods by	The amendments allow for implementation of the development agreement. The development agreement would provide public access and an

promoting walkable and bikeable connections and a diverse range of retail and services that caters to the daily needs of residents.	enhanced bikeway from Park Boulevard to Avenue, consistent with the County of Santa Clara and the City of Palo Alto Bicycle and Pedestrian Transportation Plan.
Policy L-2.3: As a key component of a diverse, inclusive community, allow and encourage a mix of housing types and sizes, integrated into neighborhoods and designed for greater affordability, particularly smaller housing types, such as studios, co-housing, cottages, clustered housing, accessory dwelling units and senior housing	The project provides a mix of housing types including townhome units as well as the land and funds toward development of affordable housing.
Policy L-2.6: Create opportunities for new mixed-use development consisting of housing and retail.	The land use map amendments would allow for a mix of uses across this site including existing commercial uses, proposed housing, and a public park.
Policy L-2.9: Facilitate reuse of existing buildings.	Although other alternatives may include retention of more of the building, the proposed amendments would facilitate implementation of the development agreement, which includes retention of the Ash and Audi buildings as well as a portion of the cannery building.
Policy L-8.1: Facilitate creation of new parkland to serve Palo Alto's residential neighborhoods, as consistent with the Parks, Trails, Open Space and Recreation Master Plan.	The land use map amendments would allow for implementation of the development agreement, which would include dedication of 2.25 acres of new parkland to the City of Palo Alto. Although no improvements are currently proposed on the city dedication parcel, an additional \$1 in funding would be provided to the City to facilitate improvements along Matadero Creek, which may include naturalization of the creek bank and/or pedestrian or bicycle pathways connecting to Lambert and new improvements at Boulware Park.
Policy N-1.2: Maintain a network of parks and urban forest from the urban center to the foothills and Baylands that provide ecological benefits and access to nature for all residents	
Policy N-1.10: Support regional and sub-regional efforts to acquire, develop, operate, and maintain a seamless open space system, including habitat linkages and trail connections extending north-south and east-west from Skyline Ridge to San Francisco Bay.	
Policy N-1.11: Work with Stanford University, Santa Clara County, SCVWD and regional organizations to create multi-use trail connections between urban areas and open space, including creeks and rights-of-way, while ensuring that the natural environment is protected.	

SECTION 3. The City Council hereby amends the Land Use Map of the Palo Alto Comprehensive Plan by changing the designation of the areas depicted in "Exhibit A" by changing the Land Use Designation for 200-340/380 Portage Avenue, 3201-3225 Ash Street, and 3250 Park Boulevard from "Multi-family

Residential" (MF) and APN 132-32-037 from single-family residential to "Mixed Use"; and change the use designation for 3040 Park from "Light Industrial" (LI) to "Mixed Use"; and change the use designation of the newly created City dedication parcel area from MF and CS to Mixed Use. "Exhibit A" is attached to this resolution and incorporated into it by this reference, the exact boundaries of which are further detailed in the Vesting Tentative Map dated _____ and approved by Council on _____.

SECTION 4. The City Council hereby amends the Mixed Use land use description in the City of Palo Alto Comprehensive Plan Land Use and Community Design Element to read as follows:

"Mixed Use. The Mixed Use designation is intended to promote pedestrian-oriented places that layer compatible land uses, public amenities and utilities together at various scales and intensities. The designation allows for multiple functions within the same building or adjacent to one another in the same general vicinity to foster a mix of uses that encourages people to live, work, play and shop in close proximity. Most typically, mixed-use developments have retail on the ground floor and residences above. This category includes Live/Work, Retail/Office, Residential/Retail and Residential/Office development. FARs will range up to 1.15, although development located along transit corridors or near multi-modal centers will range up to 2.0 FAR with up to 3.0 FAR possible where higher FAR would be an incentive to meet community goals such as providing affordable housing. The FAR above 1.15 must be used for residential purposes. ~~FAR between 0.15 and 1.15 may be used for residential purposes. Up to 100% of FAR may be used for residential purposes in a Planned Community zone. As of the adoption of this Comprehensive Plan, the Mixed Use designation is currently only applied in the South of Forest Avenue (SOFA) area.~~ Consistent with the Comprehensive Plan's encouragement of housing near transit centers, higher density multi-family housing may be allowed in specific locations.

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NOT YET APPROVED

Item 7

Attachment E - Draft
Ordinance Amending the
Comprehensive Plan and
Comprehensive Plan Land
Use Map

SECTION 5. In conformance with the California Environmental Quality Act (CEQA), impacts of this Resolution were evaluated in an Environmental Impact Report for Townhome Project (EIR) (SCH# 2021120444), which the Council considered and adopted, together with the related Mitigation Monitoring and Reporting Plan (MMRP) on _____, 2023. The EIR concluded, and the Council finds consistent therewith, that the proposed project, as part of the whole of the action in conjunction with this resolution, would have a have a significant effect on a historic resource. Therefore, overriding considerations have been adopted.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

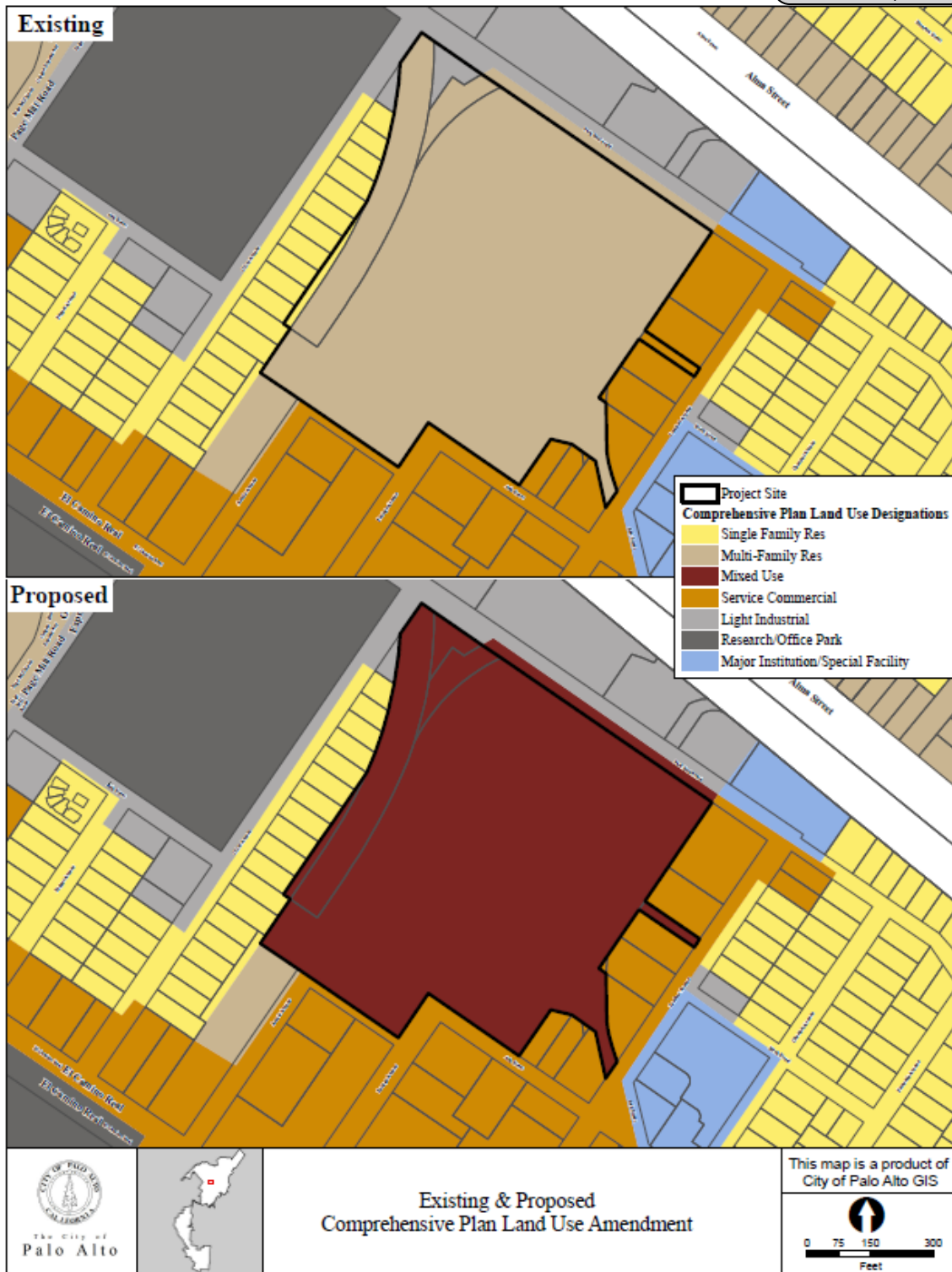
Director of Planning and
Development Services

NOT YET APPROVED

Item 7

Attachment E - Draft
Ordinance Amending the
Comprehensive Plan and
Comprehensive Plan Land
Use Map

Exhibit A: Existing and Proposed Comprehensive Plan Land Use Designations



Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 340-404 Portage Avenue from Multiple Family Residential (RM-30) to PC Planned Community Zone (PC-_____) for the Partial Demolition and Historic Restoration/Rehabilitation of the Cannery Building for Research and Development Use

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations.

(a) At the conclusion of a City Council ad hoc committee process and City Council pre-screening on August 1, 2022, SI 45, LLC, (“the Owner”) applied in the Fall 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).

(b) Unless context dictates otherwise, terms used in this Ordinance shall be defined and interpreted in a manner consistent with the Development Agreement adopted by Ordinance No. ____ (the “Development Agreement”). All references in this ordinance to the Development Agreement are for informational purposes only; this ordinance does not affect the rights and obligations of the parties stated in the Development Agreement nor extend its applicability to the Subject Property beyond the terms stated in the Development Agreement.

(c) The Tentative Map associated with the Project, including exceptions and conditions of approval, approved by Record of Land Use Action No. ____ (the “Tentative Map”) will merge the Project Site and create five (5) new parcels, including dedication of approximately 3.25 acres of the Project Site to the City for use as parkland and as the site of an affordable housing project. In part as a result of and to facilitate this dedication, existing and proposed uses on the other four (4) newly created parcels require Planned Community (PC) Zoning.

(d) The Architectural Review associated with the Project, including conditions of approval, approved by Record of Land Use Action No. ____ include information on the existing and proposed improvements on the Project Site (the “Architectural Review”).

(e) The approved Tentative Map and the Architectural Review shall be known collectively as the “Project Plans” and incorporated herein by reference.

(f) This Ordinance is one of five (5) PC Planned Community Ordinances associated with the Project, and sets forth the permitted uses, required development standards, and required public benefits applicable solely and exclusively for 340-404 Portage Avenue (the “Subject Property”) as depicted and legally described on Exhibit A.

(g) After study sessions on October 12, 2022 and October 26, 2022, the Planning and Transportation Commission (“PTC”), at its meeting of November 30, 2022, acted favorably on the Owner’s request for initiation of the Planned Community Zone process for the establishment of Planned Community Zone District No. PC-_____.

(h) The Project was considered by the Public Art Commission (“PAC”) on January 19, 2023, and the Palo Alto Bicycle Advisory Committee (“PABAC”) on February 7, 2023 and June 6, 2023.

(i) After a study session on January 12, 2022, the Historic Review Board (“HRB”), at its meeting of May 25, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(j) After a study sessions on December 15, 2022, January 19, 2022, and a public hearing on April 6, 2023, the Architectural Review Board (“ARB”), at its meeting of June 15, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(k) The PTC, after a duly noticed public hearing held on July 12 and July 26, 2023, considered the Environmental Impact Report (“EIR”), then reviewed the Project Plans and this Ordinance, and recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended to rezone the Subject Property to a new Planned Community zone, consistent with conditions included in the Planned Community zone related to allowable land uses and required development standards, and subject to provision of the public benefits outlined in this ordinance and recommended approval of the Tentative Map and Architectural Review.

(l) The Palo Alto City Council, after due consideration of the proposed Project, the analysis of the City staff, and the recommendations from the PAC, PABAC, HRB, ARB and PTC, certified the EIR and Mitigation Monitoring Program, and found that the proposed project and this Ordinance is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

(m) The Council finds that (1) the Subject Property is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow for the Project; (2) development of the Subject Property under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section (6)(c) hereof; and (3) the use or uses permitted, and the site development regulations applicable within the proposed district are consistent with the Palo Alto Comprehensive Plan (Goals, Policies, and proposed designation of Mixed Use for the Subject Property) as set forth in Record of Land Use Action No. _____, and are compatible with existing and potential uses on adjoining sites or within the general vicinity.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Multiple Family Residential (RM-30) to “PC Planned Community Zone _____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Agreement and the Project Plans. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Project Plans, incorporated by reference, including the following components:

- (a) Construction of a one-level parking garage;
- (b) Demolition of approximately 84,000 square feet of the existing cannery building restoration, rehabilitation and maintenance of the remaining cannery building in accordance with the Development Agreement and Architectural Review.
- (c) Construction of an approximately 2,600 square foot retail/interpretive display space within the remaining cannery building and an adjacent outdoor seating area (“Retail Area”) in accordance with the Development Agreement and Architectural Review.

SECTION 4. Land Uses

- (a) The following land uses shall be permitted, subject to the limitations stated in Section 4(c):

- (1) Research and Development as defined in Palo Alto Municipal Code section 18.04.030(a)(123) as of the Effective Date of this Ordinance and set forth in full below:

“Research and development” means a use engaged in the study, testing, engineering, product design, analysis and development of devices, products, processes, or services related to current or new technologies. Research and development may include limited manufacturing, fabricating, processing, assembling or storage of prototypes, devices, compounds, products or materials, or similar related activities, where such activities are incidental to research, development or evaluation. Examples of “research and development” uses include, but are not limited to, computer software and hardware firms, computer peripherals and related products, electronic research firms, biotechnical and biomedical firms, instrument analysis, genomics, robotics and pharmaceutical research laboratories, and related educational development. Research and development may include the storage or use of hazardous materials in excess of the exempt quantities listed in Title 15 of the Municipal Code, or etiological (biological) agents up to and including Risk Group 3 or Bio Safety Level 3 classifications as defined by the National Institute of Health (NIH)

or the Center for Disease Control (CDC). Higher classification levels of etiological (biological) agents are not allowed without express permission of the City Manager, Fire Chief, and Police Chief.

Related administrative uses such as finance, legal, human resources, management, marketing, sales, accounting, purchasing, or corporate offices; provisions of services to others on or off-site; and related educational uses may also be included provided they remain primarily supportive of the primary uses of “research and development” and are part of the same research and development firm.

- (2) Retail service or Retail-like uses, except Hotels, Theaters, Commercial nurseries, Auto dealerships, and liquor stores.
- (3) Multiple-family residential.
- (4) Public facilities, including display of interpretive materials regarding the history of the historic cannery building and use.

(b) The following land uses shall be conditionally permitted, subject to the limitations stated in Section 4(c):

- (1) Retail service or Retail-like uses excluded in Section 4(a)(2).

(c) Special limitations on land uses include the following:

- (1) A maximum of 140,174 square feet may be devoted to Research and Development (excluding an approximately 10,000 square foot exterior, covered area on the southwest corner of the building (“Covered Area”), which is currently used as an entry and outdoor seating area, parking, and screened storage, as depicted in Exhibit B. The Covered Area may remain in such use by the existing tenant as of the date of this Ordinance. Following termination of tenancy by the existing tenant, the Covered Area shall be converted such that it no longer meets the City’s then-existing definition of “Floor Area.”).
- (2) The Retail Area may be occupied by Retail or Retail-like uses per Section 4 (a) and (b), above, or Public Facility uses only and shall be subject to a recordable covenant governing public access to the historic interpretive materials provided onsite pursuant to the terms of the Development Agreement.

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SECTION 5. Site Development Regulations and Development Schedule

(a) Development Standards:

Development standards for the Subject Property shall be those as set forth in the Project Plans.

(b) Historic Maintenance Covenant:

As provided in the Development Agreement, the Owner shall record a historic maintenance covenant, in a form acceptable to the City Attorney, to ensure maintenance of the Remaining Cannery in accordance with the Project Plans.

(c) Parking and Loading Requirements:

The Owner shall provide parking and loading as set forth in the Project Plans. The parking requirements are adopted in consideration of a Transportation Demand Management (TDM) Plan, which is attached hereto and incorporated herein by reference.

(d) Modifications to the Development Plan, Land Uses and Site Development Regulations:

Once the project has been constructed consistent with the approved Development Plan, any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan or the site development regulations contained in Section 5 (a) – (c) above shall require an amendment to this Planned Community zone, except as provided in the recorded Historic Maintenance Covenant and/or Project Plans. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance.

(e) Development Schedule:

The project is required to include a Development Schedule pursuant to PAMC §18.38.100. The approved Development Schedule is set forth in the Development Agreement.

SECTION 6. Public Benefits.

(a) Public Benefits

Development of the Project Site under the provisions of the Development Agreement and PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts. The public benefits are provided by the Project as a whole and set forth in the Development Agreement.

(b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following expiration of the Development Agreement and every three (3) years thereafter, the Owner shall request that the City review the for

compliance with the PC district regulations and the conditions of the ordinance under which the district was created, as applicable only to the Subject Property. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Community Environment will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

SECTION 7. Environmental Review

An EIR for the Project was prepared in accordance with the California Environmental Quality Act. The City Council adopted Resolution No. ____ certifying the adequacy of the EIR.

SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and Development Services

CANNERY

NOT YET APPROVED

Item 7

Attachment F - Draft
Ordinances for Planned
Community Rezoning

Exhibit A: Subject Property Plat and Legal Description

Exhibit B: Covered Area

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 200-404 Portage/3040-3200 Park Boulevard from Multiple Family Residential (RM-30) to PC Planned Community Zone (PC-____) for the Partial Demolition of the Cannery Building and Construction of Multifamily Residential Units.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations.

(a) At the conclusion of a City Council ad hoc committee process and City Council pre-screening on August 1, 2022, SI 45, LLC, (“the Owner”) applied in the Fall 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).

(b) Unless context dictates otherwise, terms used in this Ordinance shall be defined and interpreted in a manner consistent with the Development Agreement adopted by Ordinance No. ____ (the “Development Agreement”). All references in this ordinance to the Development Agreement are for informational purposes only; this ordinance does not affect the rights and obligations of the parties stated in the Development Agreement nor extend its applicability to the Subject Property beyond the terms stated in the Development Agreement.

(c) The Tentative Map and Final Map associated with the Project, including exceptions and conditions of approval, approved by Record of Land Use Action No. ____ (the “Tentative Map”) will merge the Project Site and create five (5) new parcels, including dedication of approximately 3.25 acres of the Project Site to the City for use as parkland and as the site of an affordable housing project. In part as a result of and to facilitate this dedication, existing and proposed uses on the other four (4) newly created parcels require Planned Community (PC) Zoning.

(d) The Architectural Review associated with the Project, including conditions of approval, approved by Record of Land Use Action No. ____ include information on the existing and proposed improvements on the Project Site (the “Architectural Review”).

(e) The approved Tentative Map and the Architectural Review shall be known collectively as the “Project Plans” and are incorporated herein by reference.

(f) This Ordinance is one of five (5) PC Planned Community Ordinances associated with the Project, and sets forth the permitted uses, required development standards, and

required public benefits applicable solely and exclusively for 200-404 Portage/3040-3200 Park Boulevard (the “Subject Property”) as depicted and legally described on Exhibit A.

(g) After study sessions on October 12, 2022 and October 26, 2022, the Planning and Transportation Commission (“PTC”), at its meeting of November 30, 2022, acted favorably on the Owner’s request for initiation of the Planned Community Zone process for the establishment of Planned Community Zone District No. PC-_____.

(h) The Project was considered by the Public Art Commission (“PAC”) on January 19, 2023, and the Palo Alto Bicycle Advisory Committee (“PABAC”) on February 7, 2023 and June 6, 2023.

(i) After a study session on January 12, 2022, the Historic Review Board (“HRB”), at its meeting of May 25, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(j) After a study sessions on December 15, 2022, January 19, 2022, and a public hearing on April 6, 2023, the Architectural Review Board (“ARB”), at its meeting of June 15, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(k) The PTC, after a duly noticed public hearing held on July 12 and July 26, 2023, considered the Environmental Impact Report (“EIR”), then reviewed the Project Plans and this Ordinance, and recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended to rezone the Subject Property to a new Planned Community zone, consistent with conditions included in the Planned Community zone related to allowable land uses and required development standards, and subject to provision of the public benefits outlined in this ordinance and recommended approval of the Tentative Map and Architectural Review.

(l) The Palo Alto City Council, after due consideration of the proposed Project, the analysis of the City staff, and the recommendations from the PAC, PABAC, HRB, ARB and PTC, certified the EIR and Mitigation Monitoring Program, and found that the proposed project and this Ordinance is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

(m) The Council finds that (1) the Subject Property is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow for the Project; (2) development of the Subject Property under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section (6)(c) hereof; and (3) the use or uses permitted, and the site development regulations applicable within the proposed district are consistent with the Palo Alto Comprehensive Plan (Goals, Policies, and proposed designation of Mixed Use for the

Subject Property) as set forth in Record of Land Use Action No. ____, and are compatible with existing and potential uses on adjoining sites or within the general vicinity.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Multiple Family Residential (RM-30) to “PC Planned Community Zone ____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Agreement and the Project Plans. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Project Plans, incorporated by reference, including the following components:

(a) Demolition of a portion of the existing cannery building, as described in more detail in the Development Agreement, to facilitate the construction of 74 market-rate townhome units.

SECTION 4. Land Uses

(a) The following land uses shall be permitted:

- (1) Multiple family residential.
- (2) Accessory Facilities and uses customarily incidental to permitted uses
- (3) Home Occupations, when accessory to permitted residential uses.
- (4) Horticulture, Gardening, and Growing of food products for consumption by occupants of a site

SECTION 5. Site Development Regulations and Development Schedule

(a) Development Standards:

Development standards for the Subject Property shall be those conforming to the Townhome Buildings set forth in the Project Plans.

(b) Parking and Loading Requirements:

The Owner shall provide parking and loading as set forth in the Project Plans.

(c) Modifications to the Development Plan, Land Uses and Site Development Regulations:

Once the project has been constructed consistent with the approved Development Plan, any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan or the site development regulations contained in Section 5 (a) – (b) above shall require an amendment to this Planned Community zone. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance.

(d) Development Schedule:

The project is required to include a Development Schedule pursuant to PAMC §18.38.100. The approved Development Schedule is set forth in the Development Agreement.

SECTION 6. Public Benefits.

(a) Public Benefits

Development of the Project Site under the provisions of the Development Agreement and PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts. The public benefits are provided by the Project as a whole and set forth in the Development Agreement.

(b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following expiration of the Development Agreement and every three (3) years thereafter, the Owner shall request that the City review the for compliance with the PC district regulations and the conditions of the ordinance under which the district was created, as applicable only to the Subject Property. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Community Environment will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

SECTION 7. Environmental Review

An EIR for the Project was prepared in accordance with the California Environmental Quality Act. The City Council adopted Resolution No. _____ certifying the adequacy of the EIR.

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SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

TOWNHOMES

NOT YET APPROVED

Item 7

Attachment F - Draft
Ordinances for Planned
Community Rezoning

Exhibit A: Subject Property Plat and Legal Description

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 3201-3225 Ash Street from Multiple Family Residential (RM-30) to PC Planned Community Zone (PC-_____) for the Maintenance of an Existing Office Building in Association with a Development Agreement.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations.

(a) At the conclusion of a City Council ad hoc committee process and City Council pre-screening on August 1, 2022, SI 45, LLC, (“the Owner”) applied in the Fall 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).

(b) Unless context dictates otherwise, terms used in this Ordinance shall be defined and interpreted in a manner consistent with the Development Agreement adopted by Ordinance No. _____ (the “Development Agreement”). All references in this ordinance to the Development Agreement are for informational purposes only; this ordinance does not affect the rights and obligations of the parties stated in the Development Agreement nor extend its applicability to the Subject Property beyond the terms stated in the Development Agreement.

(c) The Tentative Map and Final Map associated with the Project, including exceptions and conditions of approval, approved by Record of Land Use Action No. _____ (the “Tentative Map”) will merge the Project Site and create five (5) new parcels, including dedication of approximately 3.25 acres of the Project Site to the City for use as parkland and as the site of an affordable housing project. In part as a result of and to facilitate this dedication, existing and proposed uses on the other four (4) newly created parcels require Planned Community (PC) Zoning.

(d) The Architectural Review associated with the Project, including conditions of approval, approved by Record of Land Use Action No. _____ includes information on the existing and proposed improvements on the Project Site (the “Architectural Review”).

(e) The approved Tentative Map and the Architectural Review shall be known collectively as the “Project Plans” and are incorporated herein by reference.

(f) This Ordinance is one of five (5) PC Planned Community Ordinances associated with the Project, and sets forth the permitted uses, required development standards, and required public benefits applicable solely and exclusively for 3201-3225 Ash Street (the “Subject Property”) as depicted and legally described on Exhibit A.

(g) After study sessions on October 12, 2022 and October 26, 2022, the Planning and Transportation Commission (“PTC”), at its meeting of November 30, 2022, acted favorably on the Owner’s request for initiation of the Planned Community Zone process for the establishment of Planned Community Zone District No. PC-_____.

(h) The Project was considered by the Public Art Commission (“PAC”) on January 19, 2023, and the Palo Alto Bicycle Advisory Committee (“PABAC”) on February 7, 2023 and June 6, 2023.

(i) After a study session on January 12, 2022, the Historic Review Board (“HRB”), at its meeting of May 25, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(j) After a study sessions on December 15, 2022, January 19, 2022, and a public hearing on April 6, 2023, the Architectural Review Board (“ARB”), at its meeting of June 15, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(k) The PTC, after a duly noticed public hearing held on July 12 and July 26, 2023, considered the Environmental Impact Report (“EIR”), then reviewed the Project Plans and this Ordinance, and recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended to rezone the Subject Property to a new Planned Community zone, consistent with conditions included in the Planned Community zone related to allowable land uses and required development standards, and subject to provision of the public benefits outlined in this ordinance and recommended approval of the Tentative Map and Architectural Review.

(l) The Palo Alto City Council, after due consideration of the proposed Project, the analysis of the City staff, and the recommendations from the PAC, PABAC, HRB, ARB and PTC, certified the EIR and Mitigation Monitoring Program, and found that the proposed project and this Ordinance is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

(m) The Council finds that (1) the Subject Property is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow for the Project; (2) development of the Subject Property under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section (6)(c) hereof; and (3) the use or uses permitted, and the site development regulations applicable within the proposed district are consistent with the Palo Alto Comprehensive Plan (Goals, Policies, and proposed designation of Mixed Use for the Subject Property) as set forth in Record of Land Use Action No. _____, and are compatible with existing and potential uses on adjoining sites or within the general vicinity.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Multiple Family Residential (RM-30) to “PC Planned Community Zone _____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Agreement and the Project Plans. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Project Plans, incorporated by reference, including the following components:

- (a) Retention of the existing building at 3201-3225 Ash Street.

SECTION 4. Land Uses

- (a) The following land uses shall be permitted, subject to the limitations stated in Section 4(c):

- (1) Those uses permitted in the Research, Office and Limited Manufacturing (ROLM) District on the effective date of this ordinance, except manufacturing uses, subject to the regulations contained in Title 18 of the Palo Alto Municipal Code.
- (2) Multiple-family residential.

- (b) The following land uses shall be conditionally permitted:

- (1) Those uses conditionally permitted in ROLM District on the effective date of this ordinance.

- (c) Special limitations on land uses include the following:

- (1) A maximum of 4,707 square feet of the existing building may be devoted to uses permitted or conditionally permitted in the ROLM District, expressly including general office uses.

SECTION 5. Site Development Regulations and Development Schedule

- (a) Development Standards:

Development standards for the Subject Property shall be those conforming to the 4,707 square foot building 3201-3225 Ash Street existing as of the effective date of this ordinance, except that the development standards for a multiple-family residential use shall be those applicable to the RM-30 zone district.

(b) Parking and Loading Requirements:

The Owner shall provide parking and loading as required by the Project Plans. The parking requirements are adopted in consideration of a Transportation Demand Management (TDM) Plan, which is incorporated herein by reference and a recorded off-site parking covenant will be required with the City as a third-party beneficiary.

(c) Modifications to the Development Plan, Land Uses and Site Development Regulations:

The Development Plan does not contemplate any new construction on the Subject Property except as provided the Project Plans. Any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan or the site development regulations contained in Section 5 (a) – (b) above shall require an amendment to this Planned Community zone. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance.

(d) Development Schedule:

The Project is required to include a Development Schedule pursuant to PAMC §18.38.100. The approved Development Schedule is set forth in the Development Agreement.

SECTION 6. Public Benefits and Monitoring

(a) Public Benefits

Development of the Project Site under the provisions of the Development Agreement and PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts. The public benefits are provided by the Project as a whole and set forth in the Development Agreement.

(b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following expiration of the Development Agreement and every three (3) years thereafter, the Owner shall request that the City review the for compliance with the PC district regulations and the conditions of the ordinance under which the district was created, as applicable only to the Subject Property. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Community Environment will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

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SECTION 7. Environmental Review

An EIR for the Project was prepared in accordance with the California Environmental Quality Act. The City Council adopted Resolution No. ____ certifying the adequacy of the EIR.

SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

ASH BUILDING

NOT YET APPROVED

Exhibit A: Subject Property Plat and Legal Description

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 3250 Park Boulevard from Multiple Family Residential (RM-30) to PC Planned Community Zone (PC-____) for the Maintenance of an Existing Commercial Building in Association with a Development Agreement.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations.

(a) At the conclusion of a City Council ad hoc committee process and City Council pre-screening on August 1, 2022, SI 45, LLC, (“the Owner”) applied in the Fall 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).

(b) Unless context dictates otherwise, terms used in this Ordinance shall be defined and interpreted in a manner consistent with the Development Agreement adopted by Ordinance No. ____ (the “Development Agreement”). All references in this ordinance to the Development Agreement are for informational purposes only; this ordinance does not affect the rights and obligations of the parties stated in the Development Agreement nor extend its applicability to the Subject Property beyond the terms stated in the Development Agreement.

(c) The Tentative Map and Final Map associated with the Project, including exceptions and conditions of approval, approved by Record of Land Use Action No. ____ (the “Tentative Map”) will merge the Project Site and create five (5) new parcels, including dedication of approximately 3.25 acres of the Project Site to the City for use as parkland and as the site of an affordable housing project. In part as a result of and to facilitate this dedication, existing and proposed uses on the other four (4) newly created parcels require Planned Community (PC) Zoning.

(d) The Architectural Review associated with the Project, including conditions of approval, approved by Record of Land Use Action No. ____ includes information on the existing and proposed improvements on the Project Site (the “Architectural Review”).

(e) The approved Tentative Map and the Architectural Review shall be known collectively as the “Project Plans” and incorporated herein by reference.

(f) This Ordinance is one of five (5) PC Planned Community Ordinances associated with the Project, and sets forth the permitted uses, required development standards, and required public benefits applicable solely and exclusively for 3250 Park Boulevard (the “Subject Property”) as depicted and legally described on Exhibit A.

(g) After study sessions on October 12, 2022 and October 26, 2022, the Planning and Transportation Commission ("PTC"), at its meeting of November 30, 2022, acted favorably on the Owner's request for initiation of the Planned Community Zone process for the establishment of Planned Community Zone District No. PC-_____.

(h) The Project was considered by the Public Art Commission ("PAC") on January 19, 2023, and the Palo Alto Bicycle Advisory Committee ("PABAC") on February 7, 2023 and June 6, 2023.

(i) After a study session on January 12, 2022, the Historic Review Board ("HRB"), at its meeting of May 25, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(j) After a study sessions on December 15, 2022, January 19, 2022, and a public hearing on April 6, 2023, the Architectural Review Board ("ARB"), at its meeting of June 15, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(k) The PTC, after a duly noticed public hearing held July 12 and July 26, 2023, considered the Environmental Impact Report ("EIR"), then reviewed the Project Plans and this Ordinance, and recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended to rezone the Subject Property to a new Planned Community zone, consistent with conditions included in the Planned Community zone related to allowable land uses and required development standards, and subject to provision of the public benefits outlined in this ordinance and recommended approval of the Tentative Map and Architectural Review.

(l) The Palo Alto City Council, after due consideration of the proposed Project, the analysis of the City staff, and the recommendations from the PAC, PABAC, HRB, ARB and PTC, certified the EIR and Mitigation Monitoring Program, and found that the proposed project and this Ordinance is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

(m) The Council finds that (1) the Subject Property is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow for the Project; (2) development of the Subject Property under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section (6)(c) hereof; and (3) the use or uses permitted, and the site development regulations applicable within the proposed district are consistent with the Palo Alto Comprehensive Plan (Goals, Policies, and proposed designation of Mixed Use for the Subject Property) as set forth in Record of Land Use Action No. _____, and are compatible with existing and potential uses on adjoining sites or within the general vicinity.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Multiple Family Residential (RM-30) to “PC Planned Community Zone _____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Agreement and the Project Plans. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Project Plans, incorporated by reference, including the following components:

(a) Conversion of approximately 11,762 square feet of an existing building at 3250 Park Boulevard to Research and Development uses.

SECTION 4. Land Uses

(a) The following land uses shall be permitted, subject to the limitations stated in Section 4(b):

- (1) Automotive Services.
- (2) Research and Development.
- (3) Multiple-Family Residential.
- (4) Accessory facilities and activities customarily associated with or essential to permitted uses, and operated incidental to the principal use.

(b) Special limitations on land uses include the following:

- (1) A maximum of 11,762 square feet within the existing building may be devoted to uses Automotive Services or Research and Development uses, including any accessory uses.

SECTION 5. Site Development Regulations and Development Schedule

(a) Development Standards:

Development standards for the Subject Property shall be those conforming to the 11,762 square foot building at 3250 Park Boulevard existing as of the effective date of this ordinance.

(b) Parking and Loading Requirements:

The Owner shall provide off-street parking and loading as set forth in the Project Plans. The parking requirements are adopted in consideration of a Transportation Demand Management (TDM) Plan, which is attached hereto and incorporated herein by reference.

- (c) Modifications to the Development Plan, Land Uses and Site Development Regulations:

The Development Plan does not contemplate any new construction on the Subject Property. Any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan or the site development regulations contained in Section 5 (a) – (b) above shall require an amendment to this Planned Community zone. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance.

- (d) Development Schedule:

The project is required to include a Development Schedule pursuant to PAMC §18.38.100. The approved Development Schedule is set forth in the Development Agreement.

SECTION 6. Public Benefits.

- (a) Public Benefits

Development of the Project Site under the provisions of the Development Agreement and PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts. The public benefits are provided by the Project as a whole and set forth in the Development Agreement.

- (b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following expiration of the Development Agreement and every three (3) years thereafter, the Owner shall request that the City review the for compliance with the PC district regulations and the conditions of the ordinance under which the district was created, as applicable only to the Subject Property. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Community Environment will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

SECTION 7. Environmental Review

An EIR for the Project was prepared in accordance with the California Environmental Quality Act. The City Council adopted Resolution No. ____ certifying the adequacy of the EIR.

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SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

PARK BUILDING

NOT YET APPROVED

Item 7

Attachment F - Draft
Ordinances for Planned
Community Rezoning

Exhibit A: Subject Property Plat and Legal Description

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 270 Lambert from Multiple Family Residential (RM-30) to PC Planned Community Zone (PC-_____) for the Provision of a Park and Construction of Affordable Housing in Association with a Development Agreement.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations.

(a) At the conclusion of a City Council ad hoc committee process and City Council pre-screening on August 1, 2022, SI 45, LLC, (“the Owner”) applied in the Fall 2022 to the City for approval of (1) a Development Agreement, (2) Comprehensive Plan Amendment, (3) Planned Community Zoning Ordinances, (4) Tentative Map(s), and (5) Major Architectural Review (the “Project”) for the 14.65 acre property at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street, and 270 Lambert Avenue (the “Project Site”).

(b) Unless context dictates otherwise, terms used in this Ordinance shall be defined and interpreted in a manner consistent with the Development Agreement adopted by Ordinance No. ____ (the “Development Agreement”). All references in this ordinance to the Development Agreement are for informational purposes only; this ordinance does not affect the rights and obligations of the parties stated in the Development Agreement nor extend its applicability to the Subject Property beyond the terms stated in the Development Agreement.

(c) The Tentative Map and Final Map associated with the Project, including exceptions and conditions of approval, approved by Record of Land Use Action No. ____ (the “Tentative Map”) will merge the Project Site and create five (5) new parcels, including dedication of approximately 3.25 acres of the Project Site to the City for use as parkland and as the site of an affordable housing project. In part as a result of and to facilitate this dedication, existing and proposed uses on the other four (4) newly created parcels require Planned Community (PC) Zoning.

(d) The Architectural Review associated with the Project, including conditions of approval, approved by Record of Land Use Action No. ____ includes information on the existing and proposed improvements on the Project Site (the “Architectural Review”).

(e) The approved Tentative Map and the Architectural Review shall be known collectively as the “Project Plans” and are incorporated herein by reference.

(f) This Ordinance is one of five (5) PC Planned Community Ordinances associated with the Project, and sets forth the permitted uses, required development standards, and

required public benefits applicable solely and exclusively for 270 Lambert (the “Subject Property”), depicted and legally described on Exhibit A.

(g) After study sessions on October 12, 2022 and October 26, 2022, the Planning and Transportation Commission (“PTC”), at its meeting of November 30, 2022, acted favorably on the Owner’s request for initiation of the Planned Community Zone process for the establishment of Planned Community Zone District No. PC-_____.

(h) The Project was considered by the Public Art Commission (“PAC”) on January 19, 2023, and the Palo Alto Bicycle Advisory Committee (“PABAC”) on February 7, 2023 and June 6, 2023.

(i) After a study session on January 12, 2022, the Historic Review Board (“HRB”), at its meeting of May 25, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(j) After a study sessions on December 15, 2022, January 19, 2022, and a public hearing on April 6, 2023, the Architectural Review Board (“ARB”), at its meeting of June 15, 2023, reviewed the Project design and recommended the City Council approve the Project, with certain recommended conditions and considerations.

(k) The PTC, after a duly noticed public hearing held on July 12 and July 26, 2023, considered the Environmental Impact Report (“EIR”), then reviewed the Project Plans and this Ordinance, and recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended to rezone the Subject Property to a new Planned Community zone, consistent with conditions included in the Planned Community zone related to allowable land uses and required development standards, and subject to provision of the public benefits outlined in this ordinance and recommended approval of the Tentative Map and Architectural Review.

