



# PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION  
MEETING OF JANUARY 28, 2013  
AGENDA ITEM E1

**LOCATION:** 500 El Camino Real      **APPLICANT AND OWNER:** Stanford University

**EXISTING USE:** Vacant and Auto Dealership

**PROPOSED USE:** Office (including Medical/Dental), Multi-Family Residential, and Retail      **APPLICATION:** Study Session for Architectural Control

**ZONING:** SP-ECR/D (El Camino Real/Downtown Specific Plan)  
- ECR SE (El Camino Real South-East)

## PROPOSAL

Stanford University is proposing to redevelop the six properties currently addressed 300-550 El Camino Real, which is an 8.43-acre site that is part of the El Camino Real/Downtown Specific Plan area. The project parcels are part of the Specific Plan's "ECR SE" zoning district and "El Camino Real Mixed Use" land use designation. The existing buildings (current and former auto dealerships) and site features would be replaced with a new mixed-use development consisting of offices, housing, and retail.

The January 28, 2013 study session will provide an opportunity for the Planning Commission and the public to become more familiar with the proposal and to identify preliminary questions and areas of interest, to inform future meeting(s). This report discusses key topics, although some areas (e.g., Environmental Review) are currently described in general terms, with more detail to follow as the project review progresses. Project data (square footages, etc.) are listed as reported by the applicant, and are subject to change as staff conducts a detailed review and verification.

## BACKGROUND

Between 2007-2012, the City conducted an extensive long-range planning project for the El Camino Real corridor and the Downtown area. The project commenced with a visioning process (Phase I: 2007-2008), which was structured to gather together the core values and goals of the community and to define the structure of the second phase of planning. The culmination of the first phase of work was the City Council's

unanimous acceptance of the Vision Plan in July 2008. The Vision Plan established 12 overarching goals for the project area and served as the foundation for the subsequent Specific Plan. The Specific Plan process (Phase II: 2009-2012) was informed by review of an Environmental Impact Report (EIR) and Fiscal Impact Analysis (FIA) and had as a key objective the establishment of a comprehensive, action-oriented set of rules, which would establish much greater clarity and specificity with regard to development.

Both the Vision Plan and Specific Plan processes benefited from extensive community involvement, with excellent attendance at workshops and related events, as well as regular public review by a diverse Oversight and Outreach Committee. In addition, both the Planning Commission and City Council elected to greatly expand their respective reviews of the Draft Specific Plan in Summer-Fall 2011, in order to provide clear direction on improvements and refinements to the Plan. Among other topics, Floor Area Ratio (FAR) thresholds, land use regulations, and building height and massing requirements were publicly discussed in detail during this and subsequent phases. The Specific Plan process culminated with the City Council's unanimous approval of the Plan and related actions in June 2012, following a unanimous recommendation for approval from the Planning Commission.

The subject applicant, Stanford University, participated throughout the entire planning process, in particular by serving as a City Council-designated representative on the Oversight and Outreach Committee. In public correspondence and through remarks at meetings, the applicant repeatedly supported the community planning process and stated an intent to pursue a comprehensive mixed-use redevelopment proposal in compliance with the adopted Plan. At various points, the applicant provided detail-type critiques of some draft regulations and Draft EIR elements, but did not submit correspondence or make in-meeting remarks that committed to a particular type of future development proposal, nor did the Planning Commission or City Council make findings that their Plan-related actions were based on any particular assumption of what the applicant ultimately might propose on this site.

Full information on the Vision and Specific Plan projects (including staff reports, meeting video, environmental and fiscal review documents, analysis memos, and workshop presentations and summaries) is available on the City's web site at: <http://www.menlopark.org/specificplan>

## ANALYSIS

### Site Location

The subject property is located along El Camino Real in the southeastern portion of the corridor. The site currently consists of the following six parcels, which total 8.43 acres in size:

- 300 El Camino Real (APN: 071-440-060)
- 350 El Camino Real (APN: 071-440-050)
- 444 El Camino Real (APN: 071-440-030)
- 550 El Camino Real (APN: 071-440-040)
- *Unaddressed* (APN: 071-440-120)
- *Unaddressed* (APN: 071-440-130)

The overall project site adjoins El Camino Real at the front and the Caltrain rail corridor at the rear. The adjacent right-side parcel, 100 El Camino Real, is also owned by the applicant and in active use as a hotel (Stanford Park Hotel). The hotel property currently has an ingress-only access over the unaddressed (APN: 071-440-120) parcel at Cambridge Avenue, which is proposed to continue and be supplemented with new egress to this intersection, via the rear of the parcels. The adjacent left side property, 700-800 El Camino Real, is under separate ownership and occupied by a one-story retail building and a four-story office building. A portion of this separate parcel, consisting of parking, extends behind part of the proposed 500 El Camino Real development.

Aside from 300 El Camino Real, which is currently occupied by an auto dealership, none of the project sites are in active use. A temporary use permit at 444 El Camino Real, which allowed the Menlo Park Fire Protection District to use the site as a training facility, expired in October 2012.

