



PLANNING & TRANSPORTATION COMMISSION MINUTES

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*Wednesday, September 13, 2006
Council Chambers
Civic Center, 1st Floor
250 Hamilton Avenue
Palo Alto, California 94301*

ROLL CALL: 5:35 PM

Commissioners:

*Karen Holman, Chair
Lee I. Lippert, Vice-Chair
Patrick Burt
Paula Sandas
Arthur Keller
Daniel Garber
Samir Tuma*

Staff:

*Steven Emslie, Planning Director
Donald Larkin, Senior Deputy City Attorney
Curtis Williams, Chief Plan./Transp. Official
Amy French, Current Planning Manager
Steven Turner, Senior Planner
Julie Caporgno, Advance Planning Manager
Chris Riordan, Senior Planner
Zariah Betten, Executive Secretary*

AGENDIZED ITEMS:

SPECIAL MEETING AT 5:30 PM

1. Zoning Ordinance Update - Commercial zones, Mixed Use requirements and Performance Standards for commercial, industrial and multifamily zones.

REGULAR MEETING AT 7:00 PM

2. 705 & 711 Cowper Street
3. 1525 Arastradero Road

SPECIAL MEETING AT 5:30 PM

Chair Holman: I'd like to convene this special meeting of the Planning and Transportation Commission. Would the secretary please call roll? Thank you. Would Staff provide a presentation and any updates from our last weeks' study session? This is continued from our meeting of August 23, 2006.

UNFINISHED BUSINESS.

Study Session

1 **1. Zoning Ordinance Update** - Study Session to discuss Commercial zones, Mixed Use
2 requirements and Performance Standards for commercial, industrial and multifamily
3 zones.
4

5 Mr. Curtis Williams, Chief Planning and Transportation Official: August 30, actually. Yes, I
6 would like to make a brief presentation just to bring you up to speed on a few items. What we
7 have provided for you tonight in your brief Staff Report are answers to a number of the questions
8 that were raised last time. It is not exhaustive. We know there were some other questions
9 probably that weren't covered here so if you have additional questions we would be glad to
10 respond or clarify any of these answers. Also, you have received some email in the last couple
11 of days from some residents and businesses that have some concerns about the performance
12 standards. One of the suggestions was that we put off a discussion of performance standards or
13 separate it out from the rest of this package. Staff would like to recommend that we do that. Our
14 feeling is that there are some issues there with a couple of those areas in particular that would be
15 better served by having some more discussions with some of the groups. We are concerned as
16 we told you before about getting these commercial districts before the City Council prior to the
17 November election because of the initiative that is on the ballot there. We would prefer not to
18 cloud that with trying to deal with the performance standards, which we understand are a
19 substantive issue too. So our suggestion is that we don't move forward and when we come back
20 to you with an ordinance on the 27 it will not include the performance standards. We will follow
21 that up as quickly as possible on those but it will be limited to the commercial districts
22 themselves, those two chapters, and the couple issues related to Fry's. That will be the whole of
23 the package that we come back to you on.
24

25 What we have done tonight and I should also mention that you see a familiar, to most of you,
26 face here next to me tonight, Rick Williams. He hasn't been able to join us the last couple of
27 meetings. He is our architectural design consultant for our new Commissioner, the rest of you I
28 think have seen Rick at previous presentations on PTOD and mixed use and multi-family
29 criteria. So Rick has joined us so he can help answer if you have questions about some of the
30 design concepts also in terms of some of the retail mixes and those kinds of things that he
31 understands very well and can help elucidate.
32

33 We have tried to identify at the end of the Staff Report five particular issues that we would like
34 to get some input on from you before we go ahead and finalize an ordinance to bring to you on
35 the 27th. I am sure you have some other ones too. Very quickly those issues include: should we
36 require a Conditional Use Permit (CUP) for office uses in the CN and CS zones? There was
37 some discussion at the Council level about while we are limiting residential use in the
38 commercial zones should we also try to be sure that that doesn't just then turn into office use.
39 Staff in considering this further believes that we have enough restrictions in place currently on
40 office use that we don't need to do that however the other option is to require a conditional use
41 permit to at least provide some additional discretion if office use is proposed. Secondly, a couple
42 of you last meeting mentioned the auto dealer overlay and whether it might be appropriate to
43 entirely prohibit residential on sites that had the AD Overlay I think with the intent that they
44 would then more likely perhaps remain as auto dealer uses. I don't know that that is necessarily
45 the case but we want to get your input as to whether you would like us to go that way. Thirdly, I
46 think we indicated that we do intend to at a minimum provide for increased floor area ratios for

1 hotels as some incentive to locate hotels in these zones. There has also been some discussion
2 about the benefits of having either a portion of hotels that is available for condominium use,
3 timeshares or otherwise, or for perhaps office use or having office on the same property as an
4 incentive that helps sort of economically make the hotel use more viable. So we are interested in
5 whether you would like us to pursue that or not, probably with some kind of limitation that that
6 not be more than 20 percent or 25 percent of the floor area or the number of rooms or whatever is
7 appropriate. Fourth, there was also some suggestion about average unit sizes. We haven't
8 suggested that because our feeling is that sometimes the residential helps support the retail that
9 we are looking for and we would like to allow the flexibility for the applicant to propose the unit
10 sizes they think help them get there. We do want to hear if you think that it is more appropriate
11 to look at the average unit size and/or perhaps look at it in terms of if someone is requesting a
12 parking adjustment like a reduction in number of spaces because it is a mixed use development,
13 and this is somewhat similar to what we did with the PTOD. We had some limitations in there
14 that under certain circumstances where parking reductions were to be requested that an average
15 unit size of 1,250 square feet would be required. The theory being that the smaller units would
16 be less likely to have more cars. So to the extent that we at least have some limitation there we
17 can make that justification for an average unit size. Then the last one is should mixed use be
18 allowed in the CC zone? The Community Commercial (CC) zone includes Stanford Shopping
19 Center and Town & Country. Those are our two community commercial shopping centers. We
20 would like to get some input from you while we are suggesting mixed use for the other
21 commercial zones is there something inherent about the retail benefits and focus of those areas
22 that we should preclude residential in those particular zones. I would mention again that
23 Commissioner Tuma I think has to sit that one and that question out. So when we get to
24 discussing the CC zone and that issue in particular I think he will have to recuse himself from
25 that discussion. So I just wanted to lay those out. Those are some of our thoughts and some
26 issues where we are not sure where we are going right now.

27
28 Another one, and it is one of the reasons why I am glad Rick is here tonight is we talked a little
29 bit about how much retail, sort of a minimum retail component to require of a mixed use project.
30 We had suggested I think at least 15 percent of the project floor area be devoted to retail in order
31 to call it mixed use. I think there were some questions about whether maybe that should be a
32 FAR number as opposed to a percentage of the project size or if there was some other kind of
33 justification for that. I think Rick can probably help speak to that issue as well. So we would
34 like to let you have an opportunity to again either ask for clarifications on the responses that we
35 have made, ask additional questions, make additional comments, and hopefully be able to focus
36 some of your attention on this handful of questions that we have provided for you. We will be
37 back on the 27th with a draft ordinance for your review and public hearing. We'd be glad to
38 answer any questions.

39
40 Chair Holman: Thank you. With the Commission's agreement I would propose that we follow
41 along with Staff's recommendation of pulling out the performance standards and address those at
42 a different time. In conjunction with that this Commission has always chosen to hear the public
43 first in study sessions because we do benefit from that input. On this particular occasion with
44 both appreciation and apologies again with the Commission's agreement I think we would ask
45 anyone who is here to speak to the performance standards to speak at the end so we could get
46 through the rest of the items. Then anybody who is here to speak to nonperformance standards

1 issues could put their cards in now and come forward to speak if that is agreeable with the rest of
2 the Commission. Seeing no objections I guess we will go that way. So if there are cards that
3 people want to turn in for nonperformance standards matters you could turn your cards in now
4 and we will take your comments. At this point we have none so we will go to questions from the
5 Commissioners. Who would like to go first? Commissioner Tuma.

6
7 Commissioner Tuma: I have a question of Rick and it has to do with the 15 percent figure. How
8 as that derived? What is the thinking behind that being an adequate number? Is it high enough?
9 Is it too high? What was the thinking behind 15 percent?

10
11 Mr. Rick Williams, Consultant: When we first began looking at the mixed use district what we
12 did was look at a variety of different project all throughout the South Bay. We evaluated them
13 for their density, their mix of unit sizes, the floor area ratio, and we also looked at what was kind
14 of the general proportion of retail to residential that was most typical. We have also had
15 experience with other cities that have had a very high proportion of retail to residential. For
16 example, for many, many, many years the City of Fremont had a 51 percent requirement for
17 commercial with a mix of residential and they were wondering why they never received any
18 mixed use development proposals. As soon as they asked we said well nobody does that
19 proportion. The retail is really a smaller proportion of an overall mixed use project such as that.
20 If you think about it in a three or four story building, even a two-story building, you are going to
21 be limiting the retail to the ground floor because that is where it is going to be successful. You
22 are also going to generally have parking associated with it somewhat on the ground floor and that
23 parking is going to be for both the residential and the retail commercial uses. We did study a
24 couple of particular sites. We took some example prototype sites and looked at the regulations
25 as we have developed them here. We looked at surface parking. There is an example from the
26 sections from the last Staff Report on page nine of the context-based design. Those four sections
27 are illustrated but we also have them in three-dimension here in the PowerPoint. What we did is
28 looked at the regulations and formulated building prototypes that are mixed use that fit the
29 regulations in various ways. We looked at it as a surface parking, as a podium above grade
30 parking, as a partially submerged parking with retail in front, and then a completely submerged
31 parking with the retail on the ground floor and open space or development behind. What we
32 found was that because the parking takes a certain proportion of the site to develop and the rest
33 of it you basically use as retail or site access that 15 percent was kind of the threshold minimum
34 that we were always able to achieve. Although you may want to encourage sub-grade parking
35 you get a little bit more retail with sub-grade parking but I don't know that you would want to
36 restrict all development that is mixed use to having sub-grade parking. Thus, if you say double
37 that and make it 30 percent my anticipation would be that you wouldn't see anywhere near the
38 complete build-out on the site because you couldn't achieve the kind of proportion of parking
39 and residential and retail uses that would maximize the overall floor area ratio. With the goal of
40 wanting to be able to develop a reasonable building development envelope that is what you end
41 up seeing. For example here what you see in the first image is a surface parking with the retail
42 and it has both the residential and the retail parking on the surface with some being covered.
43 That has approximately 15 percent retail. The next one. There we have tuck-under parking
44 under the building, we have slightly more retail and we still have some surface parking with
45 some covered parking. We have used the height of the retail as a tall retail space to slip in some
46 additional parking to again maximize. You get a little bit more parking thus you can get a little

1 bit more retail. Then if you go to the next one you are at a podium that is totally above grade.
2 That relationship although we have to set it back because of the rear setbacks allows you to have
3 the open space near the residential and then you have about 15 percent retail and you can park
4 that in the podium as long as you have a two level parking associated with the development and a
5 little bit taller podium. Then the second to last one includes a partially sub-grade parking which
6 would be a typical way of doing it getting halfway down and it has a good relationship to the
7 backyards of the adjacent residents however the retail is really limited by where that podium is.
8 On the last one where you actually get to maximize the retail, you maximize the parking, you
9 have the sub-grade parking there and you could actually include additional parking if you went a
10 little bit deeper and did parking lifts you could get a little bit more retail but then you would be
11 taking off some proportion of residential. Although, retail is a positive use and you want to have
12 good retail depths and each of these has appropriate retail depths the real trick is the residential is
13 still basically supporting and subsidizing the retail in a mixed use development. So we looked at
14 this really closely because our original concept and idea was to have 25 to 30 percent retail. I
15 said before we do that number I wanted to make sure that I could test it on a couple of different
16 sites. This is a pretty typical site along El Camino. It is about 12,000 square feet. If we did a
17 greater amount you would either force all the parking to always be underground which would
18 limit your ability to do that on smaller sites so it would only occur on large sites. Then you
19 wouldn't get the redevelopment and activity on the smaller scale sites that are the predominant
20 size and scale along say the El Camino.

