



PLANNING COMMISSION STUDY MEETING REPORT

FOR THE PLANNING COMMISSION
MEETING OF SEPTEMBER 19, 2005
AGENDA ITEM B1

LOCATION:	2825 Sand Hill Road	APPLICANT AND PROPERTY OWNER:	The Board of Trustees of the Leland Stanford Junior University
EXISTING USE:	Vacant		
PROPOSED USE:	Office, Hotel and Associated Facilities	APPLICATION:	Study Meeting
EXISTING ZONING:	C-1-C (Administrative, Professional and Research District, Restrictive)		
PROPOSED ZONING:	C-4-X (General Commercial, Other than El Camino Real) – Conditional Development District		

PROPOSAL

The applicant is seeking initial input and direction from the Planning Commission on a proposal to construct a 165,000-square-foot hotel facility comprised of 120 guest rooms, five villas, a restaurant, spa/fitness center, and a 100,000-square-foot office complex on a 21-acre vacant site at 2825 Sand Hill Road adjacent to the Sand Hill Road/Interstate 280 interchange. This is a study session item and no action will be taken at this time. The study session will provide an opportunity for the Planning Commission to become familiar with the project and for the applicant and staff to understand questions, ideas or concerns of the Planning Commission.

BACKGROUND

On May 24, 2005, the City Council conducted a study session on the proposed project. The study session allowed the applicant to present the proposed project to the City Council and receive comments raised by the Council. Members of the public also provided comments and asked questions about the proposed project. The Council expressed general support for the proposed project and was interested in keeping abreast of the progress of the project. The Council was interested in learning more

about the fiscal implications of the project, particularly the Transient Occupancy Tax (TOT). Several members of the public also expressed support for the proposed hotel at the subject site. Additionally, several nearby residents raised concern about traffic and the change of view of the site.

On July 28, 2005, an Environmental Impact Report (EIR) Scoping meeting was conducted by City staff and the environmental consultants to receive comments on the proposed scope of work to be covered in the EIR. Approximately 30 members from the public, mostly nearby residents, were in attendance. The main issues raised were potential traffic impacts along Sand Hill Road, noise generated by the increase in traffic, and the change in scenic views along Interstate 280. These issues will be addressed in the Draft EIR.

ANALYSIS

The 21-acre triangular shaped site is located in the southeastern quadrant of the Sand Hill Road/Interstate 280 interchange and is undeveloped grassland area. Office buildings are located to the east and north, across Sand Hill Road, and Interstate 280 is located on the west. The topography of the site contains a gradual downward slope, heading towards the freeway, with an approximate 50-foot grade differentiation between the east and west sides of the property.

The proposed site plan integrates the various components of the projects into one comprehensive development, but distinctly separates the uses to provide order to the site. The site plan incorporates multiple structures connected through a series of pedestrian linkages. The hotel and villas would be situated on the southeastern portion of the site, closest to the existing office complex on the adjacent property. The office buildings would be located closest to the Sand Hill Road/280 Interchange on the opposite side of the site. The common facilities, including a spa, fitness center, and restaurant, would be centrally located on the site, and available for use by hotel guests, office employees or members of the public.

The site is accessed from an existing traffic signal on Sand Hill Road. This intersection would be the primary ingress and egress from the site, which is also shared with the adjacent office buildings. The applicant also proposes an emergency vehicle access off Sand Hill Road, which would not be used by the public. Once on the site, vehicular traffic would travel along a road around the perimeter of the site; however, the road would not create a full loop, except for emergency vehicle access. The applicant is proposing parking at grade and in a subterranean garage. The site would contain 590 parking spaces to serve all the uses. Valet service would also be available for hotel guests and restaurant patrons.

Hotel

The hotel would be comprised of 120 guest rooms spread throughout multiple one or two-story buildings and designed in clusters around courtyards. The typical size guestroom would be approximately 550 square feet and each unit would contain a private veranda. Additionally, the proposed project would include five private villas, totaling approximately 15,000 square feet, at the southeastern corner of the site. Each villa would be one-story and contain two or three bedrooms with its own private patio and pool.

The project has integrated lush landscaping and several common pool and patio areas to provide open space, relaxation and recreational opportunities. A full service restaurant, spa facilities and fitness center are additional public amenities proposed within the project.

The design of the project is inspired by Cliff May's California ranch style architecture. With low-pitched gabled roofs, long and narrow form to the building, and open patios, the buildings reflect elements of the ranch style. The building materials would be consistent with the style and feature natural colors and finishes such as exposed wood rafters and trim, wood balconies and railings, and stone veneer accents. The exterior of the buildings would be finished in either cement plaster or board and batten siding. The roof would be either cedar shake or cedarlite concrete tile.