(l) The Palo Alto City Council, after due consideration of the proposed Project, the analysis of the City staff, and the recommendations from the PAC, PABAC, HRB, ARB and PTC, certified the EIR and Mitigation Monitoring Program, and found that the proposed project and this Ordinance is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

(m) The Council finds that (1) the Subject Property is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow for the Project; (2) development of the Subject Property under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section (6)(c) hereof; and (3) the use or uses permitted, and the site development regulations applicable within the proposed district are consistent with the Palo Alto Comprehensive Plan (Goals, Policies, and proposed designation of Mixed Use for the Subject Property) as set forth the Record of Land Use Action No. _____, and are compatible with existing and potential uses on adjoining sites or within the general vicinity.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Multiple Family Residential (RM-30) to “PC Planned Community Zone _____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Agreement and the Project Plans. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Project Plans, incorporated by reference, including the following components:

(a) Dedication of approximately 3.25 acres of land to the City for use as public park and for the development of affordable housing.

SECTION 4. Land Uses

(a) The following land uses shall be permitted

- (1) Public Facilities
- (2) Multiple-Family Residential

SECTION 5. Site Development Regulations and Development Schedule

(a) Development Standards:

Approximately one acre of the Subject Property shall be utilized as the site for an affordable housing project; approximately 2.25 acres of the Subject Property shall be utilized as the site for a public park. The development standards for these uses shall be in conformance with such plans that are approved by the City Council for the Subject Property.

(b) Modifications to the Development Plan, Land Uses and Site Development Regulations:

Once the project has been constructed consistent with the approved Development Plan, any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan shall require an amendment to this Planned Community zone in accordance with Palo Alto Municipal Code Chapter 18.38. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance.

(c) Development Schedule:

The development schedule for the Subject Property shall be in accordance with future approvals for specific development plans.

SECTION 6. Public Benefits.

(a) Public Benefits

Development of the Project Site under the provisions of the Development Agreement and PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts. The public benefits are provided by the Project as a whole and set forth in the Development Agreement.

(b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following expiration of the Development Agreement and every three (3) years thereafter, the Owner shall request that the City review the for compliance with the PC district regulations and the conditions of the ordinance under which the district was created, as applicable only to the Subject Property. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Community Environment will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

SECTION 7. Environmental Review

An EIR for the Project was prepared in accordance with the California Environmental Quality Act. The City Council adopted Resolution No. ____ certifying the adequacy of the EIR.

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SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

BMR/PARK DEDICATION

*NOT YET

Item 7
Attachment F - Draft
Ordinances for Planned
Community Rezoning

Exhibit A: Subject Property Plat and Legal Description

APPROVAL NO. 2023-_____

**RECORD OF THE COUNCIL OF THE CITY OF PALO ALTO LAND USE ACTION FOR
200-404 PORTAGE AVENUE, 3201-3225 ASH STREET, 3040-3250 PARK
BOULEVARD, AND 278 LAMBERT: DEVELOPMENT AGREEMENT,
COMPREHENSIVE PLAN AMENDMENT, PLANNED COMMUNITY REZONING,
VESTING TENTATIVE MAP WITH EXCEPTIONS, AND ADOPTION OF AN EIR
MAKING OVERRIDING CONSIDERATIONS
[FILE NO 22PLN-00287; 22PLN-00288]**

On _____, 2023, the City Council of the City of Palo Alto (“City Council”) approved a Development Agreement, Comprehensive Plan Land Use Map and Text Amendment, Planned Community Rezoning, Historic Review, and Vesting Tentative Map with Exceptions, making the following findings, determinations, and declarations:

SECTION 1. BACKGROUND.

A. On August 25, 2022 Sobrato Organization, herein referred to as “Sobrato”, applied for a Development Agreement, Comprehensive Plan Amendment, Planned Community Rezoning, Historic Review, and a Vesting Tentative Map with Exceptions to allow the development of 74 townhomes, conversion of 2,600 sf of Automotive Services Space to Research and Development Use, and Construction of a new single-story, two-Level Parking Garage. The also allows 154,506 sf of existing R&D space and 4,707 sf of existing office space to remain at the site. The project includes modifications to, including partial demolition of, the former Cannery Building, which is eligible for the California Register of Historic Resources. The project would also include dedication of lands and funds to the City for an affordable housing development as well as land for a park or other public open space use adjacent Matadero Creek.

B. The project site consists of eleven (11) existing parcels located at 200-404 Portage Avenue, 3201-3225 Ash Street, 3040-3250 Park Boulevard, and 278 Lambert (APNS 132-32-036, -037, -042; -043, and 132-38-043 and -071) totaling 14.65 acres. Existing uses include 154,506 sf of Research and Development Uses, 4,707 sf of office use, 7,600 sf of Automotive Service use, and approximately 84,000 sf of vacant retail space.

C. On August 1, 2022 Council conducted a prescreening review of the proposed legislative actions in accordance with PAMC 18.79.

D. On October 12, 2022 and October 26, 2022 Planning and Transportation Commission held study sessions to provide feedback and allow for public comment on the proposed project. On November 30, 2023 The Planning and Transportation Commission recommended that the applicant submit the proposed plans to the Architectural Review Board for review based on the conceptual design and proposed project in accordance with the Planned Community Rezoning process in 18.38 of the code.

E. Following staff review, the Historical Resources Board (HRB) reviewed the project

and recommended specific conditions of approval of the Project on May 25, 2023.

F. Following staff and the HRB's review, the Architectural Review Board (ARB) reviewed the project and recommended approval with conditions on June 15, 2023.

G. Following the HRB and ARB's review, the Planning and Transportation Commission (PTC) reviewed the project and recommended approval with conditions on July 12, 2023.

H. On _____ 2023, the City Council reviewed the request for a Development Agreement, Comprehensive Plan Land Use Map and Text Amendment, as well as the application for Planned community Rezoning and a Vesting Tentative Map with Exceptions. After hearing public testimony, the Council voted to approve/adopt:

- a. Resolution _____ adopting the EIR and making findings of overriding considerations for the project;
- b. Ordinance _____ approving the Development Agreement between the City and Sobrato;
- c. Resolution _____ amending the Comprehensive Plan Land Use Map and Text;
- d. Ordinances _____, _____, _____, _____, _____ amending the zoning of the proposed resulting parcels to Planned Community; and
- e. This Record of Land Use Action.

I. These applications are subject to the conditions set forth in Sections 6 and 7 of this Record of Land Use Action.

SECTION 2. ENVIRONMENTAL REVIEW.

With the California Environmental Quality Act (CEQA) the City prepared an Environmental Impact Report ("EIR") for the 200 Portage Avenue Townhome Project to provide an assessment of the potential environmental consequences of approving and constructing the Project. A Draft EIR was circulated for public review for a 60-day period from September 16, 2022, through November 15, 2022. A Final EIR/EA was prepared to respond to comments and published on May 15, 2023. A revised Final EIR was prepared and released on June 2, 2023 and included a comment letter and associated responses to comments that were inadvertently omitted from the Final EIR. the City Council certified and made related findings by Resolution No _____ on _____, 2022, prior to approval of the decision that is the subject of this RLUA. All mitigation measures as stated in the approved Mitigation Monitoring and Reporting Program (MMRP) have been incorporated into the conditions of approval. The MMRP is included in Exhibit A of this Record of Land Use Action.

SECTION 3. ARCHITECTURAL REVIEW FINDINGS.

The design and architecture of the proposed improvements, as conditioned, complies with the Findings for Architectural Review as required in Chapter 18.76 of the PAMC and Chapter 16.49 of the PAMC.

Architecture Review Findings

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.

The project is consistent with Finding #1 because:

With approval of the requested Comprehensive Plan Amendment and Planned Community Rezoning in accordance with the Development Agreement, the proposed project complies with the zoning code. The project complies with the context-based design criteria (as outlined under finding #2). The project is not located within a coordinated area plan area. The proposed project is consistent with the Comprehensive Plan, below is an analysis of the applicable goals and policies:

Comp Plan Goals and Policies	How project adheres or does not adhere to Comp Plan
<i>The Comprehensive Plan land use designation for the site is Multi-family Residential</i>	The project proposes to add a new public park and multi-family residential uses (74 townhomes and an affordable housing project) on the proposed City dedication parcel. These uses are consistent with the multi-family residential land use designation, which encourages high density residential uses within 0.5 miles of transit. As part of the negotiated Development Agreement, nonconforming uses within existing structures would be allowed to remain. The project includes a Comprehensive Plan Land Use Map Amendment to change the land use designation of three of the parcels to commercial services. This would align the existing uses with an appropriate underlying comprehensive plan land use designation that is consistent with the land use designation of surrounding areas.
Land Use and Community Design	
Policy L-1.2: Limit future urban development to currently developed lands within the urban service area. The boundary of the urban service area is otherwise known as the urban growth boundary. Retain undeveloped land west of Foothill Expressway and Junipero Serra as open space, with allowances made for very low-intensity development	The project is located on currently developed lands within the urban service area.

consistent with the open space character of the area. Retain undeveloped land northeast of Highway 101 as open space.	
Policy L-1.3: Infill development in the urban service area should be compatible with its surroundings and the overall scale and character of the city to ensure a compact, efficient development pattern.	The project is an urban infill development proposal in the urban service area of the city.
Policy L-1.5: Regulate land uses in Palo Alto according to the land use definitions in this Element and Map L-6.	With approval of the Comprehensive Plan text Amendment and Land Use Map Amendment, the project will be consistent with the land use definitions in this element and Map L-6, identifying the site as multi-family residential land use for the city dedication parcel and townhome parcel and service commercial for the areas with existing commercial uses.
Policy L-1.6: Encourage land uses that address the needs of the community and manage change and development to benefit the community.	The project provides 74 market rate units and dedicates land and funds to support a future affordable housing development on the City dedication parcel. The project seeks to addresses the housing crisis that the City Council has identified as a top priority, particularly targeting the deepest affordability levels.
Policy L-1.11: Hold new development to the highest development standards in order to maintain Palo Alto's livability and achieve the highest quality development with the least impacts	The project utilizes high-quality material including high quality, durable, corrugated metal, thick, quality glass, wood, and stucco and the design is high quality, meeting the ARB findings for approval.
Policy L-2.5: Support the creation of affordable housing units for middle to lower income level earners, such as City and school district employees, as feasible.	The project includes dedication of a 3.25-acre parcel, one acre of which is anticipated to be used for an approximately 75-unit 10% affordable housing project.
Policy L-2.8: When considering infill redevelopment, work to minimize displacement of existing residents.	The project replaces vacant retail with a multi-family residential use. No residents would be displaced as a result of this project.
Policy L-2.11: Encourage new development and redevelopment to incorporate greenery and natural features such as green rooftops, pocket parks, plazas and rain gardens.	The project includes greenery and relief spaces along pedestrian mews between buildings as well as dedicating land for a new public park adjacent Matadero Creek. New tree plantings and greenery (bioretention areas) are provided between the single-family residential uses and proposed structures.

Policy L-3.1: Ensure that new or remodeled structures are compatible with the neighborhood and adjacent structures.	Although the development is taller than adjacent single-story developments, the project complies with the single-family residential daylight plane requirements where adjacent to a single-family use. The townhome design provides an appropriate transition between single family residential and higher density residential development. Landscaping is provided to buffer between uses.
Policy L-6.1: Promote high-quality design and site planning that is compatible with surrounding development and public spaces.	
Policy L-3.4: Ensure that new multi-family buildings, entries and outdoor spaces are designed and arranged so that each development has a clear relationship to a public street.	The project includes new stoops across the park frontage, connecting each of the park facing units to the street, providing a clear relationship to the street. Some units also face out onto Private Street A in order to create a sense of connection to the city dedication parcel in the anticipation that this will be redeveloped into a public park.
Policy L-6.2: Use the Zoning Ordinance, design review process, design guidelines and Coordinated Area Plans to ensure high quality residential and commercial design and architectural compatibility.	The project is consistent with the City's Zoning Ordinance and, on balance, meets the City's design guidelines and the ARB findings for approval.
Policy L-6.7: Where possible, avoid abrupt changes in scale and density between residential and non-residential areas and between residential areas of different densities. To promote compatibility and gradual transitions between land uses, place zoning district boundaries at mid-block locations rather than along streets wherever possible.	The project includes retention of two existing single-story buildings, retention of a portion of the cannery building, and a new three-story townhome development. The proposed townhomes are an appropriate transition between single family residential uses and higher density multi-family housing. The townhomes and new parking garage meet or exceed the daylight plane requirements for the most restrictive abutting district (single-family residential).
Policy L-6.8: Support existing regulations that preserve exposure to natural light for single-family residences	The project complies with daylight plane and setbacks that would otherwise be required under the base zoning (and that meet or exceed the single-family residential zone district requirements) where it abuts R-1 zoning.
Policy L-9.2: Encourage development that creatively integrates parking into the project, including by locating it behind buildings or underground wherever possible, or by providing for shared use of parking areas.	The current site is primarily paved parking lot. The proposed project removes one of the surface parking lots and consolidates much of the commercial parking toward the rear of the site in order to accommodate dedication of a

Encourage other alternatives to surface parking lots that minimize the amount of land devoted to parking while still maintaining safe streets, street trees, a vibrant local economy and sufficient parking to meet demand.	parcel to the City for a public park. The proposed parking aligns with the existing ratios and is therefore anticipated to be sufficient to meet the demand. The townhome parcel has additional parking to support guests as well as parking for each unit in an area that would not be visible to the public.
Policy L-9.3: Treat residential streets as both public ways and neighborhood amenities. Provide and maintain continuous sidewalks, healthy street trees, benches and other amenities that promote walking and “active” transportation.	The project improves the street right-of-way through improved street planting and clear separation of the public sidewalk from the private property. The project increases the sidewalk along El Camino Real by providing a public easement to allow for a 12-foot effective sidewalk width. The clear walking path has been increased to 7’6” and additional planting on the interior yard and development that corresponds to the street provides a more inviting pedestrian environment.
Policy T-1.17: Require new office, commercial and multi-family residential developments to provide improvements that improve bicycle and pedestrian connectivity as called for in the <i>2012 Palo Alto Bicycle + Pedestrian Transportation Plan</i> . Policy T-1.19: Provide facilities that encourage and support bicycling and walking.	The project includes a new dedicated two-way bicycle lane to align with the trail connections outlined in the 2012 Palo Alto Bicycle and Pedestrian Transportation Plan and improves existing conditions by adding bicycle spaces on the site.
Policy T-5.1: All new development projects should manage parking demand generated by the project, without the use of on-street parking, consistent with the established parking regulations. As demonstrated parking demand decreases over time, parking requirements for new construction should decrease.	The project provides required parking onsite. A TDM plan is required for the proposed office uses and is required to reduce trip generation by 30%. A draft of the TDM plan has been prepared and is still being reviewed by the City’s Transportation Division.
Policy N-2.10: Preserve and protect Regulated Trees, such as native oaks and other significant trees, on public and private property, including landscape trees approved as part of a development review process and consider strategies for expanding tree protection in Palo Alto.	The project includes the removal of some protected trees in a manner that is consistent with the tree protection ordinance and replaces all trees to be removed in accordance with the Tree technical manual’s requirements to ensure no net loss of canopy. protects existing trees over 15-inches. The project’s compliance with all code requirements is reflected in the landscape and T-1, 2, etc. sheets in the plan set.

Program H2.1.2: Allow increased residential densities and mixed-use development only where adequate urban services and amenities, including roadway capacity, are available.	The project is located within an urban area near the El Camino Real corridor in close proximity (less than 0.5 miles) to high-quality transit (Cal Ave Caltrain and bus stops).
Goal H-2: Support the construction of housing near schools, transit, parks, shopping, employment and cultural institutions	The project replaces existing vacant retail and paved parking with a new multi-family housing development and a future park in a transit-oriented location that is also near schools, shopping, and employment along El Camino Real and within the immediate vicinity of Stanford Research Park.

The project has also been reviewed for conformance with the development standards in the zoning code and found to be in compliance with the intent and regulations contained therein. A comprehensive review of the project to applicable development standards is included in the administrative record (See Attachment B for a complete zoning consistency analysis).

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.

The project is consistent with Finding #2 because:

The proposed project creates an internal sense of order and desirable environment for occupants, visitors, and the general community by dedicating land for a new public park to help the City realize its vision to have a public open space in the North Ventura neighborhood adjacent to Matadero Creek, improving pedestrian and bicycle connections through the site, and creating pedestrian mews and seating areas outside the office space, retail area, and multi-family residential uses. The townhome units are well designed to provide for all modes of transportation and provide a desirable living space for future occupants.

Although the project includes demolition of a historic resource deemed eligible for the California Register of Historic Resources, the project seeks to retain key character defining features that are recognizable (monitor roofs) and includes modifications to the building that help to convey the

history of the site in a meaningful way that is publicly accessible, including through the creation of views from the retail space into the monitor roof, through the dedication of land for a public park across from the cannery building and townhomes, through the addition of an interpretive display that relays the history of the site and through the public art, which is anticipated to reflect the history of the site.

The area consists of single-family residences along Olive Avenue and existing one-to-three story buildings with office and Research and Development uses. The proposed project would include three-story, multi-family residential townhomes and a single-story (two total levels with ground floor level) parking garage. The project transitions appropriately in scale from the low-density residential areas to mid-rise (three-level) townhome design, which is an appropriate transition. The parking garage and the residences would all be set back from lower density uses, comply with the daylight plane, and provide screening between these uses. Overall the project greatly enhances living conditions on the site, providing a desirable environment for future residents. The project is consistent with the context based-design criteria as detailed in Attachment F for both the new townhome development and the remaining cannery building/proposed parking garage.

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.

The project is consistent with Finding #3 because:

The project proposes a design that is of high aesthetic quality and uses high quality materials that are durable. The proposed textures, including the standing seam metal are deferential to the historic cannery building, restoring and replacing this material, which is a character defining features of the site. Overall, many of the colors are neutral with pops of accent color and blues to help break up the massing and highlight and differentiate pedestrian entries. The project incorporates landscaping and reduces paving in comparison to the existing condition at the site in order to enhance the appearance of the site, particularly along the street frontages.

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.).

The project is consistent with Finding #4 because:

The design is functional, allowing for ease and safety of pedestrian and bicycle traffic in that it provides separated walkways as well as a separated two-way bicycle path with a public access easement across the project site. There is convenient and orderly vehicular access and the utilities across the site will be undergrounded. The pedestrian paseos serve as open space areas as well as providing orderly access through the site and lead into the open retail space as well as

the future public park area. Trash pickup will continue to occur on site for both the commercial uses and the new townhomes and updates the site to meet the current code requirements.

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.

The project is consistent with Finding #5 because:

The project will provide drought-tolerant planting, the majority of which were selected from a California native palette. The selected varieties of trees would provide appropriate habitat for wildlife as a part of a bigger neighborhood and community wide system. The plantings along the pedestrian mews are designed to grow larger, providing both shade for southern facing frontages in time as well as providing privacy between residences across the pedestrian paseo.

Finding #6: The project incorporates design principles that achieve sustainability in areas related to energy efficiency, water conservation, building materials, landscaping, and site planning.

The project is consistent with Finding #6 because:

In accordance with the City's Green Building Regulations, the project will satisfy the requirements for CALGreen Mandatory + Tier 2. This includes providing solar and being an all-electric building. Drought tolerant native planting would also help to reduce water use and the planting palette complies with the Model Water Efficiency Landscape Ordinance requirements.

SECTION 4. VESTING TENTATIVE MAP FINDINGS.

A legislative body of a city shall deny approval of a tentative map, if it makes any of the following findings (California Government Code Section 66474). The City Council cannot make these findings for the following reasons:

1. That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451:

With approval of the proposed associated legislative actions and Council's adoption of a statement of overriding considerations for the demolition of a California Register Eligible Resource, the proposed map would be consistent with the Comprehensive Plan. There are no adopted specific plans for the project area.

2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans

With approval of the proposed associated legislative actions to amend the Comprehensive Plan Land Use Map and Text to align historic, proposed and future uses of the site, the design and improvement of the proposed subdivision would be consistent with the applicable general plan.

3. That the site is not physically suitable for the type of development:

The project includes development of multi-family housing and dedication of land for a public park, consistent with the existing zoning designation of the site as well as the retention of existing Research and Development and an Office Use on the site. These proposed uses and the physical improvements associated with them are physically suitable for the resulting parcels. A public access easement to dedicate multi-modal access across the private site, connecting Park Boulevard and Ash Street/Portage Avenue for the public benefit would be provided and is consistent with the Countywide Trails Master Plan and City Bicycle and Pedestrian Transportation Plan.

4. That the site is not physically suitable for the proposed density of development:

The project would include retention of 142,744 sf of Research and Development Use, 74 new townhome units, a new parking garage, and dedication of 3.25 acres to the city for the purposes of a new public park and affordable housing project. The proposed multi-family residential use complies with the density allowed under the existing zoning (RM-30) which allows between 16 and 30 DU/AC. The project provides 28 DU/AC based on the net lot area and 18 DU/AC based on the gross lot area. Therefore, the site is physically suitable for the proposed density of development.

5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat:

As detailed in the environmental impact report (SCH# 2021120444) the project would not result in a significant impact on biological resources. With incorporation of standard mitigation for the protect of nesting birds during the nesting season, impacts would be less than significant. The property is currently fully developed and the existing creek that runs through the site is concretized. The project does not include any physical improvements on or immediately adjacent the channel. Future improvements would be evaluated once a design sufficient to complete an analysis is available.

6. That the design of the subdivision or type of improvements is likely to cause serious public health problems:

The project would not cause serious public health issues. The continuation of existing uses and the addition of multi-family housing and a park would not introduce new hazardous materials. All new structures as well as modifications to the existing cannery building would require compliance with current building, green building, and fire code requirements, bringing the

existing site into conformance with current code requirements. The project was evaluated as part of an Environmental Impact Report (SCH # 2021120444) and the analysis concluded that the project would have a less than significant impact related to hazards and hazardous materials and other measures related to public health such as air quality and transportation.

7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.

The design of the subdivision will not conflict with any existing easements for access through or use of the property. All existing street, utility and creek easements would remain. New public utility easements would be dedicated as appropriate, bringing the site into conformance with the City's requirements with respect to required easements. Additionally, a public access easement would be dedicated for the public benefit to provide multi-modal access between Park Boulevard and Portage Avenue.

SECTION 5. MAP EXCEPTION FINDINGS.

The proposed map with the exception to the private street width, complies with the exception findings as required in PAMC Chapter 21.32.

1. There are special circumstances or conditions affecting the property.

The proposed project is part of a development agreement with the City and includes preservation of a portion of the existing cannery building, particularly the monitor roofs, the provision to provide 74 townhome units, and dedication of 3.25 acres of parkland to the City. The area in which the 74 townhomes is proposed to be provided is limited by the setbacks from Park Boulevard as well as the cannery building and the area being dedicated to the City. In order to provide the housing units while still maintaining these other features and benefits of the development agreement, the proposed street width between the townhome units would be reduced. The private streets along the perimeter of the development will continue to be 32' and provide additional parking, consistent with the intent of the code.

2. The exception is necessary for the preservation and enjoyment of a substantial property right of the petitioner.

The proposed footprint of the townhome units is the minimum size necessary to accommodate vehicle parking in private garages on the ground floor and reasonably sized bedrooms on the upper levels while also providing the 74-units consistent with the broad terms of the development agreement and complying with the other benefits of the development agreement (land dedication and maintaining the monitor roofs). In order to

comply with the required 32-foot private street width, the project would either needed to substantially reduce the number of units (removing an entire row of units) or reduce the size of the units in a manner that would render the housing development infeasible.

3. *The granting of the exception will not be detrimental to the public welfare or injurious to other property in the territory in which the property is situated.*

The proposed reduction in the street width would not be detrimental to the public welfare or injurious to other property in the territory in which the property is situated. The project would still provide 32 wide streets along exterior private streets and the reduction in private street widths would still be sufficient to accommodate safe backup space for vehicles, fire access in accordance with all applicable fire code requirements, as well as trash pickup.

4. *The granting of the exception will not violate the requirements, goals, policies, or spirit of the law.*

The proposed reduction in the street width will not violate the requirements, goals, policies, or spirit of the law. The purpose of the street width is to provide for sufficient vehicular circulation while also allowing for parking on site. The proposed townhome development exceeds the code requirements for parking on site, regardless of the width of private streets serving individual garages. In addition, parking could not be provided along the private streets for which the exception is provided due to conflicts with fire, trash, and vehicular circulation even if the 32-foot width is maintained.

SECTION 6. CONDITIONS OF APPROVAL FOR DEVELOPMENT PLAN UNDER PLANNED COMMUNITY REZONING.

PLANNING

The following conditions of approval apply to the resulting parcels as specified in parenthesis following each. Consistent with the definitions in the Development Agreement, the lots refer to the Townhomes (lot 1), BMR/Park Dedication Parcel (Lot 2), remaining cannery (Lot 3), Ash building (Lot 4), and the 3250 Park Boulevard Building (Lot 5).

1. CONFORMANCE WITH PLANS. Construction and development shall conform to the approved plans entitled, "3200 Park Boulevard, Palo Alto California City Submittal," submitted to the City on August 21, 2023 on file with the Planning Department, 250 Hamilton Avenue, Palo Alto, California except as modified by these conditions of approval.
2. BUILDING PERMIT. Apply for a building permit and meet any and all conditions of the Planning, Fire, Public Works, and Building Departments.
3. BUILDING PERMIT PLAN SET. A copy of this cover letter and conditions of approval shall be printed on the second page of the plans submitted for building permit. (All Parcels)
4. PROJECT MODIFICATIONS. All modifications to the approved project shall be submitted for review and approval prior to construction. If during the Building Permit review and

construction phase, the project is modified by the applicant, it is the responsibility of the applicant to contact the Planning Division/project planner directly to obtain approval of the project modification. It is the applicant's responsibility to highlight any proposed changes to the project and to bring it to the project planner's attention. (All Parcels)

5. ENTITLEMENT EXPIRATION. The Development Agreement shall govern the terms of the project expiration for this project. (All Parcels)
6. LANDSCAPE PLAN. Plantings shall be installed in accordance with the approved plan set and shall be permanently maintained and replaced as necessary. (All Parcels)
7. NOISE THRESHOLDS PROPERTY. All noise producing equipment shall be located outside of required setbacks. In accordance with PAMC Section 9.10.030, No person shall produce, suffer or allow to be produced by any machine, animal or device, or any combination of same, on residential property, a noise level more than six dB above the local ambient at any point outside of the property plane. In accordance with PAMC Section 9.10.040, No person shall produce, suffer or allow to be produced by any machine, animal or device, or any combination of same, on residential property, a noise level more than eight dB above the local ambient at any point outside of the property plane. (All Parcels)
8. COVENANT. A covenant shall be recorded with the City as a third-party beneficiary to document the 17 off-site parking spaces for the benefit of the Ash Street parcel as required in accordance with the Ash Street Parcel ordinance (PC Ordinance ____). (Lot 4)
9. MAINTENANCE. The applicant or its successor shall be responsible for the maintenance of the shared multi-modal path proposed between Park Boulevard and Portage Avenue/Ash Street. (Lots 1, 2, 3 and 4)
10. ARB AD HOC. Prior to the issuance of building permits for the townhomes, the applicant shall return to the ARB Ad Hoc Committee for approval of the following items, to the satisfaction of the Director of Planning and Development Services:
 - a. The paseo shall be a minimum of 28 feet wide; the drive aisles may be a minimum of 29 feet at the ground level (Lot 1)
 - b. The end unit of Building #1 (closest to Olive Avenue) be redesigned to eliminate the angled roof form that is incompatible with the rest of the building. (Lot 1)
11. HABS DOCUMENTATION. The HABS required in accordance with MM CR-2 shall be augmented by the best current technology available and an appropriate repository for this information shall be established, subject to the approval of the Planning and Development Services Director. (Lot 1 and 3)
12. POST CONSTRUCTION HISTORIC ANALYSIS. Post construction, the eligibility of the remaining portion of the existing cannery structure to evaluate it for local listing, California landmark

status, California historical point of interest status, and National Register listing. The building shall be nominated to any of the four categories for which it is eligible. (Lot 3)

13. NOISE REPORT AT BUILDING STAGE. At the time of building permit issuance for new construction or for installation of any such interior or exterior mechanical equipment, the applicant shall submit an acoustical analysis by an acoustical engineer demonstrating projected compliance with the Noise Ordinance. The analysis shall be based on acoustical readings, equipment specifications and any proposed sound reduction measures, such as equipment enclosures or insulation, which demonstrate a sufficient degree of sound attenuation to assure that the prescribed noise levels will not be exceeded. (Lot 1 and 3)
14. NOISE REPORT PRIOR TO INSPECTION. Where the acoustical analysis projected noise levels at or within 5 dB less than the Noise Ordinance limits, the applicant shall demonstrate the installed equipment complies with the anticipated noise levels and the Noise Ordinance prior to final Planning inspection approval. (Lot 1 and 3)
15. LIGHTING. Between the hours of 10:00pm-6:00am (normal cessation of business hours), lighting within the building or on the property shall be reduced to its minimum necessary to facilitate security, in order to minimize light glare at night. (All Parcels)
16. DRAINAGE. Plans submitted for building permit for the cannery parcel and townhome development shall provide clear notes on civil sheets to indicate how the historic drainage patterns between the site and Olive Avenue residents will be maintained to the satisfaction of the Director of Public Works (Lots 1 and 3).
17. ESTIMATED IMPACT FEE. Development Impact Fees, currently estimated in the amount of \$883,115.71, shall be paid prior to the issuance of the related building permit. This is separate from the public art fees, as required per the public art conditions of approval. (Lot 1)
18. IMPACT FEE 90-DAY PROTEST PERIOD. California Government Code Section 66020 provides that a project applicant who desires to protest the fees, dedications, reservations, or other exactions imposed on a development project must initiate the protest at the time the development project is approved or conditionally approved or within ninety (90) days after the date that fees, dedications, reservations or exactions are imposed on the Project. Additionally, procedural requirements for protesting these development fees, dedications, reservations and exactions are set forth in Government Code Section 66020. IF YOU FAIL TO INITIATE A PROTEST WITHIN THE 90-DAY PERIOD OR FOLLOW THE PROTEST PROCEDURES DESCRIBED IN GOVERNMENT CODE SECTION 66020, YOU WILL BE BARRED FROM CHALLENGING THE VALIDITY OR REASONABLENESS OF THE FEES, DEDICATIONS, RESERVATIONS, AND EXACTIONS. If these requirements constitute fees, **taxes, assessments**, dedications, reservations, or other exactions as specified in Government Code Sections 66020(a) **or 66021**, this is to provide notification that, as of the date of this notice, the 90-day period has begun in which you may protest these requirements. This matter is subject to the

California Code of Civil Procedures (CCP) Section 1094.5; the time by which judicial review must be sought is governed by CCP Section 1094.6. (Lots 1 and 3)

19. FINAL INSPECTION. A Planning Division Final inspection will be required to determine substantial compliance with the approved plans prior to the scheduling of a Building Division final. Any revisions during the building process must be approved by Planning, including but not limited to; materials, landscaping and hard surface locations. Contact your Project Planner, Claire Raybould at Claire.Raybould@cityofpaloalto.org to schedule this inspection. (Lots 1, 2, 3)
20. INDEMNITY. To the extent permitted by law, the Applicant shall indemnify and hold harmless the City, its City Council, its officers, employees and agents (the “indemnified parties”) from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the applicant to attack, set aside or void, any permit or approval authorized hereby for the Project, including (without limitation) reimbursing the City for its actual attorneys’ fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice. (All parcels)
21. SIGN APPROVAL NEEDED. No signs are approved at this time. All signs shall conform to the requirements of Title 16.20 of the Palo Alto Municipal Code (Sign Code) and shall be subject to approval by the Director of Planning. (All Parcels)
22. MITIGATION MONITORING AND REPORTING PROGRAM. Mitigation Monitoring and Reporting Program (MMRP), prepared for this project in compliance with the California Environmental Quality Act (CEQA), shall be incorporated by reference as conditions of approval. The applicant shall comply with all specified mitigation measures in the timelines outlined in the project’s MMRP. (All Parcels)
23. REFUSE. All trash areas shall be effectively screened from view and covered and maintained in an orderly state to prevent water from entering into the garbage container. No outdoor storage is allowed/permitted unless designated on the approved plan set. Trash areas shall be maintained in a manner to discourage illegal dumping. (All Parcels)

PUBLIC WORKS ZERO WASTE

24. REQUIRED DECONSTRUCTION. In conformance with PAMC 5.24, deconstruction and source separation are required for all residential and commercial projects where structures (other than a garage or ADU) are being completely removed, demolition is no longer allowed. Deconstruction takes longer than traditional demolition, it is important to plan ahead. For more information, visit www.cityofpaloalto.org/deconstruction. (Lot 1 and 3)
25. SALVAGE SURVEY FOR REUSE. A Salvage Survey is required for deconstruction permit applications. The survey shall be conducted by a City approved reuse vendor. The survey submittal shall include an itemized list of materials that are salvageable for reuse from the

project. The applicant shall source separate and deliver materials for reuse. Certification is required indicating that all materials identified in the survey are properly salvaged. Contact The ReUse People to schedule this FREE survey by phone (888) 588-9490 or e-mail info@thereusepeople.org. More information can be found at www.TheReusePeople.org. Please upload a completed copy to the deconstruction permit. (Lot 1 and 3)

26. SOURCE SEPARATION FOR RECYCLING. The applicant shall source separate deconstruction materials into specific categories for recycling. Additional staging areas for source separated materials will need to be considered. All materials shall be delivered to one of the City approved materials recovery facilities listed in Green Halo, all records shall be uploaded to www.greenhalosystems.com. (Lots 1 and 3)
27. TRASH SERVICE LOADING. On the plans submitted for building permit show a loading zone/signage that restricts parking on street A during trash services hours to ensure that cars do not block the service area. The applicant shall bear the cost for any curb painting and signage. (Lot 1)
28. TRASH SERVICING. On the plans submitted for building permit revise the layout of the main trash collection room to provide 36 inches between each of the metal bins. No stacking of bins and carts will be allowed, each bin and cart must be equally and easily accessible. The service aisle used to maneuver the bins and carts must be 1.5 times the width of the largest bin. The plans submitted for building permit shall also note that GreenWaste will not be servicing the refuse enclosure for the first-floor residents and that a maximum of 4 – 96gal carts will be brought to the main trash collection room for service. There shall be 6 inches between each of the carts. (Lot 1)
29. TRASH ENCLOSURES. The trash enclosure rooms shall comply with the trash enclosure area guidelines requirements. Any changes to the trash room at building permit shall ensure compliance with the requirements. If a hose bib is installed, additional requirements may apply. (Lots 1 and 3)
30. REFUSE SEPARATION AND COLOR-CODING. Cut sheets for the color-coded internal and external containers, related color-coded millwork, and colored signage must be included in the building plans prior to receiving approval from zero waste. Containers, signage and millwork shall comply with Palo Alto Municipal Code 5.20.108. The three refuse containers shall include recycle (blue container), compost (green container), and garbage (black container). Applicant shall present on the plan the locations and quantity of both (any) internal and external refuse containers, it's millwork, along with the signage. This requirement applies to any external or internal refuse containers located in common areas such as lobby, community room, open space, and etc. except for restrooms, copy area, and mother's room. Millwork to store the color-coded refuse containers must have a minimum of four inches in height, wrapping around the full width of the millwork. Signage must be color coded with photos or illustrations of commonly discarded items. Restrooms must have a green compost container for paper towels and an optional black landfill container if

applicable. Mail area must have either a recycle and trash bin only, or all three refuse receptacles (green compost, blue recycle, and black landfill container). Gym must minimally have a blue recycle container and black landfill container. Please refer to PAMC 5.20.108 and the Internal Container Guide. Examples of appropriate signage can be found in the Managing Zero Waste at Your Business Guide. Electronic copies of these signage can be found on the Zero Waste Palo Alto's website, <https://www.cityofpaloalto.org/Departments/Public-Works/Zero-Waste/What-Goes-Where/Toolkit#section-2> and hard copies can be requested from the waste hauler, Greenwaste of Palo Alto, (650) 493-4894. (All Parcels)

PUBLIC WORKS ENGINEERING

31. PUBLIC WORKS APPLICATIONS, FORMS, AND DOCUMENTS: Applicant shall be advised that most forms, applications, and informational documents related to Public Works Engineering conditions can be found at the following link:

[https://www.cityofpaloalto.org/Departments/Public-Works/Engineering-Services/Forms-and-Permits \(All Parcels\)](https://www.cityofpaloalto.org/Departments/Public-Works/Engineering-Services/Forms-and-Permits (All Parcels))

32. OVERVIEW AND GUIDELINES FOR THE REVIEW OF SUBDIVISION PROJECTS: Developer shall familiarize themselves with the guidelines described in the November 2007 revision of the document titled "Overview and Guidelines for the Review of Subdivision Projects". Particularly Section II (items 5 through 12) and Section V (items A through C).