21

22 Commissioner Tuma: Okay, thanks.

23

24 Chair Holman: Commissioner Burt with a follow up.

25

26 Commissioner Burt: Yes. So Rick, I understand how that applies to El Camino and sites where
27 they have to park onsite but we have in our Downtown District and California Avenue we have
28 offsite parking. As I understand this we basically have a proposal where we would have an
29 assumption that the parking is onsite and a commercial minimum amount that would be less than
30 what we currently have in those same two main shopping districts given that we have the ground
31 floor retail requirements. So could Staff, any of you, comment on whether what you are talking
32 about isn't more referring to those commercial districts do not have common parking.

33

34 Mr. C. Williams: First of all that is a very good point. I think it sounds like there probably is a
35 good reason for us to distinguish between parking assessment districts where you can park
36 entirely offsite. The problem with those from a mixed use standpoint, that is fine from a
37 commercial standpoint, but from a mixed use standpoint you cannot park the residential offsite.
38 There is no provision for that. We have talked about whether there should be but at this point
39 there is no provision for that in the parking assessment districts. So you still have to park the
40 residential portion onsite but obviously if you only have two or three units that is considerably
41 less than trying to park a commercial use offsite. Rick, I don't know how that plays out in terms
42 of percentages or numbers or that. Remember we are not limiting – if it is just a commercial
43 development we are not limiting it to 15 percent or whatever. This is for mixed use.

44

45 Mr. R. Williams: I would just like to make the point that we are not actually limiting it to 15
46 percent. We are saying the minimum amount you have to have is 15 percent. You can have

1 more than that if you can figure out a way of parking everything. If you decide that you want to
2 do more retail by doing everything sub-grade, if you wanted to do two levels sub-grade, which
3 might not be financially feasible but we are not prohibiting you from doing that. That would
4 allow you to do proportionately more retail development if you so desire.

5
6 Commissioner Burt: Well, as I think about it we are not doing away with the ground floor retail,
7 right? So from a practical standpoint in those areas that are already covered by ground floor
8 retail which is most of these districts not just Downtown and California Avenue they would be
9 forced to be well above the 15 percent given the FAR that is there. So now I guess my question
10 is what is the practical impact of saying that there is a minimum 15 percent? In what
11 circumstance would they not have to be well above 15 percent given our ground floor retail
12 requirement?

13
14 Mr. C. Williams: In the parking assessment areas in particular? Well, in either area let's say in
15 the parking assessment district I think probably the only instances are where you were doing a
16 mixed use and you were trying to park at the ground level some of the residential so that part of
17 your site was being taken by parking, part of that ground level was taken by parking behind the
18 retail use. In the CN and CS I think that is generally the issue that the parking for the retail as
19 well as for the residential is more often than not on the ground level. So we want to be sure there
20 is some level of retail that is in that component and it is not just a little 500 square foot corner
21 there and then you call it mixed use and put up your residential and it really is a residential
22 project.

23
24 Commissioner Burt: Okay, I think I get that. Now I am trying to take what you just said and
25 envision a practical impact of it. Where we have a mixed use with residential which doesn't
26 allow offsite parking for the residential then the practical impact might be that we would have
27 less commercial on those mixed use sites than we currently would have under our existing
28 zoning because they could replace ground floor retail with parking. Whereas right now the
29 economics would probably be that they are going to not build a multi-story building on a fraction
30 of the lot, they will build a lower profile building on a greater coverage of the lot. So I am just
31 trying to make sure we are thinking through the consequences of these different scenarios
32 because we basically have this overlay of the ground floor retail and then we are having one
33 outcome when you have a ground floor retail and a mixed use that is commercial and office and
34 a different potential outcome in what a builder would do, how it would pencil out and what the
35 design would be, if we have a mixed use of retail and residential. So I am not sure that you have
36 ready answers for this. But this sounds like the sort of thing where Rick might go back and
37 pencil out some of these potential scenarios so we make sure that we don't go into one of these
38 unintended consequences that seemed right but when we mix the two and what we get built five
39 years from now is not what we intended.

40
41 Mr. R. Williams: The interesting mix is in those areas where you have a parking assessment
42 district you have the ability to park the office offsite as well. So the reality is probably, and this
43 is probably unique to Palo Alto and one or two other communities in the South Bay where office
44 might actually be a higher and better use in a way from the development standpoint than
45 residential. There aren't very many communities like that where you would actually get a plate
46 of retail because you can do that on the ground floor and are required to have retail on the ground

1 floor and then you could put the office above and you could park it all offsite. Then you get the
2 maximized footprint. The challenge is trying to introduce residential. In the Downtown area
3 once a site is large enough that you can feasibly do a sub-grade parking I would believe that you
4 are going to generally find that sub-grade parking will still pencil out and then you will still get a
5 larger floor plate because you still be able to park the commercial offsite. Then it could be a
6 purely residential parking sub-grade. That would be the prototype that maximizes both the retail
7 ground floor, which in the Downtown really pencils out as well because it is a much higher and
8 better use in the Downtown area. So you would find that successful and something that would
9 be positive for the development community. Then you again get your maximized residential
10 above that which you wouldn't be doing if you were doing the parking above grade. So I think
11 that what you are going to find is that the development community clearly understands which
12 uses are going to be best. What you are really allowing with a smaller footprint of retail is that
13 on difficult sites that are small and have limited access where you can't achieve a sub-grade
14 parking then you still the ability to do a development there. Otherwise it would have to be a
15 single floor commercial or a single floor retail or a mixed use retail and office use. So this 15
16 percent is really addressing smaller more difficult parcels to develop which gives you the
17 opportunity to see some change and turnover in those types of sites. Large sites are not going to
18 have the same difficulty.

19

20 Chair Holman: Commissioner Lippert, you have a follow up to this as well?

21

22 Vice-Chair Lippert: Yes. That is where I was trying to go at the last hearing when I was asking
23 about vacating the residential component in the CC(2) district. If we actually took that out and
24 then we used the PTOD if you wanted to have residential and make it a mixed use building then
25 what you have the is the balance of being able to eliminate a component of that parking in order
26 to be able to accommodate both the commercial and the residential. So even though it represents
27 a down zoning in terms of perhaps some of the FAR or the density in fact it relieves you of some
28 of the parking. So that is the tradeoff that we would be making for that is that not true?

29

30 Mr. C. Williams: It relieves you of the parking you mean because it is in the PTOD?

31

32 Vice-Chair Lippert: Correct.

33

34 Mr. C. Williams: You can make that request. We didn't change the parking – there is a
35 provision to allow reductions in parking near transit whether you are in the PTOD or not frankly.
36 So what we did is place some additional restrictions, which we would anticipate whether you are
37 in PTOD or not as far TDM measures and some other things to achieve the goals to justify
38 reductions in the parking. There isn't really a code automatic reduction that goes with PTOD
39 that you can't get under the CC(2) or in University Avenue if you are close to the train station. I
40 still have the fundamental concern about the extent to which we tinker with the CC(2) and that
41 becoming a really major issue here with a lot of property owners that are concerned with how we
42 are doing that. I did mention to the Chair yesterday that right now the CC(2) has a 2.0 maximum
43 FAR for nonresidential and then it also says it has a 2.0 FAR for mixed use but that can go to 3.0
44 if more than 60 percent of the project floor area is residential. I ran the numbers and it is
45 impossible to get more than 2.0 because you can't have more than 1.0 as residential in the first
46 place. So if that is two-thirds of your project then you are never going to get to 2.0. So I think

1 one change we could make in the CC(2) pretty safely is doing away with that 3.0 number and
2 just having the 2.0 cap. That is a different issue than what you are talking about but I wanted to
3 bring that up because I forgot to mention that in my presentation.

4
5 I understand what you are saying about the reduced parking but there really isn't. That is not a
6 significant difference between PTOD and being in the CC(2) as long as you are close to the train
7 station which California Avenue is.

8
9 Vice-Chair Lippert: All of the CC(2) district is near California Avenue transit.

10
11 Mr. C. Williams: They all can today, I mean before the PTOD was in effect, come in and
12 request a 20 percent reduction in parking because they are near transit. We are going to be I
13 think scrutinizing that a lot more now and suggesting PTOD instead. PTOD doesn't grant them
14 any more than the 20 percent reduction they could request a month ago. So it just sort of
15 emphasizes it more in the ordinance. As far as mixed use goes the 2.0 is still a greater FAR than
16 you can get under the PTOD for mixed use, which is 1.25.

17
18 Vice-Chair Lippert: Right. I have another question.

19
20 Chair Holman: I have one follow up to this topic which is Rick mentioned that the 15 percent is
21 more or less tailored to the smaller, more difficult properties if I understood correctly. I have
22 concern along with the other comments that have been mentioned about the larger projects where
23 there might be an aggregation of properties or parcels and that sort of thing. Even on a 10,000
24 square foot lot if it is all underground parking and you get 30,000 feet of development that is
25 only 4,500 square feet of retail. So it seems light. It might be attractive to the development
26 community but I think what our job is is to balance what is going to get us what we want in a
27 practical reality sense but also recognize that there are things the community wants that may not
28 be what the goals are of the developer. In an altruistic sense they would be after what is good for
29 the community but they are also to make a profit and that is their job, not be blamed for that but
30 if the development community always produced what the community's best interests were we
31 wouldn't have need for such things as ground floor protections and that sort of thing. So I guess
32 I have concerns about just having a blanket 15 percent as well and most especially like in the
33 comments of previous Commissioners and also on larger projects and parcels. Commissioner
34 Tuma.

35
36 Commissioner Tuma: Obviously we have a lot of other ground to cover so I don't want to spend
37 all the time on this issue but maybe just following up on that I don't know if it makes sense to
38 look at could we have different percentages depending on the size of the parcel or the size of the
39 overall project? Could you look at having 15 percent to accommodate the issues that Rick was
40 talking but come back with a different number that address some of the concern that Council in
41 particular has raised recently about encouraging retail and possibly bifurcating?

42
43 Chair Holman: I also see that we could actually lose retail square footage under this scenario
44 too. Commissioner Lippert.