Office

The proposed office complex would be comprised of five, two-story buildings located around a central landscaped courtyard. The applicant intends to construct the buildings with a small floor plate of about 10,000 square feet each for a total of 100,000 square feet of office. The target tenants would be the type of firms similar to those existing on Sand Hill Road, and the applicant anticipates that multiple tenants would likely occupy the buildings. The office buildings would contain similar architectural features and materials as the hotel to provide a cohesive and complimentary project.

General Plan and Zoning

The proposed project would require the following applications to be reviewed by the Planning Commission for its recommendation to the City Council for final action:

- **General Plan Amendment:** Change from Professional and Administrative Offices land use designation to Retail/Commercial land use designation;
- **Rezoning:** Change from C-1-C (Administrative, Professional and Research District, Restrictive) to C-4-X (General Commercial – Conditional Development District);
- **Conditional Development Permit:** Establish specific uses and development regulations and review architectural designs; and
- **Environmental Review** of the proposed project in the form of an Environmental Impact Report.

The site currently has a General Plan land use designation of Professional and Administrative Offices and the property is zoned C-1-C (Administrative, Professional and Research District, Restrictive). The proposed office component of the project is consistent with the General Plan land use designation and zoning district. However, the hotel and related facilities are not explicitly identified in the General Plan and the uses are not currently permitted in the C-1-C zoning district. In order to construct the proposed project, the existing General Plan land use and zoning designations would need to be changed. The proposed project would be consistent with the use and floor area ratio standards of the Retail/Commercial General Plan designation and C-4 (General Commercial, other than El Camino Real) zoning district. Information pertaining to the existing and proposed General Plan and land use designations and zoning districts is included as Attachment E.

Under the base C-4 (other than El Camino Real) zoning requirements, any new construction requires a use permit regardless if the use is permitted. The proposed project would require a use permit for the construction of the hotel, office, personal service and restaurant uses. In addition, the hotel and the provision of alcohol associated with the restaurant, which are conditional uses, would require approval of a use permit.

As proposed, the project would not meet all the development regulations of the base C-4 (other than El Camino Real) district. The applicant would be requesting two exceptions through a Conditional Development Permit and the corresponding "X" Conditional Development District overlay. A Conditional Development Permit allows for flexibility in meeting all development regulations, except for density and floor area ratio. In consideration of the C-4-X zoning district, the applicant would be proposing that several development regulations be established through the conditional development permit to accommodate the proposed hotel/office project. The project would require an exception to the parking and height requirements of the C-4 district. The parking requirement for the C-4 zoning district is six spaces per 1,000 square feet of gross floor area regardless of use. With a total gross floor area of 265,000 square feet, the parking requirement would be 1,590 spaces. Based on the proposed uses, the applicant is proposing 350 spaces for the office component and 240 spaces for the hotel for a total of 590 parking spaces. Staff would note that through the adoption of Phase II of Commercial Streamlining, the Zoning Ordinance allows for requests to reduce the amount of required parking spaces for specific uses through an administrative permit.

The second exception would be the building height. The maximum height allowed is 30 feet. The proposed plans show office building heights approximately 39 feet in height. These exceptions and all elements requiring a use permit would be covered through the conditional development permit.

Opportunities for Public Input

Throughout the process, there will be multiple opportunities for public input. The following public meetings have occurred or are planned:

- City Council Study Session – conducted on May 24, 2005
- EIR Scoping Session – conducted on July 28
- Planning Commission Study Session – September 19, 2005
- Planning Commission Public Hearing to review the Draft EIR and the requested development applications
- Planning Commission Public Hearing to make recommendations on the Final EIR, which incorporates responses to comments received on the Draft EIR, and the requested development applications.
- City Council Public Hearing on the Final EIR and the requested development applications, including introduction of the ordinance to rezone the property.
- City Council Meeting to adopt the ordinance to rezone the property.

Planning Commission Review

The proposal is before the Planning Commission as a study session item in order for the Commission to become familiar with the project, understand issues, raise questions and give direction to the applicant and staff. Topics to consider for discussion are the following:

- Does the Commission support the land use change from Professional and Administrative Offices to Retail/Commercial?
- Does the Commission support the proposal to rezone the property to C-4-X (Other than El Camino Real)?
- Is the amount of office use and number of hotel rooms and related facilities appropriate for the site?
- Is the reduction in parking appropriate for the proposed uses?
- Is the increase in height appropriate for the location?
- What are the primary issues or concerns regarding site and building design?
- Is there any other additional information that the Planning Commission would like the applicant to provide?