<https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/file-migration/current-planning/forms-and-guidelines/overview-and-guidelines-for-the-review-of-subdivision-projects.pdf> (All Parcels)

33. SUBDIVISION IMPROVEMENT AGREEMENT: The applicant shall execute a Subdivision Improvement Agreement and provide improvement securities (Bonds) for all proposed public improvements. THE AGREEMENT SHALL BE EXECUTED PRIOR TO MAP RECORDATION OR ISSUANCE OF ANY PERMITS FOR CONSTRUCTION, ONSITE AND OFFSITE. ADVISORY -- The applicant shall provide a detailed itemized stamped and signed engineer's estimate for all off-site public improvements which will be reviewed to determine the security amount. (All parcels)

34. PARCEL MAP/FINAL MAP: This project is subject to, and contingent upon the approval of a Final map and recordation of a Final Map. The submittal, approval and recordation of the Map shall be in accordance with the provisions of the California Subdivision Map Act and Palo Alto Municipal Code Title 21 Subdivision requirements. All existing and proposed property lines, easements, dedications shown on the tentative map are subject to City's technical review and staff approval during the map process prior to issuance of any construction permits. (All parcels)

35. MAP THIRD-PARTY REVIEW: The City contracts with a third-party surveyor that will review and provide approval of the map's technical correctness as the City Surveyor, as permitted by the Subdivision Map Act. The Public Works Department will forward a Scope & Fee Letter from

the third-party surveyor and the applicant will be responsible for payment of the fee's indicated therein, which is based on the complexity of the map. (All Parcels)

36. STREETWORK PERMIT: The applicant shall obtain a Streetwork Permit from the Department of Public Works for all public improvements. (All Parcels)
37. GRADING AND EXCAVATION PERMIT: A Grading Permit is required per PAMC Chapter 16.28. The permit application and all applicable documents (see Section H of application) shall be submitted to Public Works Engineering. Add the following note: "THIS GRADING PERMIT WILL ONLY AUTHORIZE GENERAL GRADING AND INSTALLATION OF THE STORM DRAIN SYSTEM. OTHER BUILDING AND UTILITY IMPROVEMENTS ARE SHOWN FOR REFERENCE INFORMATION ONLY AND ARE SUBJECT TO SEPARATE BUILDING PERMIT APPROVAL." (Lots 1, 2, and 3)
38. ROUGH GRADING: provide a Rough Grading Plan for the work proposed as part of the Grading and Excavation Permit application. The Rough Grading Plans shall including the following: pad elevation, elevator pit elevation, ground monitoring wells, limits of over excavation, stockpile area of material, overall earthwork volumes (cut and fill), temporary shoring for any existing facilities, ramps for access, crane locations (if any), tree protection measures, etc. (Lots 1, 2, and 3)
39. GEOTECHNICAL ENGINEER STATEMENT: The grading plans shall include the following statement signed and sealed by the Geotechnical Engineer of Record: "THIS PLAN HAS BEEN REVIEWED AND FOUND TO BE IN GENERAL CONFORMANCE WITH THE INTENT AND PURPOSE OF THE GEOTECHNICAL REPORT". (Lots 1, 2, and 3)
40. SWPPP: This proposed development will disturb more than one acre of land. Accordingly, the applicant shall apply for coverage under the State Water Resources Control Board's (SWRCB) NPDES general permit for storm water discharge associated with construction activity. A Notice of Intent (NOI) shall be filed for this project with the SWRCB in order to obtain coverage under the permit. The General Permit requires the applicant to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP). The applicant is required to submit two copies of the NOI and the draft SWPPP to the Public Works Department for review and approval prior to issuance of the building permit. The SWPPP should include both permanent, post-development project design features and temporary measures employed during construction. (Lots 1, 2, and 3)
41. ENCROACHMENT PERMIT: Prior to any work in the public right-of-way, the applicant shall obtain an encroachment permit from the Public Works Department for any work that encroaches onto the City right-of-way. (All Parcels)
42. LOGISTICS PLAN: A construction logistics plan shall be provided addressing all impacts to the public including, at a minimum: work hours, noticing of affected businesses, bus stop relocations, construction signage, dust control, noise control, storm water pollution prevention, job trailer, contractors' parking, truck routes, staging, concrete pours, crane lifts,

scaffolding, materials storage, pedestrian safety, and traffic control. All truck routes shall conform to the City of Palo Alto's Trucks and Truck Route Ordinance, Chapter 10.48, and the route map. NOTE: Some items/tasks on the logistics plan may require an encroachment permit. (Lots 1, 2, 3, and 4)

43. C.3 THIRD-PARTY CERTIFICATION: Applicant shall provide certification from a qualified third-party reviewer that the proposed permanent storm water pollution prevention measures comply with the requirements of Provision C.3 and Palo Alto Municipal Code Chapter 16.11. (Lots 1 and 3)

Submit the following:

- a. Stamped and signed C.3 data form (September 2019 version) from SCVURPPP. https://scvurppp.org/wp-content/uploads/2019/10/SCVURPPP_C3_Data_Form_September2019_fillable_final_9-24-19.pdf
 - b. Final stamped and signed letter confirming which documents were reviewed and that the project complies with Provision C.3 and PAMC 16.11.
44. C.3 STORMWATER AGREEMENT: The applicant shall enter into a Stormwater Maintenance Agreement with the City to guarantee the ongoing maintenance of the permanent storm water pollution prevention measures. The City will inspect the treatment measures yearly and charge an inspection fee. The agreement shall be executed by the applicant team prior to building permit issuance. (Lots 1 and 3)
45. C.3 FINAL THIRD PARTY CERTIFICATION PRIOR TO OCCUPANCY: Within 45 days of the installation of the required storm water treatment measures and prior to the issuance of an occupancy permit for the building, the third-party reviewer shall submit to the City a certification verifying that all the permanent storm water pollution prevention measures were installed in accordance with the approved plans. (Lots 1 and 3)
46. PAVEMENT RESTORATION: The applicant shall restore the pavement along the entire project frontage, curb-to-curb, by performing a 3.5" grind and overlay. The exact restoration limits will be determined once the resulting road condition is known following completion of heavy construction activities and utility lateral installations, at minimum the extent will be the project frontage. (Lots 1 and 3)
47. EXISTING EASEMENTS: Provide documentation showing approval from the entities affected by the onsite easements to verify that the work within said easements is permitted. (All Parcels)
48. PRIOR TO PUBLIC WORKS FINAL/ACCEPTANCE (STORM DRAIN LOGO): The applicant is required to paint "No Dumping/Flows to Matadero Creek" in blue on a white background adjacent to all onsite storm drain inlets. The name of the creek to which the proposed development drains can be obtained from Public Works Engineering. Stencils of the logo are

available from the Public Works Environmental Compliance Division, which may be contacted at (650) 329-2598. Include the instruction to paint the logos on the construction grading and drainage plan. (All Parcels)

49. PRIOR TO PUBLIC WORKS FINAL/ACCEPTANCE (RECORD DRAWINGS): At the conclusion of the project applicant shall provide digital as-built/record drawings of all improvements constructed in the public right-of-way or easements in which the City owns an interest. (All Parcels)

OFFICE OF TRANSPORTATION

50. TDM PROGRAM AND ANNUAL REPORTING REQUIREMENT: The applicant shall abide by the Final Transportation Demand Management (TDM) plan, entitled “340 Portage Ave Research & Development Transportation Demand Management Plan (TDM)”, to the satisfaction of the Director of Planning and Development Services. The TDM plan includes measures and programs to achieve a reduction in single-occupancy vehicle trips to the site by a minimum of 15%. The TDM plan includes an annual monitoring plan to document mode split and trips to the project site. The TDM annual report shall be submitted to the Chief Transportation Official. Monitoring and reporting requirements may be revised in the future if the minimum reduction is not achieved through the measures and programs initially implemented. Projects that do not achieve the required reduction may be subject to daily penalties as set forth in the City’s fee schedule. The owner or the future tenant shall provide free transit passes to all R&D employees as part of the TDM plan. (Lot 3)

WASTE-GAS-WATER UTILITIES

PRIOR TO ISSUANCE OF DEMOLITION PERMIT

51. The applicant shall submit a request to disconnect utility services and remove meters. The utilities demo is to be processed within 10 working days after receipt of the request. The demolition permit will be issued by the building inspection division after all utility services and/or meters have been disconnected and removed. (Lots 1 and 3)

FOR BUILDING PERMIT

52. The applicant shall submit a completed water-gas-wastewater service connection application - load sheet for the City of Palo Alto Utilities. The applicant must provide all the information requested for utility service demands (water in fixture units/g.p.m., fire in g.p.m., and sewer in fixture units/g.p.d.). The applicant shall provide the new loads and the combined/total loads. Show on the plans by adding a text note: THIS IS AN “ALL-ELECTRIC” BUILDING PROJECT NO NEW GAS SERVICE OR GAS HOOKUPS WILL BE INSTALLED. (Lots 1, 2, and 3)
53. The applicant shall submit improvement plans for utility construction. The plans must show the size and location of all underground utilities within the development and the public right

of way including meters, backflow preventers, fire service requirements, sewer mains, sewer cleanouts, sewer lift stations, and any other required utilities. Plans for new wastewater laterals and mains need to include new wastewater pipe profiles showing existing potentially conflicting utilities, especially storm drain pipes, and electric and communication duct banks. Existing duct banks need to be daylighted by potholing to the bottom of the duct bank to verify the cross section prior to plan approval and starting lateral installation. Plans for new storm drain mains and laterals need to include profiles showing existing potential conflicts with sewer, water, and gas. (Lots 1,2, 3, and 4)

54. The applicant must show on the site plan the existence of any auxiliary water supply, (i.e. water well, gray water, recycled water, rain catchment, water storage tank, etc.). (Lots 1 and 3)
55. The applicant shall be responsible for installing and upgrading the existing utility mains and/or services, laterals as necessary to handle anticipated peak loads. This responsibility includes all costs associated with the design and construction for the installation/upgrade of the utility mains and/or services/laterals. (Lots 1 and 3)
56. An approved reduced pressure principle assembly (RPPA backflow preventer device) is required for all existing and new water connections from Palo Alto Utilities to comply with requirements of California administrative code, title 17, sections 7583 through 7605 inclusive. The RPPA shall be installed on the owner's property and directly behind the water meter within 5 feet of the property line. RPPA's for domestic service shall be lead free. Show the location of the RPPA on the plans. (Lots 1 and 3)
57. An approved reduced pressure detector assembly (RPDA backflow preventer device, STD. WD-12A or STD. WD-12B) is required for all existing and new fire water connections from Palo Alto Utilities to comply with requirements of California administrative code, title 17, sections 7583 through 7605 inclusive. The RPDA shall be installed on the owner's property and directly behind the City's fire service, within 5' (feet) of the property line or City Right of Way. (Lots 1 and 3)
58. All backflow preventer devices shall be approved by the WGW engineering division. Inspection by the city inspector is required for the supply pipe between the meter and the assembly. (Lots 1 and 3)
59. The applicant shall pay the capacity fees and connection fees associated with new utility service/s or added demand on existing services. The approved relocation of services, meters, hydrants, or other facilities will be performed at the cost of the person/entity requesting the relocation. (Lots 1 and 3)
60. Each parcel shall have its own water service and sewer lateral connection shown on the plans. (All Parcels)

61. All existing water, and gas. and wastewater services/laterals that will not be reused shall be abandoned at the main per the latest WGW utilities standards. (All Parcels)
62. The applicant shall provide to the WGW Utility Engineering department a copy of the plans for the fire system including all fire department's requirements prior to the actual service installation. (Lots 1, 2, and 3)
63. All utility installations shall be in accordance with the City of Palo Alto utility standards for water, gas, & wastewater. (All Parcels)

PUBLIC WORKS URBAN FORESTRY

64. PLAN SET REQUIREMENTS. The final Plans submitted for building permit shall include
- a. SHEET T-1, BUILDING PERMIT. The building permit plan set will include the City's full-sized, Sheet T-1 ([Tree Protection-it's Part of the Plan!](http://www.cityofpaloalto.org/civicax/filebank/documents/31783)), available on the Development Center website at <http://www.cityofpaloalto.org/civicax/filebank/documents/31783>. The Applicant shall **complete and sign the Tree Disclosure Statement** and recognize the Project Arborist Tree Activity Inspection Schedule. Monthly reporting to Urban Forestry/Contractor is mandatory. (Insp. #1: applies to all projects; with tree preservation report: Insp. #2-6 applies; with landscape plan: Insp. #7 applies.) (Lots 1, 2, and 3)
 - b. The Tree Preservation Report (TPR). All sheets of the Applicant's TPR approved by the City for full implementation by Contractor, ArborResources, Inc., shall be printed on numbered Sheet T-1 (T-2, T-3, etc) and added to the sheet index. (Lots 1, 2 and 3)
65. PLANS--SHOW PROTECTIVE TREE FENCING. The Plan Set (esp. site, demolition, grading & drainage, foundation, irrigation, tree disposition, utility sheets, etc.) must delineate/show Type I or Type II fencing around each Regulated Trees, using a bold dashed line enclosing the Tree Protection Zone as shown on Standard Dwg. #605, Sheet T-1, and the City Tree Technical Manual, Section 6.35-Site Plans; **or using the Project Arborist's unique diagram for each Tree Protection Zone enclosure**. (Lots 1, 2, and 3)
66. SITE PLAN REQUIREMENTS. Plans with Public Trees shall show (a) Type II street tree fencing enclosing the entire parkway strip or, (b) Type I protection to the outer branch dripline (for rolled curb & sidewalk or no-sidewalk situations.) (Lots 1, 2, 3)
- a. Add Site Plan Notes.
 - i. Note #1. Apply to the site plan stating, "*All tree protection and inspection schedule measures, design recommendations, watering and construction scheduling shall be implemented in full by owner and contractor, as stated on Sheet T-1, in the Tree Protection Report and the approved plans*".
 - ii. Note #2. All civil plans, grading plans, irrigation plans, site plans and utility plans and relevant sheets shall add a note applying to the trees to be

- protected, including neighboring trees stating: *"Regulated Tree--before working in this area contact the Project Site Arborist at 650-654-3351 ";*
- iii. Note #3. Utility (sanitary sewer/gas/water/backflow/electric/storm drain) plan sheets shall include the following note: *"Utility trenching shall not occur within the TPZ of the protected tree. Contractor shall be responsible for ensuring that no trenching occurs within the TPZ of the protected tree by contractors, City crews or final landscape workers. See sheet T-1 for instructions."*
 - iv. Note #4. *"Basement or foundation plan. Soils Report and Excavation for basement construction within the TPZ of a protected tree shall specify a vertical cut (stitch piers may be necessary) in order to avoid over-excavating into the tree root zone. Any variance from this procedure requires Urban Forestry approval, please call (650) 496-5953."*
 - v. Note #5. *"Pruning Restrictions. No pruning or clearance cutting of branches is permitted on City trees. Contractor shall obtain a Public Tree Permit from Urban Forestry (650-496-5953) for any work on Public Trees"*

67. TREE PROTECTION VERIFICATION. Prior to demolition, grading or building permit issuance, a written verification from the contractor that the required protective fencing is in place shall be submitted to the Building Inspections Division. The fencing shall contain required warning sign and remain in place until final inspection of the project. (Lots 1, 2, and 3)

DURING CONSTRUCTION

68. EXCAVATION RESTRICTIONS APPLY (TTM, Sec. 2.20 C & D). Any approved grading, digging or trenching beneath a tree canopy shall be performed using 'air-spade' method as a preference, with manual hand shovel as a backup. For utility trenching, including sewer line, roots exposed with diameter of 1.5 inches and greater shall remain intact and not be damaged. If directional boring method is used to tunnel beneath roots, then Table 2-1, Trenching and Tunneling Distance, shall be printed on the final plans to be implemented by Contractor. (Lots 1, 2, and 3)

69. PLAN CHANGES. Revisions and/or **changes to plans before or during construction** shall be reviewed and responded to by the (a) project site arborist, ArborResources, (650-496-5953, or (b) landscape architect with written letter of acceptance before submitting the revision to the Building Department for review by Planning, PW or Urban Forestry. (Lots 1, 2, and 3)

70. TREE PROTECTION COMPLIANCE. The owner and contractor shall implement all protection and inspection schedule measures, design recommendations and construction scheduling as stated in the TPR & Sheet T-1, and is subject to code compliance action pursuant to PAMC 8.10.080. The required protective fencing shall remain in place until final landscaping and inspection of the project. Project arborist approval must be obtained and documented in the monthly activity report sent to the City. The mandatory Contractor and Arborist Monthly Tree Activity Report shall be sent monthly to the City (pwps@cityofpaloalto.org) beginning

with the initial verification approval, using the template in the Tree Technical Manual, Addendum 11. (All Parcels)

71. TREE DAMAGE. Tree Damage, Injury Mitigation and Inspections apply to Contractor. Reporting, injury mitigation measures and arborist inspection schedule (1-5) apply pursuant to TTM, Section 2.20-2.30. Contractor shall be responsible for the repair or replacement of any publicly owned or protected trees that are damaged during the course of construction, pursuant to Title 8 of the Palo Alto Municipal Code, and city Tree Technical Manual, Section 2.25. (All Parcels)
72. GENERAL. The following general tree preservation measures apply to all trees to be retained: No storage of material, topsoil, vehicles or equipment shall be permitted within the tree enclosure area. The ground under and around the tree canopy area shall not be altered. Trees to be retained shall be irrigated, aerated and maintained as necessary to ensure survival. (All Parcels)

POST CONSTRUCTION

73. MAINTENANCE. All landscape and trees shall be maintained, watered, fertilized, and pruned according to Best Management Practices-Pruning (ANSI A300-2008 or current version) and the City [Tree Technical Manual](#), Section 5.00. Any vegetation that dies shall be replaced or failed automatic irrigation repaired by the current property owner within 30 days of discovery. (All Parcels)

BUILDING DIVISION

74. Building Permits submitted after 1/1/2023 shall comply to the 2022 Ca Building Standards Code as amended by the city of Palo Alto. (All Parcels)
75. Illustrate CALGREEN compliance in accordance to the 2022 CALGREEN as amended by the city of Palo Alto. Additional information can be found at this link: [https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Development-Services/Green-Building/Compliance \(Lots 1, 2, and 3\)](https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Development-Services/Green-Building/Compliance%20(Lots%201,%202,%20and%203))
76. All new buildings shall be all electric, no gas is allowed. (Lots 1, 2, and 3)
77. Submit a soil report and structural calculations as part of the building permit submittal.
78. Submit complete Mechanical, Electrical, and Plumbing design/plans and completed T24 documentation (calculations/forms) as part of the building permit submittal.

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Water Quality

79. All Bay Area Municipal Regional Stormwater Permit requirements shall be followed. Refer to the Santa Clara Valley Urban Runoff Pollution Prevention Program C.3 Handbook (download here: http://scvurppp-w2k.com/c3_handbook.shtml) for details. (Lots 1, 2, and 3)
80. Add these bullets as notes to building plans on Stormwater Treatment (C.3) Plan –
- a. For all C.3 features, vendor specifications regarding installation and maintenance should be followed and provided to city staff. Copies must be submitted to Pam Boyle Rodriguez at pamela.boyledrodriguez@cityofpaloalto.org
 - b. Staff from Stormwater Program (Watershed Protection Division) may be present during installation of stormwater treatment measures. Contact Pam Boyle Rodriguez, Stormwater Program Manager, at (650) 329-2421 before installation. (Lots 1, 2, and 3)

Public Art

81. PUBLIC ART IN PRIVATE DEVELOPMENT. The project triggers the Public Art in Private Development ordinance, requiring that 1% of the estimated cost of construction be spent either on art on-site, or the payment of the equivalent funds to the Public Art Fund in-lieu of commissioning artwork on site. The applicant has submitted a public art application indicating a total public art value of \$840,000. The applicant intends to commission art on site during phase one of the project in the amount of \$420,000 and pay the final \$420,000 as an in-lieu contribution to the Public Art Fund at the time they apply for that phase two building permit. The applicant must complete their final approval with the Public Art Commission prior to the issuance of a building permit. (Lots 1 and 3)

SECTION 7. CONDITIONS OF APPROVAL FOR VESTING TENTATIVE MAP.

Planning Division

1. PROJECT PLANS. The Vesting Tentative Map submitted for review and approval by the City Council shall be in substantial conformance with the Vesting Tentative Map titled “Vesting Tentative Map: A five lot subdivision, Lot 1 for Residential Condominium Purposes for a Maximum of 74 Residential Condominiums 200 Park Boulevard” dated July 3, 2023, except as modified to incorporate the conditions of this approval.
2. FINAL MAP COVER PAGE. At such time as the final map is filed, the cover page shall include the name and title of the Director of Planning and Development Services
3. STANDARD CC&R REQUIREMENTS. PAMC Section 16.38 provides that all condominium and other “community housing projects” shall submit Covenants, Conditions, and Restrictions (CC&Rs) to the City Attorney for approval before issuance of the Final Map. The City Attorney has developed standard covenants which shall be included in all CC&Rs.

4. ADDITIONAL CC&R Requirements. Additional CC&Rs shall be included for the townhome condominiums to:
 - a. dictate the responsibilities of tenants and maintenance staff for the trash pickup for the townhomes on private Streets G and F as shown in the approved plan set.
 - b. Include a provision that precludes residents of the 74 residential condominiums from participating in a Residential Parking Permit program, in the event one is established for the area adjacent to the site (Lot 1)
5. The applicant shall comply with City of Palo Alto Resolution 5739, which requires a recommendation from the Palo Alto Historical Association (PAHA) and approval by Council for new street names prior to recordation of a final map.
6. INDEMNITY. To the extent permitted by law, the Applicant shall indemnify and hold harmless the City, its City Council, its officers, employees and agents (the “indemnified parties”) from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the applicant to attack, set aside or void, any permit or approval authorized hereby for the Project, including (without limitation) reimbursing the City for its actual attorneys’ fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice.

Public Works Engineering

7. PUBLIC WORKS APPLICATIONS, FORMS, AND DOCUMENTS: Applicant shall be advised that all forms, applications, and informational documents related to Public Works Engineering conditions can be found at the following link:
<https://www.cityofpaloalto.org/Departments/Public-Works/Engineering-Services/Forms-and-Permits>
8. OVERVIEW AND GUIDELINES FOR THE REVIEW OF SUBDIVISION PROJECTS: Developer shall familiarize themselves with the guidelines described in the November 2007 revision of the document titled “Overview and Guidelines for the Review of Subdivision Projects”. Particularly Section II (items 5 through 12) and Section V (items A through C).
<https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/file-migration/current-planning/forms-and-guidelines/overview-and-guidelines-for-the-review-of-subdivision-projects.pdf>
9. SUBDIVISION IMPROVEMENT AGREEMENT: The applicant shall execute a Subdivision Improvement Agreement and provide improvement securities (Bonds) for all proposed public improvements. The Agreement shall be executed prior to map recordation or issuance of any permits for construction, onsite and offsite. ADVISORY -- The applicant shall provide a detailed itemized stamped and signed engineer's estimate for all off-site public improvements which will be reviewed to determine the security amount.

10. **PARCEL MAP/FINAL MAP:** This project is subject to, and contingent upon the approval of a tentative map and recordation of a Final Map. The submittal, approval and recordation of the Map shall be in accordance with the provisions of the California Subdivision Map Act and Palo Alto Municipal Code Title 21 Subdivision requirements. All existing and proposed property lines, easements, dedications shown on the tentative map are subject to City's technical review and staff approval during the map process prior to issuance of construction permits.
11. **MAP THIRD-PARTY REVIEW:** The City contracts with a third-party surveyor that will review and provide approval of the map's technical correctness as the City Surveyor, as permitted by the Subdivision Map Act. The Public Works Department will forward a Scope & Fee Letter from the third-party surveyor and the applicant will be responsible for payment of the fee's indicated therein, which is based on the complexity of the map.
12. **STREETWORK PERMIT:** The applicant shall obtain a Streetwork Permit from the Department of Public Works for all public improvements.
13. **GRADING AND EXCAVATION PERMIT:** A Grading Permit is required per PAMC Chapter 16.28. The permit application and all applicable documents (see Section H of application) shall be submitted to Public Works Engineering. Add the following note: "THIS GRADING PERMIT WILL ONLY AUTHORIZE GENERAL GRADING AND INSTALLATION OF THE STORM DRAIN SYSTEM. OTHER BUILDING AND UTILITY IMPROVEMENTS ARE SHOWN FOR REFERENCE INFORMATION ONLY AND ARE SUBJECT TO SEPARATE BUILDING PERMIT APPROVAL."
14. **GEOTECHNICAL ENGINEER STATEMENT:** The grading plans shall include the following statement signed and sealed by the Geotechnical Engineer of Record: "THIS PLAN HAS BEEN REVIEWED AND FOUND TO BE IN GENERAL CONFORMANCE WITH THE INTENT AND PURPOSE OF THE GEOTECHNICAL REPORT".
15. **ENCROACHMENT PERMIT:** Prior to any work in the public right-of-way, the applicant shall obtain an encroachment permit from the Public Works Department for any work that encroaches onto the City right-of-way.
16. **LOGISTICS PLAN:** A construction logistics plan shall be provided addressing all impacts to the public including, at a minimum: work hours, noticing of affected businesses, bus stop relocations, construction signage, dust control, noise control, storm water pollution prevention, job trailer, contractors' parking, truck routes, staging, concrete pours, crane lifts, scaffolding, materials storage, pedestrian safety, and traffic control. All truck routes shall conform to the City of Palo Alto's Trucks and Truck Route Ordinance, Chapter 10.48, and the route map. NOTE: Some items/tasks on the logistics plan may require an encroachment permit.
17. **SWPPP:** This proposed development will disturb more than one acre of land. Accordingly, the applicant shall apply for coverage under the State Water Resources Control Board's (SWRCB)

NPDES general permit for storm water discharge associated with construction activity. A Notice of Intent (NOI) shall be filed for this project with the SWRCB in order to obtain coverage under the permit. The General Permit requires the applicant to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP). The applicant is required to submit two copies of the NOI and the draft SWPPP to the Public Works Department for review and approval prior to issuance of the building permit. The SWPPP should include both permanent, post-development project design features and temporary measures employed during construction.

18. STORMWATER POLLUTION PREVENTION: All improvement plan sets shall include the "Pollution Prevention – It's Part of the Plan" sheet.

19. C.3 THIRD-PARTY CERTIFICATION: Applicant shall provide certification from a qualified third-party reviewer that the proposed permanent storm water pollution prevention measures comply with the requirements of Provision C.3 and Palo Alto Municipal Code Chapter 16.11.

The third-party reviewer shall provide the following documents to Public Works prior to building permit approval:

- a. Stamped and signed C.3 data form (September 2019 version) from SCVURPPP.
https://scvurppp.org/wp-content/uploads/2019/10/SCVURPPP_C3_Data_Form_September2019_fillable_final_9-24-19.pdf
- b. Final stamped and signed letter confirming which documents were reviewed and that the project complies with Provision C.3 and PAMC 16.11.

20. C.3 STORMWATER AGREEMENT: The applicant shall enter into a Stormwater Maintenance Agreement with the City to guarantee the ongoing maintenance of the permanent storm water pollution prevention measures. The City will inspect the treatment measures yearly and charge an inspection fee. The agreement shall be executed by the applicant team prior to building permit approval.

Note: Any revisions to the C.3 stormwater pollution prevention measures that are necessary to facilitate installation of said measures will be addressed in the agreement and the accompanying exhibits, executed by the City, and recorded with the County.

21. C.3 FINAL THIRD PARTY CERTIFICATION PRIOR TO OCCUPANCY: Within 45 days of the installation of the required storm water treatment measures and prior to the issuance of an occupancy permit for the building, the third-party reviewer shall submit to the City a certification verifying that all the permanent storm water pollution prevention measures were installed in accordance with the approved plans. EXISTING EASEMENTS: Provide documentation showing approval from the entities affected by the onsite easements to verify that the work within said easements is permitted.

22. PAVEMENT RESTORATION: The applicant shall restore the pavement along the entire project frontage, curb-to-curb, by performing a 3.5" grind and overlay. The exact restoration limits will be determined once the resulting road condition is known following completion of heavy construction activities and utility lateral installations, at minimum the extent will be the project frontage.
23. EXISTING EASEMENTS: Provide documentation showing approval from the entities affected by the onsite easements to verify that the work within said easements is permitted.
24. PRIOR TO PUBLIC WORKS FINAL/ACCEPTANCE:
- a. Storm Drain Logos: The applicant is required to paint "No Dumping/Flows to Matadero Creek" in blue on a white background adjacent to all onsite storm drain inlets. The name of the creek to which the proposed development drains can be obtained from Public Works Engineering. Stencils of the logo are available from the Public Works Environmental Compliance Division, which may be contacted at (650) 329-2598. Include the instruction to paint the logos on the construction grading and drainage plan
 - b. Record Drawings: At the conclusion of the project applicant shall provide digital as-built/record drawings of all improvements constructed in the public right-of-way or easements in which the City owns an interest.

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SECTION 8. TERMS OF APPROVAL. The approvals in this document shall be valid per the terms provided in the Development Agreement.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

NOT YET APPROVED

Item 7

Attachment G - Draft

Record of Land Use

Action

**Exhibit A:
Mitigation Monitoring and Reporting Plan**



MITIGATION MONITORING + REPORTING PROGRAM

PROJECT NAME	3200 Park Development Agreement	APPLICATION NUMBER	22PLN-00287; 22PLN-00288
APPROVED BY	City of Palo Alto, Planning and Development Services	DATE	8/24/2023
APPLICANT/OWNER	Sobrato Organization 599 Castro Street, Suite 400 Mountain View, CA 94041 (650) 876-7010		

The Final Environmental Impact Report (EIR) for the 200 Portage Avenue Townhome Project identifies the mitigation measures that must be implemented to reduce the impacts associated with the project and its alternatives. The California Environmental Quality Act (CEQA) was amended in 1989 to add Section 21081.6, which requires a public agency to adopt a monitoring and reporting program for assessing and ensuring compliance with any required mitigation measures applied to proposed development. As stated in section 21081.6(a)(1) of the Public Resources Code:

... the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment.

Section 21081.6 also provides general guidelines for implementing mitigation monitoring programs and indicates that specific reporting and/or monitoring requirements, to be enforced during project implementation, shall be defined as part of adopting an EIR.

The following Mitigation Monitoring and Reporting Program (MMRP) has been prepared for the “Development Agreement Alternative” identified as Alternative No. 3 in the EIR. The mitigation monitoring table lists those mitigation measures that are included as conditions of approval for the project. To ensure that the mitigation measures are properly implemented, a monitoring program has been devised which identifies the timing and responsibility for monitoring each measure.

MITIGATION MONITORING + REPORTING PROGRAM

Mitigation Measure	Responsible for Implementation	Timing of Compliance	Oversight of Implementation
BIOLOGICAL RESOURCES			
BIO-1 Nesting Bird Surveys and Avoidance. Construction of the project and any other site disturbing activities that would involve vegetation or tree removal, shall be prohibited during the general avian nesting season (February 1 – August 31), if feasible. If nesting season avoidance is not feasible, the applicant shall retain a qualified biologist, as approved by the City of Palo Alto, to conduct a preconstruction nesting bird survey to determine the presence/absence, location, and activity status of any active nests on or adjacent to the project site. The extent of the survey buffer area surrounding the site shall be established by the qualified biologist to ensure that direct and indirect effects to nesting birds are avoided. To avoid the destruction of active nests and to protect the reproductive success of birds protected by the MBTA and CFGC, nesting bird surveys shall be performed not more than 14 days prior to scheduled vegetation clearance and structure demolition. In the event that active nests are discovered, a suitable buffer (typically a minimum buffer of 50 feet for passerines and a minimum buffer of 250 feet for raptors) shall be established around such active nests and no construction shall be allowed within the buffer areas until a qualified biologist has determined that the nest is no longer active (i.e., the nestlings have fledged and are no longer reliant on the nest). No ground disturbing activities shall occur within this buffer until the qualified biologist has confirmed that breeding/nesting is completed, and the young have fledged the nest. Nesting bird surveys are not required for construction activities occurring between August 31 and February 1.	Property owner or its designee	Within 14 days prior to the initiation of construction activities	City of Palo Alto Planning & Development Services Department
Cultural Resources and Tribal Cultural Resources			
CR-1 Building Recordation. Impacts resulting from the partial demolition of the warehouse building at 200 Portage Avenue, also known as 340 Portage Avenue, shall be minimized through archival documentation of as-built and as-found condition. Prior to issuance of demolition permits, the lead agency shall ensure that documentation of the buildings and structures proposed for demolition is completed that follows the general guidelines of Historic American Building Survey (HABS)- Level	Property owner or its designee in coordination with a qualified	Prior to issuance of demolition permits	City of Palo Alto Planning & Development Services Department

Mitigation Measure	Responsible for Implementation	Timing of Compliance	Oversight of Implementation
III documentation. The documentation shall include high resolution digital photographic recordation, a historic narrative report, and compilation of historic research. The documentation shall be completed by a qualified architectural historian or historian who meets the Secretary of the Interior's Professional Qualification Standards for History and/or Architectural History. The original archival-quality documentation shall be offered as donated material to repositories that will make it available for current and future generations. Archival copies of the documentation also would be submitted to the City of Palo Alto and the Palo Alto Public Library, where it would be available to local researchers. Completion of this mitigation measure shall be monitored and enforced by the City of Palo Alto.	historian or historic architect		
CR-2 Interpretive Display. Impacts resulting from the partial demolition of the warehouse building at 200 Portage Avenue, also known as 340 Portage Avenue, shall be minimized through the installation of a high-quality, on-site interpretive display in a publicly-accessible location, preferably near or within a portion of the retained warehouse building at 200 Portage Avenue at the applicant's expense. The display could focus on the property's history, particularly the agricultural past of Santa Clara County and the canning operations of Bayside Canning Company. The interpretive display should be prepared by a professional exhibit designer and historian; historic information contained in Page & Turnbull's HRE can serve as the basis for the interpretive display. The goal of the interpretive display would be to educate the public about the property's historic themes and associations within broader cultural contexts. The content of the display shall be approved by the Director of Planning & Development Services or designee.	Property owner or its designee	During project design	City of Palo Alto Planning & Development Services Department
CR-3 Worker Environmental Awareness Program. In the event that archaeological resources are unexpectedly encountered during ground-disturbing activities, work in the immediate area shall be halted and an archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archeology (National Park Service 1983) shall be contacted immediately to evaluate the find. If the find is Native American in origin, then a Native American representative shall also be contacted to participate in the evaluation of the find. The qualified archaeologist, and, if applicable, the Native American representative, shall examine the find and make appropriate recommendations regarding additional work necessary to evaluate the significance of the find and the appropriate treatment of the resource. All cultural resources identified shall be evaluated for CRHR eligibility and local listing. Additional work may be necessary to evaluate the resource for inclusion in the CRHR or local listing. Recommendations could include, but are not limited to, invasive or non-invasive testing, sampling, laboratory analysis, preservation in place, or data recovery.	Property owner or its designee in coordination with a qualified archeologist	During ground disturbing activities	City of Palo Alto Planning & Development Services Department

Mitigation Measure	Responsible for Implementation	Timing of Compliance	Oversight of Implementation
<p>A report of findings documenting any data recovered during monitoring shall be prepared by a qualified archaeologist and submitted to the Director of Planning. If the discovery is determined to be Native American in nature, the on-site Native American monitor, if applicable, shall be consulted to determine the appropriate treatment of the resource. In the event that no Native American monitor is contracted, locally affiliated Native American tribes shall be invited to consult regarding the appropriate treatment of any Native American resources identified during project construction.</p>			
<p>CR-4 Unanticipated Discovery of Archaeological Resources. In the event that archaeological resources are unearthed during project construction, all earth-disturbing work near the find must be temporarily suspended or redirected until an archaeologist meeting the Secretary of the Interior's Professional Qualification Standards for archaeology (NPS 1983) has evaluated the nature and significance of the find. If the discovery proves to be significant under CEQA (Section 15064.5f; PRC 21082), additional work, such as preservation in place or archaeological data recovery, shall occur as recommended by the archeologist in coordination with City staff and if applicable, descendants and/or stakeholder groups. Once the resource has been properly treated or protected, work in the area may resume. A Native American representative shall be retained to monitor mitigation work associated with Native American cultural material.</p>	<p>Property owner or its designee in coordination with a qualified historic architect and native American monitor as appropriate consistent with MM</p>	<p>During ground disturbing activities</p>	<p>City of Palo Alto Planning & Development Services Department</p>
<p>CR-5 Suspension of Work Around Tribal Cultural Resources. In the event that cultural resources of Native American origin are identified during implementation of the proposed project, all earth-disturbing work within 50 feet of the find shall be temporarily suspended or redirected until an archaeologist and culturally affiliated Native American representative have evaluated the nature and significance of the find. If the City, in consultation with local Native Americans, determines that the resource is a tribal cultural resource and thus significant under CEQA, a mitigation plan shall be prepared and implemented in accordance with state guidelines and in consultation with local Native American group(s). The plan shall include avoidance of the resource or, if avoidance of the resource is infeasible, the plan shall outline the appropriate treatment of the resource in coordination with the culturally affiliated local Native American tribal representative and, if applicable, a qualified archaeologist. Examples of appropriate mitigation for tribal cultural resources include, but are not limited to, protecting the cultural character and integrity of the resource, protecting traditional use of the resource, protecting the confidentiality of the resource, or heritage recovery.</p>	<p>Property owner or its designee in coordination with a qualified historic architect and native American monitor as appropriate consistent with MM</p>	<p>During ground disturbing activities</p>	<p>City of Palo Alto Planning & Development Services Department</p>

Mitigation Measure	Responsible for Implementation	Timing of Compliance	Oversight of Implementation
HAZARDS AND HAZARDOUS MATERIALS			
<p>HAZ-1 Regulatory Agency Notification and Approval. Prior to the issuance of deconstruction, demolition, grading, building, or other permits necessary for beginning of construction or development, the project applicant shall contact an appropriate oversight agency such as the Santa Clara County Department of Environmental Health (SCCDEH), Department of Toxic Substances Control (DTSC), or San Francisco Bay Regional Water Quality Control Board (SFBRWQCB), to discuss the proposed redevelopment project, the proposed residential land use, and the prior environmental investigations, and determine the lead agency for assessment and/or remediation at the project site. The project applicant shall provide the oversight agency with the proposed site use plans regarding the conversion of commercial land use to residential land use, copies of the 2020 and 2021 PES investigative reports, and discuss the onsite presence of groundwater impacted by VOCs at the project site as well as any concerns regarding potentially impacted soils or soil vapor.</p> <p>The oversight agency may require the project applicant to conduct additional investigation/studies, including, but not limited to, soil investigation, soil vapor surveys, and/or groundwater investigations to delineate the extent of contaminated soil, soil vapor, and groundwater. The oversight agency may require approval of the final Site Management Plan (SMP) required by Mitigation Measure HAZ-2, below, prior to issuance of any required project permits. The project applicant shall comply with the oversight requirements, conduct further investigations as required, and submit the results to the oversight agency.</p> <p>The oversight agency's (SCCDEH, SFBRWQCB, or DTSC) agency approval documents shall be delivered to and reviewed by the project applicant. The project applicant shall furnish copies of the documents, including the final Site Management Plan or equivalent document required by Mitigation Measure HAZ-2, to the City Planning Department prior to issuance of grading permits.</p> <p>If groundwater wells or soil vapor monitoring probes are identified during demolition, subsurface demolition, or construction at the project site, they will be abandoned, protected in place, or relocated per Santa Clara Valley Water District specifications. Abandonment activities will be documented in a letter report submitted to Santa Clara Valley Water District within 60 days of the completion of abandonment activities.</p>	Property owner or its designee	Prior to the issuance of construction, demolition, grading, building, or other permits necessary for beginning of construction	City of Palo Alto Planning & Development Services Department in coordination with selected oversight agency (SCCDEH, RWQCB, or DTSC)
<p>HAZ-2 Site Management Plan for Impacted Soils, Soil Vapor and/or Groundwater. The project applicant shall retain a qualified environmental consultant, California Professional Geologist (PG) or California Professional Engineer (PE), to prepare a Soil</p>	Property owner or its designee	Prior to construction	City of Palo Alto Planning & Development

Mitigation Measure	Responsible for Implementation	Timing of Compliance	Oversight of Implementation
<p>Management Plan (SMP) prior to construction. The SMP, or equivalent document, will be prepared to address onsite handling and management of impacted soils, soil vapor, groundwater, or other impacted wastes, and reduce hazards to construction workers and offsite receptors during construction. The plan shall establish remedial measures and/or soil management practices to ensure construction worker safety, the health of future workers and visitors, and the off-site migration of contaminants from the project site. These measures and practices may include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ Stockpile management, including stormwater pollution prevention and the installation of BMPs ▪ Soil sampling procedures for imported fill material (in accordance with DTSC's 2001 Information Advisory Clean Imported Fill Material) ▪ Proper disposal procedures for contaminated materials ▪ Monitoring, reporting, and regulatory oversight notifications ▪ A health and safety plan for contractors working at the project site that addresses the safety and health hazards of each phase of site construction activities with the requirements and procedures for employee protection ▪ The health and safety plan will also outline proper soil handling procedures and health and safety requirements to minimize worker and public exposure to hazardous materials during construction. <p>The City of Palo Alto and/or the oversight agency (SCCDEH, DTSC, or RWQCB) will review and approve the SMP for impacted soils, soil vapor, and groundwater prior to issuance of any permits necessary for the beginning of construction. The project applicant will review and implement the SMP prior to and during demolition and grading (construction).</p>			<p>Services Department in coordination with selected oversight agency (SCCDEH, RWQCB, or DTSC)</p>
Noise and Vibration			
<p>N-1 Vibration Reduction. The applicant shall retrofit the remaining historical building at 200 Portage/340 Portage to withstand construction vibration up to 0.4 in/sec PPV or higher (the Caltrans threshold for buildings in good repair) prior to demolition or construction activities. The structure's ability to accommodate vibration at the specific level shall be verified by a qualified engineer.</p>	<p>Property owner or its designee in coordination with a qualified engineer</p>	<p>Prior to demolition or construction activities</p>	<p>City of Palo Alto Planning & Development Services Department</p>

Attachment F: Consistency with North Ventura Coordinated Area Plan Goals

North Ventura CAP Goals	Development Agreement Alternative
Housing and Land Use: Add to the City's supply of multifamily housing, including market rate, affordable, "missing middle," and senior housing in a walkable, mixed use, transit-accessible neighborhood, with retail and commercial services and possibly start up space, open space, and possibly arts and entertainment uses.	The project adds up to 149 units to the City's housing supply including 74 market rate units as well as one acre and funding to support a 75-unit affordable housing project on the City dedication land. The project also provides 2.25 acres of open space adjacent Matadero Creek.
Transit, Pedestrian and Bicycle Connections: Create and enhance well-defined connections to transit, pedestrian, and bicycle facilities, including connections to the Caltrain station, Park Boulevard and El Camino Real.	The project creates an enhanced bikeway connection between Park Boulevard and Portage Avenue, consistent with the Bicycle and Pedestrian Transportation Plan and Countywide Trail Plan.
Connected Street Grid: Create a connected street grid, filling in sidewalk gaps and street connections to California Avenue, the Caltrain Station, and El Camino Real where appropriate.	The project would provide a private street between Portage Avenue and Park Boulevard. However, a connection (parking lot) exist there today. The change may allow for vehicular traffic to cut through; however, cut through traffic is not anticipated given that there are other options already connecting El Camino Real and Park Boulevard that would be more convenient for surrounding uses.
Community Facilities and Infrastructure: Carefully align and integrate development of new community facilities and infrastructure with private development, recognizing both the community's needs and that such investments can increase the cost of housing.	The project includes community facilities, including a public park and a retail/public space that will provide public access to view the monitor roofs.
Balance of Community Interests: Balance community-wide objectives with the interests of neighborhood residents and minimize displacement of existing residents and small businesses.	The project replaces vacant retail space with housing and a small retail/public space for viewing the monitor roofs. It does not displace any small businesses. Although research and development uses were not encouraged to remain at this site in accordance with the NVCAP process, the retention of existing uses would allow for other community benefits identified throughout the process, including a public park and housing.
Urban Design, Design Guidelines and Neighborhood Fabric: Develop human-scale urban design strategies, and design guidelines that strengthen and support the neighborhood fabric. Infill development will respect the scale and character of the surrounding residential neighborhood. Include transition zones to surrounding neighborhoods.	The project proposes to retain existing buildings (a portion of the cannery, Ash office building and Audi building) and to construct 35-foot tall townhomes. The proposed height and multi-family use aligns with existing surrounding R&D, retail-like and residential uses.