1 Vice-Chair Lippert: Going back to the table of standards here, the regulations, I mentioned at the
2 last hearing and I am not sure if I completed the thought or not but the idea was that you have
3 different residential densities for the different zones there. The CN and CS districts they are very
4 close, one is a .9:1 and the other is a 1:1 cumulative maximum FAR. Could we not actually look
5 at perhaps that the total FAR would be a factor of the density thereby encouraging people or
6 developers to go with the higher density that would get the 1:1 FAR and if they went for the
7 lower density, the RM-15 density, then they would get the .9:1? So it would be basically
8 discounted.
9

10 Mr. C. Williams: I think that was one of the items that we responded to in here and at the
11 meeting last time. Given what we are focused on with that differentiation is the fact that it is El
12 Camino and we believe that there shouldn't really be a distinction along El Camino between the
13 CN and CS mixed use. They are very close as you said already. It just doesn't seem worth the
14 complication of throwing the density in there to get a .1 increase in FAR. I will let Rick respond
15 as to whether he thinks that is really an economic incentive for more units or not. If we were
16 talking about going from a 1.0 to a 2.0 with a density difference I would tend to agree with you
17 that that is a significant difference and that that should probably be one of the criteria but to go
18 from .9 to 1.0 just isn't – we are really just trying to make this more consistent, clean up and be
19 more consistent.
20

21 Vice-Chair Lippert: Then why don't we just make it consistent and just it is 1:1 for both of those
22 zones and pick the same density for both of those zones? The difference between the CN and the
23 CS is that they are right next to each other and they mix and move around.
24

25 Mr. C. Williams: I think we suggested that at one point and there was quite a bit of community
26 opposition to the density part of it. I don't think there is so much opposition to the .9:1 and
27 maybe the five feet of additional height but going from 15 units per acre to 30 units per acre was
28 seen as a pretty significant change. So we backed away from that. You are right that one point
29 was on the table as a discussion item.
30

31 Vice-Chair Lippert: Well, another thought that I had is another way that we could just slice it up
32 and make work maybe a little more consistently is that when a developer goes and builds the
33 maximum nonresidential FAR perhaps then they should be entitled to the full 1:1 meaning that
34 they get 60 percent residential. If they go with something that is lesser than that in the
35 commercial zone then that residential portion is discounted and they don't get as much
36 residential density. Thereby trying to increase the commercial component and increase the
37 residential component as well but you don't get a significantly larger building.
38

39 Mr. C. Williams: Right. The only way you could get to 1.0 is you would have to build the
40 maximum nonresidential but what I think you are saying is if you only build .2 of nonresidential
41 then you are not going to get your full .6 of residential you will get .4 or .3 or something like
42 that.
43

44 Vice-Chair Lippert: Correct. If you want let's say 20 percent nonresidential you would not get
45 your full 60 percent residential above that.
46

1 Chair Holman: I think what I am going to do because we have a lot of ground to cover and time
2 is fleeting is we are going to go up and down the row and we are going to take the key issue
3 questions one at a time and ask for Commissioners comments and responses on these. I am
4 going to start....

5
6 Mr. Don Larkin, Senior Deputy City Attorney: If I could just suggest that with the way you are
7 going to do it you do one through four and then Commissioner Tuma can leave and everybody
8 can down the row for five.

9
10 Chair Holman: Right, we are going to do one at a time so that will accommodate that, yes.
11 Okay, so question number one, should a CUP be required for office in the CN and CS zones?
12 Commissioner Burt.

13
14 Commissioner Burt: I will wait to hear other Commissioners' comments on it first.

15
16 Chair Holman: Commissioner Sandas you have been quiet so far.

17
18 Commissioner Sandas: I know. I like to hear what everybody else has to say. I have to say
19 should a CUP be required for office in the CN and CS zones is a little bit out of context for me
20 personally. If you could explain that a little bit more that would be very helpful.

21
22 Mr. C. Williams: I was thinking it probably would be useful to do that. We currently have and
23 back in 2001 there were a series of amendments to our zoning regulations in the commercial
24 districts that dealt with office uses in these zones that tried to better protect retail uses and
25 housing uses at that time. So it started out with Mid Town and Charleston Centers having some
26 of this language and then it expanded to all of our commercial zones. It essentially says that the
27 only time you can have ground floor office use in these zones is where there already was an
28 office in that location or it has been vacant, not the building but the site has been vacant and it
29 hasn't been built on so there a use to compare it to or housing which is a protected use, so it is
30 generally where those are done or where you can retain the retail portion of that. So if part of the
31 site is retail and you can put office in but still keep the retail component so there is flexibility
32 there. So we have that there so you can't go in right now on the ground floor in these districts
33 and take out retail and put in office on the ground floor. Now, above the ground floor yes, you
34 can generally in most of these zones on the second floor and above you can have office uses. So
35 the Council's concern was primarily losing retail space to housing and then being concerned at
36 well if we say yes for housing is it then going to become office instead when an office market is
37 hot again? So we already have a lot protections and retail is typically on the ground floor so we
38 are really looking at the ground floor from that perspective. So unless there is really a desire to
39 take away these protections that already exist and even say in those occasions where offices exist
40 that can't even be changed to office and has to become retail or if you want to limit the office
41 above the first floor which isn't really a retail issue and may, we think in fact, be detrimental
42 because it may be that having that second floor office makes the retail on the first floor more
43 viable then we already have those mechanisms in place to allow those kinds of things to happen.
44 So at first blush it seemed like well yes a use permit might be good to be able to further evaluate
45 each project in these areas. We didn't want to apply it to Downtown or California Avenue but
46 where you do have those kinds of mixes with office. Since then thinking about all the

1 restrictions we already have in place it didn't seem appropriate to us at this point to go the step of
2 the use permit which is kind of an option out there. Also I should say that we have dealing a lot
3 lately with doctors and dentists who are looking for space being moved out of Welch Road and it
4 is very difficult with these restrictions that we have right now to accommodate them on an El
5 Camino or in some of the business districts because they very frequently would prefer to be on a
6 ground floor especially if it is relatively small, one or two doctors or dentists, and we are having
7 a tough time finding space. So it has really brought home to us how much restriction there
8 already is on at least ground floor office.
9

10 Commissioner Sandas: You mentioned the appropriateness of requiring a CUP. I am just
11 wondering if there is a necessity. It doesn't sound like there is a real necessity.
12

13 Mr. C. Williams: We have come to the conclusion at this point that there isn't. We did discuss
14 this the last time with you and at that point we were more seriously considering it but since then I
15 think we have backed away from that and we prefer not to use the CUP process. The Council
16 didn't specifically direct that we do that necessarily so we think it is just a matter of explaining
17 what restrictions already exist.
18

19 Chair Holman: Commissioner Lippert.
20

21 Vice-Chair Lippert: My only concern would be that in the proposed Initiative 90 that if we don't
22 put it in it might be represented as a taking. If we enacted it later.
23

24 Mr. Larkin: If Prop 90 passed and at some point in the future the Commission wanted to go back
25 and add a CUP in later it is hard to tell at this point what Prop 90 would do to that. My guess is
26 that the proponents of Prop 90 would argue that it is a taking but it is hard to do that in a vacuum
27 without knowing how that is going to turn out and how the litigation that is inevitable assuming
28 the passage of Prop 90, and I am an optimist and hopeful that it won't but, it will be an open
29 question.
30

31 Vice-Chair Lippert: So that is my only concern is that we might get buyer's remorse.
32

33 Chair Holman: Commissioner Garber.
34

35 Commissioner Garber: I would take the Staff's recommendation not to include the CUP in those
36 districts for the reasons that have been stated. The outcome that we want is already I think well
37 managed by the instruments we have in place.
38

39 Chair Holman: Commissioner Tuma.
40

41 Commissioner Tuma: Ditto.
42

43 Chair Holman: Commissioner Burt.
44

45 Commissioner Burt: I think Curtis' explanation hit the issues I was struggling with about with
46 our current ground floor retail what was the purpose here? Lee and Don's comments on Prop 90

1 make me have to say I hadn't envisioned that it would potentially restrict us from even imposing
2 conditional uses it is just if Prop 90 passes maybe we won't need a Planning Commission.

3
4 Chair Holman: Okay. I will with a nod certainly to the issue that Commissioner Lippert brought
5 up I will support the Staff comments. It sort of goes hand in glove for me with what Staff comes
6 back with also on the percentages of retail and the mix of uses it goes hand in glove with that
7 too.

8
9 If we are ready then we will go to question number two, should residential use be prohibited
10 where an auto dealership or AD Overlay applies? We will start on this end, Commissioner
11 Tuma.

12
13 Commissioner Tuma: I actually had a question about this one. I am assuming that what you
14 mean by where an auto dealer, AD Overlay, applies means in that zone. Last time there was
15 some discussion about whether zones that abutted the auto dealer whether there should be some
16 limitation there. Are you talking about just in the AD zone?

17
18 Mr. C. Williams: What we are suggesting is that it would only apply, and I know that is out
19 there too as far as the abutting areas but, what we are suggesting is that just the site where the
20 auto dealership overlay and there are a half dozen or so sites in Palo Alto and such just on each
21 individual site it is not even the block or anything it is just on the individual sites where we have
22 some of these auto dealerships that we have these overlays. It would just be on that designated
23 site that we would think that there might be some merit in restricting or limiting mixed use or
24 prohibiting mixed use and any kind of residential on those sites. Do you have any thoughts on
25 that?

26
27 Mr. R. Williams: I think that maintaining the auto dealership overlay is probably an appropriate
28 strategy until something else occurs with those. I think that auto dealerships themselves are a
29 fairly high and good use. I think there are a lot of other issues around them that the City Council
30 and you are dealing with that is going to address all of those particular issues. So at this time I
31 wouldn't see any major changes.

32
33 Chair Holman: So your response is?

34
35 Commissioner Tuma: It is unclear to me why, I understand the philosophy here but it doesn't
36 seem necessary particularly given Rick's comments.

37
38 Mr. C. Williams: I wouldn't argue that it is necessary either. It came out of the Commission.
39 Commissioners brought it out. On the one hand I don't think we necessarily propose doing that
40 but it also is a limited enough scope that I don't think we object. On the one hand there is benefit
41 to allowing a property owner to have the flexibility to do other things. We tend to find that it is
42 not something like this that drives an auto dealership away it is other factors. So this is probably
43 not going to have any impact other than further restricting what they can do with the site if they
44 do decide to leave.

45
46 Chair Holman: Commissioner Garber.

1
2 Commissioner Garber: No, I don't think that residential should be prohibited out in these
3 overlay sites. Although I doubt highly that an auto dealership would be interested in a mixed use
4 of residential and their use interestingly enough in other countries that is not all that unusual. In
5 fact you can find grocery stores with auto dealerships and rental units and hotels and other such
6 things that have mashed all those things together. So not that we are there yet but I wouldn't
7 give away those potential strategies to us somewhere down the road.

8
9 Chair Holman: Commissioner Lippert.

10
11 Vice-Chair Lippert: I agree with Commissioner Garber's comments and I just want to add to
12 that. The handwriting is on the wall, I think auto dealers are going to become more and more
13 rare with internet sales and the whole auto industry is in the process of actually changing itself
14 and recasting the way they go about selling automobiles. They are even going to their own
15 model, which would be a showroom with no vehicles there and no servicing. So my feeling is
16 that once these sort of evaporate we are going to be left with these parcels where the overlay
17 zoning will be vacated anyway. So I would just say leave it alone.

18
19 Chair Holman: Commissioner Sandas.

20
21 Commissioner Sandas: I concur. I think that residential use should not be prohibited either in
22 the auto dealer overlay.

23
24 Chair Holman: Commissioner Burt.

25
26 Commissioner Burt: I am inclined to prohibit its use. Part of what I am struggling with is that
27 we have dealerships in a variety of different sorts of locations in the City and some residential is
28 probably not a good even potential use and others maybe it would be and maybe it wouldn't. So
29 I am hearing an aside that the dealerships that are in the LM zones are already restricted for
30 residential anyway, right?

31
32 Mr. C. Williams: They require use permits. They don't prohibit. The GM zone prohibits
33 residential. The LM zones allow residential and mixed use with a conditional use permit

34
35 Commissioner Burt: Then let me ask, what about the other option of rather than prohibition
36 what about a CUP for residential for auto overlays? Is that more appropriate?

37
38 Mr. C. Williams: That certainly is something we could do and that would provide that discretion
39 to look at the individual circumstance.

40
41 Commissioner Burt: I would be interested in other Commissioners' thoughts on a CUP.

42
43 Chair Holman: Commissioner Garber.

44
45 Commissioner Garber: I wasn't going to speak to the CUP I will consider that but I did want to,
46 not to steal Commissioner Lippert's thunder but I want to stretch your imagination for a moment.

1 The use of an auto dealership for instance beside the Baylands seems an incompatible use,
2 however, imagine for a moment that the auto dealership is selling electric cars and they created
3 not only their showroom but a nature center and it was created out of rammed earth and had a
4 green roof and was submerged some way. Suddenly it may not seem so incompatible and might
5 be a way to bring a real usefulness and functions to the City. So again I think it depends on how
6 you do it.