CEQA--ENVIRONMENTAL REVIEW

The proposed project requires the preparation of an Environmental Impact Report pursuant to the California Environmental Quality Act. EIP Associates, whom the City has selected from a pre-qualified, City approved list, will prepare the EIR. The targeted release date of the Draft EIR is December 2005.

Deanna Chow
Associate Planner

Justin Murphy
Development Services Manager

Report Author

PUBLIC NOTIFICATION

Public notification of the meeting was achieved by posting the agenda 72 hours prior to the meeting. In addition, notices of the study session were mailed to all property owners, residents, and businesses within 300 feet of the project site, plus the Sand Hill Circle area and properties located between Sharon Park Drive and Sand Hill Road. Notices were also sent to members of the public who requested to be notified of this project.

ATTACHMENTS

- A. Location Map
- B. Project Plans
- C. City Council Study Session Staff Report, May 24, 2005
- D. City Council Excerpts, May 24, 2005
- E. Applicable General Plan Land Use Designations and Zoning Districts

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: May 24, 2005

Staff Report #: 05-076

STUDY SESSION: Discussion of and Possible Direction on a Proposal to Construct a 165,000-Square-Foot Hotel Facility and a 100,000-Square-Foot Office Complex on a Property Located at 2825 Sand Hill Road adjacent to the Sand Hill Road/Interstate 280 Interchange.

This is a study session item and no action will be taken at this time. The study session will provide an opportunity for the Council to become familiar with the project and for the applicant and staff to understand questions, ideas or concerns of the Council.

ANALYSIS

Stanford University is proposing to construct an approximately 165,000-square-foot hotel facility comprised of 120 guest rooms, five extended-stay villas, a restaurant and spa/fitness center, and to construct approximately 100,000 square feet of office space in two, two-story buildings at a currently undeveloped 21-acre property located at 2825 Sand Hill Road. The project site is the same one on which a 350-room Westin hotel of approximately 345,000 square feet was proposed in the late 1980s.

The conceptual site plan (Attachment B) shows access to the site from an existing traffic light on Sand Hill Road. The access point would be shared with the five existing office buildings at 2725, 2735, 2755, 2765 and 2775 Sand Hill Road. There would be a ring road on the perimeter of the site. The hotel rooms would be located closest to the existing office buildings on the adjacent property at the higher portion of the site. The public facilities of the hotel, such as the lobby, restaurant, meeting rooms, spa/fitness center, would be located in the center of the site. The office buildings would be located on the lower portion of the site closest to the Sand Hill Road/Interstate 280 interchange.

The applicant has provided a packet of material describing the project (Attachment C) and providing some context for the project in terms of potential traffic comparing the proposed project to a potential project under the existing zoning (Attachment D). The applicant has requested a study session to introduce the project concept to the City Council and the community at an early stage. The applicant seeks feedback from the Council on the proposed uses before proceeding with more detailed development of the project plans.

The property has a General Plan land use designation of Professional and Administrative Offices and the property is zoned C-1-C (Administrative, Professional and Research District, Restrictive). The proposed office component of the project is consistent with the General Plan land use designation and the zoning district. The hotel and related facilities are not expressly identified in the General Plan and the uses are not currently allowed in the C-1-C zoning district. The proposed project would be consistent with the use and floor area ratio standards of a General Plan land use designation of Retail/Commercial and a zoning classification of C-4 (General Commercial not applicable to El Camino Real). Information pertaining to the existing and proposed General Plan land use designations and zoning districts is included in Attachment E).

Under the straight C-4 zoning requirements, the project would require a use permit for new construction of office, personal service and restaurant uses and a use permit, regardless of new construction, for the hotel and the provision of alcohol associated with the restaurant. As currently contemplated, the proposed project would require exceptions to two requirements of the C-4 zoning district. One exception relates to parking. The C-4 zoning district requires six parking spaces per 1,000 square feet of gross floor area regardless of use. With a total gross floor area of 265,000 square feet, the parking requirement would be 1590 spaces. Based on the proposed uses, the applicant is proposing 590 parking spaces with 250 spaces at grade and 340 spaces under the office buildings. Through the Phase II Commercial Streamlining proposal that is scheduled for adoption on May 24, 2005, the applicant could request an exception to the parking requirements utilizing the use-specific guidelines that could be reviewed as part of the use permit request. The other exception would be to building height. The maximum allowed is 30 feet and although the building plans have not been fully developed, the applicant believes the proposed height of the office buildings would be closer to 35 feet. Given the desire for these two exceptions and the overall scale of the project, staff believes the best mechanism for review would be a conditional development permit with an "X" overlay. All elements requiring a use permit would be covered through the conditional development permit.