Sustainability and the Environment Protect and enhance the environment, while addressing the principles of sustainability.	The new housing project building will be all electric and will comply with GB-1 plus Tier 2 requirements. Any modifications to the cannery that qualify as a substantial improvement would require upgrades to meet the new green building code. The applicant is looking to design, if feasible, a net zero cannery building in accordance with comments from the Council and commissioners.
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ATTACHMENT G
ZONING COMPARISON TABLE
22PLN-00287
(bold indicates non-compliance)

Table 1: 200-Portage/3040-3200 Park Boulevard (Townhomes)
COMPARISON WITH CHAPTER 18.13 (RM-30 DISTRICT)

Regulation	Required	Proposed
Minimum/Maximum Site Area, Width and Depth	8,500 sf area, 70-foot width, 100-foot depth	~300 X ~590 (3.92 ac gross [170,755]; 2.447 ac net [106,591 sf])
Minimum Front Yard (Olive Avenue)	20 feet	28 feet
Rear Yard	10 feet	60 feet
Interior Side Yard	6 feet	15 feet (adjacent residential) 43 feet to new property line between townhomes and cannery building
Street Side Yard	16 feet	10 to 16 feet (10 at narrowest point)
Max. Building Height	35 feet	32 foot, 10 inches
Side Yard Daylight Plane	10 feet at interior side lot line then 45-degree angle	Complies
Rear Yard Daylight Plane	10 feet at rear setback line then 45-degree angle	Complies
Max. Site Coverage	40% (68,302)	36%
Max. Total Floor Area Ratio	0.6:1 (63,955 sf)	1.49:1 (159,949 sf)*
Minimum Site Open Space	30% (51,226 sf)	20% (34,663 sf)
Minimum Usable Open Space	150 sf per unit (11,100 sf)	177 sf/du min (12,131 sf)
Minimum Common Open Space	75 sf per unit (5,550 sf)	86 sf/du min (6,339 sf)
Minimum Private Open Space	50 sf per unit (3,700 sf)	92 sf/du min (6,792 sf)

*Net lot area is used for the calculation of floor area and excludes the private streets and creek easements

Table 1A: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking)
for Multi-family Residential

Type	Required	Proposed
Vehicle Parking	2 spaces per unit, at least one covered 2x74 units=148 spaces required	148 spaces covered (2 each for 74 units) 37 uncovered spaces Total provided: 185 spaces
Bicycle Parking	1 long term space per unit and 1 short term space per 10 units	74 long term spaces provided in private garages;

24 short term

1 x 74 = 74 long-term spaces
0.1 x 74 = 7 short-term spaces

Table 2: 340-404 Portage Avenue (Cannery Building)**COMPARISON WITH CHAPTER 18.16 (CS DISTRICT)**

Regulation	Required	Existing	Proposed
Minimum Site Area, width and depth	8,500 sf area, 70-foot width, 100 foot depth	~880 feet x ~640 feet ~539,035 sf (12.37 acres)	~590 feet X ~420 feet (irregular; 6.3 acres)
Minimum Front Yard	0-10 feet to create an 8-12 foot effective sidewalk width ^{(1), (2), (8)}	~20 feet (Park Boulevard)	None (Alley between Acacia and Portage)*
Rear Yard	None	None (Alley between Acacia and Portage)	~15 feet (abutting new townhome parcel)
Interior Side Yard	None		10 to 25 feet (adjacent residences to new parking garage) 60 feet (south of Street B on south side of newly created parcel)
Street Side Yard	None	Not applicable	Not applicable
Min. yard for lot lines abutting or opposite residential districts or residential PC districts	10 feet ⁽²⁾	32 feet	10.5 feet
Build-to-lines	50% of frontage built to setback 33% of side street built to setback ⁽⁷⁾	None (Park Boulevard)	Cannery building built to front setback (Alley between Acacia and Portage) Side street is not applicable
Special Setback	24 feet – see Chapter 20.08 & zoning maps	Not Applicable	Not Applicable
Max. Site Coverage	None	Unclear	49.7%

Max. Building Height	35 ft within 150 ft. of a residential district (other than an RM-40 or PC zone) abutting or located within 50 feet of the site	~35 feet; ten inches to top of existing monitor roofs; ~21 feet, two inches to top of existing main roof of cannery building	22 ft, six inches to top of existing main roof of cannery building; 14 foot, six inches to top of railing around the parking garage ~No change to cannery building roof heights
Max. Floor Area Ratio (FAR)	0.4:1 (109,771 sf) 18.18.060(e)	0.47 (251,619 sf on a 539,035 sf parcel)	0.6:1 (164,656.8 sf)*
Daylight Plane for lot lines abutting one or more residential zone districts other than an RM-40 or PC Zone	None ⁽⁶⁾	complies	Complies

*Note: compliance would require further modifications to existing historic cannery building.

**Parking garage does not constitute floor area as parking is exempt from floor area in accordance with Chapter 18.04 of the municipal code. This number reflects existing cannery square footage but the ratio is based on dedication of a portion of the parcel to the City; therefore the resulting parcel would exceed the floor area ratio allowed under the zoning ordinance and Comprehensive Plan.

**Table 2A: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking)
for Research and Development and Retail**

Type	Required	Proposed
Vehicle Parking	1 space per 250 sf for R&D (x142,744 sf)= 570 spaces 1 space per 200 sf for retail (x2,600 sf)=13 spaces 2 loading spaces for (100,000-199,999 sf)= 2 spaces Total required: 583 spaces Total loading required: 2 spaces	Parking garage:330 spaces Other uncovered spaces: 89 spaces Total spaces provided: 403 spaces Total loading provided: 2 spaces
Bicycle Parking	1 space per 2,500 sf for R&D; 80% LT; 20% ST (x142,744 sf)=57 spaces (46 spaces LT; 10 spaces ST) 1 space per 2,000 sf for retail; 20% LT; 80% ST (x2600 sf)=1 ST space Total required: 46 Long term(LT); 11 Short term (ST)	49 spaces (37 existing; 12 new) Long term; 20 ST

**Table 3: 3250 Park Boulevard (Audi)
COMPARISON WITH CHAPTER 18.16 (CS DISTRICT)**

Regulation	Required	Existing	Proposed
------------	----------	----------	----------

Minimum Site Area, width and depth	8,500 sf area, 70 foot width, 100 foot depth	539,035 (12.37 acres)	14 (in gross lot; 0.628 acres net lot)
Minimum Front Yard	0-10 feet to create an 8-12 foot effective sidewalk width ^{(1), (2), (8)~}	31 feet	31 feet
Rear Yard	None	~380 feet (to previous parcel boundary)	10 feet to newly created lot line abutting new City parcel
Interior Side Yard	None	10 feet eastern property line; ~680 feet to existing property line on west side of existing parcel	10 feet to eastern property line; 49' 6" feet to newly created parcel boundary
Street Side Yard	None	Not applicable	Not applicable
Min. yard for lot lines abutting or opposite residential districts or residential PC districts	10 feet ⁽²⁾	Not Applicable	Not Applicable
Build-to-lines	50% of frontage built to setback 33% of side street built to setback ⁽⁷⁾	None built to frontage; side street is not applicable	No change (none built to frontage; side street not applicable)
Special Setback	24 feet – see Chapter 20.08 & zoning maps	Not Applicable	Not Applicable
Max. Site Coverage	None	Unclear (part of larger parcel)	35.1%
Max. Building Height	35 ft within 150 ft. of a residential district (other than an RM-40 or PC zone) abutting or located within 50 feet of the site	Single story	No Change
Max. Floor Area Ratio (FAR)	0.4:1 (12,841 sf based on 32,103 sf lot)	Unclear (part of larger parcel)	No Change to building; based on new parcel size the FAR for this building will be 0.37:1 (11,762 sf)
Daylight Plane for lot lines abutting one or more residential zone districts other than an RM-40 or PC Zone	None ⁽⁶⁾	Not Applicable	Not Applicable

**Table 3A: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking)
for Research and Development Use at Audi Building**

Type	Required	Proposed
Vehicle Parking	1 space per 250 sf for R&D (x11,762 sf) = 47 spaces	Total spaces provided: 31

	Loading: one space per 10,000-100,000 sf = 1 space	To	d: 1
Bicycle Parking	1 space per 2,500 sf for R&D; 80% LT; 20% ST (X11,762 sf)=5 spaces (4 spaces LT; 1 space LT)	Unclear	

3201-3225 Ash (Office)**Table 4: COMPARISON WITH CHAPTER 18.16 (CS DISTRICT)**

Regulation	Required	Existing	Proposed
Minimum Site Area, width and depth	8,500 sf area, 70 foot width, 100 foot depth	539,035 (12.37 acres)	~91x~200 feet; 0.421 acres (18,338 sf)
Minimum Front Yard	0-10 feet to create an 8-12 foot effective sidewalk width ^{(1), (2), (8)}	~19 feet	21'10" feet (no change)
Rear Yard	None	~690 feet (out to Park boulevard)	26' 5" (to new parcel boundary)
Interior Side Yard	None	~20 feet on east side	9'6" on west side; 24' 8" feet on east side (no change)
Street Side Yard	None	Not Applicable	Not Applicable
Min. yard for lot lines abutting or opposite residential districts or residential PC districts	10 feet ⁽²⁾	Not Applicable	Not Applicable
Build-to-lines	50% of frontage built to setback, 33% of side street built to setback ⁽⁷⁾	None	None (no change)
Special Setback	24 feet – see Chapter 20.08 & zoning maps	Not Applicable	Not Applicable
Max. Site Coverage	None	Unclear (based on larger parcel)	26.5%
Max. Building Height	35 ft within 150 ft. of a residential district (other than an RM-40 or PC zone) abutting or located within 50 feet of the site	Single-story	Single-story, 22' (no change)
Max. Floor Area Ratio (FAR)	0.4:1 (7,335 sf based on 18,338 sf lot)	Unclear (based on larger parcel)	.26: 1 (4707 sf)
Daylight Plane for lot lines abutting one or more residential zone districts other than an RM-40 or PC Zone	None ⁽⁶⁾	Not Applicable	Not Applicable

**Table 4A: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking)
for Office**

Type	Required	Proposed
------	----------	----------

Vehicle Parking	One space per 250 sf 4707 sf/250=18 spaces required	18 pr site	ery
Bicycle Parking	One per 2,500 sf 80% LT; 20% ST= 2 spaces	No change	



HEXAGON TRANSPORTATION CONSULTANTS, INC.

340 Portage Avenue Research and Development

Transportation Demand Management Plan

Prepared for:

City of Palo Alto on Behalf of The Sobrato Organization

August 8, 2022

Hexagon Transportation Consultants, Inc.

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Hexagon Job Number: 22GB24

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Transportation Planning Traffic Calming Demand Forecasting

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Appendices

Appendix A Santa Clara County VMT Evaluation Tool Report

1.

Introduction

This transportation demand management (TDM) plan has been prepared for the research and development project located at 340 Portage Avenue in Palo Alto, California. TDM is a combination of services, incentives, facilities, and actions that reduce single-occupant vehicle (SOV) trips to help relieve traffic congestion, parking demand, and air pollution problems. The purpose of this TDM plan is to propose effective and appropriate TDM measures that would satisfy the City's requirement of a 15 percent reduction in vehicle trips.

Project Description

The project site is located on Portage Avenue between El Camino Real and Park Boulevard (see Figure 1). The project is an existing building that would be occupied with 143,000 square feet of research and development space. The project would provide 405 parking spaces and 48 bicycle parking spaces allocated to the building on site. The project site plan is shown on Figure 2.

Project Trip Generation and Trip Reduction Target

Trip generation resulting from the development is estimated using the trip rates published in the Institute of Transportation Engineers' (ITE) *Trip Generation Manual 11th Edition* (2021). Trips that would be generated by the proposed project were estimated using the ITE trip rates for "Research and Development Center" (Land Use Code 760). The ITE *Trip Generation Manual* describes Research and Development Center as a facility or group of facilities devoted almost exclusively to research and development activities, and are typically used for projects such as this that include a combination of office and laboratory space.

Based on the published trip rates, the project is expected to generate 147 trips during the AM peak hour and 140 trips during the PM peak hour (see Table 1). With the required minimum 15 percent trip reduction through TDM, the vehicle trips generated by the project should not exceed 125 trips during the AM peak hour and 119 trips during the PM peak hour.

340 Portage Avenue TDM

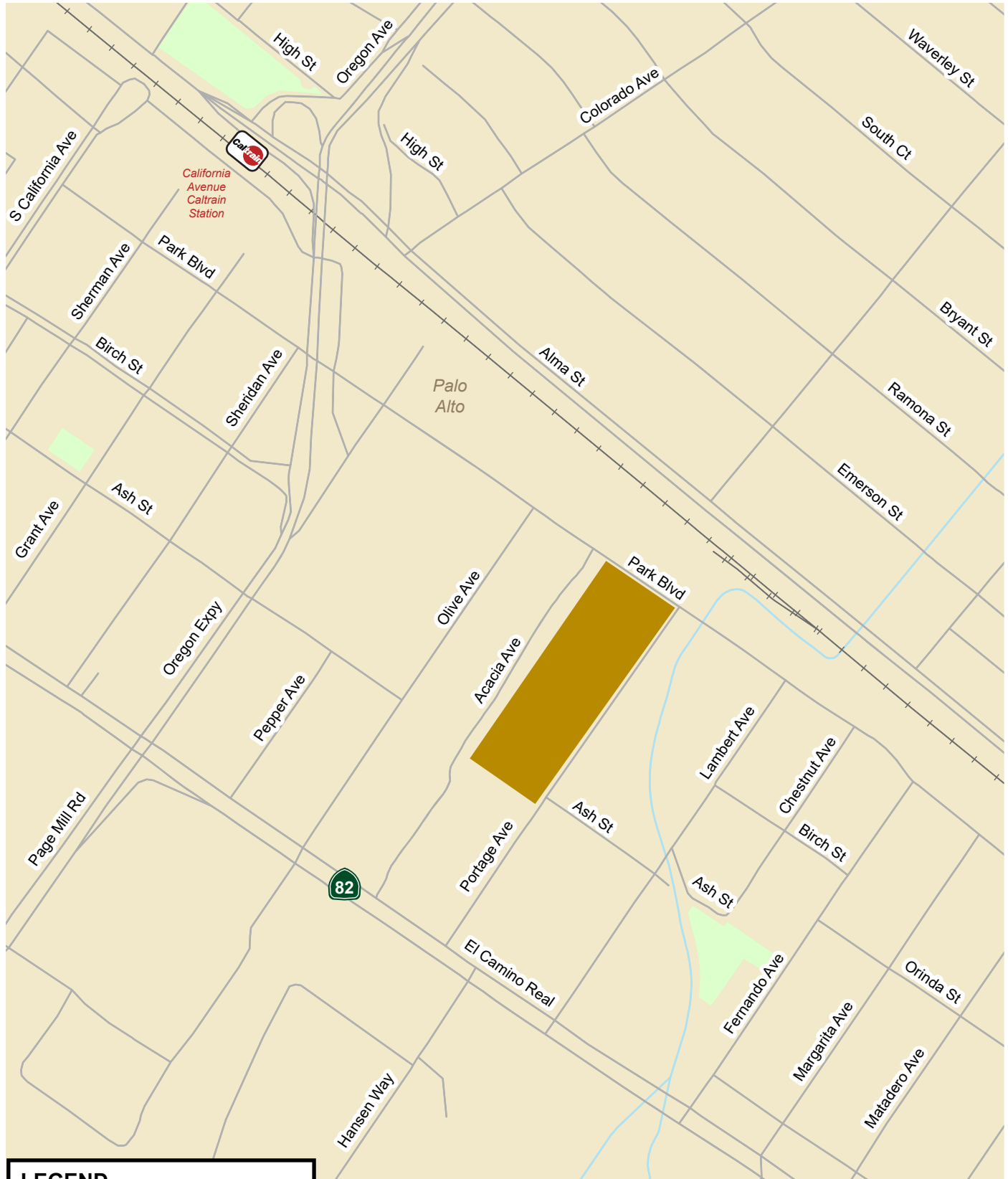


Figure 1
Project Site Location

340 Portage Avenue TDM

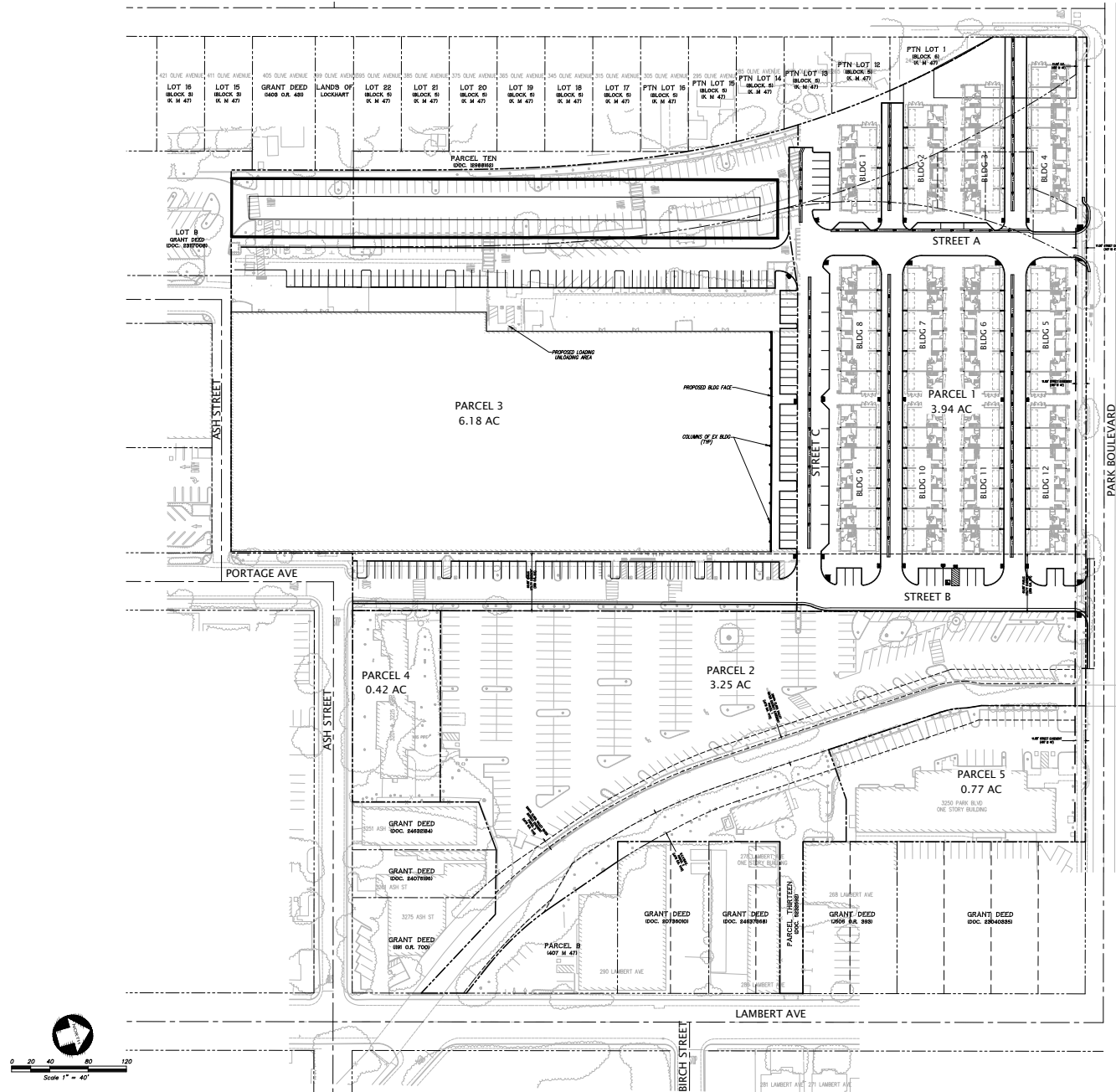


Figure 2
Site Plan

Table 1
Trip Generation Table

Land Use	Size	Units	Daily		AM Peak-Hour			PM Peak-Hour					
			Rate ¹	Trips	Rate ¹	In	Out	Trips	Rate ¹	In	Out	Trips	
<u>Proposed Uses</u>													
Research and Development ²	143,000	s.f.	11.08	1,584	1.03	121	26	147	0.98	22	118	140	
TDM Reduction (15%) ³				(238)		(18)	(4)	(22)		(3)	(18)	(21)	
<i>Trip Generation Goal</i>				1,346		103	22	125		19	100	119	
<u>Note:</u> s.f. = square feet													
<u>Source:</u> ITE Trip Generation Manual, 11th Edition 2021.													
¹ Rate expressed in trips per 1,000 s.f. for Research and Development.													
² Average rates used for Research and Development Center (Land Use 760).													
³ The project would be required to meet a 15 percent trip reduction set by the City of Palo Alto staff for this project.													

TDM Goal

The TDM plan should reduce the peak hour trips by a minimum of 15 percent. The TDM plan will be monitored through employee surveys and driveway counts to determine if the peak hour trips are being reduced by 15 percent. Annual monitoring reports will be provided to the City for the first five years after occupancy and afterwards at the City's request.

2. Existing Transportation Facilities and Services

Transportation facilities and services that support sustainable modes of transportation include buses and shuttles, commuter rail, and bicycle and pedestrian facilities. This chapter describes existing facilities and services near the project site that would support the TDM measures described in this plan.

Transit Services

Existing transit services in the project area are provided by the Santa Clara Valley Transportation Authority (VTA) and Caltrain. VTA operates bus and light-rail transit (LRT) services in Santa Clara County. The VTA bus routes in the project vicinity and the bus stops near the project site are summarized in Table 2 and shown on Figure 3.

Caltrain

Commuter rail service between San Francisco and Gilroy is provided by Caltrain. Caltrain provides service with approximately 30-minute headways during the weekday AM and PM commute hours to the California Avenue station, which is located approximately ½ mile north of the project site. The Palo Alto station is a stop for the Caltrain local and limited lines. Weekday service is provided from approximately 5:00 AM to 1:00 AM in the northbound directions and from approximately 6:00 AM to 1:45 AM in the southbound direction.

Table 2
Existing Transit Services

Route	Route Description	Weekday Hours of Operation	Headways ¹ (minutes)	Nearby Bus Stops/Stations	Walking Distance to Project Site
<u>VTA Bus Route</u>					
Frequent Rapid Route 522	Palo Alto Transit Center - Eastridge Transit Center	5:20 AM - 11:15 PM	30	El Camino Real and California Avenue	0.5 mile
Frequent Route 22	Palo Alto Transit Center - Eastridge Transit Center	4:00 AM - 1:30 AM	30	El Camino Real and Portage Avenue	1,000 feet
				El Camino Real and Hansen Way	1,300 feet
<u>Caltrain</u>					
Caltrain	Gilroy - San Francisco	5:00 AM - 1:45 AM	30	California Avenue Station	0.5 mile
Notes:					
¹ Headways during weekday peak periods as of July 2022.					

Pedestrian and Bicycle Facilities

A network of sidewalks is present along the streets in the immediate vicinity of the project site, including Portage Avenue, El Camino Real, and Park Boulevard. Crosswalks are provided at El Camino Real/Portage Avenue and El Camino Real/Hansen Way near the project site. The surrounding area includes residential and commercial uses, and most of the streets include sidewalks that have good connectivity and provides pedestrians with safe routes to transit services and other points of interest in the project vicinity.

The existing bicycle facilities within the study area are listed below and shown on Figure 4.

- Striped Class II bike lanes on Park Boulevard, Hansen Way, and Page Mill Road
- Class III bike lanes on California Avenue, Bryant Street, Margarita Avenue and Park Boulevard from Lambert Avenue to Margarita Avenue

The City of Palo Alto 2030 Comprehensive Plan shows proposed bicycle facilities within the project vicinity. These locations are listed below and shown on Figure 4.

- Class II bicycle lane on El Camino Real from Page Mill Road/Oregon Expressway to Maybell Avenue,
- Enhanced Class II bikeway on Portage Avenue, Hansen Way, and California Avenue
- Class III shared arterial on Page Mill Road/Oregon Expressway from El Camino Real to St Francis Drive,
- Class III bicycle boulevard on Margarita Avenue,
- Class III shared arterial on Alma Street,
- Class I multi-use pathway on Matadero Canal,

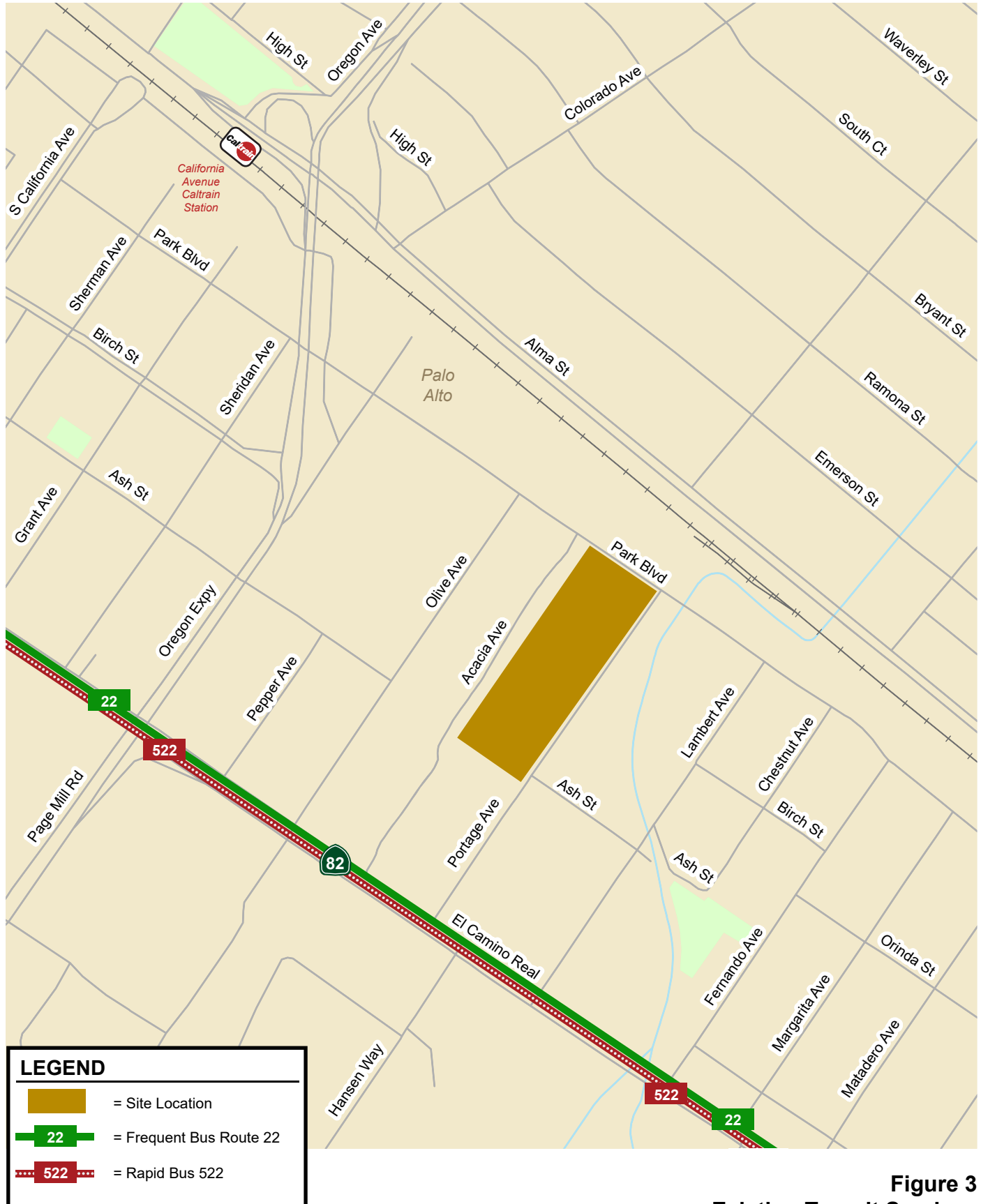


Figure 3
Existing Transit Services

340 Portage Avenue TDM

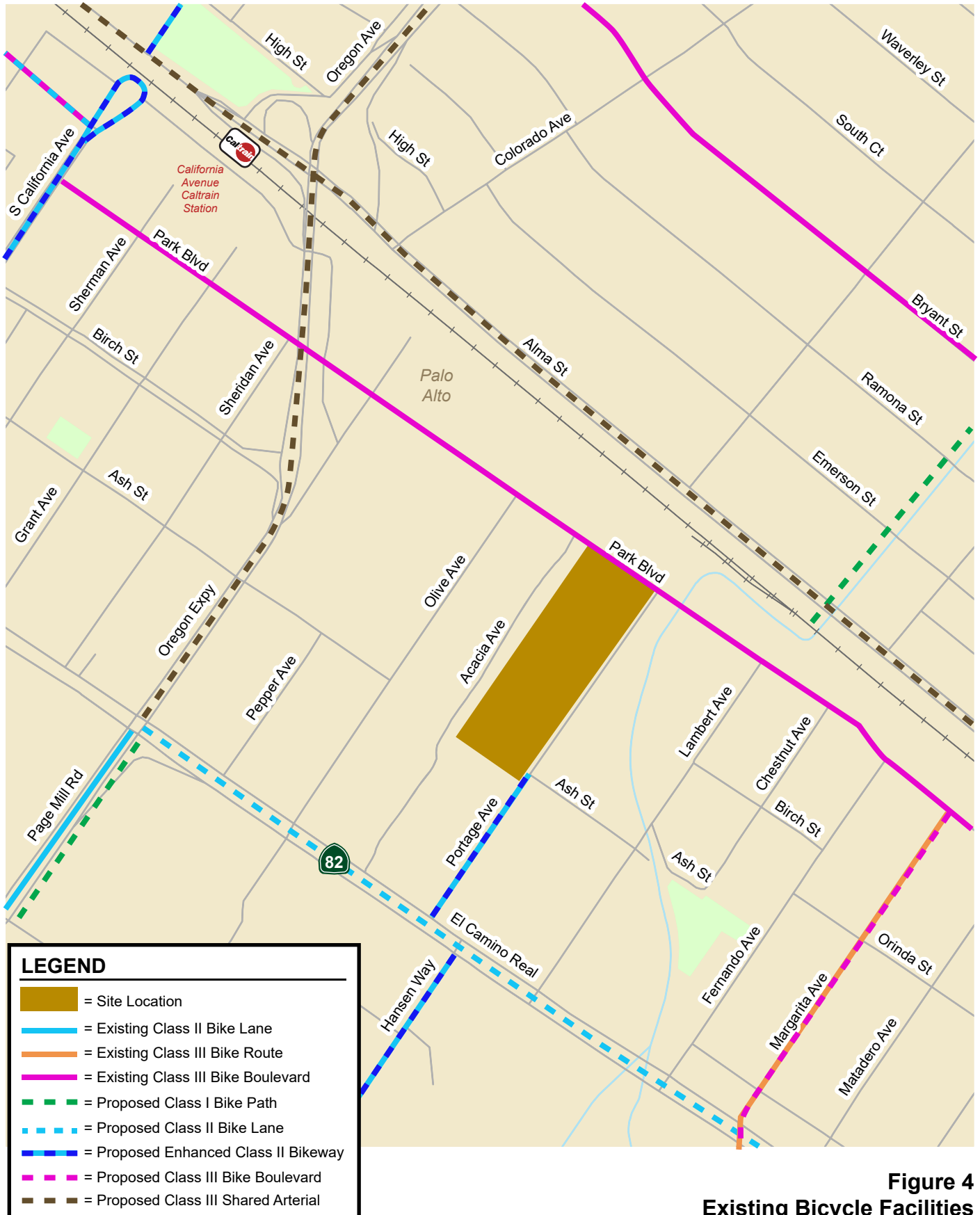


Figure 4
Existing Bicycle Facilities

3.

Potential TDM Measures

This chapter provides a menu of Transportation Demand Management (TDM) measures that the project will choose from to meet the 15% trip reduction requirement. These TDM measures include planning and design measures related to the attributes of the site location, site design, on-site amenities, and TDM programs. The TDM programs, including services, incentives, and actions, will encourage office employees to commute to work using alternatives to single-occupant vehicles. Table 3 presents a summary of the TDM measures in this plan and who would have primary responsibility for implementing each measure.

The project's VMT reduction has been estimated by VTA's Santa Clara Countywide VMT Evaluation Tool, which provides an indication of the likely effectiveness of various trip reduction strategies in various settings. After the project site has been occupied and the TDM Plan has been implemented, employee mode-share surveys and driveway counts will serve as monitoring tools to determine if the City's goal of a 15 percent VMT reduction has been met. If not, then the TDM coordinator (appointed by the property manager) will be responsible for implementing additional measures.

Table 3
TDM Measures and Responsibilities

TDM Measure	Implementation Responsibility
Program Administration	
Designating a Transportation Coordinator	Property Manager
Online Kiosk/TDM Information Board ¹	Transportation Coordinator
Transportation Information Packets	Transportation Coordinator
Trip Planning Assistance	Transportation Coordinator
Program Monitoring and Reporting	
Annual Employee Surveys	Transportation Coordinator
Target Drive-alone Mode Share Monitoring	Transportation Coordinator
Transit Elements	
Proximity to Transit Center	Site Location
Transit Subsidy	Employers/Tenants
Resources (schedules, route maps & other info)	Transportation Coordinator
Telecommuting/Flexible Work Schedule	Employers
Bicycle Facilities	
Bicycle Parking	Building Developer
Showers, Changing Rooms, and Lockers	Building developer
Resources (bikeway maps & other info)	Transportation Coordinator
Parking Reduction	Building developer
Notes: ¹ The building developer will have initial responsibility for creating an online kiosk and appointing the Transportation Coordinator. After the building is occupied, the Transportation Coordinator will have ongoing responsibility for the online kiosk and various program elements.	

Project Location

The project is located near to the California Avenue Caltrain station and near El Camino Real with frequent bus service. Bike lanes are present in the immediate vicinity of the project site. Thus, it is likely that transit and bicycling will be an option for employees.

TDM Coordinator

The project will appoint a TDM Coordinator who will be the primary contact with the City and will be responsible for implementing and managing the TDM plan. The TDM Coordinator will be a point of contact for employees/tenants when TDM-related questions arise and will be responsible for ensuring that employees are aware of all transportation options and how to fully utilize the TDM plan. The TDM Coordinator will provide the following services and functions to ensure the TDM plan runs smoothly:

- Provide transportation information brochures to new employees.
- Provide trip planning assistance and/or ride-matching assistance to employees who are considering an alternative mode.
- Manage annual driveway counts and employee travel surveys. The results will be used to determine whether the implemented TDM measures are effective and whether new TDM measures should be implemented.