7
8 Chair Holman: Actually I would be inclined to prohibit housing in the AD Overlays and at a
9 minimum have a CUP. The reason being that if the person or entity who owned the property was
10 also the owner of the dealership that might be one potential outcome but if the dealership is on
11 leased land it could lead to a totally different outcome if housing is an allowed use. The other
12 question that comes to mind, I think I know the answer to this but I am not going to brave it, is
13 are auto dealerships an allowed use in mixed use? I think they are not but maybe we want to
14 consider that if they have certain criteria. You don't have to answer that now.

15
16 Mr. C. Williams: They are allowed if they are allowed in the zone.

17
18 Chair Holman: Okay, great. Okay, onto question three, if it seem I am kind of pushing this it is
19 because I am. Should a percentage of floor area ratio for hotels be allowed for condominium or
20 office use? I am going to start with Commissioner Garber, please.

21
22 Commissioner Garber: I am in general for strategies that make hoteling more attractive to a
23 community. Again, I can imagine circumstances where both office and/or condominium
24 although I hadn't really considered it until the last two weeks here, but I can imagine where that
25 is allowed. I would think that it would be a relatively small percentage of what is allowed
26 because I think the primary interest there is getting hoteling and the benefit that it brings to the
27 city there.

28
29 Chair Holman: Commissioner Lippert.

30
31 Vice-Chair Lippert: I have a slightly different take on this. One is when it comes to the hotel are
32 you talking about the office space perhaps that is in a hotel where the management is or are you
33 talking about....?

34
35 Mr. C. Williams: We are talking about a separate entity. Obviously you have some office
36 component that is administering the hotel activities but what we are looking at is from an office
37 standpoint either part of the hotel building or perhaps if it is a large enough site having a portion
38 of the site that is office and a portion that is hotel as long as say three-quarters of the footage on a
39 site is hotel, again, as a potential to help make the hotel more viable. What we are seeing and
40 Rick and I were just talking about that there has been a lot of literature lately not so much on the
41 office side but on the condo-tel concept where a number of the units in these hotels are being
42 sold as condominiums and it allows some cash flow that the hotel can use to justify getting into it
43 before it is fully up and running and turns a profit as a hotel.

44
45 Vice-Chair Lippert: That is where I was going to go with this and there are two points here that I
46 think are important. Number one from the office point of view the potential there is that a hotel

1 might have a guest, somebody who came in for a period of time, had a hotel room and then they
2 might have an executive type rental office that works in tandem with that. I think that might be a
3 very likely way that the future of business might be going. Then the other aspect to it has to do
4 with the condo idea. Recently we went to a foreign country and we went to check into our hotel
5 and lo and behold well, they didn't have our room reservation but they said don't worry, we have
6 an agreement with condominium owners locally and when we have overflow we just put you in
7 one of their units. So we got to stay in a perfectly lovely one-bedroom apartment instead of a
8 crummy little hotel room. So I think the potential there is that it allows for that flexibility.

9
10 Chair Holman: Commissioner Sandas. Commissioner Burt.

11
12 Commissioner Burt: I concur with what has been said by Curtis and others the in order to
13 incentivize development of hotels in today's market it is almost a necessity to have some
14 complimentary use whether it be condominiums or office. So given that I am in favor of a
15 variety of incentives to create greater hotel use because I just think from the standpoint of
16 revenue for the city and minimum trip generation for a quality of life impact on residents there is
17 nothing that is comparable to hotels.

18
19 So then the question for me becomes well, the way it was posed in question three is should a
20 percentage of FAR for hotels be allowed for condos or office use? Like in the PTOD we had a
21 higher allowable FAR for hotels. Should we allow a one for one offset that if the way I read this
22 question it is potentially a one for one offset that if we had a 2.0 allowed for hotels while we
23 might say okay then .5 FAR out of the 2.0 could go to office? So we are really saying a 1.5 FAR
24 if you have a mixed use of say hotel and office or hotel and residential condominium then 1.5 of
25 it would be for hotel and .5 for the other use. I am not sure we want to go to a one to one
26 exchange because we might be diminishing the incentive for the hotel but I am not certain of
27 that. It may be that we have to give that to incentivize the hotel. It may also be that what we
28 want to do is do a percentage offset so that they are allowed a certain amount of FAR to be
29 converted but not an FAR equal to what they would be allowed to build in a hotel.
30 Unfortunately that is something that I am not well enough versed on the economics of the hotel
31 market. I have spoken with some prospective hotel developers when we had the PTOD 2.0 FAR
32 for hotels and asked them if this was enough to potentially get someone to consider a hotel?
33 They said it is enough to cause someone to have a second look at it. It is hard to induce hotels to
34 be built because cities are competing for them now.

35
36 So I don't want to do something that goes so far that we would actually lose the incentive that we
37 have created. I think it might be advisable for us to get some input from some economic experts
38 who can really give us some sense of what it would take, whether it should be the one to one
39 offset or it should be some other formula.

40
41 Chair Holman: Commissioner Tuma.

42
43 Commissioner Tuma: I would very, very, very strongly encourage that a percentage be allowed
44 for condo and office use. I do think as somebody who has traveled extensively for business I
45 think, as Commissioner Lippert said, this is the way that they are going. The question is what
46 should the percentage be. Obviously with all the things we are talking about tonight are

1 balancing how much we want to incentivize. The question is how much but absolutely we
2 should have it as a component. I think it just reflects the reality and if we want to incentivize and
3 I think we do want to incentivize hotels we should.
4

5 Chair Holman: I would concur that a percentage of the hotels and I concur with Commissioner
6 Burt's comments about not a one for one. I am not exactly sure of the percentage but a
7 percentage of the hotel should be allowed for condominiums. It is not a new concept. It has
8 been allowed in and is a traditional use in other cities and has been for centuries. So I think that
9 is a practical aspect of that. Office use I guess I am not quite seeing that yet as the rooms and
10 other spaces in hotels are all wired. So I am not quite seeing that yet. So I will leave it at that
11 point.
12

13 Commissioner Burt.
14

15 Commissioner Burt: Just one other comment on the hotel subject that isn't exactly the question
16 that Staff had asked. In the general concept of what are the various incentives or even
17 disincentives we can put into cause long-term retention of the hotels we have or creation of new
18 hotels? Under the retention notion we have some hotels along El Camino that may be at FARs
19 below what they would be allowed to build. We have heard that even if they are not below the
20 FAR that some of these older hotels might get flipped to residential. So we should ask ourselves
21 I think what are the tools that we might put in place to encourage the outcomes that we are
22 seeking. One that comes to mind is the possible use of TDRs. If we have these motel-like hotels
23 that are fairly low FAR and the economic reality is that they are ripe to be flipped and we don't
24 want to lose them when an owner looks at what might be a viable business as a hotel but he can
25 make a lot more money if he sells his hotel and lets somebody else build a new housing
26 development there that is not the circumstance we want to create. So what about TDRs or some
27 other mechanism that would allow us to give an incentive to retain those hotels that we have?
28 We wouldn't if we have TDRs in the net we are not increasing the overall development of the
29 office space. We would just be allowing it to be developed on a different parcel at a greater
30 density instead of losing the existing hotel that we have. I don't know if we might have other
31 incentives but I would like us to take this one opportunity to try to put in place any that we can
32 before we lose any more of those. We have actually in a way on tonight's later agenda
33 something similar to that where we have a Cowper house that we are going to lose as a small
34 hotel. TDRs wouldn't necessarily change that outcome but I think we need to look at tools that
35 give the economic incentive to retain the use that we are seeking.
36

37 Chair Holman: Commissioner Lippert, and I ask Commissioners to keep your eyes on the clock
38 if you would, please.
39

40 Vice-Chair Lippert: I just want to follow up on Commissioner Burt's comment with regard to
41 the TDRs for hotels. I think it is a very interesting concept and idea but the current TDR
42 ordinance that we have actually is a limited amount of square footage. I think it is about 2,500
43 square feet. In a hotel that amounts to nothing it is such a small amount of area that I don't think
44 it is going to help.
45

1 Mr. C. Williams: I don't think Commissioner Burt is suggesting that it necessarily has to be
2 2,500 square feet. That is the existing one for certain circumstances that we have. It doesn't
3 mean that we couldn't have something different for hotels. We will look at that.

4
5 Chair Holman: Just quickly added on to that would be if we do this I am presuming that it will
6 be that the current hotel/motel owners would be informed of this change. You can come back
7 with a response to that. The other thing I forgot to mention with this is I would also suggest and
8 with this I might be willing to do a, I think maybe we should consider a one to one exchange if
9 the hotels would provide a couple of BMR units for staff. That would be great and also a trip
10 reduction incentive.

11
12 Question four if we could. Should an average unit size be required for mixed use developments
13 in certain circumstances such as when a mixed use parking adjustment is requested?

14 Commissioner Lippert.

15
16 Vice-Chair Lippert: You caught me by surprise here. I will wait and hear what the other
17 Commissioners have to say.

18
19 Chair Holman: Commissioner Sandas.

20
21 Commissioner Sandas: Once again Curtis if you wouldn't mind putting it in context that would
22 be helpful.

23
24 Mr. C. Williams: We have talked about averaging sizes a couple of times before in conjunction
25 with mixed use and we talked about it at one point with PTOD although the ordinance as a basic
26 criteria doesn't have that. The advantage of an average unit size is it allows flexibility to have
27 different sizes of units but it is still overall achieves a certain density that provides more housing.
28 It tends to provide for 1,250 square feet as an example is not tiny but compared to units that we
29 see in a lot of the condo and town home developments that are coming through it is definitely
30 smaller than those. So in this particular case do we want to sort of condition mixed use on
31 providing for somewhat higher density, some expectation that the parking requirements are
32 going to be appropriate and not that concern about if it is a 2,000 square foot unit we are
33 requiring two parking spaces and is that really enough kind of thing. So that is why we
34 suggested and the PTOD had some language in it that said that we could waive the landscape
35 reserve requirement and do some other things relative to parking if there was an average unit size
36 not to exceed 1,2500 square feet, a TDM program, there were three or four different criteria that
37 went along with that as conditions. So I guess our question here is should we do something
38 similar to that at least when there is a parking reduction request or do we just leave it alone? It
39 does start to complicate things. It does start to hem in an applicant as far as what their product is
40 and we did have some concern that if we have those kinds of restrictions then maybe they don't
41 do the mixed use and maybe the residential doesn't help support the retail.

42
43 Commissioner Sandas: So well it sounds like you are confused about it as well. It sounds like
44 rather than such as when a mixed use parking adjustment is requested it sounds like in particular
45 when a mixed use parking adjustment is requested. In that case my knee jerk reaction is that yes

1 I think an average unit size should be required particularly when a mixed use parking adjustment
2 is requested.

3
4 Chair Holman: Commissioner Burt.

5
6 Commissioner Burt: I will pass.

7
8 Chair Holman: Commissioner Tuma.

9
10 Commissioner Tuma: Again I don't know if there are other certain circumstances but I would
11 think when the parking adjustment is requested it does make sense. I don't know if you want us
12 to comment on any other particular circumstances or if that is the one.

13
14 Mr. C. Williams: That is really the only one that came to mind from our perspective.

15
16 Chair Holman: Commissioner Garber.

17
18 Commissioner Garber: I have gone back and forth on this issue. I guess I am leaning toward
19 having an average size. The question is how much. I think the intent here is to create density but
20 you don't want density at the exclusion of creating essentially non-marketable units that are
21 inappropriate for the marketplace. So I guess the short answer is yes, I think there should be an
22 average size.

23
24 Chair Holman: Commissioner Lippert.