The proposed project would require the following applications to be reviewed by the Planning Commission for its recommendation to the City Council for final action:

- General Plan Amendment: Change from Professional and Administrative Offices land use designation to Retail/Commercial land use designation;
- Rezoning: Change from C-1-C (Administrative, Professional and Research District, Restrictive) to C-4-X (General Commercial - Conditional Development District);
- Conditional Development Permit: Establish specific uses and development regulations and review architectural designs; and
- Environmental Review of the proposed project in the form of an Environmental Impact Report (EIR).

Throughout the process, there will be multiple opportunities for public input. The following public meetings are planned:

- EIR Scoping Session conducted by City staff and the environmental consultants.
- Planning Commission Study Session to become familiar with the details of the project.
- Planning Commission Public Hearing to review the Draft EIR and the requested development applications.
- Planning Commission Public Hearing to make recommendations on the Final EIR, incorporating responses to comments on the Draft EIR, and the requested development applications.
- City Council Public Hearing on the Final EIR and the requested development applications, including introduction of the ordinance to rezone the property.
- City Council Meeting to adopt the ordinance to rezone the property.

Given the prominence of the project site and the potential for the project to generate substantial benefits to the City, the project will be considered a high-priority project for staff review.

IMPACT ON CITY RESOURCES

The applicant is required to pay planning permit fees, based on the Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant would bear the cost of any required environmental review. The proposed use has the potential to generate substantial revenue for the City in terms of transient occupancy tax and sales tax.

POLICY ISSUES

The proposed project will ultimately require a policy decision to change the General Plan Land Use designation and the Zoning classification for the property. The implications associated with this decision will be analyzed through the project review process.

ENVIRONMENTAL REVIEW

Staff has made a determination that the proposed project warrants the preparation of an Environmental Impact Report and the applicant agrees with this determination.

Justin Murphy
Development Services Manager
Report Author

Arlinda Heineck
Community Development Director

PUBLIC NOTICE

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, notices of the study session were mailed to all property owners, residents and businesses within 300 feet of the project site, plus the Sand Hill Circle area and properties located between Sharon Park Drive and Sand Hill Road.

ATTACHMENTS

- A. Location Map
- B. Conceptual Site Plan
- C. Project Description prepared by the Applicant
- D. Trip Generation Comparison prepared by Fehr & Peers for the Applicant
- E. Applicable General Plan Land Use Designations and Zoning Districts

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CITY COUNCIL
and
COMMUNITY DEVELOPMENT AGENCY
MINUTES

Tuesday, May 24, 2005
7:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
Menlo Park City Council Chambers

6:00 p.m. STUDY SESSION (Menlo Park City Council Chamber)

1. Discussion of and possible direction on a proposal to construct a 165,000 square foot hotel facility and a 100,000 square foot office complex on a property located at 2825 Sand Hill Road adjacent to the Sand Hill Road/Interstate 280 Interchange.

Mayor Winkler welcomed those present stating that the goal is to hear possible plans for a hotel on Sand Hill Road. Justin Murphy, Development Services Manager, presented the brief staff report stating that this project is in its beginning stages and this is an opportunity for Council to hear from the applicant and ask questions. Bill Phillips, Managing Director of Stanford Management Company, addressed Council explaining the reasons for the project and the approach taken. John Hill, Principal of Hill Glazier Architects, provided details on the resort environment. John Scott, President and CEO of Rosewood Hotels and Resorts, provided the history and philosophy behind Rosewood hotels. Council asked questions of the applicant.

City Manager Boesch explained the potential positive fiscal impact of a hotel project of this type. Mr. Boesch is committed to, with Council direction, making this a high priority project. Mayor Pro Tem Jellins has concerns that this type of project will impact the regular day to day business of the Planning Department. He hopes that staff will keep Council abreast of the progress. Mr. Boesch said that what is needed is a team approach. Mr. Murphy covered the key milestones and timeline of this project. Mayor Winkler is looking forward to learning about the TOT (Transient Occupancy Tax).

Public Comment

Mary E. Turner shared concerns about guaranteeing that current level of quiet will not be effected.

John Turner expressed concerns about traffic impacts from the proposed development.

Stu Soffer supports this project because he has experienced firsthand the quality of the hotels.