TDM Marketing and Alternative Transportation Information

The project will provide transportation information brochures to all new employees/tenants and ensure that employees/tenants are aware of the programs available to them. This brochure will include information about transit maps/schedules (Caltrain and VTA), locations of bus stops and Caltrain stations, transit fare subsidies or transit passes to be provided by employers, guaranteed ride home service to be provided by employers, ride matching programs (511.org's RideMatching service, peer-to-peer matching apps, such as Scoop and Waze), 511.org's carpool/vanpool subsidy program, bike maps, and bicycle parking on-site.

Online Transportation Kiosk

A key element of this TDM plan is to set up an "online kiosk" with site specific information about the transportation resources available to employees/tenants. The kiosk will include information about transit maps/schedules (Caltrain and VTA) and locations of bus stops and Caltrain stations.

The TDM Coordinator will have responsibility for maintenance of the online kiosk with information regarding non-auto transportation alternatives. The online kiosk will include information about all the measures and services discussed in this Plan, and local bikeway maps and information about bike parking on site.

Rideshare Matching Services

One of the greatest impediments to carpool and vanpool formation can be finding suitable riders with similar work schedules, origins, and destinations. Facilitated rideshare matching can overcome this obstacle by enabling commuters who are interested in ridesharing to enter their travel preferences into a database and receive a list of potential rideshare partners. The success of these programs is largely determined by the number of participants and, in turn, the number of potential matches that can be made.

The TDM Coordinator will provide employees/tenants with information on 511.org's ridematching service and other ridematching services. For example, ridematching assistance is available through a number of peer-to-peer matching programs, such as Scoop and Waze Carpool, which utilize mobile apps to match commuters.

Vanpool/Carpool Incentives

The TDM Coordinator will provide employees/tenants with information on 511.org's carpool/vanpool subsidy program. The 511.org's Carpool/Vanpool Program offers several incentive programs to encourage people to try carpooling and vanpooling. Most of these programs are designed to reward someone for forming or trying a carpool or vanpool and provide an award or subsidy after the first three to six months of use.

Transit Passes

Subsidized transit passes are an extremely effective means of encouraging employees to use transit rather than drive to work. Transit passes allow employees to save money and avoid the stress of driving during the commute periods.

The project could require future office tenants, as part of the lease agreement, to provide free transit passes (Caltrain and/or VTA) for their employees. There are a few ways to structure a financial incentive for transit. Employers can cover the total monthly cost of transit for those employees who take

transit through a pre-tax benefit, or purchase transit passes themselves and distribute them to employees or offer a universal transit pass program.

Employers may consider universal transit pass programs in which an employer purchases a pass for all employees, regardless of whether they currently ride transit or not. These passes typically provide unlimited transit rides on local or regional transit providers for a low monthly fee; a fee that is lower than the individual cost to purchase a pass, since a bulk discount is given. Such programs can be more cost-effective option for employers to reducing vehicle trips as compared to purchasing individual passes.

It is likely that many of the employees taking public transit will take Caltrain to work; therefore, future tenants should consider the Caltrain universal transit pass program (Go Pass program). The Caltrain Go Pass is an annual pass purchased by a company for its employees. All eligible employees receive the Go Pass, whether they use it or not. The passes are purchased from Caltrain at a significant discount and provide all employees with free Caltrain travel between all zones, seven days a week.

Telecommute/Flexible Work Schedule Program

Offering employees the opportunity to work from home or travel outside the peak travel periods can help reduce the number of commute trips to and from the project site.

The project may include the following infrastructure to support its future tenants to implement an alternative work schedule:

- Heating, cooling, and ventilation systems for extended schedules
- High-bandwidth internet connections to facilitate telecommuting

Bicycle Facilities

Bicycle Parking

Providing bicycle parking encourages bicycle commuting and reduces vehicle trips and parking demand. Based on the Palo Alto Municipal Code, the project will provide one bicycle parking space per 3,000 square feet, which equates to 48 bicycle parking spaces.

Showers, Changing Rooms, and Lockers

The project may provide shower stalls, changing rooms, and lockers for employees to use after biking or walking to the office. Having the option to shower and change clothes in the building encourages employees to bike or walk to work. Employees who ride their bike a considerable distance to the Caltrain station nearest to their home may also take advantage of these facilities.

Bicycle Resources

The following resources are available to bicycle commuters through 511.org. These resources would be noted in the transportation information brochure, to make employees aware of them.

- Free Bike Buddy matching
- Bicycle maps
- Bicycle safety tips
- Information about taking bikes on public transit
- Location and use of bike parking at transit stations
- Information on Bike to Work day
- Tips on selecting a bike, commuter gear, and clothing

- Links to bicycle organizations

Reduced Parking

The project will provide parking below the municipal code requirement. The project proposes 405 spaces, whereas the municipal code requires 572 spaces. Reduced parking encourages new development at higher densities and promotes greater use of alternate modes of transportation.

Estimated TDM Reduction

The Santa Clara Countywide Vehicle Miles Traveled (VMT) Evaluation Tool was used to calculate the trip reduction due to the TDM Program. This tool can calculate VMT reductions associated with certain TDM measures.

The VMT Tool provides an estimate of the amount by which a project's location and land use characteristics, its site enhancements, and the measures taken to reduce commute trips will reduce VMT. Hexagon has applied the VMT Tool to the TDM Plan for the R&D development at 340 Portage Avenue. The project is in TAZ 517, where the home-based work VMT per worker according to the model is 17.16. The results indicate that the plan would reduce the project VMT to 14.54 work VMT per worker, which is shown in Appendix A. This is a 15 percent reduction in VMT. Therefore, the project is expected to achieve the 15 percent peak-hour vehicle trip reduction target requested by the City of Palo Alto.

4. TDM Implementation, Monitoring, and Reporting

The purpose of this TDM plan is to reduce the vehicle trips generated by the project. The property manager will submit to the City an annual TDM monitoring report that identifies the TDM plan's effectiveness at achieving the trip generation reduction.

Implementation

The project applicant along with the property manager/TDM Coordinator will be responsible for ensuring the TDM plan is implemented. In addition, all lease agreements will require tenants to participate in the TDM plan immediately upon occupancy. Lease agreements will describe the elements of this plan for which tenants have immediate or potential future responsibility.

Monitoring and Reporting

The purpose of monitoring and reporting the TDM plan is to ensure that the plan is successfully meeting the trip reduction requirement. The property manager/TDM Coordinator will work with an independent consultant to implement annual employee surveys and driveway counts and document the results in a TDM monitoring report. The property manager/TDM Coordinator will submit the TDM monitoring report to the City.

The initial TDM monitoring report for the project will be submitted two years after building occupancy. Subsequent reports will be submitted annually. The property manager/TDM Coordinator and/or the consultant preparing the report will coordinate with City staff for any additional reporting requirements.

Employee Surveys

The property manager/TDM Coordinator will conduct an annual survey of all employees to determine the mode split among employees, whether the existing TDM measures are effective, and whether employees prefer different TDM measures.

Driveway Counts

Consistent with common traffic engineering data collection principles, trip generation will be monitored by means of driveway counts at the project's access points. The counts will be conducted one day per year on a typical weekday (Tuesday, Wednesday, or Thursday) when schools are in session. The TDM Coordinator will work with an independent consultant to obtain traffic count data and to document the results in a TDM monitoring report.

Annual Report

The results of the driveway counts and surveys will be reported to the City of Palo Alto annually during the first five years of building occupancy. The annual reports will detail the awareness of the TDM program, quantify the site trip generation, and calculate the mode split. Program enhancements could be developed based on the findings of the TDM monitoring report regarding the employee's awareness and usage of current TDM program elements. After the first five years of the project, an annual report would be submitted to the City upon request.

Appendix A

Santa Clara County VMT Evaluation Tool Report

Santa Clara Countywide VMT Evaluation Tool - Version 2 - Report

Project Details

Timestamp of Analysis July 07, 2022, 11:42:24 AM

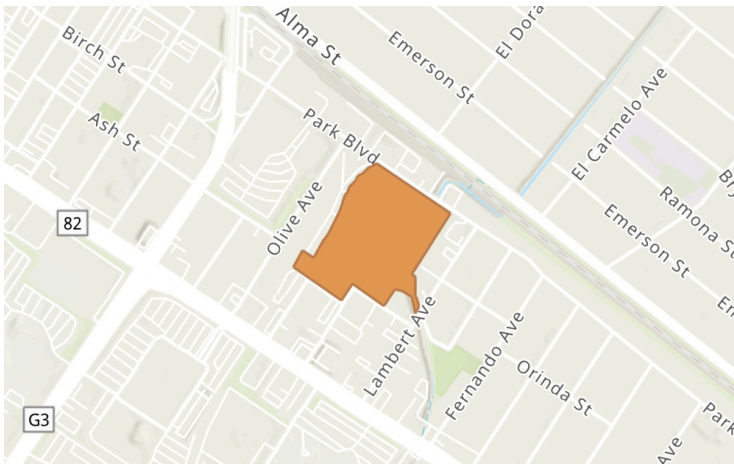
Project Name 340 Portage Avenue

Project Description The project proposes to redevelop 143,000 square feet of R&D space.

Project Location Map

Jurisdiction: Palo Alto

APN	TAZ
13238071	517



Analysis Details

Data Version VTA Countywide Model December 2019

Analysis Methodology Parcel Buffer Method

Baseline Year 2022

Project Land Use

Residential:

Single Family DU:

Multifamily DU:

Total DUs: 0

Non-Residential:

Office KSF:

Local Serving Retail KSF:

Industrial KSF: 143

Residential Affordability (percent of all units):

Extremely Low Income: 0 %

Very Low Income: 0 %

Low Income: 0 %

Parking:

Motor Vehicle Parking: 415

Bicycle Parking: 58

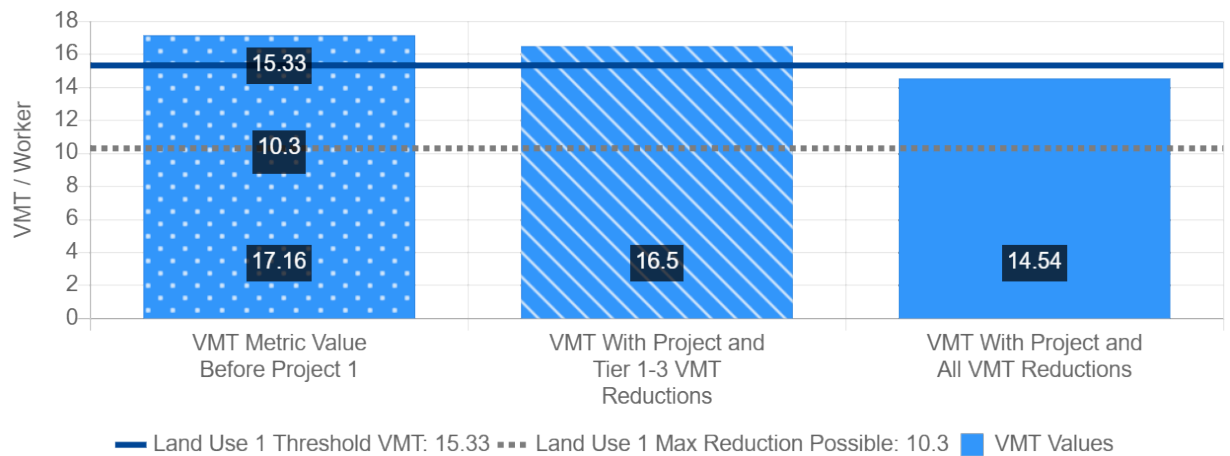
Proximity to Transit Screening

Inside a transit priority area? Yes (Pass)

Office Vehicle Miles Traveled (VMT) Screening Results

Land Use Type 1:	Office
VMT Metric 1:	Home-based Work VMT per Worker
VMT Baseline Description 1:	Bay Area Regional Average
VMT Baseline Value 1:	15.33
VMT Threshold Description 1 / Threshold Value 1:	0% / 15.33
Land Use 1 has been Pre-Screened by the Local Jurisdiction:	N/A

	Without Project	With Project & Tier 1-3 VMT Reductions	With Project & All VMT Reductions
Project Generated Vehicle Miles Traveled (VMT) Rate	17.16	16.5	14.54
Low VMT Screening Analysis	No (Fail)	No (Fail)	Yes (Pass)



Tier 3 Parking

PK01 Limit Parking Supply

Minimum Parking Required by City Code:	572
Total Parking Spaces Available to Employees:	415
Is the Surrounding Street Parking Restricted?:	

PK02 Provide Bike Facilities

Bicycle Parking:	58
Project End-of-trip Bike Facilities:	Yes

Tier 4 TDM Programs

TP04 CTR Marketing and Education

CTR Marketing/Education Percent Expected Participants:	100 %
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TP07 Subsidized Transit Program

Percent of Transit Subsidy:	100 %
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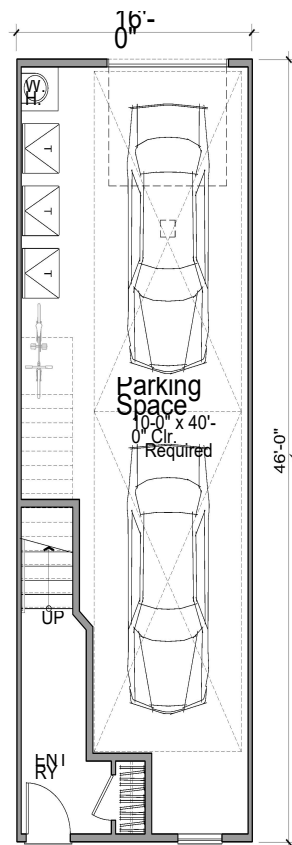
TP08 Telecommuting and Alternative Work Schedules

Telecommuting and Alternative Work Schedule Type:	4/40 schedule
Alternative Work Schedule Percent Participants:	25 %

TP13 Ride-Sharing Programs

Expected Percent of Ride-Sharing Participants:	4 %
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REDUCING UNIT WIDTH TO INCREASE
WIDTH OF THE NORTH - SOUTH
PEDESTRIAN PATH

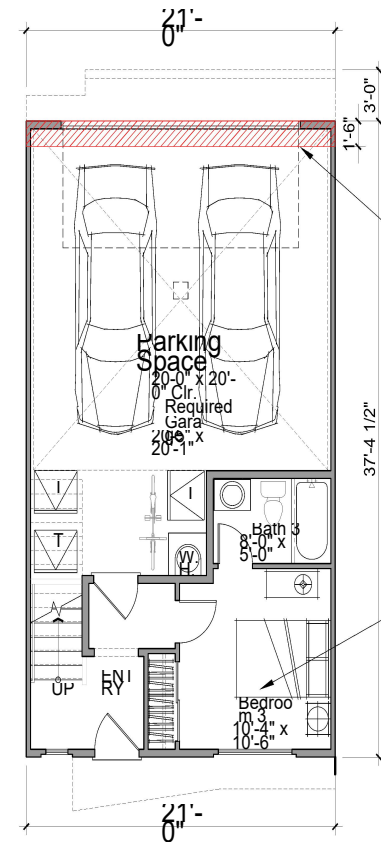


IN ORDER TO ENLARGE THE NORTH-SOUTH PATH IT WOULD BE NECESSARY TO REDUCE THE WIDTH OF SOME UNITS AND SWITCH TO A TANDEM PARKING ARRANGEMENT.

IN ORDER TO MEET CITY STANDARDS FOR PARKING SPACE SIZE IT IS NECESSARY TO MAKE THIS UNIT 8'-8" DEEPER. MAKING THESE UNITS DEEPER WOULD REDUCE THE WIDTH OF THE MAIN EAST-WEST PASEO TO ALMOST ZERO.

TANDEM PLAN - FIRST FLOOR

REDUCING UNIT DEPTH TO INCREASE
WIDTH OF THE EAST - WEST PASEO



IF DRIVE AISLE CANNOT BE REDUCED IN WIDTH, THEN IN ORDER TO GET THE DESIRED 6' OF PASEO WIDTH IT WILL BE NECESSARY TO REDUCE THE DEPTH OF ALL GARAGES BY 1'-6".

THIS REDUCES GARAGE DEPTHS TO +/- 18'-6" WHICH IS SUBSTANTIALLY BELOW THE MINIMUM SIZE REQUIRED BY PALO ALTO

HABITABLE SPACES ARE AT MINIMUM SIZES AS IS AND CANNOT BE REDUCED.

PLAN 1 - FIRST FLOOR

Attachment J: Comparison of Private Street Requirements by Jurisdiction

City	Garage Door-to-Garage Door dimension	Building Face-to-Building Face (2 nd /3 rd flr)
Palo Alto	32'	26'
Cupertino	28'	24'-6"
Menlo Park	28'	23'-6"
Mountain View	28'	24'
San Jose	28'	21'
Santa Clara	33'	28'
Sunnyvale	30'	26'



May 15, 2023
Project No: 21-11331

Claire Raybould, AICP, Senior Planner
City of Palo Alto
250 Hamilton Avenue
Palo Alto, California 94301
Via email: Claire.Raybould@cityofpaloalto.org

**Subject: Secretary of the Interior's Standards Analysis Update
200 Portage Avenue Condominium Project, Palo Alto, California**

Dear Ms. Raybould:

Rincon Consultants, Inc. (Rincon) was retained by the City of Palo Alto (City) to conduct a historical resources impact analysis update for the project at 200 Portage Avenue, Palo Alto, California. Rincon previously prepared a Historical Resources Assessment and Impacts Finding Memorandum for the proposed project in February 2022. That analysis found the proposed project would result in a significant and unavoidable impact to historical resources, due to the demolition of approximately 40 percent of the existing warehouse building, which qualifies as a historical resource under the California Environmental Quality Act (CEQA). The project was found to be inconsistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards) due to the demolition and removal of distinctive and character-defining features that characterize the property. Pursuant to Section 15064.5(b)(3) of the CEQA Guidelines, projects which comply with the Standards are generally found to mitigate historical resource impacts to a less than significant level.

Rincon prepared a second memorandum in December 2022 analyzing the design from the proposed Development Agreement Alternative (Alternative 3 in the Environmental Impact Report prepared for the proposed project) and found that several elements, in addition to the proposed demolition of a large portion of the warehouse building, did not meet the Standards. For instance, several elements of the proposed new design included the removal of distinctive or character-defining features or proposed alterations that would detract from the building's historic industrial character. Rincon provided recommendations for treatment that would bring the project more in compliance with the Standards.

This memorandum analyses the revised design prepared by the project applicant for the Development Agreement Alternative and considers how the proposed modifications conform to the Standards, including changes to the proposed window design and treatment of the site's existing grade change. Methods for the current assessment included review of the Historical Resources Evaluation (HRE) prepared by Page & Turnbull in February 2019, which established the basis for the property's historical significance and its character-defining features and a review of revised Development Agreement Alternative project plans, prepared May 2, 2023.

The Rincon team included Architectural Historian JulieAnn Murphy, who served as primary author of this memorandum. Cultural Resources Director Steven Treffers and Principal Shannon Carmack provided oversight and assisted with the analysis. Ms. Murphy, Mr. Treffers, and Ms. Carmack meet the Secretary of the Interior's *Professional Qualification Standards* (PQS) for architectural history and history (26 CFR Part 61).



Secretary of the Interior's Standards Analysis

The following table outlines recommendations provided in the December 2022 memorandum with a review of response in the revised proposed plans.

Design Element	December 2022 SOIS Analysis	December 2022 Recommendations	Proposed Revision	Updated SOIS Analysis
Proposed Demolition	Does not meet Standard 1, 2, 5, and 6	To conform with the Standards, the proposed design should be updated to retain the portions of the historic building proposed for demolition.	Unchanged	Does not meet Standard 1, 2, 5, and 6
Structural Retrofit	Potential to not meet Standard 2 and 6.	In order to conform with the Standards, care should be taken to retain historic materials.	Unchanged	Potential to not meet Standard 2 and 6.
New Storefronts, Entries, and Canopies				
South Elevation Entries ¹	Does not meet Standard 2, 5, 6, or 9	The extant former loading door, identified as a character-defining feature should be retained. New entries at the proposed amenity space addition should be revised to not overwhelm the historic portion of the building to be retained. The proposed use of corrugated metal on the proposed amenity space should be updated to a different, compatible material to clearly distinguish the original historic building and the proposed alteration.	Unchanged Entries have been revised, but remain largely the same as previously proposed. Proposed use of corrugated metal also remains the same.	Does not meet Standard 2, 5, 6, or 9
North Elevation Entries	Does not meet Standard 2 or 9	The proposed new entries should be reduced in scale, and be pulled in at least one structural bay from each end of the character-defining roofline in order to retain more of the building materials and the building's spatial relationship. The existing loading door should be retained and reused instead of introducing new entries in the same general location.	Unchanged Unchanged	Does not meet Standard 2 or 9

¹ Note that updated plans have implemented a different cardinal reference than in previous plan sets. What was formerly referred to as the south elevation, for example, is now called the east elevation and so forth.

**Item 7**

Attachment M - Secretary of the
Interiors Standards Consistency
Analysis

200 F

Alto
Project

Design Element	December 2022 SOIS Analysis	December 2022 Recommendations	Proposed Revision	Updated SOIS Analysis
<i>Canopies</i>	Meets the Standards at new entries Does not meet Standard 2 or 5	The proposed removal of existing character-defining shed awnings should be retained instead of being replaced with new canopies.	Unchanged	Meets the Standards at new entries Does not meet Standard 2 or 5
New Window Openings				
<i>North and South Elevations</i>	Does not meet Standard 2, 3, 5, 6, or 9	It is recommended that the north and south window configuration be updated to no longer include the fixed windows that follow the slope of the roofline.	Though new openings are proposed, window configuration has been updated and more closely aligns with the configuration of existing historic windows.	Does not meet Standard 2, 3, 5, 6, or 9
<i>East Elevation and Skylights</i>	Meets the Standards	No recommendation	NA	Meets the Standards
Existing Window Treatment	Meets the Standards	In order to comply with Standards 2 and 5, original windows should be retained where condition allows. If windows are deteriorated beyond repair, they should be replaced with windows in kind. New windows should match the historic in configuration and profile and be manufactured in an appropriate replacement material.	NA	Meets the Standards
Existing Exterior Cladding Material	Meets the Standards	In order to comply with Standards 2 and 5, cladding material should be retained where condition allows. If it is deteriorated beyond repair, it should be replaced with material in kind and match the historic material in color and composition.	NA	Meets the Standards
Rooflines	Does not meet Standard 2, 5, 6, and 9	The proposed design should be revised to retain the varied rooflines. If structural updates are necessary to meet code requirements, the roof's overall form should be retained and replaced in kind.	Unchanged	Does not meet Standard 2, 5, 6, and 9



Design Element	December 2022 SOIS Analysis	December 2022 Recommendations	Proposed Revision	Updated SOIS Analysis
Loading Platforms	Does not meet Standard 2, 5, 6, and 9	The revised design should be updated to retain more of the loading platform, including the change in grade from the adjacent parking lot.	The revised design has been updated to retain the existing grade change from the adjacent parking lot, but existing loading platforms are still proposed to be removed.	Does not meet Standard 2, 5, 6, and 9
New Construction				
Townhouses	Meet the Standards	No recommendations	NA	Meet the Standards
Garage Addition	Meets the Standards	It is recommended that the proposed use of corrugated metal on the garage addition be revised to a different, compatible material to make it readily distinguishable from the historic building	Unchanged	Meets the Standards
NA = not applicable				



Conclusions

As detailed in previous memoranda, the proposed demolition of a large portion of the historic building is not consistent with the Standards. Similarly, several elements of the current design, as revised, still include the removal of distinctive or character-defining features on the portion of the building proposed to be retained, including the shed awnings, varied roof forms, and garage door openings. The grade change to the existing loading platforms is proposed to be retained, but the existing platforms are still proposed to be removed. Proposed alterations that detract from the building's historic industrial character have been revised, including the slanted windows previously proposed on the north and south elevations. However, there are still elements in the revised design that detract from the building's historical character, including the location and configuration of proposed storefronts and the introduction of new openings and entries. The proposed demolition under the revised plans would still result in the material impairment of the historic building and therefore a significant impact as defined in Section 15064.5(b) of the CEQA Guidelines. Should you have any questions or comments regarding this report, please do not hesitate to contact the undersigned at 925-326-1159 or at jmuprhy@rinconconsultants.com.

Sincerely,

Rincon Consultants, Inc.

JulieAnn Murphy, MSHP
Architectural Historian Project Manager

Steven Treffers, MHP
Architectural Historian Program Manager

Shannon Carmack
Principal



Rincon

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Item 7

Attachment M - Secretary
of the Interiors Standards
Consistency Analysis

December 14, 2022
Project No: 21-11331

Claire Raybould, AICP, Senior Planner
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301
via email: Claire.Raybould@cityofpaloalto.org

**Subject: Secretary of the Interior's Standards Analysis Update – Revised
200 Portage Avenue Condominium Project, Palo Alto, California**

Dear Ms. Raybould:

Rincon Consultants, Inc. (Rincon) was retained by the City of Palo Alto (City) to conduct a historical resources impacts analysis for a project at 3200 Park Boulevard, Palo Alto, California. The proposed project involves the demolition of a portion of the existing commercial building at 200 Portage Avenue, originally built for the Bayside Canning Company beginning in 1918. The property, inclusive of the warehouse building and related office building located at 3201-3225 Ash Street, was evaluated in a Historical Resources Evaluation (HRE) by Page & Turnbull on behalf of the City of Palo Alto in February 2019 and recommended eligible for listing in the California Register of Historical Resources (CRHR) at the local level under Criterion 1 (Events) for its association with the canning industry in Santa Clara County. Therefore, the property is considered a historical resource as defined in Section 15064.5(a) of the California Environmental Quality Act (CEQA) Guidelines. Rincon prepared a Historical Resources Assessment and Impacts Finding Memorandum for the proposed project in February 2022, and found that the proposed project, which included demolition of approximately 40 percent of the warehouse building would constitute material impairment to the historical resource, and would not meet the Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards). The memorandum further found that several elements of the treatment for the portion of the warehouse building proposed to be retained were inconsistent with the Standards due to the planned removal of distinctive and character-defining features that characterize the property (Attachment 1).

Rincon's February 2022 memorandum prepared for the purposes of the Environmental Impact Report prepared for the 200 Portage Avenue Townhome Project (which included a 91-unit townhome development) analyzed impacts of that proposed project on the identified historical resource. This memorandum analyzes the proposed Development Agreement alternative, which includes further modifications to the cannery building as well as the addition of a parking garage at the rear of the property. This assessment considers how the proposed modifications under the Development Agreement Alternative conforms to the Standards and provides recommendations, where appropriate, on how the modified design can more successfully adhere to the Standards.¹ Methods for the current assessment included a review of Development Agreement project plans as well as a memorandum

¹Pursuant to Section 15064.5(b)(3) of the CEQA Guidelines, projects that comply with the Standards are generally considered to mitigate impacts to historical resources to a less than significant level.

completed by the project applicant's historic consultant, Architectural Resources Group (ARG) in July 2022, which provided guidelines for the treatment of the property intended to be incorporated into the Development Agreement for the property (Attachment 2). It also included review of a phasing plan the project applicant submitted to the city in December 2022 (Attachment 3). This review was also informed by guidance documents from National Park Service, including a series of documents published by the Technical Preservation Services division called "Interpreting the Secretary of the Interior's Standards for Rehabilitation" (ITS).

The Rincon team included Architectural Historian JulieAnn Murphy, who served as primary author of this memorandum. Senior Architectural Historian and Program Manager Steven Treffers and Principal Shannon Carmack provided oversight and assisted with the analysis. Ms. Murphy, Mr. Treffers, and Ms. Carmack meet the Secretary of the Interior's *Professional Qualification Standards* (PQS) for architectural history and history (26 CFR Part 61).

Brief Project Description

As described in the February 2022 memo, the project site encompasses approximately 14.27 acres across four parcels (Assessor's Parcel Numbers 132-38-071, 132-32-036, 132-32-042, and 132-32-043) that would be developed with 91 new condominium townhouse units and associated site improvements. To accommodate the proposed residential development, a portion of the historic warehouse building would be demolished. The portion of the warehouse building proposed to be retained would be updated for retail and Research and Development uses and updated to comply with the current building and green building codes, a requirement under state law and the City's municipal code for substantial modification of a commercial building. Proposed improvements would include modifications to existing entries and windows, replacement of corrugated metal siding, new storefront windows and skylights, new canopy awnings at entries, and floorplan modifications at building's southeast and northeast elevations for a new amenity space. The retained warehouse portion would be connected to a two-story parking garage addition at its north elevation.

Brief Property Background and Chronology

As described in the HRE prepared by Page & Turnbull, the oldest portions of the warehouse building were constructed in 1918 for the Bayside Canning Company, which was owned by Chinese immigrant and prominent canning mogul, Thomas Foon Chew. After Chew's death, the cannery was subsequently purchased and operated for more than 20 years by the Sutter Packing Company, another fruit and vegetable cannery. The Sutter Packing Company significantly expanded the cannery building and its operations throughout the 1930s and 1940s as it prepared for and raced to meet the demands of World War II. The expansion projects included the construction of the extant office building at 3201-3225 Ash Street to the southeast of warehouse building. For a time, the cannery was the largest employer in the Mid-Peninsula, and when it closed in 1949, it was the largest employer in Palo Alto.

The property had a number of owners following Sutter Packing Company including the following: Safeway (1946-1949); unknown (1949-1978); WSJ Properties (c. 1978-1998); Unknown (c.1998-2002); Robert Wheatley Properties (c. 2002-2010); and the Sobrato Organization (Present). A number of different tenants occupied the portion of the warehouse building proposed to be retained during the years following Sutter Packing's closure including Basket Galleria, Inc., MaxiMart, and most recently Playground Global and Nauto. A portion of the building proposed to be retained as well as a portion of which would be demolished was last occupied by Fry's Electronics.

The period of significance of the property, including the warehouse building, begins in 1918, when canning operations began at the site under the Bayside Canning Company, and ends in 1949, when the Sutter Packing Company's canning operations at the building ended.

Secretary of the Interior's Standards

The Standards provide guidance on the preservation and protection of historic properties and make broad-brush recommendations for maintaining, repairing, and replacing historic materials, as well as designing new additions or making alterations. They cannot, in and of themselves, be used to make essential decisions about which features of a historic property should be saved and which might be changed. Rather, they provide philosophical consistency to the work.² There are Standards for four distinct, but related, approaches to the treatment of historic properties: Preservation, Rehabilitation, Restoration, and Reconstruction. The Rehabilitation Standards are the appropriate treatment standards for this analysis because the proposed project involves the new use of a historic building. Furthermore, only Rehabilitation Standards allow alterations and the construction of new additions, if necessary for a historic building's continued or new use.³

The Secretary of the Interior's Standards for Rehabilitation state:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

² Anne E. Grimmer and Kay D. Weeks, "The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings," National Park Service, 2017, 3.

³ National Park Service, "The Secretary of the Interior's Standards for the Treatment of Historic Properties: Rehabilitation as a Treatment and Standards for Rehabilitation, <https://www.nps.gov/articles/000/treatment-standards-rehabilitation.htm>, access November 10, 2022.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in a such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Character-Defining Features

The intent of the Standards is to provide for the long-term preservation of a property's significance through the preservation of its historic materials and features. These historic materials and features are commonly referred to as character-defining features and are indispensable in a historic property's ability to convey the reasons for its historical significance.

The warehouse building at 200 Portage is significant for its association with the canning industry in Santa Clara County. As such, its character-defining features relate to its representation of its industrial canning history, and include the following, as identified in the HRE prepared by Page & Turnbull:

- Form and massing
 - Long, linear massing
 - Composition of multiple smaller buildings
 - Primarily one story, double-height volumes with taller central cannery section
- Varied roofs and structures
 - Prominent paired monitor roofs
 - Arched roofs
 - Visible gable roofs
- Exterior wall materials
 - Reinforced, board formed concrete
 - Corrugated metal cladding
- Exterior cannery features
 - Concrete loading platforms
 - Cooling porch at rear of building
 - Exterior shed awnings with wood post-and-beam construction
- Fenestration
 - Wood frame windows
 - Garage door openings
 - Wire glass skylights over former warehouses
- Landscape features
 - Preserved curved path of the removed railroad spur tracks, represented in the shape of parking lot pavement

- Channel of Matadero Creek
- Interior features
 - Exposed wood truss ceilings
 - Wood and concrete post and beam construction
 - Concrete floors

To ensure a proposed project's compliance with the Standards, a historic property's character-defining features should be preserved as part of the final design. In rehabilitation, historic building materials and character-defining features are protected and maintained as they are in the Preservation Standards. However, greater latitude is given in rehabilitation to replace extensively deteriorated, damaged, or missing features using the same or compatible substitute materials.

Secretary of the Interior's Standards Analysis

The following presents an analysis of the proposed project's modified design's adherence to the applicable Rehabilitation Standards by proposed scope item.

Proposed Demolition

The Development Agreement Alternative proposes to demolish the eastern portion of the historic warehouse building, resulting in a loss of approximately 40 percent of the building, consistent with the 200 Portage Avenue (91 Unit) Townhome Project. As discussed in the February 2022 analysis, the demolition of the building would not be consistent with the Standards which recommends avoiding loss of historic materials through demolition and removal and encourages the retention of distinctive materials that characterize a property. The proposed demolition would cause a loss of several of the property's character-defining features outlined above, including its form and massing and varied roof forms and structures. The modified design for the proposed project, similar to the Townhome Project, would still be inconsistent with Standard 1, 2, 5, and 6.

Structural Retrofit

In November 2022 the project applicant provided clarification to City staff that a portion of the building between the tenant space for Playground global and west of the monitor roofs may require further modifications than originally anticipated. The phasing plan reflects that this area would be rehabilitated. However, the applicant has indicated that the extant roof would require complete reconstruction, discussed in more detail below, to accommodate the weight of required solar panels and HVAC equipment upgrades. To allow for the upgrades, the applicant would install an interior support to stabilize the exterior walls while this work is completed. The exterior walls are corrugated metal, much of which has deteriorated over time. The applicant is proposing a salvage study to determine whether any of the exterior material could be retained, or whether replacement with like material is necessary. Ultimately, if the material must be replaced, these modifications may be more extensive than originally anticipated. Ultimately, these additional modifications necessary to accommodate structural upgrades, which could amount to demolition depending on how much of the exterior could actually be retained, and could potentially be inconsistent with Standard 2 and 6.

New Storefronts, Entries and Canopies

The proposed modified design includes new storefront entries at the north and south elevations. Storefront entries will be topped with flat, metal canopies at select locations on the north and south elevations.

South Elevation Entries

The building's south elevation ground floor openings are proposed to be updated. Existing openings at the west end of the elevation will be retained, while all other existing openings are proposed to be removed. The HRE identified the south elevation as the primary, or most important, elevation.

The central portion of this elevation's bays are proposed to receive five fully glazed storefront systems, two of which will feature single-entry glazed doors. One of the character-defining features identified for the building were the garage doors at former loading bays, one of which is present on the south elevation. As described in the National Park Service's guidance document *ITS Number 16: New Infill for Historic Loading Door Openings*, retaining loading doors in buildings such as warehouses and other industrial and manufacturing buildings is important for maintaining the historic character of these structures.⁴ The current modified design, which proposes to remove the former loading entry does not meet Standard 2, 5, 6, or 9. In order to fully meet the Standards, the design should be refined to retain the existing openings, inclusive of the intact roll-up doors.

The final bays, below the monitor roof portion of the building are proposed to include two entries within a new amenity space that will be established by enclosing the area below the existing canopy at the west end of the elevation and include a one-story portion at the east end of the elevation. One portion of the proposed amenity space would extend for two stories, ending below the monitor roof portion of the building and feature a double-height storefront system and a paired door entry. It would extend to a one-story portion at the building's corner and would feature a storefront system with a second, paired entry, and both would be clad in a new, corrugated exterior material.

Rehabilitation of buildings allows for additions and alterations for new uses, but encourages preservation or minimal change to primary elevations, as provided in *NPS Preservation Brief 14: New Exterior Additions to Historic Buildings: Preservation Concerns*.⁵ When additions cannot be added to a secondary elevation, additions and alterations to primary elevations should be designed to be compatible with the historic building and should not become the primary focus. This can be achieved by being designed in the appropriate scale and should be visually distinguishable from the historic building. The alterations for the proposed new amenity space at the south elevation do not meet Standard 9. The proposed change materially alters the remaining historic elevation. The modified design should be revised to not include a substantial alteration to the primary elevation. It should not obscure the historic building proposed to be retained. Additionally, and as noted in the HRE, the building's corrugated metal exterior is a character-defining feature. It is recommended that the proposed use of corrugated metal on the substantially altered portion of the building be revised to a different, compatible material to clearly distinguish the original historic building and the later modifications.

⁴ Kaaren R. Staveteig, National Park Service, Technical Preservation Services, *ITS Number 2: New Infill for Historic Garage Openings*, 1999.

⁵ Anne E. Grimmer and Kay D. Weeks, National Park Service, *Preservation Brief 14: New Exterior Additions to Historic Buildings: Preservation Concerns*, 2010.

North Elevation Entries

The north elevation's ground floor openings will be updated for the proposed new use. The existing paired and single door below the monitor roof portion of the building will be removed. The remaining paired entries to the west of the monitor roof portion of the building will also be removed, while the single entry, final paired entry, and what appear to be existing storefronts at the southernmost portion of the building will be retained.

New, fully glazed storefront systems with three entries will be installed in an area below monitor roofs at the first floor. The elevation will continue with three new storefront systems with full-height glazing at the first floor and a transom above. The final bay of the grouping will feature a central, paired entry. The proposed design for the remainder of the elevation appears to be retain the existing configuration.

As described in *NPS ITS Number 22: Adding New Entrances to Historic Buildings*, in order to meet the Standards, new entrances should be simple in design, should not appear historic, should blend in with the historic façade, and should be modestly scaled.⁶ The proposed storefront entries below the monitor roof portions of the building would result in the removal of the corrugated exterior that characterizes the property. The installation of expanses of glazing in new openings would result in the loss of historic material and create visual access to the interior of the building that did not historically exist. The proposed openings do not meet Standard 2 or 9. In order to more successfully meet the Standards, proposed new entries at these locations should be reduced in scale, and be pulled in at least one structural bay from each end of the character-defining roofline in order to retain more of the historic materials the building's spatial relationship.

Similarly, the large full-length glazing proposed at the remainder of the elevation do not meet Standard 2 or 9 and should be reconfigured. Current site conditions not reflected in the most current plan set show that an existing loading door opening is present in portion of the elevation. As discussed above, existing garage doors were identified as one of the building's character-defining features related to its historic use as a cannery. In order to adhere to the Standards more closely, the design should be updated to retain and reuse the existing framed opening instead of introducing three new openings.

Canopies

The proposed metal canopies at new entries are simple in design, consistent with building's historic industrial character and generally meet the Standards. However, the proposed removal of existing character-defining shed awnings with post and beam construction does not meet Standard 2 or 5. Shed awnings should be retained instead of being replaced with new canopies. Where shed canopies are deteriorated beyond repair, they should be replaced in kind instead of receiving a new canopy design.