25
26 Vice-Chair Lippert: Again this goes back to what I was talking about before about the FAR
27 really driving the density. So when you put more units in there you get more FAR. If you put
28 fewer units in there you get less FAR for residential. So there is an incentive there to build that
29 residential component to make it a truly mixed use building. There is one aspect though that I
30 am really concerned about which is SB 18.18.

31
32 Mr. Larkin: I think you are referring to SB 18.18 but I am not sure in what context.

33
34 Vice-Chair Lippert: It is the one that adds density for affordable housing on top of all of this.
35 That is the sort of fly in the ointment.

36
37 Mr. Larkin: Right. We already provide density bonuses for BMR housing so I don't know that
38 SB 18.18 would have an impact but our own density bonuses may impact that as well. That is
39 true.

40
41 Chair Holman: Commissioner Burt. Okay, then I would agree that there should be an average
42 unit size. It is not just about density it is also about at least relative affordability. I would add if
43 I could just as a suggestion that while answer five under commercial districts having to do with
44 replacement of units, I wasn't referring to only rental units. So Policy H-29 only addresses part
45 of that so I would suggest for purposes of conversation that if there are four units and somebody

1 is going to propose to replace it with two units I would suggest that they should replace it with
2 four units. Rick.

3
4 Mr. R. Williams: I was just thinking about this average unit size a little bit more. One of the
5 issues with your average unit size and your parking ratio and the floor area ratio is that if there is
6 an overall goal to maximize density the catch is that within your relatively low floor area ratio
7 you actually have a difficult time maximizing your density with units that are of any substantive
8 size. What governs is you don't get as many units at even small unit square footages before you
9 run up against the floor area ratio. Then the next thing is you run up against parking. So the idea
10 of being able to reduce the parking, which gives you a little bit more ability to push up the
11 number of units, is still going to throw you up against your floor area ratio limit. So this is
12 probably going on most sites within Palo Alto a one or two unit discussion. It is not we are
13 going to suddenly see 15 more units on different sites. The mathematics of it are so finely tuned
14 right now that it is usually a percentage of a unit or something like that that we are dealing with.
15 Because a 12,000 square foot lot is actually very small and a lot of the numbers that we used to
16 try to achieve the density goals and the parking balance we are talking about unit sizes that are
17 probably in the 1,000 square foot to 900 square foot to 800 square foot range. We are not talking
18 about 2,000 square foot units. That is to achieve these densities. When you are in a very small
19 parcel the problem is that you don't get much density for that small parcel size. So you are
20 basically filling up floor area ratio with residential area and that is something that bumping up
21 the densities has been trying to eliminate between the parking and that. So I think that linking
22 those together is a fairly safe way of looking at it and we just have to come up with the right
23 number. If we make the average unit size artificially high I think that will actually create more
24 of a problem and will begin lowering your density. Or if you say you have a maximum average
25 that might be that you could have an average unit size that is actually a little bit lower. For
26 example in Mountain View we used 1,200 square feet a lot and we would need to be a little bit
27 smaller I think to be able to even come close to your density counts.

28
29 Chair Holman: I think the City Attorney has a comment. We have one member of the public
30 who would like to speak and we have one more question yet to address before we finish this
31 study session. If we go just a little bit further.

32
33 Mr. Larkin: My recommendation would be there is about two minutes if you wanted to get to
34 question number five and then Oral Communications is the first item on the regular agenda so
35 that members of the public could speak immediately after seven o'clock.

36
37 Chair Holman: So we will do as best we can in addressing question number five. Commissioner
38 Tuma would you like to state your conflict?

39
40 Commissioner Tuma: Yes, my wife is employed by Stanford University so I will be excusing
41 myself from this discussion.

42
43 Chair Holman: Okay, so while Commissioner Tuma departs the room momentarily I am going
44 to ask Commissioner Burt to be the first to comment on should mixed use be allowed in the CC
45 zone, Stanford Shopping Center and Town & Country?

1 Commissioner Burt: I have both a question and a comment. Under this hotel issue that we had
2 talked about before I think what we need to do is look for a variety of incentives at a variety of
3 locations in the community in order to have long-term trend toward greater hotels. We are not
4 going to get a bunch of hotels built in a short period of time. These are two sites that may be
5 candidates for hotels. In order to incentivize that it would probably be necessary that the floor
6 area for the hotel not be counted against existing allowable FAR for either the Stanford Shopping
7 Center or Town & Country. I guess I also worry that if we could set up an incentive for a hotel
8 but if we allow another incentive or an allowance for mixed use for an even higher land use
9 value we may concurrently create a disincentive for them to use that surplus land for hotels
10 whether it be someday Town & Country considering the back end of their lot or Stanford
11 considering it on parking lots or whatever. So I have that concern and I wondered if Staff could
12 give any comments on both halves of that whether we should use it as a – hotels are in a funny
13 category. They are not retail per se but they really are a retail service.
14

15 Mr. C. Williams: Right and we allow them in CC zone and would provide for probably a higher
16 FAR for those than what we are proposing in other districts as well. I don't think we had thought
17 about excluding that FAR from the square footage but that is certainly something we could look
18 at and might make some sense there particularly for Stanford. Overall that is probably not that
19 big a percentage difference anyway but at Town & Country more so. I do think that doing the
20 mixed use, and that was one of the concerns with the mixed use, it could provide while it has
21 some benefits of creating a population to use the shopping area it is more so different hours that
22 at the same time it does provide some potential disincentive to do hotels or additional retail.
23 Stanford's retail is not a 15 foot high typical first floor retail type thing that you see. It is big
24 department stores and those kinds of things. So it seemed like it was a different case than the
25 other commercial districts and it might merit not allowing that mixed use potential there.
26

27 Commissioner Burt: And as you alluded to uses that might provide shopper populations for
28 Town & Country it is my understanding it is not a better shopping population than hotel users.
29 So there are models in a variety of places like Santana Row and places like that where hotels in
30 those shopping areas are becoming a trend as well and they compliment one another well. Not to
31 mention the shuttle and transit uses that are parts of the hotels.
32

33 Chair Holman: Commissioner Garber.
34

35 Commissioner Garber: I do think both of the areas, Stanford as well as Town & Country, should
36 be considered for mixed use with some of the caveats that Commissioner Burt has mentioned.
37 The opportunities to create mixed use I suspect in Town & Country are somewhat more limited
38 than they are at Stanford. It has any number of issues chief among them access to the roadways.
39 Also there are some adjacencies to other businesses, which aren't immediate, but they may
40 present certain issues there. Stanford I think represents the biggest opportunity for the City to
41 have a dramatic impact in terms of introducing mixed uses. I can recognize where you would
42 not want to dis-incentivize the opportunity for a hotel there by introducing residential, if I am
43 understanding your argument correctly, but I am not sure it would be necessarily a disincentive.
44 The opportunity on the Stanford Shopping Center is great because the relative impacts are
45 potentially low or significantly lower than anywhere else that you would be able to locate
46 something of similar sort of size and mass in the city. It also represents a certain opportunity for

1 some of the planning that has been done that is in the Comprehensive Plan to begin to anchor the
2 west end of University Avenue and to be able to have a population that is on the other side of El
3 Camino which presents another set of opportunities for Palo Alto to potentially pursue. So those
4 are some initial comments.

5
6 Mr. Larkin: I don't want to cut anybody off but two minutes were up a little while ago so the last
7 comments should be quick.

8
9 Chair Holman: Yes. Commissioner Lippert.

10
11 Vice-Chair Lippert: Unfortunately I see both those sites being really distinct and different and
12 they have different opportunities and potential. So I don't know how you go about taking those
13 and saying they are really distinct and maybe they should be looked at separately. So in order to
14 do that short, abbreviated, solution is I think in the CC zone maybe a conditional use permit for
15 mixed use.

16
17 Chair Holman: Commissioner Sandas.

18
19 Commissioner Sandas: Very quickly as well I think mixed use should be allowed in the CC zone
20 and I concur with Commissioner Lippert when he says that when we are talking about Stanford
21 Shopping Center and Town & Country Shopping Center we are talking about two pretty different
22 animals. I see in particular in the Town & Country Shopping Center a great opportunity for
23 mixed use for residential over retail particularly because it abuts the train, there is public
24 transportation up and down El Camino, and as I said the train. So I think there is tremendous
25 opportunity there. I am not versed at all in the hotel stuff I wouldn't want to suggest something
26 that would cut our nose to spite our fact but I do see potential at Town & Country in particular.

27
28 Chair Holman: My last comments are that I would agree that the situations and considerations at
29 Stanford Shopping Center versus Town & Country are quite disparate. Town & Country has
30 been and I have no reason to think isn't now is already mixed use with office over retail. So it
31 already is mixed use. My feeling would be basically that mixed use at Stanford Shopping Center
32 should be on a much more limited basis than at Town & Country given the comments of Curtis
33 who said that of course Stanford is a different kind of animal that you have three story retail
34 there and you don't want to discourage or dis-incentivize that. So I think they are different
35 beasts and should be considered thusly. So being very limited comments given our time and our
36 City Attorney's raising his eyebrows I will stop there.

37
38 So this will conclude our study session and this item will come back to us on Wednesday,
39 September 27, 2006. Members of the community can come speak to us at that time. We do have
40 one member of the public who came to speak to the study session so if Fred Balin would hang
41 with us until we adjourn our regular meeting then he can speak under Oral Communications.
42 The study session is adjourned.

43
44 **REGULAR MEETING AT 7:00 PM**

1 Chair Holman: We will convene the regular meeting of Wednesday, September 13, 2006. Will
2 the Secretary please call the roll? Thank you.

3
4 **ORAL COMMUNICATIONS.** Members of the public may speak to any item not on the agenda
5 with a limitation of three (3) minutes per speaker. Those who desire to speak must complete a
6 speaker request card available from the secretary of the Commission. The Planning and
7 Transportation Commission reserves the right to limit the oral communications period to 15
8 minutes.

9
10 Chair Holman: Oral Communications this evening is open to anyone who would like to speak to
11 any item that is not on our regular agenda. I have a card from one member of the public, Fred
12 Balin, who wants to speak to the study session that we just had regarding our commercial ZOU.
13 You will have five minutes.

14
15 Mr. Fred Balin, Palo Alto: Good evening Commissioners and Staff. I refer to two emails that I
16 submitted with regard to the performance standards that were in the last item. The first email
17 was in regard to continuing the discussion of the performance standards after the Commission's
18 work on the commercial and mixed use zones was completed and then addressing them as a
19 separate item, a recommendation also raised by two other residents. Staff's announcement at the
20 start of tonight's meeting does that. It makes practical sense with regard to the external time
21 constraints impacting a decision on the commercial zones and it is also the appropriate decision
22 given the complexity of the performance standards and the importance of the matter to quality of
23 life and public safety. This decision gives all members of the community more time to research
24 and carefully evaluate Staff's proposed modifications to the performance standards outlined in
25 tonight's Staff Report and that of the Commission's last meeting of August 30, 2006. It will lead
26 to a more informed discussion when this very important matter returns to the Commission as a
27 separate item.

28
29 The second email I submitted related to specific incidents in my experience that yielded concerns
30 with regard to the current performance standards. I will defer specific comments and
31 recommendations now that additional time has been allotted to prepare which I appreciate.
32 Thank you.

33
34 Chair Holman: Thank you. I have no other cards from members of the public to speak under
35 Oral Communications.

36
37 **AGENDA CHANGES, ADDITIONS AND DELETIONS.** The agenda may have additional
38 items added to it up until 72 hours prior to meeting time.

39
40 Chair Holman: Our first item tonight is 705 and 711 Cowper Street, a request by Steve Pierce on
41 behalf of John Woodworth to subdivide two formerly merged parcels at 705 and 711 Cowper
42 Street. The project consists of subdividing a single 16,507 square foot parcel back to the two
43 original parcels, one at 7,503 square feet and one at 9,004 square feet. Exceptions to lot design
44 would be required to allow a lot area of 7,500 square feet at 705 Cowper Street where 8,500
45 square feet would normally be the minimum lot area, and site widths of 50 feet for 705 Cowper
46 Street and 60 feet for 711 Cowper Street, where a 75-foot lot width would normally be required.