Nancy Robertson vocalized concerns with traffic and the fact that the view will change.

Maya Sewald spoke about traffic issues and hopes the whole area is studied.

Lou Deziel thanked Council for having this Study Session and supports the location for a hotel.

Ronald Schloss thanked Council for hearing the public and requested revenue estimates.

Suzanne Guthner would like to know how she can stay informed about this project.

Mayor Winkler suggested addressing questions to ccin@menlopark.org or contacting the Planning Department. Mr. Boesch added that those interested could give their contact information tonight and staff would prepare email and mailing lists.

7:00 p.m. REGULAR MEETING (Menlo Park City Council Chambers)

ATTACHMENT E

COMMERCIAL GENERAL PLAN LAND USE DESIGNATIONS

Retail/Commercial

This designation provides for retail services, personal services, professional offices, banks, savings and loans, restaurants, cafes, theaters, social and fraternal clubs, residential uses, public and quasi-public uses, and similar and compatible uses. The maximum FAR for non-residential uses shall be in the range of 40 percent to 200 percent. Residential intensity shall not exceed 18.5 units per net acre.

Professional and Administrative Offices

This designation provides for professional offices, executive, general, and administrative offices, research and development facilities, banks, savings and loans, convalescent homes, research and development facilities, residential uses, public and quasi-public uses, and similar and compatible uses. The maximum FAR for non-residential uses shall be in the range of 25 percent to 40 percent. Residential intensity shall not exceed 18.5 units per net acre.

Chapter 16.36

C-1-C ADMINISTRATIVE, PROFESSIONAL AND RESEARCH DISTRICT, RESTRICTIVE

Sections:

- 16.36.010 Permitted uses.
- 16.36.020 Conditional uses.
- 16.36.030 Development regulations.

16.36.010 Permitted uses. There are no permitted uses in the C-1-C district.

16.36.020 Conditional uses. Conditional uses allowed in the C-1-C district, subject to obtaining a use permit, are as follows:

- (1) Professional, administrative, and executive offices;
- (2) Research and development facilities;
- (3) Convalescent homes;
- (4) Public utilities in accordance with Chapter 16.76;
- (5) Special uses in accordance with Chapter 16.78.

16.36.030 Development regulations. Development regulations in the C-1-C district are as follows:

- (1) Minimum lot area -- three acres;
- (2) Minimum lot dimensions -- two hundred feet width and depth;
- (3) Required minimum yards -- seventy-five feet front; seventy-five feet rear when abutting a residential district, otherwise forty feet; interior side thirty feet; corner side seventy-five feet;
- (4) Land cover by all structures shall not exceed twenty percent of building site;
- (5) Not less than thirty percent of building site shall be occupied by appropriate landscaping;
- (6) Height of structures shall not exceed thirty-five feet;
- (7) In the case of conditional uses, additional regulations may be required by the planning commission;
- (8) The floor area ratio shall not exceed twenty-five percent.

Chapter 16.42

C-4 GENERAL COMMERCIAL DISTRICT (OTHER THAN EL CAMINO REAL)

Sections:

- 16.42.010 Permitted uses.
- 16.42.020 Conditional uses.
- 16.42.030 Development regulations.

16.42.010 Permitted uses. Permitted uses in the C-4 district, all within a building and not requiring new construction or structural alterations therefor, are as follows:

- (1) Retail stores;
- (2) Financial establishments;
- (3) Professional offices;
- (4) Personal services;
- (5) Offices;
- (6) Cafes and restaurants not serving liquor.

16.42.020 Conditional uses. Conditional uses allowed in the C-4 district, subject to obtaining a use permit are as follows:

- (1) All of the uses listed in Section 16.42.010, for which new construction or structural alterations are required;
- (2) Automotive sales and repair;
- (3) Service stations;
- (4) Cafes and restaurants where liquor or live entertainment are provided.
- (5) Commercial recreation;
- (6) Motels;
- (7) Mortuaries;
- (8) Veterinary hospitals;
- (9) Public utilities in accordance with Chapter 16.76;
- (10) Special uses in accordance with Chapter 16.78.

16.42.030 Development regulations. Development regulations in the C-4 district are as follows:

- (1) Minimum lot area, none;
- (2) Minimum lot dimensions, none;
- (3) Required minimum yards, none;
- (4) Maximum land coverage, none;
- (5) Not less than five percent of building site shall be occupied by appropriate landscaping;
- (6) Height of structures shall not exceed thirty feet;
- (7) In the case of conditional uses, additional regulations may be required by the planning commission;
- (8) The floor area ratio shall not exceed forty percent.