New Window Openings

To accommodate the new use, several new window openings are proposed for the warehouse building at the north, south, and east elevation.

⁶ Anne Grimmer, Technical Preservation Services, National Park Service, *ITS Number 22: Adding New Entrances to Historic Buildings*, 2001.

North and South Elevations

At the building's north and south elevations, new windows are proposed at double-height portion of the warehouse, below the distinctive, character-defining monitor roofs. Windows at the north elevation will include a central, fixed widow, each flanked by fixed windows with sloped openings, following the shape of the roofline. Windows at the south elevation will mimic what is proposed at the north elevation on one bay and will include a double-height storefront glazing system at the adjacent bay.

While rehabilitating historic buildings for new uses occasionally requires creating new window openings, the proposed location, design, and materials have to be consistent with the historic character of the building in order to meet the Standards. The windows proposed for the north and south elevations are not consistent with the building's historic, industrial character. As explained in *NPS ITS Number 14: New Openings in Secondary Elevations or Introducing New Windows in Blank Walls*, introducing new windows must not make a strong architectural statement as to radically change the appearance of the building or overwhelm the composition of the historic façade.⁷ The scale, number, and placement of proposed windows makes a strong architectural statement that is incompatible with the historic character of the simple, industrial building and is therefore inconsistent with Standards 2, 5, and 9. Furthermore, the proposed new window openings at the north and south elevations, would introduce an embellishment to an otherwise simple façade that is not substantiated by historical evidence. Per guidance in *NPS ITS Number 38: Alterations without Historical Basis*, when there is no record of the historic appearance of a building, the rehabilitation should take into consideration its historic use and remaining evidence to design a compatible new or replacement feature.⁸ One available photograph from the building's period of significance (1918-1949) was uncovered by Page & Turnbull during the preparation of the HRE. That photograph of what appears to be building's south elevation shows that the building's historic window configuration included a punched window opening below the monitor roof and some band windows below (Figure 1). The modified window design for the double-height portions of the north and south elevations does not meet Standards 2, 3, 5, 6, or 9 for the reasons described above. It is recommended that the north and south window configuration be updated to no longer include the fixed windows that follow the slope of the roofline.

⁷ Kaaren R. Staveteig, National Park Service, Technical Preservation Services, *ITS Number 14: New Openings in Secondary Elevations or Introducing New Windows in Blank Walls*, 2000.

⁸ National Park Service, Technical Preservation Services, *ITS Number 38: Alterations Without Historical Basis*, 2006.

Figure 1 1940 Image of Sutter Packing Plant



Source: Palo Alto Historical Association, Page & Turnbull HRE

East Elevation Windows and Skylights

The modified design includes a series of punched openings along the building's east elevation, on an area of the building that is currently obscured by an adjacent addition. It also proposes to include new skylight openings along the east and west slopes of the monitor roof portion of the building.

As described above, rehabilitating historic buildings for new uses may require inserting openings. Also, available historic documentation suggests that the east elevation likely had windows in the same location as generally proposed for the new windows. The proposed new window openings for the east elevation are, therefore, consistent with Standards 6 and 9. Similarly, the addition of skylights, proposed to be one structural bay from the building's edge on each end is consistent with the Standards. Care should be taken, however, to choose a window that is slim in profile as to not detract from the distinctive roofline that characterizes this portion of the building.

Existing Window Treatment

The modified design plans indicate that windows at the building's distinctive monitor roof will be replaced with new windows. In order to comply with Standards 2 and 5, original windows should be retained where condition allows. If windows are deteriorated beyond repair, they should be replaced with windows in kind. New windows should match the historic in configuration and profile and be manufactured in an appropriate replacement material.

Existing Exterior Cladding Treatment

The modified design plans indicate that the existing corrugated metal siding is proposed to be removed and replaced with new material where present. Similar to the replacement of existing windows, the historic exterior cladding material should be retained where condition allows in order to comply with Standards 2 and 5. If material is deteriorated beyond repair, it should be replaced with material in kind and should match the historic in color and composition.

Rooflines

One of the character-defining features identified for the building was the varied roofs and structures. The modified design proposes to significantly alter the roofline of the building adjacent to the monitor roof portion of the building and replace it with a flat roof.

As explained in NPS *Preservation Brief 17: Architectural Character: Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Their Character*, changes to a roofline can damage the visual character of a building and alter a feature that is crucial to understanding the character of a building.⁹ It is understood that some of the proposed changes to the roofline are intended to meet code requirements, including the installation of solar panels. Guidance from NPS provides that solar panels can be accommodated on many existing roof forms, so long as they are not visible from the right of way.¹⁰

The proposed treatment is not consistent with Standard 2, 5, 6 and 9. The removal of the historic roofline will result in the loss of historic material and the alteration of an important physical features of the building. The proposed design should be revised to retain the varied rooflines. If structural updates are necessary to meet code requirements, the roof's overall form should be retained and replaced in kind.

Loading Platforms

The building's loading platforms along the north elevation, which appear to have been used as part of the cannery's cooling platform, were identified in the HRE as a character-defining feature. The modified design proposes to remove a large portion of the platform and replace it with a new covered amenity area at grade between the building and a proposed parking garage. The proposed treatment is not consistent with Standard 2, 5, 6, and 9. The removal of the loading platform will result in the loss of historic material and an element of the building critical to understanding its historic use. The revised design should be updated to retain more of the loading platform, including the change in grade from the adjacent parking lot.

New Construction

In order to accommodate the proposed new residential use, several elements of new construction are proposed for the site, including the addition of 12 townhouse buildings along east edge of the site, adjacent to the historic building and a two-story parking garage addition adjacent to and connect to the historic building's north elevation.

Townhouse Buildings

Proposed new townhouse buildings will be constructed along the east and northeast side of the historic building and will be arranged in a grouping of 12 buildings in a grid of private streets, providing access to each building. Townhouse buildings will be three stories with a ground floor garage and have a combination of painted stucco, fiber cement, and wood-look horizontal siding exteriors with variations

⁹ Lee H. Nelson, National Park Service, *Preservation Brief 17: Architectural Character: Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Their Character*.

¹⁰ National Park Service, "Solar Panels on Historic Properties," <https://www.nps.gov/orgs/1739/solar-panels-on-historic-properties.htm>, accessed November 2022.

in design application between proposed buildings. They will feature alternating bays and have flat roofs. The addition of new construction within the boundaries of historic properties is possible, but needs to be built in a manner that protects the integrity of the historic building and the property's setting, as provided for in NPS' *Guidelines for Rehabilitating Historic Properties*.¹¹ In order to conform to the Standards, the new construction cannot alter the historic character of the property, and the historic function must be evident. The location of new construction should follow the setbacks of the historic building and avoid obscuring, damaging or destroying character-defining features of the building, and the massing size, scale, and features of new construction must be compatible with those of the historic building.

The proposed townhouses are along the historic building's secondary elevations and will not obscure or interfere with the building's primary, or south, elevation. Furthermore, the distinctive monitor roof of the historic building will remain visible from the right of way. Though the buildings introduce a new, residential use, the proposed exterior materials and simple design for the townhouses is generally consistent with the historic character of the property. At three stories, the new townhouse buildings are less massive than the historic building and are consistent with the double-height volume of the historic building. Finally, the historic building would remain if the townhouses were later removed. The proposed new townhouse construction is, therefore, generally consistent with Standard 9 and 10.

Garage Addition

The two-story parking garage addition is proposed for the historic building's secondary, or north, elevation. It will be two stories and connect to the historic building with a wood pergola that will be affixed to the adjacent new canopy proposed for this portion of the building's elevation, thereby creating a new outdoor amenity space at grade. The garage will have a concrete structure, horizontal cable railings at the second story, and be clad in corrugated metal at select locations.

The proposed scale, location, and massing of the proposed garage is consistent with the Standards. It will not obscure the historic building's primary elevation and generally proposes materials that are compatible with the historic building's industrial character. As provided in Standard 9 and explained in NPS *Preservation Brief 14: New Exterior Additions to Historic Buildings: Preservation Concerns*, a new addition to a historic building should protect those visual qualities that made the building historic.¹² As noted in the HRE, the building's corrugated metal exterior is a character-defining feature. It is recommended that the proposed use of corrugated metal on the garage addition be revised to a different, compatible material to make it readily distinguishable from the historic building. The proposed new garage construction is consistent with Standard 9 and 10.

¹¹ Grimmer and Weeks, 2017.

¹² Grimmer and Weeks, 2010.



Conclusions

As detailed above, the proposed demolition of a large portion of the historic building is not consistent with the Secretary of the Interior's Standards for Rehabilitation. Similarly, several elements of the proposed new design include the removal of distinctive or character-defining features on the portion of the building proposed to be retained including the loading platforms, shed awnings with post and beam supports, varied roof forms, and garage door openings. In other instances, proposed alterations detract from the building's historic industrial character, including the location and configuration of proposed storefronts, the introduction of new openings and entries, and changes to the proposed primary elevation. The proposed construction of the new garage and townhouse buildings are generally consistent with the Standards. Where project elements do not comply with the Standards, Rincon has provided recommendations as detailed above and in the attached table (Attachment 4). Although incorporation of these recommendations would bring the project more in compliance with the Standards, the proposed demolition would still result in the material impairment of the historic building and therefore a significant impact as defined in Section 15064.5(b) of the CEQA Guidelines. Should you have any questions or comments regarding this report, please do not hesitate to contact the undersigned at 925-326-1159 or at jmurphy@rinconconsultants.com.

Sincerely,

Rincon Consultants, Inc.

JulieAnn Murphy, MSHP
Architectural Historian Project Manager

Steven Treffers, MHP
Architectural Historian Program Manager

Shannon Carmack
Principal

Attachments

- Attachment 1 Historical Resources Assessment and Impacts Findings, Rincon Consultants, Inc., February 2022
- Attachment 2 Historic Design Guidelines Memorandum, Architectural Resources Group, July 2022
- Attachment 3 Applicant Phasing Plan
- Attachment 4 Summary Table of Recommendations

Attachment 1

Historical Resources Assessment and Impacts Findings



Rinc

449 1

Oakland, California 94612

Item 7

Attachment M - Secretary
of the Interiors Standards

Consistency Analysis

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February 17, 2022

Project No. 21-11331

Claire Raybould, AICP, Senior Planner

City of Palo Alto

250 Hamilton Avenue

Palo Alto, CA 94301

via email: Claire.Raybould@cityofpaloalto.org

**Subject: Historical Resources Assessment and Impacts Findings
200 Portage Avenue Condominium Project, Palo Alto, California**

Dear Ms. Raybould:

Rincon Consultants, Inc. (Rincon) was retained by the City of Palo Alto (City) to conduct a historical resources assessment and impacts finding for the proposed 200 Portage Avenue Condominium Project in Palo Alto, California. The proposed project would involve the demolition of a portion of the existing commercial building at 200 Portage Avenue and the commercial building at 3040 Park Boulevard, and the construction of 91 new condominium units distributed throughout 16 three-story buildings.

The current assessment was prepared to support to compliance with the California Environmental Quality Act (CEQA) and to identify potential project-related impacts to historical resources. A previous historical resources evaluation was prepared by Page & Turnbull in 2019 on behalf of the City, which concluded the former Bayside Canning Company canning/warehouse building (340 Portage Avenue)¹ is eligible for listing in the California Register of Historical Resources (CRHR) at the local level under Criterion 1 (Events) for its association with the history of the canning industry in Santa Clara County (Attachment 1). Therefore, the building is considered historical resources as defined in Section 15064.5(a) of the CEQA Guidelines.² To supplement the 2019 analysis, Rincon has completed a cultural resources records search, a field survey and historical resources evaluation, a review of project plans, and preparation of this memorandum to present the results.

The Rincon team included Architectural Historian JulieAnn Murphy, who conducted the site visit and served as primary author of this report, which addresses the potential impacts for the project and Architectural Historian James Williams who conducted additional archival research. Senior Architectural Historian and Program Manager Steven Treffers and Principal Shannon Carmack provided oversight and assisted with the analysis. Ms. Murphy, Mr. Williams, Mr. Treffers, and Ms. Carmack meet the Secretary of the Interior's *Professional Qualification Standards* (PQS) for architectural history and history.

¹ There are 15 addresses associated with the property. The proposed project, including the area of proposed development uses the address 200 Portage Avenue. The historic resources evaluation refers to the site, including the former canning/warehouse building and the associated office building as 340 Portage Avenue. Herein and for consistency, the historic canning/warehouse building will be referred to 340 Portage Avenue.

² Page & Turnbull, *Historic Resource Evaluation for 340 Portage Avenue*, Prepared for City of Palo Alto, February 26, 2019.

Project Location and Description

The project site encompasses approximately 14.27 acres across four parcels. The project site includes all of Assessor's Parcel Numbers (APNs) 132-38-071, 132-32-036, 132-32-042, and 132-32-043 in the City of Palo Alto. The project site is roughly bounded by Park Boulevard to the north, Christopher Circle and Ash Street to the south, residences to the west, and commercial uses to the east.

The proposed townhome project would be located on the "area of proposed development" as indicated on Figure 1, which includes portion of the project site. The area of development encompasses approximately 4.86-acres and is generally bounded by Park Boulevard to the north, commercial development to the south, Olive Avenue and residences to the west, and Matadero Creek to the east. The area of development includes all of APNs 132-32-036, 132-38-01, and portions of APNs 132-32-042 and 132-32-043.

The proposed project would involve a vesting tentative map to subdivide and merge portions of the four parcels into two parcels. On one of the new parcels (4.86 acres), the project would involve a condominium subdivision to create 91 new condominium units. The other parcel (9.41 acres) would include the remaining portions of the existing commercial building. The proposed townhome project would involve demolition of the portion of the existing commercial building at 200 Portage Avenue and the commercial building at 3040 Park Boulevard within the area of proposed development and construction of 91 new residential units within 16 three-story buildings (Figure 2).

The proposed project would also involve improvements to an existing portion of the on-site, two-story commercial building at 340 Portage Avenue. The area of improvements for the existing commercial building is shown on Figure 3. The improvements would involve architectural changes to add new skylights, new gable windows, corrugated siding, and other architectural details (Figure 4, Figure 5, and Figure 6).

Figure 1 Project Location



Imagery provided by Microsoft Bing and its licensors © 2021.

Fig. 1 Project Location

Figure 2 Proposed Townhome Project Site Plan



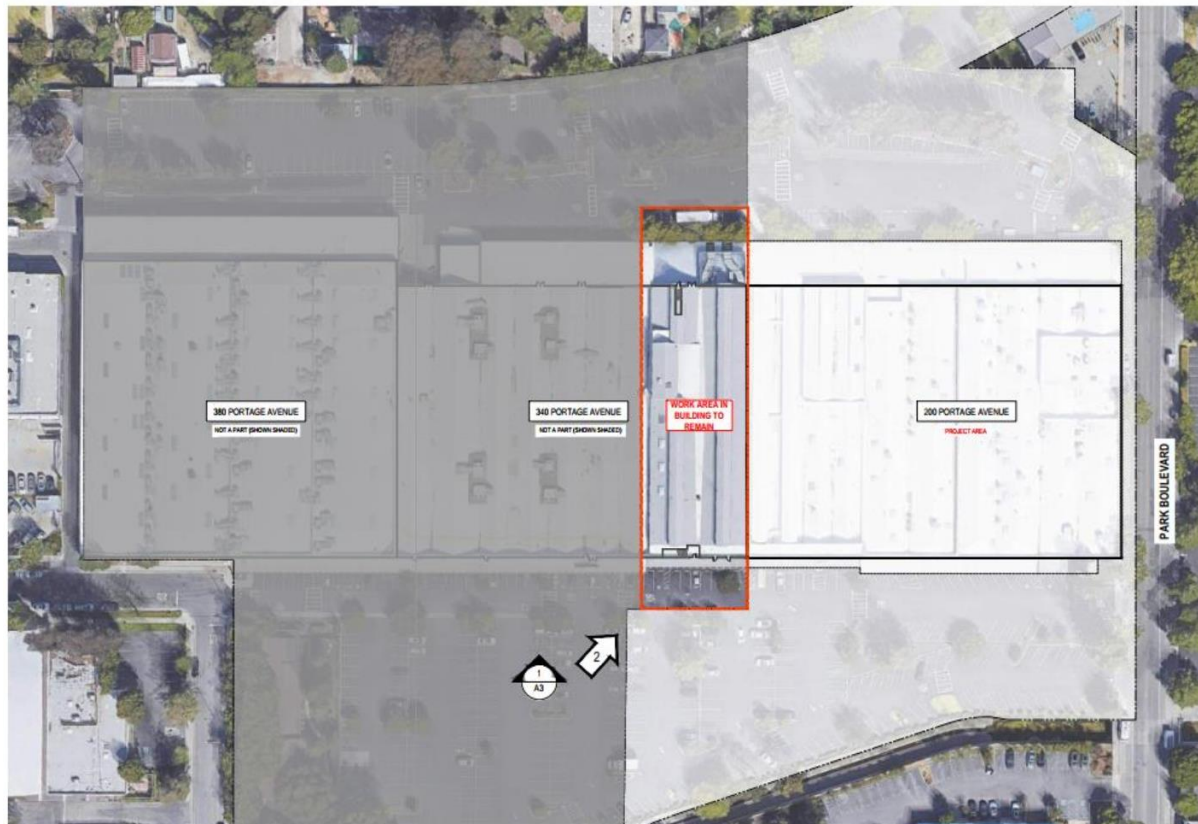
Figure 3 Work Area for Improvements to Existing Building

Figure 4 Rendering of Proposed View Facing Northeast



RENDERING VIEW 1
SCALE: N/A

Figure 5 Proposed North Elevation Design



NORTH ELEVATION
SCALE: 1/8" = 1'-0"

Figure 6 Proposed South Elevation Design

Methodology

The following sections identify the steps taken to inform analysis of the proposed project and its potential impacts. As discussed above, a previous historical resources evaluation was prepared in 2019 by Page & Turnbull, which concluded that the former Bayside Canning Company canning/warehouse building at 340 Portage Avenue, which is in the current project site, is eligible for listing in the CRHR. That evaluation also confirmed an associated office building located at 3201-3225 Ash Street contributes to the significance of 340 Portage Avenue; however, this small office building is located outside the area of proposed development. The City, as the lead agency under CEQA, directed Rincon to rely on the previous historical resources eligibility findings to inform the impacts assessment presented below. In addition to these efforts, Rincon conducted background research, a site visit, and prepared a historical resources evaluation of another property within the area of proposed development at 3040 Park Boulevard, which had not been subject to previous evaluation.

The project site also contains the concrete-lined Matadero Creek and two one-story office buildings on the east side of the creek at 3250 Park Boulevard and 278 Lambert Avenue. Because these two properties are less than 45 years of age, they do not meet the age threshold generally triggering the need for historical resources evaluation per the guidelines of the California Office of Historic Preservation (OHP) and they were not recorded as part of this study (OHP 1995). This portion of Matadero Creek was lined with concrete in 1994, does not meet the age threshold for evaluation and the proposed project does not include any direct alterations to the creek (WRA 2020). The proposed development is also consistent with the surrounding urban environment and would not negatively affect the existing setting. Therefore, no impacts are anticipated to occur to Matadero Creek and it was not recorded or evaluated as part of this study.

Background Research

The following documents were referenced to inform the history of the 200 Portage Avenue site and its historical significance and to ensure an understanding of the project.

- Page & Turnbull, Inc. *Historic Resource Evaluation for 340 Portage Avenue*, prepared for the City of Palo Alto, February 26, 2019.

- Page & Turnbull, Inc. *Memo: NVCAP Windshield Survey and Preliminary Historic Resource Eligibility Analysis*, April 11, 2019.
- KTG Architecture and Planning. *200 Portage Avenue Townhomes*, August 3, 2021.
- The Sobrato Organization. *200 Portage Avenue, Palo Alto, CA 94306*, June 16, 2021.
- Historic aerial photos accessed via University of California, Santa Barbara Map & Imagery Lab and NETRonline.
- Historic topographic maps accessed via United States Geological Survey.
- Sanborn Fire Insurance Company Maps accessed digitally via Los Angeles Public Library.
- Historical newspaper articles and advertisements accessed online at newspapers.com.
- Historic permits, City of Palo Alto.

Site Visit

On September 15, 2021, Rincon Architectural Historian JulieAnn Murphy, MSHP conducted a site visit to the project site. The site visit included a detailed inspection of the buildings on the project site, which is approximately 14.27 acres and is comprised of four Santa Clara County Assessor's parcels (132-38-071, 132-32-36, 132-32-42 and 132-32-43). The survey included a visual inspection of all built environment features of the former Bayside Canning Company to document any changes since its last evaluation and confirm that it retained integrity to for listing in the CRHR at the local level under Criterion 1 (Events) for its association with the history of the canning industry in Santa Clara County. Additionally, the site visit included the visual inspection of all other buildings within the project site including buildings, structures, and associated features to assess their overall condition and integrity and to identify and document any potential character-defining features. Ms. Murphy documented the field survey using field notes and digital photographs. To confirm the potential historical resources eligibility of the commercial building at 3040 Park Boulevard the building was recorded and evaluated for listing in the National Register of Historic Places (NRHP), CRHR, and local listing on California Department of Parks and Recreation (DPR) 523 forms, which is included in Attachment 2 and summarized below.

Historical Resources Identification Findings

As discussed above, the proposed project site contains four commercial buildings and a concrete-lined creek. Two of the commercial buildings at 3250 Park Boulevard and 278 Lambert Avenue are outside the area of proposed development and do not exceed 45 years of age. They therefore were exempted from further analysis. Similarly, Matadero Creek is also outside the area of proposed development and would not be directly or indirectly impacted by the project; it therefore was also exempted from further historical resources analysis. As previously described, the former canning/warehouse building at 340 Portage Avenue and the office building located at 3201-3225 Ash Street, were previously found eligible for listing in the CRHR at the local level under Criterion 1 (Events) for their association with the history of the canning industry in Santa Clara County and are considered historical resources for the purposes of CEQA. The property is within the proposed project site and are described in more detail below. The field survey and background research also identified one historic-era building, 3040 Park Boulevard, within the project boundary and the area of proposed development that was not previously evaluated and is proposed to be demolished under the project.

Figure 7 Site Map



3040 Park Boulevard

The field survey of the project site identified one historic-era building within the project area that was not formerly evaluated. The building, 3040 Park Boulevard, is a one-story former auto garage building in the North Ventura neighborhood of Palo Alto, constructed in 1964. A full architectural description and additional historical information is presented in the attached DPR forms (Attachment 2).

Physical Description

The subject property consists of a one-story commercial building exhibiting no discernible architectural style. It is rectangular in plan, sits on a concrete foundation, and is capped with a flat roof with composition cladding. Its exterior consists alternately of stuccoed and bare structural concrete-block walls. Entrances are located on the north and east elevations and are accessed via two large vehicle entries with metal roll-up garage doors on the east and a standard-size wood-panel on the north. Windows are nonoriginal fixed multi-pane vinyl sashes. A non-original gabled open-frame shelter is attached to the south elevation. The building is in good condition with no notable alterations other than the replacement windows and south-elevation shelter (Figure 8).

Figure 8 South Elevation of 3040 Park Boulevard, View North

Site Development

The subject property was constructed as an auto service shop in 1964. Historical topographic maps and aerial photographs show that by the late 1940s, the property was an undeveloped piece of land situated between Park Boulevard and the corner of a railroad wye crossed, a location that defined the parcel's roughly triangular shape. The surrounding area was largely developed for industrial and residential uses, though several lots were not built out until the 1950s and 1960s (NETROnline 1948; 1956; 1958; 1960).

The subject address' earliest documentation, a newspaper advertisement published in 1965, identifies the property as Stan Tordeson General Tire, a dealer Gurley-Lord Tire Company automotive products. At the time, Stan Trodeson operated two such shops, the other located at 895 Emerson St. in Palo Alto (San Francisco Examiner 5/10/1965). Newspaper advertisements from 1966 indicate that Trodeson no longer owned the subject property by that time but continued to operate the Emerson Street location and had also opened an American Motors dealership at 623 Alma Street, Palo Alto (San Francisco Examiner 7/8/1966 and 11/7/1966). In addition to being a local business owner, Trodeson was involved in other business and civic ventures, including the founding of the members-only PALO Club and the construction of a Little League baseball diamond in Los Altos that was eventually named in his honor (San Francisco Examiner 12/7/1963).

The subject property has been subject to few changes. The railroad wye tracing the property's east and west boundaries was removed by 1987 (NETROnline 1982; 1987). Historical aerial photographs taken between 1965 and 2002 depict an apparent ancillary building just southeast of the subject building,

which was removed circa 2004 (UCSB 1965; NETROnline 2002; 2004). Circa 2015, wall-mounted signage reading “PARK AUTOMOTIVE” was removed from the building and by 2017 was replaced with lettering reading “Functional Lifestyles,” signaling the property’s conversion from an automotive services shop to a commercial fitness center. Vinyl-sash replacement windows were installed around this time as part of the building’s conversion (Google Maps 2014; 2015; 2016; 2017). The gabled shelter was constructed adjacent to the south elevation circa 2019 and the wall-mounted signage replaced with the existing signage circa 2020. The subject property continues to operate as the Functional Lifestyles fitness center.

Background research, including a review of historical newspapers, city directories, and other sources, did not identify any additional information of consequence regarding the property or its former owners or occupants.

Previous Evaluations

In 2019, Page & Turnbull identified the subject property in a windshield survey as part of the Preliminary Findings of Historic Resource Eligibility in the North Ventura Coordinated Area Plan project, a planning area identified by the City of Palo Alto that is bounded by Page Mill Road, El Camino Real, Lambert Avenue, and the Caltrain tracks. Although not formally recorded and evaluated, the property was subject to preliminary research and recommended ineligible for listing in the NRHP and CRHR based on this evidence. It was also found not to be part of any historic district.

Historical Resources Evaluation

The property at 3040 Park Boulevard is not eligible for listing in the NRHP, CRHR, or as City of Palo Alto Historic Structure.

The property was constructed in the 1960s as part of Palo Alto’s post-World War II-era population boom. However, it was one of many numerous buildings constructed during this period to help serve a growing population and research for this evaluation did not find the property is singularly important in the context of Palo Alto’s postwar growth or in the context any other event significant to the history of the city, region, state, or nation. As such, the property is recommended ineligible under NRHP Criterion A and CRHR Criterion 1.

The person most closely associated with the property is Stan Troedson, a successful businessman and active community member. Although Troedson enjoyed some success in commerce and civic affairs, there is no evidence that his endeavors in these areas constitute significant contributions to the history of the city, region, state, or nation. Archival research also found no evidence that any subsequent owner or occupant of the property made historically significant contributions. Therefore, the property is recommended ineligible under NRHP Criterion B and CRHR Criterion 2.

Architecturally, the property is a commercial building bearing no discernible architectural style. It does not embody the distinctive characteristics of a type, period, or method of construction, or possess high artistic values. Although archival research did not identify the building’s designer, its simple, functionalistic design would not exemplify the work of any master architect. Therefore, the property is recommended ineligible for listing under NRHP Criterion C and CRHR Criterion 3.

A review of available evidence and records search results did not indicate that the property may yield important information about prehistory or history. The property is therefore recommended ineligible for listing under NRHP Criterion D and CRHR Criterion 4. The property is also not recommended eligible as a contributor to any existing or potential historic districts.

Based on the above reasoning, the property is also recommended ineligible designation locally as a Historic Structure. It is not identified with the lives of historic people or with important events in the city, state or nation (Criterion 1); is not particularly representative of an architectural style or way of life important to the city, state or nation (Criterion 2); is not an example of a type of building which was once common, but is now rare (Criterion 3); and is not connected with a business or use which was once common, but is now rare (Criterion 4). In addition, research conducted for this study did not find that the building's architect or building itself was important (Criterion 5). Finally, the property does not possess elements demonstrating outstanding attention to architectural design, detail, materials or craftsmanship (Criterion 6).

340 Portage Avenue

Physical Description

The former cannery/warehouse building at 340 Portage Avenue is the result of an accretion of additions for use as a packing and warehouse facility and is comprised of approximately 10 sections that are attached to one another, with some earlier additions having been completely enveloped in later additions. The parcel also includes a c. 1930s former office building at the southeast corner of the of the site at 3201-3225 Ash Avenue. Since that time, the former cannery/warehouse facility served a number of commercial uses and is presently partially vacant. The former office building has been leased by other businesses. The buildings are in good condition.

Figure 9 South Elevation of the former canning/warehouse building at 340 Portage Avenue



Figure 10 Primary Elevation of the former office building at 3201-3225 Ash Avenue

Site Development

As outlined in the historical resources evaluation prepared by Page & Turnbull, the site was largely undeveloped prior to the first decades of the twentieth century. It was first developed in April 1918 by Thomas Foon Chew, a Chinese immigrant and owner of the Bayside Canning Company in Alviso. Chew planned to, according to articles published in the local Daily Palo Alto newspaper, build a second canning plant on the site and construction began in June of that year. By the following year Chew was expanding his operations and added nineteen houses for workers south of the cannery, and a large warehouse was added. To the south of the preparing facility, there was a loading platform and small syrup room. Four small outbuildings, including a restroom and office, were located to the southeast of these buildings. A scale was situated along Portage Avenue, and an in-ground oil tank was located alongside the railroad spur. A separate one-story dwelling and small outbuilding were located to the north of the cannery, facing Third Street.

Over the next several decades, the canning complex continued to expand. Records of historic building permits at the Palo Alto Historical Association reveal that in 1929, the Sutter Packing Company, which by then operated the cannery although it continued to be owned by Thomas Foon Chew, had received a permit to build another warehouse on the site at 310 Portage Avenue. A permit to build yet another cannery building, this time at 300 Portage Avenue, was issued in 1937. Just three years later in 1940, the Sutter Packing Company received another permit on a warehouse expansion at 380 Portage Avenue; however, newspaper articles show that construction work at the site was much more extensive. In June 1940, The Palo Alto Times reported that the company was planning on improvements to the canning plant that would result in 50,000 square feet of additional storage and increase the plant's capacity 25 to 30 percent.

The cannery continued to grow as production ramped up in response to World War II. In 1942, Sutter Packing Company was issued a permit to build a warehouse at 300 Portage Avenue. This building is likely the southernmost portion of the existing building that extends across Ash Street over the site of the last row of employee cabins. In 1945, additional improvements took place at the cannery. Work included:

- Building a 42.5 x 70-foot jam and jelly housing facility;

- Converting a loading platform into an office building and laboratory near Second Street;
- Constructing of a shed over the loading platform near Third Street;
- Adding a one-story office building on Portage Avenue near First Street; and
- Repairing the roof.

In spite of decades of nearly constant activity and expansion of the operations at the cannery site, Sutter Packing Company went into decline after World War II and finally closed its doors in 1949. A portion the larger cannery complex on Lambert Avenue was initially leased to Coca-Cola to function as a bottling plant, but records do not confirm Coca-Cola's presence at the subject property. By the 1960s, the former cannery had been subdivided into several smaller spaces, which were leased to a variety of tenants. In 1964, the Southern Pacific Railroad removed its spur tracks from the site. The same year, a portion of the building was occupied by Maximart, a large commercial store that sold home goods and appliances. By 1978, Maximart had moved out, and the site was under the ownership of WSP Properties. Since that time, the buildings have been leased for a number of commercial uses, including a Fry's Electronics which occupied a portion of the warehouse space until closing in 2019.

Historical Resources Evaluation

340 Portage Avenue and the associated office building were previously recorded and evaluated for historic significance for the City of Palo Alto by Page & Turnbull, Inc. and found eligible for listing in the CRHR. The site's significance was described in the Page & Turnbull evaluation as follows:

340 Portage Avenue and the associated former office building to the southeast appear to be individually significant under Criterion 1 in association with historical events important to the history of Palo Alto. Agricultural industries, including fruit and vegetable canning, were once the dominant industries in Santa Clara County. The oldest portions of the cannery building, itself, were constructed in 1918 for the Bayside Canning Company, which was owned by Chinese immigrant and prominent canning mogul, Thomas Foon Chew. Under Chew, the Bayside Canning Company rose to become the third largest fruit and vegetable cannery in the world in the 1920s, behind only Libby and Del Monte.

After Chew's death, the cannery was subsequently purchased and operated for more than twenty years by the Sutter Packing Company, another fruit and vegetable cannery. The Sutter Packing Company significantly expanded the cannery building and its operations throughout the 1930s and 1940s as it prepared for and raced to meet the demands of World War II. The expansion projects included the construction of the extant office building at 3201-3225 Ash Street to the southeast of cannery building at 340 Portage Avenue. For a time, the cannery was the largest employer in the Mid Peninsula, and when it closed in 1949, it was the largest employer in Palo Alto. The trajectory of canning operations at the plant—which began in the early twentieth century, peaked in the 1920s, increased production to meet the demands of World War II, and then quickly declined as residential development and new industries began to replace agricultural industries in the postwar period—corresponds closely to the broad pattern of the history of the canning industry in Santa Clara County.

The building is a rare surviving example of Palo Alto's and Santa Clara County's agricultural past. As a result, the building at 340 Portage Avenue does appear to be individually significant at the local level under Criterion 1. The period of significance under this criterion begins in 1918, when canning operations began at the site under the Bayside Canning Company, and ends in 1949, when the Sutter Packing Company's canning operations at the building ended.

Character-Defining Features Analysis

Page & Turnbull, Inc., in their historic resource evaluation, also assessed the character-defining features of 340 Portage Avenue, which are those physical features which collectively convey the significance of the property and is tied to its association with the history of canning in Santa Clara County (CRHR Criterion 1). The character-defining features therefore relate to its history as an operating canning facility and warehouse and are presented in Table 1.

Table 1 Character-Defining Features – 340 Portage



Form and Massing (long, linear massing; composition of multiple smaller buildings; primarily one-story, double-height volumes with taller central cannery section)



Varied roof forms and structures (prominent paired monitor roofs; arched roofs; visible gabled roofs)



Exterior wall materials (reinforced board-form concrete; corrugated metal cladding)



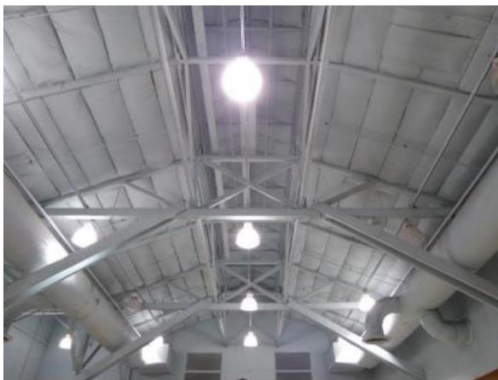
Exterior cannery features (concrete loading platforms; cooling porch at rear of building; exterior shed awnings with wood post-and-beam construction)



Fenestration (wood frame windows; garage door openings; wire glass skylights over former warehouses)



Landscape features (preserved path of removed railroad track, represented in the shape of the parking lot pavement and following the channel of Matadero Creek)



Interior Features (exposed wood truss ceiling; wood and concrete post-and-beam construction)
Photo Source: Page & Turnbull, 2019

Rincon Consultants, Inc., 2021

Project Impacts

As detailed above in the historical resources identification findings, the project site contains four commercial buildings and a concrete-lined creek. The existing buildings at the southeast corner of the site, 3250 Park Boulevard and 278 Lambert Avenue, have not reached an age of eligibility and, therefore, do not qualify as historical resources for the purposes of CEQA. Furthermore, both buildings are outside of the area of proposed development. Matadero Creek is also outside the area of proposed development. Furthermore, it was lined with concrete in 1994 and has not reached the age of eligibility to qualify as a historical resource. As detailed above, 3040 Park Boulevard is recommended ineligible for listing in the NRHP, CRHR, or local designation. As such, it does not qualify as a historical resource and its demolition would not result in a significant adverse impact as defined by Section 15064.5 of the CEQA Guidelines.

340 Portage Avenue and the associated office building with a listed address of 3201-3225 Ash Avenue have been found eligible for listing in the CRHR under Criterion 1 for significant associations with the canning industry in Santa Clara County; as such the property is considered a historical resource pursuant to Section 15064.5(a) of the CEQA Guidelines. To support the development of 91 new residential units within 16 three-story buildings, the project includes the demolition of the eastern portion of the existing warehouse building. In addition, the project would rehabilitate a small portion of the building just east of the centerline of the former cannery/warehouse building. The remaining portions of the former cannery/warehouse building, as well as the associated office building 3201-3225 Ash Avenue are outside the area of proposed development and are not otherwise included in the proposed project actions.

Pursuant to Section 15064.5(b) of the CEQA guidelines a project may result in substantial adverse change in the significance of a historical resource if it causes physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired. Material impairment is defined as demolition or alteration “in an adverse manner [of] those characteristics of an historical resource that convey its historical significance and that justify its inclusion in, or eligibility for inclusion in, the [CRHR].”³

Additional guidance on assessing impacts to historical resources is defined in Section 15064.5(b)(3) of the CEQA Guidelines, states that impacts to historical resources are generally considered mitigated to a less than significant level when they meet the *Secretary of the Interior’s Standards for the Treatment of Historic Properties* (Secretary’s Standards) (Attachment 3). The Secretary’s Standards establish professional standards and provide guidance on the preservation and protection of historic properties. The intent of the Secretary’s Standards is to provide for the long-term preservation of a property’s significance through the preservation of its historic materials and features. These historic materials and features are commonly referred to as character-defining features and are indispensable in a historic property’s ability to convey the reasons for its historical significance. The Bayside Canning Company’s character-defining features were assessed by Page & Turnbull in their historic resource evaluation, as outlined above. To ensure a proposed project’s compliance with the Secretary’s Standards, a historic property’s character-defining features should therefore be identified and preserved as part of the final design.

In consideration of impacts to the 340 Portage Avenue property, the most substantial impact would occur through the demolition of 89,639 square-feet of the eastern portion of the Bayside Canning Company cannery/warehouse building, constituting a loss of approximately 40 percent of the building. The proposed demolition would result in the removal of distinctive materials, the loss of several

³ CEQA Guidelines Section 15064.5(b)(2)(A).

character-defining features, and would, therefore constitute material impairment to the historical resource. The proposed demolition would be in an adverse manner of those characteristics of the historical resource that convey its historical significance and justify its eligibility for listing in the CRHR. Additionally, the proposed treatment of the building would not be consistent with the Secretary's Standards which recommends avoiding loss of historic materials through demolition and removal and encourages the retention of distinctive materials that characterize a property. The proposed would cause a loss of several of the the property's character-defining features outlined above, including its form and masing and varied roof forms and structures through the proposed demolition. Additionally, the treatment proposed for the portion of the building that is to remain and be rehabilitated for continued use also does not meet the Standards. That Standards provide that the removal of distinctive materials should be avoided, alterations should not destroy historic materials, and that deteriorated features should be repaired or replaced in kind, where necessary. The proposed project includes the removal of distinctive materials like the character-defining exterior cannery features such as the loading platforms and cooling porches. The proposed changes to the building's fenestration, most notably the addition of new window openings and the alterations to the entrances on the north and south elevations also do not meet the Standards. The addition of the proposed aluminum canopies above the entries and the proposed addition to the warehouse's south elevation are not compatible with the warehouse's historic character and would obscure historic materials that characterize the property and is, therefore, inconsistent with the Standards.