1 The Environmental Assessment: An Initial Study has been completed and a Negative
2 Declaration has been prepared in accordance with CEQA requirements. Does Staff have a
3 presentation?
4

5 **NEW BUSINESS**

6 **Public Hearings:**
7

8 **2. 705 & 711 Cowper Street [06PLN-00102]*:** Request by Steve Pierce on behalf of John
9 Woodworth to subdivide two formerly merged parcels at 705 & 711 Cowper Street. The
10 project consists of subdividing a single 16,507 square foot parcel back to the two original
11 parcels, one at 7,503 square feet and one at 9,004 square feet. Exceptions to lot design
12 would be required to allow a lot area of 7,500 square feet at 705 Cowper Street where
13 8,500 square feet would normally be the minimum lot area, and site widths of 50-feet for
14 705 Cowper Street and 60-feet for 711 Cowper Street, where a 75-foot lot width would
15 normally be required. Environmental Assessment: An Initial Study has been completed
16 and a Negative Declaration has been prepared in accordance with California
17 Environmental Quality Act (CEQA) requirements. Zoning District: RM-30.
18

19 Mr. Steven Turner, Senior Planner: Yes, we have a brief presentation, thank you Chair Holman
20 and Commissioners. As mentioned in the description we have an existing approximately 16,500
21 square foot lot. This single lot was created as the result of a merger of two smaller lots back in
22 1987 to accommodate a lodging use and that lodging use is the existing Cowper Inn on that site.
23 I might direct you to the first attachment to the Staff Report. It is a printout of the neighborhood
24 showing the lots. Our GIS system currently indicates that the subject property is two lots. The
25 GI system was never updated to remove that lot line that was removed back in 1987 when the
26 two lots were merged.
27

28 Essentially what this project is is a subdivision but it is really a re-subdivision of returning the
29 single lot to its historic configuration of two lots. As a result of this project though, however, it
30 would be creating two lots that do not meet the site development standards for the RM-30
31 district. As mentioned in the description the lot known as 705 Cowper would be smaller in lot
32 area than would be normally allowed under the RM-30 district. Both lots would have a site
33 width that would be less than the minimum required within that district. Therefore exceptions
34 are required to grant this subdivision. Normally, this would be considered a minor subdivision
35 and not have to come before the Council but since exceptions are being requested for this it does
36 have to go to the Planning Commission and then eventually up to the City Council.
37

38 In order to grant the minor subdivision preliminary parcel map with exceptions there are required
39 to be findings to be made to grant smaller size and width. Those are described in the Record of
40 Land Use Action in Attachment B in Section 3 of that document. You can see the four findings
41 that are there and our attempt at the findings and how they could be made.
42

43 Other issues with the project are the existing site contains a number of buildings that relate to the
44 lodging use. There are two primarily residential structures one contains two dwelling units, the
45 second one on 711 Cowper contains one dwelling unit, there are a few detached accessory garage
46 structures. The garage structure on 711 Cowper Street contains a living unit there as well. So

1 there are two dwelling units basically on each property as a result of this subdivision. Both of
2 the main residential buildings are Category 3 structures. This is not in an historic district and
3 therefore those structures could be demolished, however, we feel that with the subdivision the
4 granting of the subdivision would also reinstate certain non-complying elements of the building.
5 When you put the property line back in between the buildings as it once was it results in certain
6 portions of those two large residential structures not being in compliance with daylight plane and
7 with setback I believe. So therefore as a condition of approval for this re-subdivision is that the
8 applicant would have to apply for an Architectural Review application to remove the walkway
9 that currently connects the structures and apply for a Design Enhancement Exception for the
10 non-complying elements of each property. The Commission is not required to take action on the
11 Design Enhancement Exceptions that is not a part of this discussion but it is simply a condition
12 of approval.

13
14 I think that is it with regards to other significant issues. So that concludes the Staff Report. The
15 applicant is here to make a presentation and I believe they get ten minutes.

16
17 Chair Holman: I have 15 minutes. Also at this time if there are any Commissioners who need to
18 state any disclosures. Commissioner Garber

19
20 Commissioner Garber: Yes, I need to disclose that the applicant called me about this action.
21 The conversation was perhaps three minutes long where I explained to the applicant that I could
22 not answer questions or comments. The description that I heard was no different than what was
23 in the Staff Report and that was the end of it. Thank you.

24
25 Chair Holman: Anyone else? I also received a phone call and very much along the same lines as
26 Commissioner Garber. So Mr. Pierce if you would like to make a presentation and also fill out a
27 card and give it to the Secretary that would be very helpful. You will have 15 minutes.

28
29 Mr. Steve Pierce, Palo Alto, Applicant: I can assure you I won't take 15 minutes. I am
30 representing the applicants, John and Peggy Woodworth, who are here to answer any questions
31 you might have.

32
33 I just wanted to reemphasize a couple of points. I think the Staff Report was quite excellent in
34 sort of laying out the facts. It is an interesting situation in that you have two historic structures,
35 which predate our code, the building ordinance, and everything else. So now as we try to re-
36 subdivide the lots back to their pre-1984 condition we sort of get caught up in the code as it now
37 exists. The desire is obviously to re-subdivide back to that pre-1986 condition. Part of the intent
38 here to is toward preservation of the structure. They are in a multiple family zoning district. We
39 do have the houses on the market currently as a single lot and have found that most of our
40 interest has been from people who are indeed interested in multi-family housing. So I think I
41 should say too that we have gotten a great deal of interest from people who are interested in
42 single homes but clearly having two large homes on a very large lot is not really a single family
43 use per se. So the idea here is just to go back to that original configuration which I think will
44 enhance the probabilities that these homes will be sort of restored once again, they were restored
45 in 1986 but sort of time to sort of do it again. There has certainly been a great deal of interest

1 and activity. So I think that the facts are sort of laid out by Steven in the Staff Report and really
2 hit on the high points. We are available to answer any questions you might have.

3
4 Chair Holman: Are there any questions for the applicant? Commissioner Garber.

5
6 Commissioner Garber: Actually I apologize. I have questions for the Staff not for the applicant.

7
8 Chair Holman: Are there any questions for the applicant at this point? Commissioner Tuma.

9
10 Commissioner Tuma: Just a quick question. You talked about the varied interest that you have
11 seen from people potentially interested in buying it. Has there been any interest in people buying
12 it and keeping it as is?

13
14 Mr. Pierce: There is a great deal of interest in sort of maintaining the Cowper Inn bed and
15 breakfast operation unfortunately given today's property values it really financially does not
16 pencil out to keep a bed and breakfast type operation. So the property values have probably
17 increased almost ten-fold since the operation first commenced.

18
19 Commissioner Tuma: Okay. So do you believe that in any event the Cowper Inn as it exists if
20 the property is sold in all likelihood would not continue to operate?

21
22 Mr. Pierce: Most assuredly.

23
24 Chair Holman: Any other questions for the applicant? Okay, thank you Mr. Pierce. Any
25 questions for Staff? Commissioner Garber.

26
27 Commissioner Garber: So given that the houses on this property preceded the code as it
28 currently exists with the setbacks, daylight planes, etc. assuming that the bridge had not been
29 introduced, which if I am understanding correctly was introduced after the sites were joined,
30 would the sites still stand as they are today with their nonconforming regulations on them?

31
32 Mr. Turner: Well, if there was no bridge and the lot is as it is today at 16,000 square feet they
33 would still have the existing conformities or nonconformities as they exist today. The removal
34 of the bridge between the two structures is not required to get a Design Enhancement Exception.
35 The code does allow us to apply the DEE process to this particular site in that previous action has
36 been taken on the site to actually merge the two projects together.

37
38 Commissioner Garber: I guess what I am trying to get at is if the sites were not merged into not
39 just physically in that the properties were joined but also because they were a business, etc. that
40 caused that to happen but if they were just two empty sites they would be nonconforming given
41 today's code but it would not have been an issue those nonconforming circumstances would still
42 exist until such point that they were renovated, added onto, or something of that sort.

43
44 Mr. Turner: That is correct.

1 Commissioner Garber: So the only thing that is being done here is you are trying to bring the
2 properties into compliance by allowing these variances to occur?
3

4 Mr. Turner: The preliminary parcel map with exceptions would essentially allow us to create
5 two lots. Although we have been talking about a re-subdivision. Essentially the lots were
6 merged, it is one lot now, and we are subdividing the lot and we are subdividing it in a way that
7 does revert back to its historic orientation but nonetheless still does not comply with the site
8 development regulations. So therefore we do have to go through the exercise of exceptions.
9

10 Commissioner Garber: Thank you.

11
12 Chair Holman: Commissioner Sandas.
13

14 Commissioner Sandas: Thank you. I will probably just make you reiterate what you just said. I
15 am looking at the map, Attachment A, and I am noting that most of the properties on that block,
16 Cowper and Forest, are only 50 feet wide. So what you are saying here is we are just trying to
17 follow some rules and dot the i's and cross the t's so that we are not out of compliance.
18

19 Mr. Turner: That's right. We do need to go through this process for exceptions because we are
20 creating lots that don't comply.
21

22 Chair Holman: Any other questions for Staff? Commissioner Lippert.
23

24 Vice-Chair Lippert: My concern is the degree of noncompliance. In this we have one parcel that
25 complies and another parcel that won't comply but if we took 500 square feet or adjusted the
26 property line a little bit we could in fact get the two parcels to come very close to compliance,
27 not right on but close enough. Does that make much of a difference?
28

29 Mr. Turner: It may not really make that much of a difference. I think the intent was to really
30 just return the lots to the way they were before. By doing that we would also reinstate the
31 noncompliance of the two structures as perhaps they were before. So by adjusting the line
32 slightly one way or the other we could get closer to compliance in one aspect but it may result in
33 becoming more out of compliance in another aspect of the structure. So we felt that by
34 reinstating the line in its historic configuration that was probably the least impact to the site and
35 to the adjacent properties.
36

37 Vice-Chair Lippert: Okay but that leads me to another point which is it was raised in the
38 applicant's presentation or your presentation that they are Category 3 potentially they could be
39 demolished and then we would have a non-complying lot.
40

41 Mr. Turner: That is true, however, any new structure that would be built on those two lots would
42 have to comply with today's zoning, which can be argued is quite strict especially when it comes
43 to lots that don't meet the standards. In the RM-30 district there are greatly reduced daylight
44 planes, there are requirements for larger side yard setbacks, there are requirements for second
45 story setbacks in addition to daylight plane requirements that are more restrictive. So although
46 yes the structures could be demolished and new structures could be rebuilt those new structures

1 would have to comply with lots of different rules and it could be difficult to do so. By
2 reinstating the lot line as it is it is a better chance to keep the structures with all of the
3 nonconforming items and therefore we feel that the redevelopment potential is lessened by
4 keeping the line where it is and having the structures just maintain the non-complying portions of
5 themselves.

6
7 Vice-Chair Lippert: Okay. It raises one last point, which is that because they are Category 3
8 historic they could go through an historic rehabilitation process in which they are entitled to then
9 go through the TDR process, which would then have to be blessed by Council I believe because
10 it is Category 3, whereas only Category 1 and 2 don't have to be. If the lots were subdivided
11 then both properties would be able to take advantage of the TDR process as opposed to one
12 parcel it would only apply to one TDR.

13
14 Mr. Turner: Without having the TDR rules in front of me I understand there are other properties
15 in the nearby area that are outside of the Downtown area that those could be renovated and have
16 certain incentives that perhaps could be transferred to another site. So if these two sites meet the
17 requirements of TDRs and those incentives then yes, they could take advantage of those and be
18 able to transfer per the requirements of the TDR ordinance.

19
20 Vice-Chair Lippert: Great, thank you.

21
22 Chair Holman: If you could clarify something as a follow-on to that, I don't believe these
23 parcels are in a district that they could take advantage of the TDR. Isn't that correct?

24
25 Mr. Turner: Not having the TDR ordinance in front of us.

26
27 Ms. Amy French, Current Planning Manager: I believe they would have to be upgraded to a
28 Category 2 if I am not mistaken.

29
30 Chair Holman: That is correct.

31
32 Ms. French: So that would be the first step. Yes, they are not really in the same district as the
33 TDR properties, which is CD.

34
35 Chair Holman: Commissioner Burt.

36
37 Commissioner Burt: Just out of curiosity Steven do you know what square footage would be
38 allowed for these two properties under their current combined lot status under RM-30 zoning?

39
40 Mr. Turner: Yes, 9,900 square feet would be the maximum allowed floor area for that site.

41
42 Commissioner Burt: Great, thanks.

43
44 Chair Holman: Any other questions for Staff? Commissioner Tuma.

1 Commissioner Tuma: Just a very minor nit or question here. I assume that they would not only
2 have to apply but receive approval to the ARB.

3
4 Mr. Turner: Yes, they would need to apply and receive approval.

5
6 Commissioner Tuma: Okay. That's fine.

7
8 Chair Holman: Okay, any discussion before we have a motion?

9
10 Mr. Turner: Any public testimony?

11
12 Chair Holman: I am sorry, public comment, yes. I have no cards from any members of the
13 public. Thank you for the reminder. Pat, do you have a question? We have a potential motion
14 maker but do you have any comments?

15
16 Commissioner Burt: I can comment after the motion is made.

17
18 Chair Holman: Commissioner Sandas, you had a motion to make.

19
20 MOTION

21
22 Commissioner Sandas: I do. Pertaining to 705 and 711 Cowper Street I move that we, the
23 Planning and Transportation Commission, recommend approval of the parcel map to the City
24 Council based upon the draft approval findings and subject to the conditions of approval
25 contained in the Record of Land Use Action.

26
27 SECOND

28
29 Commissioner Burt: Second.

30
31 Chair Holman: Motion made by Commissioner Sandas and seconded by Commissioner Burt.
32 Do we have any comments by the maker of the motion to her motion?

33
34 Commissioner Sandas: Nope.

35
36 Chair Holman: Commissioner Burt.

37
38 Commissioner Burt: First I would just like to say I regret the loss of a community asset in
39 Cowper Inn. It has been great to have it and we are sorry to see it go. It just points to some of
40 these economic forces that we were discussing earlier on different land uses and how hotels and
41 temporary residences don't pencil out as well as some of the others even though they are very
42 desirable for the community in a lot of aspects. I really appreciated the comments that Steven
43 Turner made that doing this division probably creates the greatest likelihood that we will long-
44 term preserve these homes in their historic configuration. So I think that when we look at the
45 different community objectives certainly this adjustment is probably something that is probably
46 pretty advantageous. I recall when we were having some of historic preservation discussions one

1 of the realizations that we had is that we have so many of our historic structures that couldn't be
2 built under today's code and frankly those allowances that they have are some of the greatest
3 incentives to preserve many of them. It doesn't cover the small structures but some of the larger
4 structures that have lot line issues and size issues and things like that. So that works to
5 everyone's advantage.

6
7 The final thing is I would just like to toss that we won't be able to know in this circumstance but
8 this coming up brings up this concept and I don't know if we have other examples in our
9 community besides Cowper Inn where we have essentially a bed and breakfast kind of
10 circumstance but if we had a system of TDRs that were allowed for existing hotels might is
11 change that economic viability? It might not be enough to tip the scales but it is a good example
12 for us to at least consider as we talk about these issues going forward. Thanks.

13
14 Chair Holman: Commissioner Garber.

15
16 Commissioner Garber: I would just like to emphasize and second Pat's comments. Cowper Inn
17 has provided great service to the community for a number of years. When I was traveling here
18 prior to moving here in 1995 I spent several weeks in the Cowper Inn and remember that quite
19 fondly. I would like to thank the Staff for finding a way for this to occur. Thank you.

20
21 Chair Holman: Commissioner Lippert.

22
23 Vice-Chair Lippert: Again, I feel very much the same way as my fellow Commissioners Burt as
24 well as Garber. My biggest concern here is that we are seeing the end of an institution and my
25 hope is that in doing so we are not opening the door for the wrecking ball for both of these
26 parcels. They are desirable structures. They are desirable uses that are there and I would hate to
27 see even though it is being subdivided into two parcels that those two be gone. So any way that
28 the new property owners can work to preserve the structures really would be appreciated I think
29 in this community.

30
31 Chair Holman: Commissioner Tuma.

32
33 Commissioner Tuma: I find it interesting that with the apparent buying interest for the property
34 as is as a single property is higher than it is as a divided property. Am I misunderstanding what
35 the applicant was saying?

36
37 Chair Holman: Excuse me, if you could speak into the microphone.

38
39 Mr. Pierce: I apologize if I gave an incorrect impression. We have had much more interest in it
40 basically as two different structures on two different plots of land. I am just saying that those
41 people who were interested in it as a single piece wanted the multi-family but in terms of
42 numbers of people interested it certainly has been more for the single structures.

43
44 Commissioner Tuma: Thank you for that clarification.
45

1 Chair Holman: Comments also for appreciation to the Woodworth's for the service that they
2 provided to the community since 1986 or 1987 since this property was merged. On occasion I
3 have stayed there as well and it is really going to be sad to see it not there anymore.

4
5 When I first learned that this was going to go on the market and running an inn as we all know
6 and should have even greater gratitude to the Woodworth's for running this it is an occupation
7 that requires a lot of love and care because it isn't the most profit generating business that you
8 can employ yourself with. So it is a wonderful endeavor that you have undertaken and provided
9 the community with for all these years and much appreciation for that and also much
10 appreciation because you have been excellent stewards of the property. It isn't always expedient
11 to do the right thing as this re-subdivision is as is noted in the Staff Report by all the work that
12 has gone into it. So when I first learned that this was going on the market I asked the Director of
13 Planning if there might be some incentives to offer to someone that might come forward that
14 would be interested in retaining it as a bed and breakfast. Because it is kind of an unusual
15 situation the answer was yes but I don't know that situation has arisen so I will just put that out
16 there.

17
18 So with those comments and one other one which is my own personal little nit is I did notice in
19 the Staff Report under the subject that is the request by Steve Pierce on behalf of John
20 Woodworth and I was just curious why it wasn't John and Peggy Woodworth. So that is my
21 own personal comment. So with that if there are no other comments we will vote on the motion
22 by Commissioner Sandas to approve Staff recommendation.

23
24 MOTION PASSED (6-0-1-0, Commissioner Keller absent)

25
26 All those in favor? (ayes) Opposed? So that passes unanimously on a six to zero vote with
27 Commissioner Keller absent. Thank you very much to the applicants and Staff.

28
29 Our second item on the agenda is 1525 Arastradero Road, a request by the City of Palo Alto for a
30 Comprehensive Plan Amendment and Rezoning of a 13.27-acre parcel located within the
31 Arastradero Open Space Preserve from Open Space/Controlled Development to Publicly Owned
32 Conservation Land and from an Open Space zone designation to a Public Facility zone
33 designation. The Environmental Assessment has been provided and a Mitigated Negative
34 Declaration is also proposed with CEQA guidelines. Would Staff like to make a presentation?

- 35
36 **3. 1525 Arastradero Road [06PLN-00045]*:** Request by the City of Palo Alto for a
37 Comprehensive Plan Amendment and Rezoning of a 13.27-acre parcel located within the
38 Arastradero Open Space Preserve from Open Space/Controlled Development to Publicly
39 Owned Conservation Land and from an Open Space zone designation to a Public Facility
40 zone designation. Environmental Assessment: An Initial Study has been completed and a
41 Draft Mitigated Negative Declaration has been prepared in accordance with California
42 Environmental Quality Act (CEQA) requirements. Zone District: OS.

43
44 Mr. Christopher Riordan, Senior Planner: Good evening. I just have some extremely brief
45 comments. On September 12, 2005 the City Council approved the purchase of the subject
46 property from the Peninsula Open Space Trust. On November 14, 2005 the Council adopted an

1 ordinance dedicating the property as parkland and part of the Arastradero Open Space Preserve.
2 The Council also directed Staff at that time to initiate a zone change for the acquired property
3 from Open Space zone to a Public Facility (PF) designation in accordance with the zoning
4 preserve. Attachment A, which you have at places, and I apologize was not included in the Staff
5 Report, is a draft City Council resolution to adopt the request Comprehensive Plan change of
6 publicly owned conservation land and Attachment B also at your places is a draft City Council
7 ordinance to adopt the requested change to PF zoning. An Environmental Impact Assessment as
8 mentioned was prepared for the project, which identified the site as being archeologically
9 sensitive and that there is the possibility that Native American resources could exist on site. If
10 the ground is disturbed and Native American resources are discovered the project includes
11 mitigations that would reduce these effects to a less than significant level. A Mitigated Negative
12 Declaration is proposed. Staff has received some questions regarding the types of ground
13 disturbance that can be expected to occur on the site and Greg Betts from Community Services is
14 present this evening to address this topic. So in conclusion Staff recommends that the Planning
15 and Transportation Commission recommend to the City Council adoption of the Mitigated
16 Negative Declaration and approve the requested rezoning and land use designation to PF,
17 Publicly Owned Conservation Land. Thank you.

18
19 Chair Holman: Are there any other questions for Staff by the Commission? Are there any
20 members of the public who would like to speak to this item? Do we have another presentation
21 by Staff or are you just here and available to answer questions?

22
23 Mr. Greg Betts, Open Space Division Manager: Good evening members of the Commission. I
24 am just here to answer questions. I would like to point out that this parcel is the fourth parcel to
25 make up the Enid Pierson Arastradero Preserve. This parcel is completely contiguous and
26 surrounded by the other three parcels that make up the now 622-acre open space preserve. In
27 purchasing this property we obtained six different grants including a land and water conservation
28 grant from the federal government that required historic assessment of the property. As a result
29 we hired Dr. Lawrence Desmond, a local archeologist, to do an assessment onsite. He was very
30 thorough in poking around the property and actually giving us guidelines for the use of the
31 property or for any soil disturbance. We also received grants from both Santa Clara County and
32 the State of California and the Coastal Conservancy so in addition to the park preservation
33 ordinance that applies to this property there is additional three conservation easements that are
34 attached to the title of the property to assure that this property will only be used for conservation
35 and recreation purposes. I will be happy to answer any questions you might have.

36
37 Chair Holman: Thank you. Are there any questions? Seeing none, any discussion? Do I have a
38 motion? Commissioner Sandas.

39
40 Commissioner Sandas: Actually Commissioner Lippert was about to speak.

41
42 Chair Holman: Commissioner Lippert.

43
44 MOTION

45
46 Vice-Chair Lippert: I move to go with the Staff recommendation here.

1
2 SECOND

3
4 Commissioner Sandas: Second.

5
6 Chair Holman: Motion made by Commissioner Lippert and seconded by Commissioner Sandas.
7 Would you care to speak to your motion, Commissioner Lippert?

8
9 Vice-Chair Lippert: I just think that this is a piece of the puzzle that we have been waiting for
10 for a very, very, very long time. I remember reviewing the interpretive center across the street,
11 which by the way is a sustainable straw bail building built in the preserve there, when I was on
12 the Architectural Review Board. I think it is a wonderful project and that whole open space is
13 just a wonderful place to be. It is great to be able to finally have it as a part of the Public Open
14 Space.