Additionally, the proposed bisection of the canning/warehouse building would result in unknown and undefined treatment of a substantial portion of the building. The unidentified treatment of the remaining portion of the warehouse building could result in additional material impairment. Furthermore, the proposed demolition of the portion of the building included in project site would impair the building's physical characteristics that convey the property's historical significance such that the historic resource would not retain sufficient integrity for listing.

The goals of rehabilitation are to make possible the compatible new use of a historic property while preserving those portions or features that convey its historical, cultural, or architectural values. The project, as proposed, would result in material impairment to the resource and would not preserve the building's historical value. The proposed project would result in substantial changes to the historic canning/warehouse building and would destroy distinctive materials, features, and spatial relationships that define its historic character. The partial demolition of the building and the proposed exterior updates would result in the removal of distinctive building materials. Finally, the proposed new additions and adjacent construction are proposed in a manner that requires the demolition of part of the historic building. If the proposed new construction were removed in the future, the essential form and integrity of the historic building and its environment would be impaired and would not, therefore, meet the Standards. The proposed partial redevelopment of the warehouse building fails to meet the Standards for the reasons outlined above. The project as proposed would result in ***significant impact to a historical resource for the purposes of CEQA.***

Recommendations

To inform the alternatives analysis for CEQA compliance and identify measures to mitigate potential impacts, Rincon has provided the following recommendations.

In order to meet the Standards, thereby avoiding a substantial adverse change in the significance of a historical resource, the project would have to be redesigned to avoid subdivision of the historic resources on separate parcels as well as the partial demolition of the historic resource at 340 Portage

Avenue. The buildings could be rehabilitated for a new use that would require minimal change to their distinctive features. For a successful rehabilitation, the design would have to retain the building's character-defining features, as previously outlined.

The project may also be revised to mitigate the substantial adverse change. Mitigation of significant impacts must lessen or eliminate the physical impact the project will have on the historical resource. Mitigation could be accomplished through the redesign of the project to eliminate the proposed partial demolition of the historic resource while accommodating the proposed development on the portion of the site that is not currently occupied by buildings.

Alternatively, the project could proceed largely as designed to retain more of the warehouse building's character-defining features to continue to convey its historic context, in part. Revisions could include design updates that would more closely align with the Standards. The revised design could avoid the addition proposed for the south elevation and instead of introducing new storefront entries, reuse historic entries. It would also be more successful in aligning with the Standards if it retained the loading platforms and cooling porches instead of continuing the building elevations to grade and introducing aluminum canopies. The building would further comply with the Standards through avoiding adding aluminum frame windows in favor of wood or wood clad construction in the historic fenestration. The recommended changes, however, would not mitigate the impacts below a level of significance.

Another mitigation option is to carryout Historic American Building Survey (HABS) level documentation of the site. HABS documentation could include archival copies of historical building plans, if available and photos of all the buildings and site. Similar to the scope outlined above, site documentation would not mitigate the impacts below a level of significance.

The proposed project could be designed to include a permanent, high-quality on-site interpretive display in a publicly-accessible location, preferably near or within a portion of the retained warehouse building. The display could focus on the property's history, particularly the agricultural past of Santa Clara County and the canning operations of Bayside Canning Company. The interpretive display should be prepared by a professional exhibit designer and historian; historic information contained in Page & Turnbull's HRE can serve as the basis for the interpretive display. The goal of the interpretive display would be to educate the public about the property's historic themes and associations within broader cultural contexts. The interpretive design could incorporate elements of public art. The recommended mitigation, however, would not mitigate the impacts below a level of significance.

Conclusions

The field survey and archival research conducted for this study identified three properties over 45 years of age within the project area, the former Bayside Canning Company canning/warehouse building at 340 Portage Avenue, its associated office building at 3201-3225 Ash Street (APN 132-38-071), and a commercial building at 3040 Park Boulevard (APN 132-32-036). The project site also contains the concrete-lined Matadero Creek and two one-story office buildings on the east side of the creek at 3250 Park Boulevard and 278 Lambert Avenue, all of which were determined to not meet the age threshold generally triggering the need for historical resources evaluation were not recorded as part of this study. The two other parcels included in the project do not contain buildings (APNs 132-32-042 and 132-32-043). In 2019, the canning/warehouse building and its associated office building were determined eligible for listing in the CRHR at the local level under Criterion 1 (Events) for its association with the history of the canning industry in Santa Clara County. Therefore, the buildings are considered historical

resources as defined in Section 15064.5(a) of the CEQA Guidelines.⁴ As a part of this study, the building at 3040 Park Boulevard was evaluated for its potential historic significance and found to be ineligible for listing and is not considered a historical resource for the purposes of CEQA.

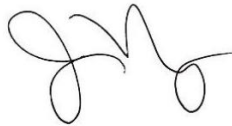
The proposed project involves the subdivision and merger of four existing parcels into two parcels – one for the development of 91 townhomes and a remainder lot that is not part of the proposed development. Work proposed on the project parcel includes the partial demolition of the canning/warehouse building and updates to the remaining portion of the building for use as common space. As detailed above, this impacts analysis finds that the project would result in the material impairment to a historical resource and result in a substantial adverse change in the significance of a resource. Furthermore, it does not comply with the Secretary's Standards and as proposed and would result in a **significant impact to a historical resource for the purposes of CEQA**.

The recommendations above provide guidance for the project to meet the Standards thereby reducing the impacts to less than significant levels. Alternatively, it provides a suite of mitigation measures that would mitigate the project's impacts to the historic resources, but would not mitigate said impacts to below a level of significance.

Should you have any questions or comments regarding this report, please do not hesitate to contact the undersigned at 925-326-1159 or at jmuprhy@rinconconsultants.com.

Sincerely,

Rincon Consultants, Inc.



JulieAnn Murphy, MSHP
Architectural Historian



Shannon Carmack
Principal/Senior Architectural Historian



Steven Treffers, M.H.P.
Senior Architectural Historian

References

California Office of Historic Preservation

1995 *Instructions for Recording Historical Resources*, March.

KTGY Architecture and Planning

2021 200 Portage Avenue Townhomes, August 3.

⁴ Page & Turnbull, Inc. *Historic Resource Evaluation for 340 Portage Avenue*, prepared for the City of Palo Alto, February 26, 2019.

Page & Turnbull

- 2019 *Historic Resource Evaluation for 340 Portage Avenue*, prepared for the City of Palo Alto, February 26.
- 2019 *Memo: NVCAP Windshield Survey and Preliminary Historic Resource Eligibility Analysis*, April 11.

The Sobrato Organization

- 2021 *200 Portage Avenue, Palo Alto, CA 94306*, June 16.

WRA Environmental Consultants

- 2020 Matadero Creek Renaturalization: Conceptual Alternative Analysis. Prepared for the City of Palo Alto, September.

Attachments

- Attachment 1 Page & Turnbull *Historic Resource Evaluation for 340 Portage Avenue*
- Attachment 1 DPR Forms for 3040 Park Boulevard
- Attachment 2 Secretary of the Interior's Standards

Attachment 2

Historic Design Guidelines Memorandum

Architectural
Resources Group**HISTORIC DESIGN GUIDELINES**

340 Portage Avenue, Palo Alto

Revised, July 2022

Introduction

At the request of the Sobrato Organization, Architectural Resources Group (ARG) has prepared the following guidelines regarding the future treatment of the property at 340 Portage Avenue in Palo Alto, California. As documented in the Historic Resource Evaluation (HRE) that the City of Palo Alto had completed for the property in April 2019, 340 Portage Avenue is considered historically significant as the former home of the Bayside Canning Company and Sutter Canning Company, an association that extended from the original 1918 construction of portions of the property until Sutter's departure in 1949. The property was not found to be architecturally significant. The purpose of the guidelines is to foster rehabilitation and redevelopment of the site in a manner that retains the property's identified historic character and is in keeping with the Secretary of the Interior's Standards for Rehabilitation. The guidelines are intended to ultimately be incorporated into the Development Agreement (DA) associated with the property.

To complete these guidelines, ARG conducted a site visit of the property on March 9, 2022 to note and photograph current features and conditions. ARG also met with representatives of the Sobrato Organization and project architect Architectural Technologies (ARC TEC) to gain a sense of the future redevelopment of the site, the design of which is still under development. The drawings and renderings that illustrate the guidelines were taken from materials that ARC TEC submitted to ARG in June 2022.



Sutter Packing Plant, 1940, looking northwest (Palo Alto Historical Society, 022-050).



Preliminary project rendering, south and east façades (ARC TEC, "340 Portage Avenue," July 26, 2022).



Preliminary project rendering, east and north façades (ARC TEC, "340 Portage Avenue," July 26, 2022).

Project Summary

The subject building extends southwesterly from Park Boulevard in the North Venture Coordinated Area Plan (NVCAP) area of Palo Alto. ARG's understanding is that the future redevelopment of the property will generally consist of the following components:

- 200 Portage Avenue: The portion of the building closest to Park Boulevard will be removed, exposing the east elevation of the 340 Portage Avenue portion of the building.
- 340 Portage Avenue: The monitor roofed bays at the building's east end will be retained and rehabilitated; the portion of the building to the west of those bays will be rebuilt within the existing footprint.
- 380 Portage Avenue: The westernmost portion of the building, which is clad in board formed concrete and features bow truss roofs, is included in the current project site but currently includes no proposed exterior improvements.
- 3201-3225 Ash Street: No exterior improvements are proposed to this portion of the property.
- New construction: Approximately 74 townhomes will be added to the eastern half of the project site, along Park Boulevard in place of 200 Portage Avenue and the parking lot to the north.

These historic design guidelines focus on the exterior treatment of the 340 Portage Avenue portion of the site, with special attention to the monitor roofed bays at the building's eastern end, which are the most visually prominent historic features on the site.

Character-defining Features

A *character-defining feature* is an aspect of a building's design, construction, or detail that is representative of the building's function, type, or architectural style.¹ Generally, character-defining features include specific building systems, architectural ornament, construction details, massing, materials, craftsmanship, site characteristics and landscaping within the period of significance. An understanding of a building's character-defining features is a crucial step in developing a rehabilitation plan that is consistent with the *Secretary of the Interior's Standards for the Treatment of Historic Properties* by incorporating an appropriate level of restoration, rehabilitation, maintenance, and protection.

In April 2019, the City of Palo Alto commissioned Page & Turnbull to complete a Historic Resource Evaluation (HRE) for 340 Portage Avenue that identified the following character-defining features for the property:

- Form and massing
 - Long, linear massing
 - Composition of multiple smaller buildings
 - Primarily one-story, double-height volumes with taller central cannery section
- Varied roof forms and structures
 - Prominent paired monitor roofs
 - Arched roofs
 - Visible gabled roofs
- Exterior wall materials

¹ Nelson, Lee H. *Architectural Character: Identifying the Visual Aspects of Historic Buildings As an Aid to Preserving Their Character*. Washington, D.C: Technical Preservation Services, National Park Service, U.S. Dept. of the Interior, 1988, 1.

- Reinforced, board formed concrete
- Corrugated metal cladding
- Exterior cannery features
 - Concrete loading platforms
 - Cooling porch at rear of building
 - Exterior shed awnings with wood post-and-beam construction
- Fenestration
 - Wood frame windows
 - Garage door openings
 - Wire glass skylights over former warehouses
- Landscape Features
 - Preserved curved path of the removed railroad spur tracks, represented in shape of parking lot pavement
 - Channel of Matadero Creek
- Interior features
 - Exposed wood truss ceilings
 - Wood and concrete post and beam construction
 - Concrete floors

Careful consideration of these identified features informed the development of the following historic design guidelines.

Historic Design Guidelines

In general, the approach to rehabilitating 340 Portage Avenue should maintain the building's character-defining features to the extent feasible in maintaining and continuing the property's office and research and development (R&D) uses. The following guidelines address specific aspects of the project design.

Height and Bulk

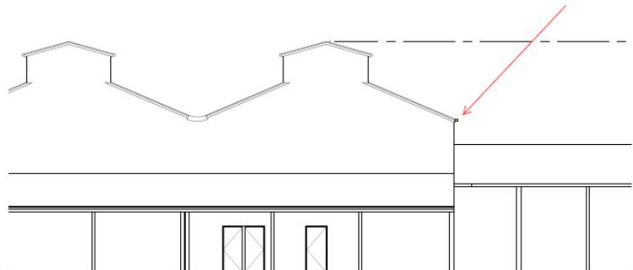
The building's long, linear massing should be maintained.



On the south elevation, new construction should remain at or below the top of the existing parapet height.



On the north elevation, where a new slightly higher parapet is proposed, both the new parapet and any new construction should remain below the height of the outermost edge of the monitor roofs.



Continuous lot frontage along the north and south elevations should generally be maintained, with possible small-scale deviations to accommodate slightly recessed or projecting entry bays.



Roof Forms

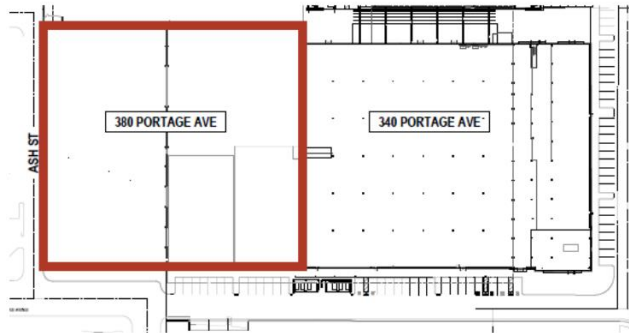
The monitor roof forms should be maintained. Other roofs should remain invisible behind the parapet walls along the north and south elevations.



New rooftop mechanical units should be kept below the parapet line where feasible. Where infeasible, rooftop mechanical units should be situated toward the center of building footprint in order to minimize visibility from the public right-of-way.



The bow truss roof forms in the western half of the building should be retained.



Cladding

The following wall cladding materials are encouraged as being compatible with the historic character of the existing building: metal panels, corrugated metal (painted or unpainted), and metal screens. In addition, board formed concrete is appropriate at the westernmost portion of the building, which is currently clad in board formed concrete. The following wall cladding materials are discouraged: wood, masonry, and ceramic tile.



Fenestration

A window condition assessment should be completed to identify the location and condition of extant (1) wire glass skylights and (2) clerestory monitor windows in the monitor roof portion of the building. This assessment should be completed with the assistance of one or more professionals meeting the Secretary of the Interior's Professional Qualification Standards in Historic Architecture. Historic windows and skylights should be repaired if feasible.



If the extant clerestory monitor windows are too deteriorated to repair, or occupy less than half of the extant window openings, new windows that are similar in scale, profile and appearance of the original windows should be installed. Wood or metal/aluminum windows that mimic the thickness and muntin pattern of the historic wood windows is encouraged; use of vinyl windows is discouraged.



New fenestration elsewhere on the building (including the east elevation and the areas on the north and south elevations immediately below the monitor roofs) should be metal or aluminum windows with simple surrounds, befitting the industrial history of the property.



Entries and Canopies

New entries should consist of simple aluminum storefront assemblies with full-height sidelights. The entry to the retail space on the south elevation should be similar in design to entries elsewhere in the building.



Canopies at the north and south elevations should be thin and metal-clad, either cantilevered out from the building or supported from above by tension cables or from below by simple metal brackets.

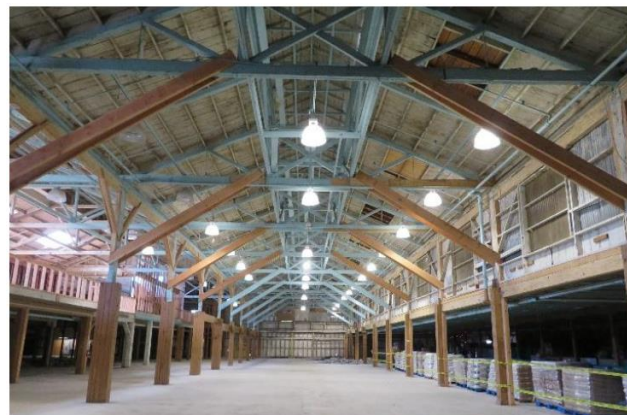


Retaining portions of the existing shed awnings with post-and-beam construction should be considered.



Interior

New interior construction should be configured in such a manner that the original volume of the roof monitor portion of the building is still conveyed; wholly subdividing that portion of the building into smaller spaces or introducing intermediate floors should be avoided.



At the new retail space on the south elevation, interior skylights should be incorporated to afford views of the historic monitor roofs. Lighting conditions in the retail space and at the monitor roofs should be investigated to ensure the visibility of the roof elements through the skylights.



Public Exhibit

The site should incorporate a publicly accessible display featuring historic photos of the property and a description of its historical significance arrayed onto as many as four panels. The content of the panels could be adapted from the recently completed HRE.

This display panel, which should be composed of durable materials, should be developed with the assistance of one or more professionals meeting the Secretary of the Interior's Professional Qualification Standards in Architectural History or History and experienced in creating such historical exhibits.

For ease of installation and maintenance, we recommend the display panel(s) be located inside the retail space at the south end of the monitor roof portion of the building. This could be supplemented by a commemorative plaque, placed on the building exterior, that indicates the property is the former home of the Bayside Caning Company and Sutter Canning Company.

Attachment 3

Applicant Phasing Plan

Attachment 4

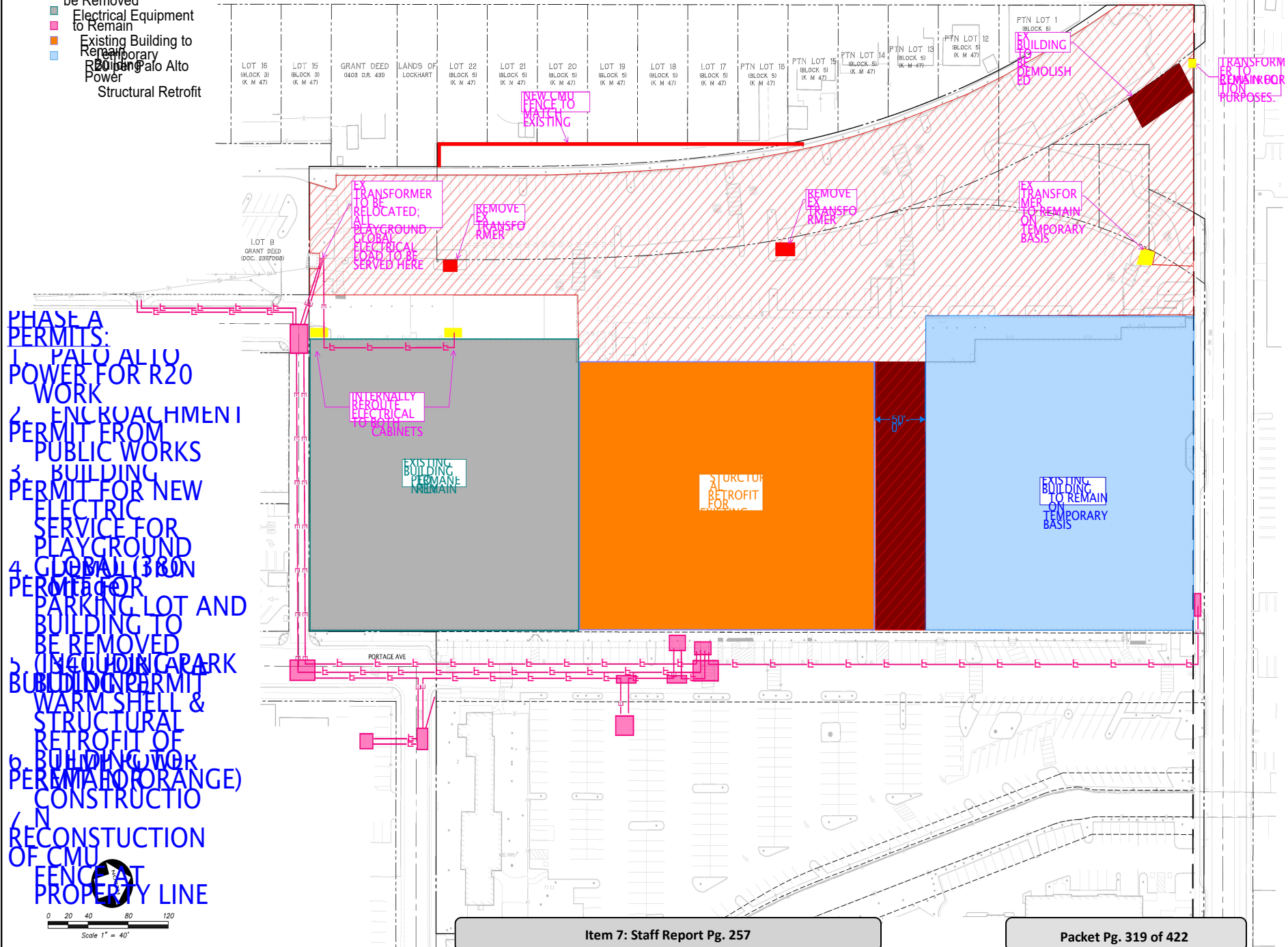
Summary Table of Recommendations

Attachment M - Secretary of the
Interiors Standards Consistency
Analysis

PHASE A OF PORTAGE AVENUE PHASING PLAN FOR THE SOBRATO ORGANIZATION PALO ALTO, CALIFORNIA		 KIER+WRIGHT 3700 Scott Building, Building 22 Phase 408 272 4665 Santa Clara, California 95054 www.kierwright.com			
DATE	NOV 10 2012	NO.	△	REVISION	
SCALE	AS SHOWN	BY	△		
DESIGNER	NM				
DRAWN BY	MC				
JOB NO.	A10128-6		△		
SHEET	---		△		

Description

Area of Existing Building
Electrical Equipment to be Removed
Electrical Equipment to Remain
Existing Building to Remain
Temporary Power
2010 Palo Alto
Structural Retrofit



LEGEND

Description

- Electrical Equipment to Remain
- Existing Building to Remain
- Power (Garage) Limits
- Temporary Storm Drain Main
- Proposed Sewer Main
- Proposed Water Main

Item 7

Attachment M - Secretary of the Interiors Standards Consistency Analysis

PHASE B PERMITS:
1. BUILDING PERMIT - GARAGE
ENCROACHMENT PERMITS FOR UTILITY CONNECTIONS

PREVIOUSLY RECORDED; ALL PLAYGROUND GLOBAL ELECTRICAL LOAD TO BE SERVED HERE

CONSTR. GARAGE

BUILDING PERMIT FOR CONSTRUCTION OF GARAGE

EXISTING BUILDING PERMIT - UTILITY

340 PORTAGE

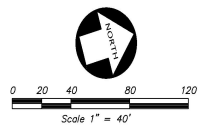
EXISTING BUILDING PERMIT - UTILITY

INSTALL MAINTAIN UTILITIES

TRANSFORMER TO REMAIN FOR PURPOSES

EX TRANSFORMER TO REMAIN ON TEMPORARY BASIS

INSTALL VALVES

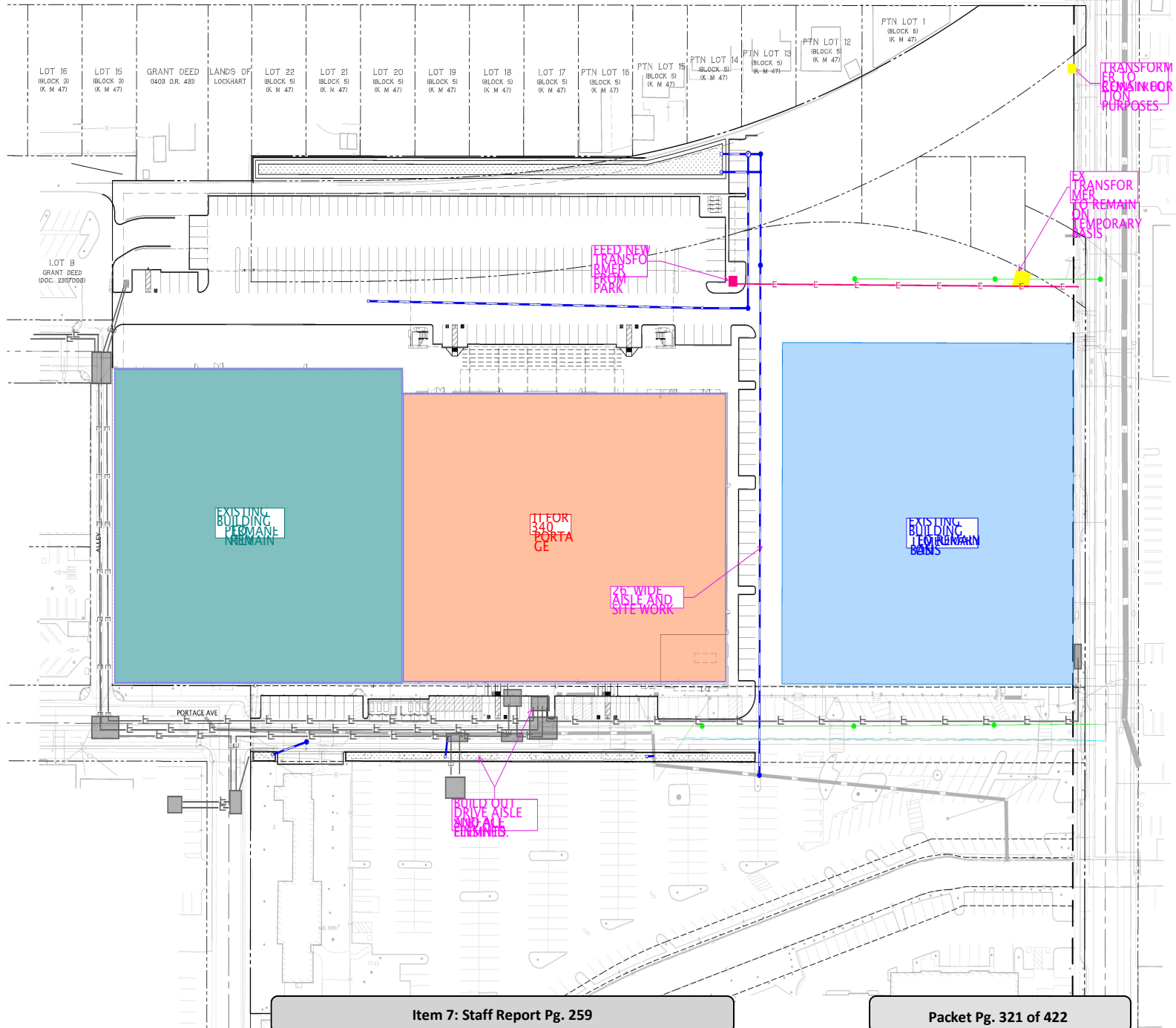
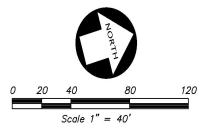


Attachment M - Secretary of the
Interiors Standards Consistency
Analysis

Description

■ Electrical
■ Equipment to
■ Remain
■ Existing Building to
■ Remain
■ New Electrical
■ Equipment
■ Proposed Storm
■ Drain Main
■ Proposed Sewer
■ Main
■ Proposed Water
■ Main

PHASE C
PERMITS:
1. GRADING
PERMIT FOR SITE
WORK
2. UT FOR 340
PORTAGE



<div> <div>  KIER+WRIGHT </div> <div> 3300 Scott Boulevard Building 22, Irvine, CA 92614 San Jose, CA 95131 www.kierwright.com </div> </div>		<div> <div> PHASE C OF PORTAGE AVENUE PHASING PLAN FOR THE SOBRATO ORGANIZATION PALO ALTO, CALIFORNIA </div> </div>		DATE SCALE DESIGNER DRAWN BY JOB NO. SHEET	NOV 2022 AS SHOWN MC NM A10128-6 ---	NO. BY REVISION REVISION	
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Item 7: Staff Report Pg. 259

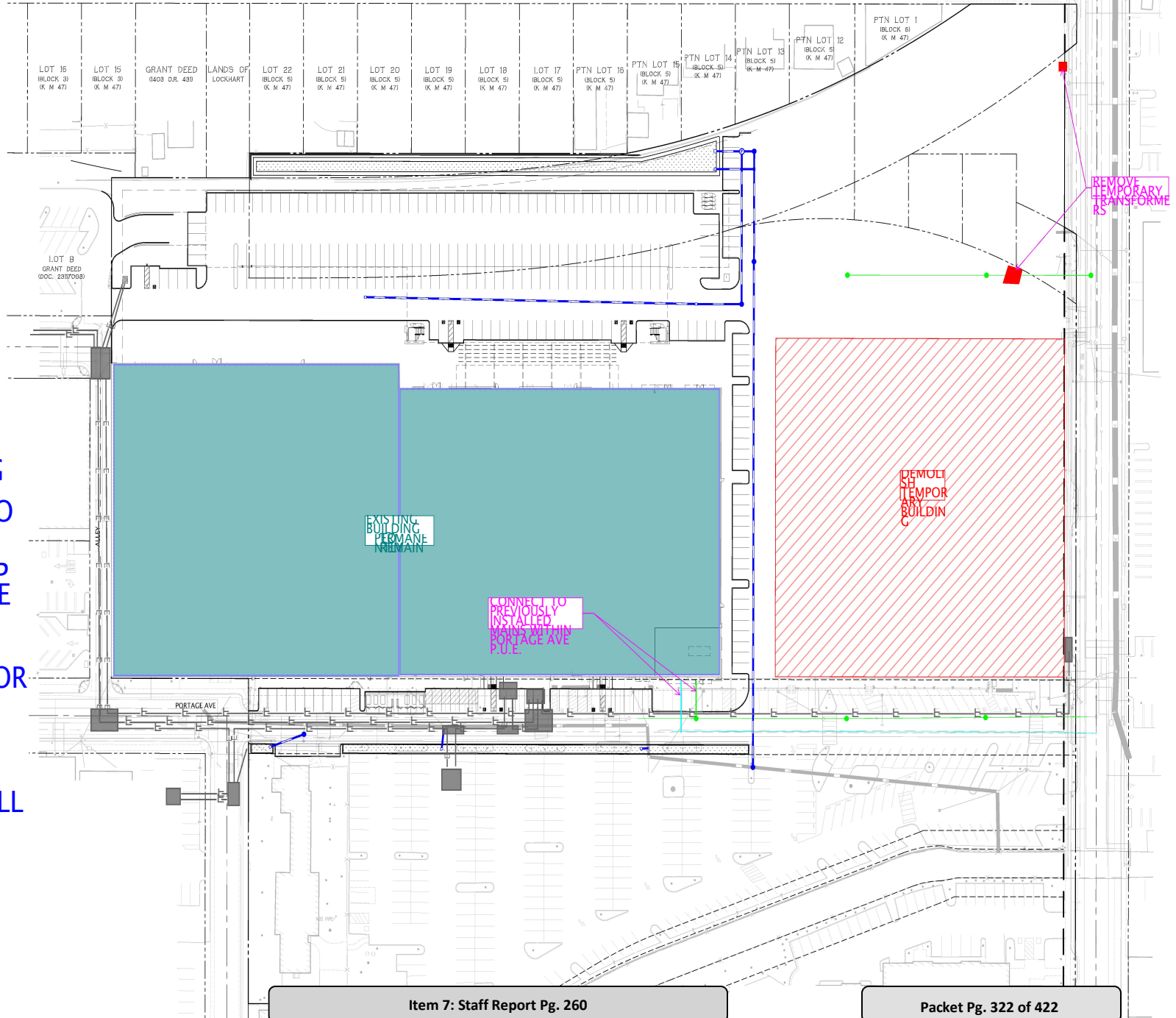
Packet Pg. 321 of 422

LEGEND

- Electrical Equipment to be Removed
- Limits of Demolition
- Proposed Sewer Main
- Proposed Water Main

Item 7

Attachment M - Secretary of the Interiors Standards Consistency Analysis



PHASE D PERMITS:
 1. DEMOLITION PERMIT FOR TEMP BUILDING
 2. UTILITY CONNECTIONS TO 340 PORTAGE
 3. GRADING PERMIT FOR TEMP BUILDING TO BE SHED
 4. UPON CERTIFICATE OF OCCUPANCY FOR THE GARAGE AND TCO FOR 340 PORTAGE RECORD FINAL MAP & MAKE ALL REQUIRED DEDICATIONS

REVISION	BY	NO.	DATE

KIER+WRIGHT
 3350 Scott Boulevard, Building 22, Suite 200
 Santa Clara, California 95054
 Phone: (408) 727-6655
 www.kierwright.com

PHASE D OF PORTAGE AVENUE PHASING PLAN FOR THE SOBRATO ORGANIZATION PALO ALTO, CALIFORNIA

DATE	NOV 2022
SCALE	AS SHOWN
DESIGNER	NM
DRAWN BY	MC
JOB NO.	A10128-6
SHEET	---

Attachment M - Secretary of the
Interiors Standards Consistency
Analysis

Item 7: Staff Report Pg. 261

PHASE I PERMITS: TOWNHOME PERMITS & CONSTRUCTION

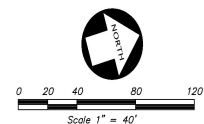
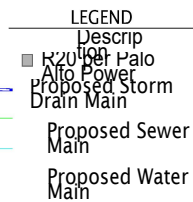
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Table 1 Summary Table of

Design Element	SOIS Analysis	Recommendations
Proposed Demolition	Does not meet Standard 1, 2, 5, and 6	To conform with the Standards, the proposed design should be updated to retain the portions of the historic building proposed.
Structural Retrofit	Potential to not meet Standard 2 and 6.	In order to conform with the Standards, care should be taken to retain historic materials.
New Storefronts, Entries, and Canopies	Does not meet Standard 2, 5, 6, or 9	The extant former loading door, identified as a character-defining feature, should be retained. The proposed amenity space addition should be revised to not overwhelm the historic portion of the building to be retained. The proposed use of corrugated metal on the proposed amenity space should be retained. The entries should be retained to a different height and be located at least one structural bay from the original historic character-defining door. Alteration to the original door should be to retain and repair the door instead of replacing it with a new door. The original shed awnings should be retained instead of being replaced with new canopies.
North Elevation Entries	Does not meet Standard 2 or 9	
Canopies	Meets the Standards at new entries Does not meet Standard 2 or 5	
New Window Openings	Does not meet Standard 2, 3, 5, 6, or 9	It is recommended that the north and south window configuration be updated to no longer include the fixed windows that follow the slope of the roofline.
East Elevation Existing Window Treatment	Meets the Standards	In order to comply with Standards 2 and 5, original windows should be retained where condition allows. If windows are deteriorated beyond repair, they should be replaced with windows that meet Standards 2 and 5. New windows should match the historic material, color, and profile and maintain the original opening. New window treatments should be replaced with historic designs and be revised to match the historic material in color and composition. If structural updates are necessary to meet code requirements, the roof's overall form, the revised design should be updated to reflect the change in loading platform, including the change in grade from the adjacent parking lot.
Existing Exterior Cladding Material	Meets the Standards	
Rooflines	Does not meet Standard 2, 5, 6, and 9	
Loading Platforms	Does not meet Standard 2, 5, 6, and 9	

Environmental Scientists

Planners

Engineers



City of Palo Alto
**200 Portage
Condominium Project**

Item 7

Attachment M - Secretary
of the Interiors Standards
Consistency Analysis

New Construction		
Townhouses	Meet the Standards	No recommendation
Garage Addition	Meets the Standards	It is recommended that the proposed use of corrugated metal on the garage addition be revised to a different, compatible material to make it readily distinguishable from the historic building

Dear City Council Members, Board Members, Commissioners, Mr. Lait, and Ms. Raybould:

Given that this development is one of largest in decades, we believe it is vital that the City Council, Board and Commission members, and City staff address critical problems with the project previously identified with the 3200 Park Boulevard/200 Portage (Fry's site). Some problems that the community pointed out before persist while new ones have emerged, causing us even greater concern.

In general, the project:

- was negotiated behind closed doors including economic considerations and site planning
- destroys a major historic resource important to our cultural, business, and industrial legacies
- is largely inconsistent with the NVCAP goals
- fails to provide a realistic timeframe and funding plan for the affordable housing
- is plagued by a lack of publicly available information
- is plagued by a lack of timely notification
- is plagued by irregular review processes including proceeding without benefit of DEIR comments and alternatives analysis

We ask that the City please:

- A. Halt any further hearings/meetings on this project until the response to public comments to the DEIR is released.
- B. Update the project website to include all pertinent documents, including the development agreement with any changes to the development agreement clearly shown.
- C. Make sure that communications on this and all projects are duly noticed well in advance of the meeting to all interested parties, including those with 600 feet of a proposal as well as those who have signed up for notifications.
- D. Make sure that the address is consistent throughout the process.
- E. Address our concerns about the Secretary of Interior's standards being ignored/avoided with regard to the historic significance of the building and its preservation
- F. Cease commingling staff and applicant analyses in the future to avoid work boundary issues and the confusion as to the origin of staff recommendations,

To support our concerns and justify our requests, we offer the following details. Specifically:

- 1) The DEIR comment responses are not available.

Five months have elapsed since the DEIR comments were submitted. CEQA requires consideration of reasonable alternatives to reduce or eliminate identified impacts, of which there are several. Staff has informed us that they are working on the responses, but City meetings about the project continue even though the DEIR identified significant impacts that we believe have not been addressed according to CEQA requirements.

The board and commission meetings proceeding without the DEIR responses is counterproductive and highly irregular. At the last meeting of the Architectural Review Board, members were asked to review the proposals without the benefit of response to the

public comments to the DEIR. We object to the ARB being denied this crucial information. We ask that no further comments or action by any board or commission take place until they and the public see the response to the DEIR. We further ask that recent comments and action by the ARB be reconsidered in light of the upcoming DEIR responses.

2) Procedural Review Irregularities

The HRB recommends to the ARB. However, the ARB has been asked to comment on the satisfaction of the Secretary of the Interior's Standards absent HRB comments stated in motion form, a breach of prescribed protocols. The ARB is not facile with the Standards, which are the purview and expertise of the HRB. Additionally, adequate time needs to be provided between an HRB and ARB meeting so minutes can be prepared for ARB members and the public to understand what has been recommended.

3) The negotiations were held in private.