15
16 Chair Holman: Commissioner Sandas.

17
18 Commissioner Sandas: I agree. I am very enthusiastic about open space. As a member of the
19 Palo Alto community I am very happy that we now can rename this zone PF. I think it is terrific.
20 I hike at Arastradero Preserve a lot, jump over rattlesnakes and all kinds of stuff. I am just glad
21 to have the last piece of the puzzle stuck in.

22
23 Chair Holman: Any other comments? Commissioner Garber.

24
25 Commissioner Garber: I just want to thank Mr. Betts for his usual thoroughness and his
26 presentation nicely done. Thank you for your work on this.

27
28 Chair Holman: I would add not just the presentation but agreed the work and research and effort
29 that went into this to be thorough.

30
31 I had just a couple of things to put out there as considerations. When I had asked about what
32 kinds of projects could take place here that might disturb the archeological resources I was told
33 that one might be tilling if there were weeds. It might be mowing it might be tilling. I would
34 hope that we would reconsider how we would address those issues of growth eradication.

35
36 The other is a question of clarification so I am hoping that Council will hear that. The other
37 comment is if there was a structure proposed for this we already have an interpretive center but if
38 there were any kind of structure proposed for this it would come to Parks and Recreation for
39 review. Would it go to any other body?

40
41 Mr. Betts: Yes Chairman. The two things that should be mentioned by Council policy the
42 Pierson Arastradero Preserve is a bit unique. It was designated in 1983 when it was opened to
43 the public as a low-use, low-intensity park, which sometimes doesn't jive with the number of
44 users there. But it was specifically intended not to have picnic areas or campgrounds or even
45 park benches like Foothills Park or to duplicate other park uses. To that issue when the gateway
46 facility was designed City Council was very specific that that facility should be no more than

1 1,100 square feet and should not again replace the type of uses at the Baylands Interpretive
2 Center or the Foothills Park Interpretive Center. The decision was also made not to expand the
3 parking lot because the parking lot really is one of the factors that help to limit the use of the
4 preserve and I should say the over-use of the preserve as well. When the gateway facility was
5 considered the architect looked at four different possible sites. We have a project that was
6 funded by the State of California as riparian restoration project. There is a concrete culvert that
7 goes through the property that was put in we believe in the 1930s or 1940s when the property
8 was created as a stable. That dissects the property when the process of taking out parts of that
9 culvert to reestablish an ephemeral stream as habitat for the California Red-Legged Frog and the
10 Tiger Salamander. We have no plans for any development on the property.

11
12 Chair Holman: Any other pads or formal pads might be considered there?

13
14 Mr. Betts: No there is not. One of the concerns that we ultimately have is perhaps you know the
15 Pierson Arastradero Preserve provides an important link in the bay to ridge trail. A trail
16 currently goes past the new gateway facility and Arastradero Lake and continues through
17 Foothills Park. The only consideration is we do have a trail master plan that does not identify
18 any additional trails on the preserve to the existing 10.5 miles of trails. If there were some way
19 to enhance handicapped accessibility to Arastradero Lake by using a more curvy-linear pathway
20 we might consider that, however, we have no plans until the trail master plan is reevaluated in
21 about five years.

22
23 Chair Holman: You do good work. So I am happy to support the motion with my one comment
24 about hopefully there will be reconsideration of rototilling should that ever be a thought to go
25 that direction.

26
27 With that if there are no other comments or questions I will call the motion.

28
29 MOTION PASSED (6-0-1-0, Commissioner Keller absent)

30
31 The motion to recommend Staff recommendation that we recommend to the City Council
32 adoption of the Mitigated Negative Declaration and approve the requested rezoning and land use
33 designation of the 13.27 acre parcel to Public Facility (PF) and publicly owned conservation
34 land. All those in favor? (ayes) Opposed? That also passes on a six to zero vote with
35 Commissioner Keller absent.

36
37 Thank you very much Mr. Betts and Mr. Riordan.

38
39 ***APPROVAL OF MINUTES:*** None.

40
41 Chair Holman: We have no minutes to approve this evening. So Reports from Officials and
42 Committees. Commissioner Garber.

43
44 ***REPORTS FROM OFFICIALS/COMMITTEES.***

45

1 Commissioner Garber: I would like to report that I attended the Palo Alto Housing Corporation
2 Board Meeting this morning and there were two active topics of conversation. The first of which
3 resulted in the Palo Alto Housing Corporation voting unanimously to support Proposition 1C
4 which is the Housing Emergency Shelter Trust Fund Act of 2006. This essentially keeps money
5 in the pipeline for affordable housing, which is germane to their interest as well as that of Palo
6 Alto. The second topic was the Board's discussion of Proposition 90 and the Board voted
7 unanimously to oppose it because of the potential issues and limitations that it would force upon
8 the Palo Alto community as well as the state. That is the end of my report.
9

10 Chair Holman: Thank you, and thank you very much Commissioner Garber for representing us
11 at Palo Alto Housing Corporation. Commissioner Lippert, you have a report from last Monday's
12 Council Meeting?
13

14 Vice-Chair Lippert: Yes, I attended the City Council Meeting on September 11 and there City
15 Council reviewed 901 San Antonio Road. Basically in concept they supported what we had
16 recommended. The only sort of sticking point was that some of the documentation on RTKL, it
17 was the housing element there in terms of the number of units, it was very complex.
18

19 Mr. C. Williams: The BMR Agreement.
20

21 Vice-Chair Lippert: Yes, the BMR Agreement wasn't sort of finalized and there was some
22 miscommunication between Staff and what our report had in it. So that needs to be finalized so
23 there will be another reading of that on September 25 and that is where they will vote on it. I
24 guess they will have the first vote on it. It really wasn't a vote.
25

26 Mr. Larkin: It was an approval of the PC but it wasn't approval of the PC Ordinance and the
27 BMR Agreement. There are a number of documents that would go with this and so a couple of
28 the documents weren't before them.
29

30 Vice-Chair Lippert: So they basically approved the concept but not the ordinance.
31

32 Mr. Larkin: The project itself was approved but there are still some details to finalize.
33

34 Chair Holman: So this will be going to Council twice more. Any other reports from
35 Commissioners? I believe the City Attorney would like to make a couple of clarifications or
36 comments on a couple of issues that came up at our last meeting.
37

38 ***COMMISSION MEMBER QUESTIONS, COMMENTS, AND/OR ANNOUNCEMENTS.***
39

40 Mr. Larkin: Yes. The Chair just asked me to clarify a couple things that came up at the last
41 meeting. One is I may have inadvertently given some misinformation with regards to how the
42 Commission can relate to the Council. Aside from the appointed Commission Representative
43 who attends the Council Meeting Commission members can address the Council as individual
44 citizens in any way that individual citizens can with the caveat that I think it is important to
45 identify that you are speaking as an individual and not representing the Commission unless you
46 are actually officially representing the Commission. We will go into that in more detail at the

1 Retreat but I didn't want a misperception out there that you could only address the Council at the
2 Council Meeting. You can address the Council in any way any other citizen can address the
3 Council.

4
5 The second was just an elaboration on something that came up at the end of the last Commission
6 meeting. Palo Alto has an unusual variance ordinance in that we use a variance to provide a way
7 for sites with special constraints, which result from the natural or built features to be used in
8 ways similar to other sites in the same vicinity and the same zone. The 'or built features' is
9 something that is not common in variance ordinances and this is what came up at the last
10 meeting where a built feature is what is creating the hardship. Our exception doesn't also for
11 creating the hardship refers to changes in the size or shape of the property made by the property
12 owner while the property was subject to the same zoning designation but doesn't identify built
13 features. This isn't normally an issue because in order to make a variance finding you have to
14 show that it would not grant special privileges inconsistent with the limitation on other properties
15 in the vicinity and in the same zoning district. So for example in an R-1 neighborhood if you
16 allowed the built features to constitute the hardship that requires a variance well no other
17 properties in that R-1 neighborhood are going to have the same variance findings so you would
18 most likely deny the variance on the grounds that it would create a special privilege to allow this
19 property to have the variance. With a PC zone there are no other properties in the same zoning
20 district so you don't make that same finding and that is why what happened at the last meeting
21 was somewhat unique for a variance. That said if it is something that the Commission is
22 concerned about and I know some Commissioners are it is something that we could revisit in the
23 future when we update our variance ordinance.

24
25 Chair Holman: If I might before I recognize Commissioner Garber, this isn't a noticed
26 discussion so we really can't have discussion on it this evening but we could discuss it or
27 agendize it or discuss it at a Retreat. Commissioner Garber could ask a question though I
28 presume as long as you don't get into discussion.

29
30 Mr. Larkin: Short clarifying questions are okay but we probably shouldn't discuss the pros and
31 cons of our current ordinance. This was more of a clarification.

32
33 Chair Holman: Understood. If it is a clarifying question Commissioner Garber, please.

34
35 Commissioner Garber: So to clarify the question in my own head what you are saying
36 essentially is that because the PC is unique it can self-reference itself whereas in other zones
37 where the parcels are not unique they cannot.

38
39 Mr. Larkin: That is correct.

40
41 Chair Holman: Spoken like an attorney, Commissioner Garber, which is a compliment.

42
43 Commissioner Representation at City Council, do we need to have any shuffling around here? I
44 know Commissioner Lippert represented the Commission at last Monday's meeting and
45 Commissioner Burt is scheduled for September. Do we need to have any shuffling here or is this
46 standing okay?

1
2 Commissioner Burt: That depends on whether this coming Monday has Planning Commission
3 items on the agenda because I will be out of state again on this Monday.

4
5 Mr. C. Williams: I don't believe it does. Amy do you know anything? As I recall there is the
6 three-party agreement for Eden Housing and Community Housing Corp. for the Alma substation.

7
8 Vice-Chair Lippert: If that is the case I will continue and finish the rest of the month.

9
10 Commissioner Burt: I am around the following two Mondays.

11
12 Chair Holman: So just a couple of other outstanding matters then are our next meeting the
13 scheduled meeting for Wednesday, September 27 when we will continue the Commercial Zone
14 Zoning Ordinance Update. And our next regularly scheduled meeting after that will be October
15 11, 2006. Then we are looking for a date for a Retreat for the Commission since we have two
16 new Commission Members. Curtis.

17
18 Mr. C. Williams: I think we could do this one of two ways. We can either talk about it at a
19 future meeting or we could just have Zariah poll everybody as to potential dates. Is that okay?

20
21 Chair Holman: Is everybody okay if Zariah does her little magic?

22
23 Mr. C. Williams: Then we will look for a date on an agenda where we have enough time that we
24 can at least have a discussion about the agenda that you would like to have for your Retreat so
25 that we properly have everything listed that you would like to talk about.

26
27 Chair Holman: Okay, and I see the meeting of September 27 the only item is the commercial
28 zone so anything that is outstanding....

29
30 Mr. C. Williams: It also has 610 California Avenue.

31
32 Chair Holman: It does indeed.

33
34 Mr. Larkin: We will be adding an ordinance change to that meeting as well. It is not on the
35 Tentative Agenda yet but it will be.

36
37 Chair Holman: Okay, great. As Staff discovers when these items will be coming to us of course
38 the Tentative Agenda will be updated.

39
40 **NEXT MEETING**: Regular Meeting of September 27, 2006.

41
42 Chair Holman: So if there are no other comments or questions we will adjourn this meeting.
43 Thank you very much.

44
45 Mr. C. Williams: One more. I did want to mention at the 18th meeting, there will be Resolution
46 of Appreciation to Annette and Phyllis for their service on the Commission.

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Chair Holman: So that will be this next Monday at the Council Meeting?

Mr. C. Williams: Yes. If you are interested in attending it will be at the very beginning of the meeting.

Chair Holman: Great, thank you very much for letting us know that. Thank you and good night.

ADJOURNED: 8:15 PM