The public has no access to any studies that may or may not have been provided to the Council in conducting the negotiations. For instance, what are the near-term and long-term financial benefits of the Agreement to both the City (the public) and Sobrato? Was an economic study conducted to investigate the viability of a larger amount of retail at the site, or to consider the likely success or failure of such a small (2600 sq. ft) retail space? What study was conducted to determine reuse possibilities for the Cannery Building? What advice was sought that might have led to a better site plan and circulation plan? The public deserves to see those reports and at a minimum to know what studies were provided.

4) The site planning was also done in closed session without public input, without advisory Board and Commission input.

Why were the affordable housing units not included in the market rate units as is required by City code? Not planning where the affordable units will go or providing details as to mass, scale, and number of units, etc. while asking the ARB to consider other elements of the project makes no sense. There should be visuals showing the entire project.

5) Locating the affordable housing project directly in front of the Cannery presents another significant impact.

Situating the affordable housing is in direct conflict with the Secretary of State standards based on what can be read into the proposed site plan and stated intentions. This impact, as we see it, has not been addressed and has been ignored by having no responses to the DEIR.

6) Notifications are not being sent in accordance with City standards

Those within a 600' radius may or may not be receiving notifications of meetings, but other interested parties, NVCAP Working Group members, and stake holders are not being notified. The notification for the ARB meeting was sent out in the middle of the afternoon on a Wednesday, the day before the 8:30 am meeting on the next day. Notifications should be sent as soon as the meeting date is established along with a link to the staff report once available. In recent correspondence with staff, staff acknowledged this was a concern. How does staff propose to solve the delays in notification? We suggest that no topic be discussed until the notification criteria have been met. The planning department seems short-staffed, and we hope the Council will be addressing this soon.

7) Project notifications and website need to clearly identify the project's location

The address most commonly known to the public, such as 200 Portage needs to be included in any notifications for the public to be adequately informed. Some notifications have listed a series of addresses that were never used before to identify the project and that bear no relevance to many if not most interested people. Because the DEIR was not noticed to stakeholders and neighbors under a meaningful and relevant description/address, and because the DEIR was posted generally using unfamiliar addresses, the existence of the DEIR was not discovered until well into the comment period.

8) An applicant's analysis should not be mingled with the City's analysis.

In the staff report for the prior ARB meeting, both the City's and the Applicant's analyses of whether the project satisfies the Secretary of Interior's Standards were in the same attachment. At a glance, the document appeared to be a product of City staff only. One had to read carefully to distinguish when one analysis ended and the other began.

9) Development scenarios for the Fry's site put forward by the NVCAP Working Group specifically recommended housing over commercial, and yet the current proposal still emphasizes commercial/office over housing and community serving retail. The preferences of the working group, community members who donated months of service are patently being ignored.

10) The Development Agreement (DA) and other relevant documents are not readily available on the project webpage.

Please make all significant and relevant materials available. Public input is stymied because we don't know what the project comprises. Shouldn't the DA be posted to inform the public? While we understand the applicant is making changes to the DA, we believe the public should have access to the original and amended DA which we believe should be provided as a redline version. The optics are very poor here. Even if obfuscation is not the intent, obfuscation is the result.

- If the DA is being changed, how? If the DA is being revised, is what the ARB reviewed consistent with the original or revised DA?
- Has Sobrato revised the agreement? If so, by what authority can Sobrato revise the DA without meeting again with Council? Shouldn't additional discussion be public? Do they respond to the earlier ARB members' comments that were critical of the site plan? Since those comments, it appears that the ARB purview does not include site planning or circulation or desire to see the Cannery building and its history respected.
- Without access to the DA, we the public have no idea how much latitude there is for broader consideration including alternatives that would meet the Secretary of Interior's standards. If Sobrato is making changes, there must be some latitude but neither the public nor reviewing bodies have been provided with what that latitude might be. Ought not broader considerations beyond what is being presented to the ARB and HRB be studied? Again, the EIR identified impacts. Alternatives that avoid and/or mitigate those impacts to less than significant are required.
- If one of the goals of the Draft Agreement is, as was indicated in the initial roll out of the project on Aug 1, 2022, to avoid a lawsuit by helping the applicant achieve a given number of market units, then please acknowledge that fact and let the land use planning happen in public in accordance with our laws and processes. Why the churn to keep documents and processes hidden? Ultimately, transparency will result in a faster process and yield satisfactory outcomes because the public will have been included. The public will insist anyway, so why not be as transparent as possible?

- The August 1, 2022, Council meeting announcing the Sobrato agreement made some commitments in the presentation slides. Presumably, those statements were consistent with the negotiated terms. Please confirm.

For example, it was said during the meeting that the “remnant” Cannery building (that portion remaining after the proposed demolition of 40% would be rehabilitated consistent with the Secretary of the Interior’s Standards. This is backward. The Secretary of Interior’s standards need to be applied when the historic resource is still intact. The loss of the historically significant Cannery has been consistently underplayed and has never been addressed head on. The Cannery qualifies for historic protection. Why have alternatives that preserve this historic resource been denied a hearing with the HRB and the ARB? Even the commitment to applying the Secretary of Interior’s Standards to the “remnant” building are not being held to as the ARB was even asked if they should be applied given the Cannery would no longer be eligible for the CA Register.

11) The review process is following a piecemeal path

The project is being presented to ARB with one or two aspects of the entire proposal being considered at a time, leading to a lack of comprehensive site planning, with no cohesive end product. Please explain why this is the way the review is being put forward. And again, the ARB is being asked to perform the duties of the HRB by commenting on the Secretary of Interior’s compatibility requirements and/or impacts (although not referred to as such) of the housing with/on the Cannery building.

12) Was the PC zoning a stipulation in the Development Agreement (and negotiations)?

- Given PCs offer little assurance to the community, how the property might evolve in the future upon expiration of the DA is unknown and will not be known.
- We understand that the duration of the Development Agreement is only 10 years. Are there any circumstances under which the DA could be extended? What was the basis for such a short period? What governs the development after the end of 10 years?
- By comparison, SOFA’s redevelopment was also complex yet provided clear zoning, development and design standards and guidelines that would govern the future during and beyond the Development Agreement. Will this current DA be adequate to address the future of the site post DA expiration? It appears unlikely, as there are no development or design standards set forth for the ARB to use in reviewing the PC housing development, PC affordable housing development or the commercial/office components of the project. If they exist in the current version of DA, surely, they should be made available for current review. We are concerned, based on what has been presented so far, that there will be little or no provision in the DA to guide the future. The SOFA Plan avoided the PC by creating specific zoning and standards particular to the area and properties. Such measures are not being attempted here even for the few parcels, and the result seems a vague, uncertain future. And we question whether better-informed site planning might avoid non-conformances that have led to application of the PC site-wide.

Finally, on page 17 and other places of the draft agreement we found, Section 10.7 is mentioned, i.e., “Owner’s obligations under this Section 10.7 shall survive expiration or earlier termination of this Development Agreement.” 10.7 does not appear to exist, yet it governs some of the terms of the agreement with regard to expiration. Maybe this has already been corrected. <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas->

[minutes/planning-and-transportation-commission/2022/2022-10-11-wip-draft-da-ptc-clean-copy.pdf](#)

We hope that you will receive these comments in the manner in which they are intended. We support comprehensive, transparent planning that serves the City and the residents, that satisfies the developer, and that follows already clear and defined processes and adheres to established standards.

Thank you.

Sincerely,

Sheri Furman
Becky Sanders
Co-Chairs, Palo Alto Neighborhoods

From: Ellen Hartog
To: Raybould, Claire
Subject: Re: 200 Portage Avenue Townhome Project FEIR publication and Sobrato Development Agreement hearing Schedule
Date: Tuesday, May 16, 2023 12:00:58 PM
Attachments: image011.png
image008.png
image004.png
image002.png
image012.png
image009.png

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Hi Claire, How does one submit comments to the look of this project?

It looks like a prison - no outdoor private space to any units - it is ugly and will impact those living under this type of condition in an unhealthy manner.

Ellen Hartog
Palo Alto resident

On Tuesday, May 16, 2023 at 09:47:46 AM PDT, Raybould, Claire <claire.raybould@cityofpaloalto.org> wrote:

Good morning,

This e-mail is to notify you that the City of Palo Alto, Acting as the California Environmental Quality Act (CEQA) Lead Agency, has released a Final Environmental Impact Report/Responses to Comments for a previously filed 91-Unit townhome development project, the 200 Portage Avenue Townhome Project. The Proposed Sobrato Development Agreement, which was filed under the address 3200 Park Boulevard) is Evaluated as Alternative 3 in the EIR. The Final EIR and the plans for the 200 Portage Avenue Townhome Project are available [here](#). The project plans for the Development Agreement are available [here](#). This notification is being sent to you because the project is located within the boundaries of the North Ventura Coordinated Area Plan (NVCAP) planning area and you have expressed an interest or have otherwise been involved in the NVCAP process or because you have specifically requested to be contacted regarding the proposed project.

The Historic Resources Board will hold a public hearing Thursday, May 25, 2023 at or around 8:30 am to make a recommendation on the applicant's request for approval of a Planned Community Zoning application to allow redevelopment of a 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street and 278 Lambert. The scope of work Includes the partial demolition of an existing commercial building that has been deemed eligible for the California Register as well as an existing building with a commercial recreation use at 3040 Park and Construction of (74) new Townhome Condominiums, a two-level Parking garage, and dedication of approximately 3.25 acres of land to the City for future affordable housing and parkland uses. Existing R&D uses would continue to occupy the remaining cannery building. The existing building at 3201-3225 Ash Street would remain in office use and an automotive use at 3250 Park Boulevard would convert to R&D use. The Project also includes a Development Agreement, Comprehensive Plan Amendment, and Vesting Tentative Map.

The agenda and staff report for this hearing will be available on the [Historic Resources board website](#) by Thursday, May 18, 2023. The agenda, once published, will include information on how to access the hearing online or you may attend in person at 250 Hamilton Avenue, Palo Alto ground floor Council Chamber.

The Development Agreement is also anticipated to come before the Architectural Review Board in June (currently scheduled for June 15th) and the Planning and Transportation Commission in July (tentatively scheduled July 12th) for formal recommendations, which would be forwarded to Council for a final decision. Please do not hesitate to contact me if you have any questions about the proposed project.

Regards,
Claire



Claire Raybould, AICP
Senior Planner
Planning and Development Services Department
(650) 329-2116 | Claire.Raybould@cityofpaloalto.org
www.cityofpaloalto.org



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From: David Adams
To: Raybould, Claire
Subject: Re: 3200 Park Boulevard (Fry's Site Development Agreement) Update/Notice of Public Hearing
Date: Wednesday, April 5, 2023 5:05:45 PM
Attachments: image004.png
image012.png
image002.png
image008.png
image011.png
image009.png

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Thank you Claire.

I've studied the latest project plan doc (c3_3200-park-boulevard_plans.pdf) with respect to the storm drain connection to 275 Olive that we discussed some time ago. I see that the relevant plans are on pages C5.0, C5.1, C6.0, C6.1, C7.0, C7.1, C7.2. However, I really can't make out what they all mean. You said some time ago that we may be able to have a conversation with the engineers on this subject. If that is still possible and the plans are nearing completion it may be good to have.

I can either do remote or come down to City Hall. Please let me know if at all possible.

Thanks and regards
David

On Wednesday, April 5, 2023 at 02:16:34 PM PDT, Raybould, Claire <claire.raybould@cityofpaloalto.org> wrote:

Good afternoon,

This e-mail is to notify you that the City of Palo Alto Architectural Review Board will hold a public hearing tomorrow morning, Thursday, April 6, 2023 to further discuss the proposed project at 3200 Park Boulevard/340 Portage in Palo Alto, CA. The staff report for this hearing is available [here](#). The [agenda](#) for the hearing, which includes information on how to access the hearing online is available here on the ARB's webpage. Staff is not asking for a formal recommendation at this time. The applicant is continuing to refine their plans and the plan sets are still under review. On December 15, 2022 and January 19, 2023 the ARB held study sessions to provide input on the initial design proposed by the applicant, Sobrato Organization. The Historic Resources Board also held a study session on January 12, 2023 to provide input on the initial design. The current project plans, which are available on the [project webpage](#), have been revised to address feedback from these study sessions and other comments made by members of the public, commissioners, staff and other stakeholders as part of the public process. This notification is being sent to you because the project is located within the boundaries of the North Ventura Coordinated Area Plan (NVCAP) planning area and you have expressed an interest or have otherwise been involved in the NVCAP process.

This hearing will allow for continued discussion and opportunity for comments on Sobrato Organization's request for a Development Agreement, Planned Community Zoning, Tentative Map, and Major Architectural Review to Allow Redevelopment of a 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street and 278 Lambert. The Scope of Work Includes the Partial Demolition of an Existing Commercial Building That has Been Deemed Eligible for the California Register as Well as an Existing Building With a Commercial Recreation use at 3040 Park and Construction of (74) new Townhome Condominiums, a one Level Parking Garage, and Dedication of 3.25 acres of Land to the City for Future Affordable Housing and Parkland Uses. The Existing Building at 3201-3225 Ash Street Would Remain in Office use, and an Automotive use at 3250 Park Boulevard Would Convert to R&D use. This project was filed under 3200 Park Boulevard (Application Nos. 22PLN-00287 and 22PLN-00288).

Following this hearing, staff anticipates that the project will return to the Historic Resources Board, Architectural Review Board, and Planning and Transportation Commission for formal recommendations and then to the City Council for a decision. These hearings are expected to occur starting as early as May of this year. Notices will be sent out before each formal hearing. Staff anticipates that a Final Environmental Impact Report with responses to comments will also be made available to the public and recommending/decision-making bodies for their consideration when making a formal recommendation/decision on the project.

Please do not hesitate to contact me if you have any questions.

Regards,
Claire



Claire Raybould, AICP
Senior Planner
Planning and Development Services Department
(650) 329-2116 | Claire.Raybould@cityofpaloalto.org
www.cityofpaloalto.org



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From: [David Adams](#)
To: [Gutierrez, Samuel](#); [Raybould, Claire](#)
Subject: Re: 200 Portage - a couple of questions
Date: Wednesday, September 21, 2022 11:12:21 AM
Attachments: [image009.png](#)
[image010.png](#)
[image012.png](#)
[image013.png](#)
[image014.png](#)
[image015.png](#)
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[image026.png](#)
[image002.png](#)
[image004.png](#)
[image006.jpg](#)
[image008.png](#)
[image011.png](#)

You don't often get email from david_94306@yahoo.com. [Learn why this is important](#)

Hello Claire,

I see you are now the lead planner on the 200 Portage project and that the draft EIR has been published. I've been having an extended conversation with Sam over the last many months. I never did get a definitive answer to my questions. I'm especially interested in #2 since if the storm drain connection were removed it would have a significant impact on my property. The drain connection was installed by WSJ (then property owners) after we were flooded in the 1997 storm and so we would likely be flooded again if it was removed. I think that qualifies as a negative impact. Would you be able to get answers to these questions.

=====

I received the Notice of Preparation for 200 Portage yesterday and I have a couple of questions about the project plans. I'm not sure if you are the right person but this is the first time I've seen the plans so maybe you can guide me in the right direction.

1. Page A2.1.3 appears to show a setback on the top floor from Olive Ave but A2.1.4 doesn't show it. Is there a setback or am I misreading the plan?
2. We live on 275 Olive and shortly after WSJ built the sound wall separating the rear of Olive from the Frys parking lot we flooded due to the weep holes in the wall being placed too high. WSJ were kind enough to correct this by connecting a drain in the rear of our garden, through the base of the sound wall, to the storm drain just beyond the sound wall on the Frys site. Is the sound wall going to be preserved and will the drain setup we currently have also be preserved?

Thanks and regards
David

On Monday, February 14, 2022 at 05:38:57 PM PST, Gutierrez, Samuel <samuel.gutierrez@cityofpaloalto.org> wrote:

Hello David,

Sorry for the delay in my response. The development team is working on responses to City comments which include the questions that I have asked on your behalf. To date, they have not resubmitted their plans yet and have not responded. From initial conversations with the developer, it seems that the existing wall is to remain and there would be a new fence installed behind it (project side). Though they are working on the details and will provide answers when resubmitting. This is typical considering there were many staff comments that needed to be addressed from the previous round of review and the standard for a large project is for the applicant to respond comprehensively when they resubmit their project for review.

Regards,



Samuel Gutierrez, MUP

Planner

Planning & Development Services Department

(650) 329-2225 | samuel.gutierrez@cityofpaloalto.org

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From: David Adams <david_94306@yahoo.com>
Sent: Friday, February 11, 2022 7:21 AM
To: Gutierrez, Samuel <Samuel.Gutierrez@CityofPaloAlto.org>
Subject: Re: 200 Portage - a couple of questions

Hello Sam,

I've not heard from you for some time.

If you unable to provide answers could you please give me a contact at Sobrato so I can ask them directly.

Thanks and regards
David

On Tuesday, January 25, 2022, 2:12:37 PM PST, David Adams <david_94306@yahoo.com> wrote:

Hello Sam,

Did you manage to obtain any more info from Sobrato on the wall and drain?

Thanks and regards
David

On Tuesday, January 11, 2022, 9:51:55 AM PST, David Adams <david_94306@yahoo.com> wrote:

Thank you Samuel for your detailed response.

Regarding the sound wall, we would prefer that the sound wall be kept as it was put in place to limit noise from machinery and cars etc reaching us and I wouldn't expect such noise to attenuate with this project.

The other concern is with our drainage. As I stated, we have a drain from our gutters which connects to the storm drain on the Sobrato site. This was installed by WSJ, the previous owners, to mitigate the flooding we experienced as a result of the sound wall. We are anxious that this drain be preserved otherwise we're likely to flood again.

Thanks and regards
David

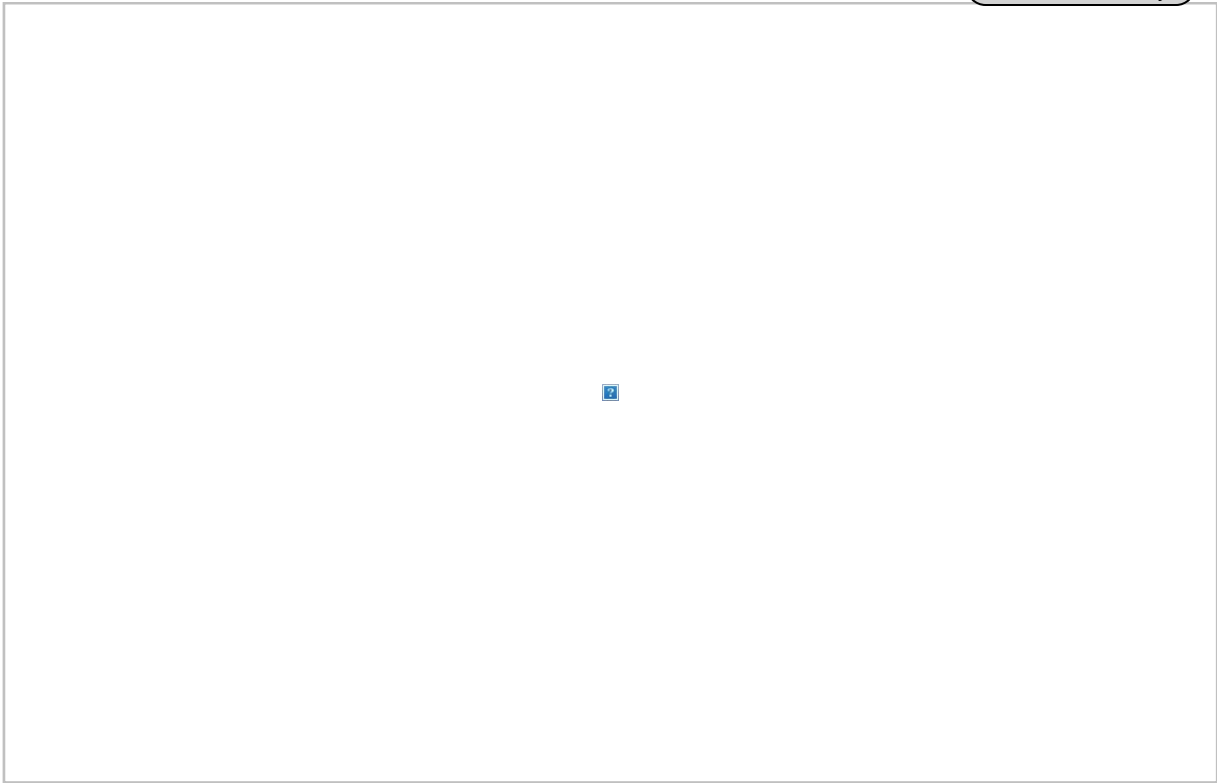
On Monday, January 10, 2022, 6:17:53 PM PST, Gutierrez, Samuel <samuel.gutierrez@cityofpaloalto.org> wrote:

Hello David,

Following up on your questions, see my responses below.

1. Page A2.1.3 appears to show a setback on the top floor from Olive Ave but A2.1.4 doesn't show it. Is there a setback or am I misreading the plan?
A: yes you are correct that on page A2.1.3 there is a corner of the building that has a stepped feature that pulls back the massing. This is circled below and is due to the daylight plane regulation since this portion of the project is in close proximity to the R-1 zoned single family homes next door, while the other portion of the building in question is further away and does not have the stepping. Page A2.1.4 shows the stepping of the upper floor but it appears there is a error in the image and I have asked the applicant to clarify the relationship with the upper floor stepping of massing shown in A2.1.3 and A2.1.4. When the plans are resubmitted I believe the error would be corrected as the building needs to comply with the daylight plane regulation.





2. We live on 275 Olive and shortly after WSJ built the sound wall separating the rear of Olive from the Frys parking lot we flooded due to the weep holes in the wall being placed too high. WSJ were kind enough to correct this by connecting a drain in the rear of our garden, through the base of the sound wall, to the storm drain just beyond the sound wall on the Frys site. Is the sound wall going to be preserved and will the drain setup we currently have also be preserved?

A. I believe you are referring to the concrete block wall that exists today. In the plan set sheet L3 with details on L1.9 the applicant does refer to a good neighbor fence with little detail other than it is 5 ft 8in with a lattice. Since the existing wall is concrete I assume the fence detailed in the plans would be a new fence, though it is not clear if this new fence would replace or be installed adjacent to the existing concrete wall. I have asked the applicant to provide more details and the fence and to clarify if the existing fence will remain as is, or if a new fence (wall) will be installed. If a new fence is to be installed the applicant has been asked to make the fence between 6ft & 7ft tall as allowed by the municipal and to provide more privacy. Do you have concerns over the existing wall remaining vs a new fence replacing the wall?

Also, please feel free to ask more question if you have them.

Kind Regards,

Samuel Gutierrez, MUP
Planner
Planning & Development Services Department
(650) 329-2225 | samuel.gutierrez@cityofpaloalto.org



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From: Gutierrez, Samuel
Sent: Wednesday, January 5, 2022 5:45 PM
To: David Adams <david_94306@yahoo.com>
Subject: RE: 200 Portage - a couple of questions

Hello David,

I am the correct person to contact regarding this project as I am the Project Planner. Sorry for the delayed response I was out of the office since 12/17 and am still catching up. I will provide you a response to your question by Friday this week.

Regards,



Samuel Gutierrez, MUP
Planner
Planning & Development Services Department
(650) 329-2225 | samuel.gutierrez@cityofpaloalto.org
www.cityofpaloalto.org



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From: David Adams <david_94306@yahoo.com>
Sent: Tuesday, December 21, 2021 10:15 AM
To: Gutierrez, Samuel <Samuel.Gutierrez@CityofPaloAlto.org>
Subject: 200 Portage - a couple of questions

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Hello Samuel,

I received the Notice of Preparation for 200 Portage yesterday and I have a couple of questions about the project plans. I'm not sure if you are the right person but this is the first time I've seen the plans so maybe you can guide me in the right direction.

1. Page A2.1.3 appears to show a setback on the top floor from Olive Ave but A2.1.4 doesn't show it. Is there a setback or am I misreading the plan?

2. We live on 275 Olive and shortly after WSJ built the sound wall separating the rear of Olive from the Frys parking lot we flooded due to the weep holes in the wall being placed too high. WSJ were kind enough to correct this by connecting a drain in the rear of our garden, through the base of the sound wall, to the storm drain just beyond the sound wall on the Frys site. Is the sound wall going to be preserved and will the drain setup we currently have also be preserved?

Thanks and regards
David

From: Raybould, Claire
To: landform01@earthlink.net
Cc: rtersini@sobrato.com; Tim Steele; Nektarios Matheou; Ryan Amaya
Subject: RE: Real Estate Development of the Sobrato properties abutting Olive Avenue 230629
Date: Thursday, July 13, 2023 9:28:00 AM
Attachments: image005.png
image006.png
image014.png
image007.png
image008.png
image010.png
image011.png
image012.png
image021.png
image022.png
image023.png
image024.png
image025.png

Good morning Peter,

Sorry you had to leave prior to public comment last night. I do want to resurface this email and see if you and Ryan (Sobrato's civil engineer) were able to connect on the drainage from your site. I'd like to have them meet with you on site sometime soon if you are available to assess the area you are referencing so that they can incorporate any necessary revisions into their plans accordingly.

Regards,
Claire



Claire Raybould, AICP
Senior Planner
Planning and Development Services Department
(650) 329-2116 | Claire.Raybould@cityofpaloalto.org
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From: Ryan Amaya <ramaya@kierwright.com>
Sent: Friday, June 30, 2023 11:14 AM
To: landform01@earthlink.net; Raybould, Claire <Claire.Raybould@CityofPaloAlto.org>
Cc: rtersini@sobrato.com; Tim Steele <tsteele@sobrato.com>; Nektarios Matheou <nmatheou@kierwright.com>
Subject: RE: Real Estate Development of the Sobrato properties abutting Olive Avenue 230629

Peter,

I'm the surveyor for the project, when would be a good time for me to come out so you can show me where the pressure drain line is that you are talking about.

Ryan Amaya, PLS

PRINCIPAL



KIER+WRIGHT

3350 Scott Boulevard, Building 22, Santa Clara, CA 95054

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-----Original Message-----

From: last name, first <landform01@earthlink.net>

Sent: Thursday, June 29, 2023 10:47 PM

To: Raybould, Claire <Claire.Raybould@CityofPaloAlto.org>

Cc: David 275 Olive <david_94306@yahoo.com>; OL 441 Ed Kwok <Kwokmond@hotmail.com>; Susanne Jul <sjul@umich.edu>; Jared Lockhart <jaredlockhart@yahoo.com>; yugen@logicdw.com; sandy lockhart <penetoo@hotmail.com>

Subject: Real Estate Development of the Sobrato properties abutting Olive Avenue 230629

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Claire,

From: [Patel, Shrupath](#)
To: [Art Liberman](#); Pabacpaloalto@googlegroups.com
Cc: [Raybould, Claire](#); [Star-Lack, Sylvia](#); [Arce, Ozzy](#)
Subject: RE: Bikeway along Portage - Fry property
Date: Tuesday, June 6, 2023 11:26:11 AM

Hi Art,

Sorry for the delay in response. Somehow your email went into my spam folder. Below in blue are my responses to your questions/comments.

Thanks
Shrupath

From: Art Liberman <bpawebman@gmail.com>
Sent: Thursday, June 1, 2023 4:04 PM
To: Patel, Shrupath <Shrupath.Patel@CityofPaloAlto.org>; Pabacpaloalto@googlegroups.com
Cc: Raybould, Claire <Claire.Raybould@CityofPaloAlto.org>; Star-Lack, Sylvia <Sylvia.Star-Lack@CityofPaloAlto.org>; Arce, Ozzy <Ozzy.Arce@CityofPaloAlto.org>
Subject: Bikeway along Portage - Fry property

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Shrupath-

Thank you for sending the Concept Plan for the Portage/Ash Intersection. I spoke about the safety problems cyclists would face at this intersection when Planner Claire Raybould presented the project to PABAC and also at an ARB meeting.

I have several questions which cannot be answered by a conceptual drawing. Perhaps you can consult with Claire and provide information at the upcoming PABAC meeting.

1. Traffic study. I don't think Claire presented the results of the traffic study done for the project. It is important to know the amount of traffic expected with the proposal because several PABAC members expressed concern with safety of cyclists crossing Portage at Ash.

The traffic study has been available online since September of last year as part of the Draft EIR. The Final EIR is now available online. Here is a link to the transportation analysis is provided here and covers both the 91-unit townhome development and the development agreement alternative: https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/new-development-projects/200-portage/appendix-h_local-transportation-analysis.pdf

Per traffic study, Project is expected to generate about 600 vehicle trips per day. This does not include trips generated by the existing approved R&D use on 340 Portage Ave and 380 Portage Ave. The proposed project may not generate higher trips but it is important to note that the enhanced

bikeway is proposed on Portage Ave as part of the **BPTP 2012**. In addition, Portage Ave is also part of the proposed **Matadero Creek Bay to Ridge Trail** route. The long-term goal is to provide more safer and protected major city level bike connection. Sharrows might be an option for low-traffic volume streets, but they cannot provide the same level of safety as the protected bike path.

Secondly, NVCAP would alter the land use in this area. We are expecting more residential use and less office use in this neighborhood. So it is important to provide safer bike facilities that connects to major transit stations, recreation facilities, and retail centers. This is a great opportunity to construct a protected bike facility as part of the private development.

2. Some questions were raised when Claire spoke to PABAC about whether the traffic on Portage and Acacia could be one-way. That would resolve some of the concerns about potential interactions of cars with cyclists and pedestrians at this intersection.

Per my memory, the recommendation for Portage Ave one-way was to provide 12 feet wide bike path instead of 10 feet. The latest version is showing 12 feet wide bike path except for the 3201 Ash St building frontage. 3201 Ash St is a historic building and not part of the project so 12 feet bike path is not feasible. However, about 2 feet buffer is proposed on the 3201 Ash St frontage which would meet the highway design manual standards.

Secondly, the NVCAP looks for a connected street grid and assumes a two-way street. Providing a one-way street would not narrow the street width because of the 90 degree parking spaces.

3. The plan has 90 degree parking next to the building and the bicycle path on the opposite side, which requires the crossing of the roadway at the Ash/Portage intersection. Can the car parking and the bicycle path be switched so that the bicycle path is along the building and the cars would park on the opposite side?

Car parking cannot be switched as these properties are being subdivided as part of the proposed project and the car parking needs to be provided for the lots it is serving. Further, resulting parking cannot be placed on the side of the property that will be dedicated to the city, especially in the area that will be dedicated as a public park. There are multiple driveways on the building side which is not an ideal location for a protected two-way bicycle path. We feel a bike path will be more appropriate next to the future affordable housing and public park sites where only one driveway is expected.

4. There is a utility pole at the intersection of Portage and Ash, at the location where the concept plan shows a cross walk for cyclists on the bike path to cross Portage. This utility pole is not on the concept plan drawing. Are there plans to move this utility pole? If not, we need to see a detailed design of the bike path at this corner?

Utility pole is not planned for removal. The utility pole won't obstruct the multi-use path. It will remain in the landscape or bio-retention zone.

5. The concept plan shows a "Buffer b/w travel lane & bike slot" on the El Camino side of the Intersection. What this includes is not clear from the drawing. While this section of Portage is not part of the Fry Development, the Office of Transportation has a responsibility to insure that there is a safe route for cyclists from Ash to El Camino. I look forward to hearing what you and Transportation staff will present at the PABAC meeting. I believe the Fry project should be put on hold if this part of the bike route would only be determined as part of the BPTP update.

The objective of the buffer b/w travel lane and bike slot is to divert the bicyclists in the right direction before they enter Portage/Ash St intersection. We don't want bicyclists to do angle crossing after entering the intersection. The current design would provide a safe connection (with modifications to address PABAC concerns) into Portage. While this does not provide a dedicated bike path on Portage at this time, the plan provides a safe connection that improves an existing condition (and creates the public access easement to provide public access in perpetuity across this private site). It's also designed to tie into the proposed future condition on Portage Ave.

Art Liberman

This letter shall serve to re-state a number of my announcements that the historic flow of storm water has been impacted by development, has been recorded, and must be thoroughly addressed as an essential part of property development impacting properties along Olive Avenue.

Please notify me as to the proper department(s) that should be contacted regarding serious drainage issues impacting properties on the SE side of Olive Avenue.

As previously stated:

Out lots were graded away from the street and to the rear. Removal of the 40' wide swale extending from El Camino Real to Park Blvd. was removed to allow the extensive asphalt parking lot to be constructed. The concrete block wall and footing impede the prior flow of storm water. Several homes including 399 Olive Av. have pressure piping to allow pumping of historic flood water under the concrete wall and onto the now "Sobrato" property as to mimic the designated historic drainage pattern. In addition the clay soil is a geologic factor affecting the drainage.

Prior to the wall being constructed I met with a surveyor hired by WSJ properties who was informed of and physically shown a pressure drain line. The surveyor recorded this feature and assured me it would become part of his documented survey.

I am aware that David Adams has also notified the City Of Palo Alto with similar concerns and perhaps others as well.

Thank you,

Peter Lockhart
405 Olive Av
landform01@earthlink.net

200 Park Boulevard Project - Planned Community Rezoning

Development Program Statement

Because The Sobrato Organization ("Sobrato" or the "Owner") is donating significant acreage to the City, its Parcels 1, 3, 4, and 5 will no longer comply with existing City zoning standards, including for example with regard to open space, lot size, and floor area ratio. The City is also interested in restricting the uses of Parcels 1, 3, 4, and 5 to a greater extent than is possible with the use of existing base zoning districts. Accordingly, the following provides Sobrato's Development Program Statement in support of its request for four separate Planned Community Districts that would apply to Parcels 1, 3, 4, and 5 of the 200 Park Boulevard Project. Please see the enclosed Project Description for further information regarding the Project. We understand that the City separately proposes to redesignate the dedication parcel (Parcel 2) to PF.

Necessity and Support for Findings Regarding Planned Community District

- Parcel 1: Because Sobrato is donating significant acreage to the City, Parcel 1 will no longer comply with existing City zoning standards. Further, approval of Planned Community zoning for Parcel 1 would allow for greater flexibility and excellence in design, and allow the City to restrict use to townhome development. A Comprehensive Plan Amendment would also be processed for Parcel 1, to redesignate the small portion of the site that is currently designated Light Industrial to Multiple Family Residential, consistent with the remainder of the site which is already designated Multiple Family Residential. The Multiple Family Residential designation is consistent with the uses and development standards proposed for the Parcel 1 Planned Community district.
- Parcel 3: Because Sobrato is donating significant acreage to the City, Parcel 3 will no longer comply with existing City zoning standards. Approval of Planned Community zoning for Parcel 3 will also allow retail use in the Cannery Building and allow the City to restrict the remainder of its use to R&D, as existing commercial zones all allow greater flexibility. A Comprehensive Plan Amendment to the Service Commercial Designation would also be processed for Parcel 3, along with a minor text amendment for the designation, which would make the Parcel 3 Planned Community district consistent with the Comprehensive Plan.
- Parcel 4: Because Sobrato is donating significant acreage to the City, Parcel 4 will no longer comply with existing City zoning standards. Further, approval of Planned Community zoning for Parcel 4 will allow the City to restrict use to office, as existing commercial zones all allow great flexibility. A Comprehensive Plan Amendment to the Service Commercial Designation would also be processed for Parcel 4, along with a minor text amendment for the designation, which would make the Parcel 4 Planned Community district consistent with the Comprehensive Plan.
- Parcel 5: Because Sobrato is donating significant acreage to the City, Parcel 5 will no longer comply with existing City zoning standards. Further, approval of Planned Community zoning for Parcel 5 will allow the City to restrict use to R&D use, as existing commercial zones all allow great flexibility. A Comprehensive Plan Amendment to the

Service Commercial Designation would also be processed for Parcel 5, along with a minor text amendment for the designation, which would make the Parcel 5 Planned Community district consistent with the Comprehensive Plan.

Permitted Uses in Each District

- Parcel 1: Restricted to 74 townhomes and all associated improvements including landscaping, parking, and circulation elements. Development would consist of the following, and sales prices would be market rate:

Residential Units Summary						
Name	Description	SF (NET)	# of DU	%	Private Open Space	Total POS
Plan 1	3bd+3.5 ba	1800 sf	27 du	36%	85 sf	2295 sf
Plan 2	3bd+Flex+2.5 ba	1798 sf	23 du	31%	87 sf	2001 sf
Plan 3	4bd+3.5ba	1972 sf	11 du	15%	104 sf	1144
Plan 3X	3bd+3.5ba	1828 sf	1 du	1%	104 sf	104
Plan 4	4bd+Office+3.5ba	1980 sf	12 du	16%	104 sf	1248 sf
Sub-total			74 du	100%		6792 sf

- Parcel 3: Restricted to R&D use and up to 2,600 square feet of retail use, and all associated improvements including landscaping, a 2-story parking garage, and circulation elements
- Parcel 4: Restricted to office use
- Parcel 5: Restricted to R&D use

Development Plan

Please see the enclosed plan set submitted for the Project's Major Architectural Review as well as its Planned Community Rezoning, which satisfies the requirements for a Development Plan contained in Palo Alto Zoning Code Section 18.38.090.

Development Schedule

With regard to Parcels 4 and 5, the Project does not propose any development, and the sole change at this time is associated with the uses permitted within the existing structures. The uses noted above would be permitted as of the effective date of the Project's Development Agreement, subject to all applicable provisions of the Development Agreement.

With regard to Parcels 1 and 3, development will occur as described in the Phasing Plan contained in the Project's Development Agreement. The first phase (beginning with the submission of applications for permits) will commence within 90 days of the Development Agreement's effective date, with remaining phases progressing as specified in the Phasing Plan. The townhomes will be constructed at the time dictated by the market, and subject to further applicable provisions of the Development Agreement regarding the length of its term and the City's remedies in the event of non-construction. Please see the Development Agreement for further details.

Attachment P

Project Plans

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

Environmental Document

An Environmental Impact Report has been prepared for the 200 Portage Avenue Townhome Project in accordance with the authority and criteria of the California Environmental Quality Act. The 3200 Park Boulevard Development Agreement was evaluated as Alternative 3 in the EIR. This document was made available for a 60-day circulation period beginning September 16, 2022 and ending on November 15, 2022. A Revised Final EIR was made available on June 2, 2023.

Directions to review Project plans and environmental documents online:

1. Go to: bit.ly/PAPendingprojects
2. Scroll down to find “200 Portage Avenue” or “3200 Park Boulevard” and click the address link
3. On these webpages you will find a link to the project plans for the 200 Portage Avenue Townhome Project and the 3200 Park Boulevard Development Agreement Alternative accordingly. As well as other important information

Direct Link to 200 Portage Avenue Townhome Project Webpage:

<https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/200-Portage-Avenue>

Direct link to the 3200 Park Boulevard Development Agreement Alternative Webpage:

<https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/3200-Park-Boulevard>

If you need assistance reviewing the above documents, please contact the Project Planner or call the Planner-on-Duty at 650-617-3117 or email planner@cityofpaloalto.org