### Project Description

The applicant is proposing to demolish the existing structures and site improvements, and construct a new mixed-use development consisting of office (including a portion that could be used for either medical/dental or business/professional office), multi-family residential, and retail. The project is part of the "El Camino Real Mixed Use" land use designation, which establishes these uses as permitted uses (note: offices are subject to total square footage limitations, as is discussed in more detail below).

The proposal would adhere to the Specific Plan's "Base" level standards, which were established to achieve inherent public benefits, such as the redevelopment of underutilized properties, the creation of more vitality and activity, and the promotion of healthy living and sustainability. The precise FAR breakdown is as follows:

<b>Intensity - FAR (Floor Area Ratio)</b>			
		<i>Proposed</i>	<i>Maximum Permitted</i>
Office			
Total (including Medical and Dental)	229,500 sf	0.625	0.625
Medical and Dental	96,150 sf	0.262	0.417
Housing (136-152 Units)	203,700 sf	0.555	n/a
Retail	10,000 sf	0.027	n/a
<b>Total</b>	<b>443,200 sf</b>	<b>1.207</b>	<b>1.25</b>

As relayed above, the Specific Plan establishes a maximum FAR, with most uses (e.g., retail or residential) able to utilize all of a parcel's respective total floor area. However, one key exception relates to business and professional office, which can be no more than one-half of the applicable FAR, and medical and dental office, which is additionally limited to no more than one-third of the applicable FAR (note: medical and dental office counts toward the business and professional office limit; these uses are not additive). These are the only uses limited by overall parcel square footage in the Specific Plan, which notes that these restrictions were built into the Plan in order to be similar to preexisting office FAR limits and to proactively address potential community concerns with these uses.

At the north end, the development would consist of two, five-story residential buildings straddling a Burgess Park Linkage/Open Space Plaza (discussed in more detail later). Both buildings would contain retail spaces, totaling 10,000 square feet, as required by the Specific Plan for this individual property. Most of the required parking would be located underground, although a portion (serving the retail uses) would be at grade. The office uses would occupy the middle and south portion of the site, and would consist of two four-story buildings of between approximately 96,000 and 108,000 square feet, and a smaller, three-story office building of approximately 25,000 square feet. Similar to the residential buildings, most of the office parking would be located underground, although a portion would be provided at grade level, toward the rear and side of the buildings.

The primary action that the Planning Commission will ultimately consider is Architectural Control, which requires the following five findings:

- (1) That the general appearance of the structures is in keeping with character of the neighborhood;
- (2) That the development will not be detrimental to the harmonious and orderly growth of the city;
- (3) That the development will not impair the desirability of investment or occupation in the neighborhood;
- (4) That the development provides adequate parking as required in all applicable city ordinances and has made adequate provisions for access to such parking.
- (5) That the development is consistent with any applicable Specific Plan.

The first four findings have been part of the Zoning Ordinance for several decades, and the Planning Commission has numerous precedents for the scope of such actions. The fifth finding was added in conjunction with the El Camino Real/Downtown Specific Plan process, and provides the opportunity for full consideration of the extensive standards, guidelines, and other regulations contained within the Specific Plan.

### Height

All buildings would comply with the maximum height limits as established in the Specific Plan, specifically the 38-foot façade height and 60-foot overall height limits. Roof-mounted equipment and other projections may exceed the overall height limit, subject to screening and design integration requirements.

### Setbacks and Projections

The Specific Plan establishes minimum and maximum setbacks, in order to help establish the character of a street and neighborhood. For the 500 El Camino Real proposal, the front setback is set at a minimum of 10 feet and a maximum of 20 feet, with the exact requirement linked to what is necessary in a particular location to provide an expanded sidewalk (discussed in more detail in a following section). The interior side setback is set at a minimum of 10 feet and a maximum of 25 feet, and is intended in part to help avoid large expanses of parking/driveways along the street façade. The Specific Plan provides allowances for intrusions of architectural elements (such as balconies, bay windows, and dormer windows) into the setback, in order to increase overall variety and articulation.

## Massing and Modulation

The Specific Plan establishes detailed standards and guidelines with regard to building massing and modulation, in order to reduce the monolithic character of a building, ensure that all new buildings complement the existing scale and character of the area, ensure appropriate transitions to adjacent neighborhoods, and provide variety and visual interest. In particular, for the subject parcel:

- Floors above the façade height limit are required to step back at a 45-degree building profile and to have a maximum length of 175 feet along a public right-of-way or public open space;
- Minor façade modulation is required at a minimum of every 50 feet;
- Major façade modulation is required at a minimum of every 100 feet;
- Building breaks are required at intervals aligning with the streets on the opposite side of El Camino Real, including a 120-foot publicly accessible break at Middle Avenue; and
- The total of all building breaks shall not exceed 25 percent of the primary façade plane in a development.

The Specific Plan provides full details on these and related requirements. For example, certain architectural features, such as balconies or bay windows, may extend into the 45-degree building profile, provided they are integrated into the design of the building. Staff has worked with the applicant to preliminarily verify compliance with relevant massing and modulation standards, although additional details and review will be needed as the project review progresses.

## Open Space and Landscaping

The proposal is required to provide open space of at least 30 percent of the building site. Residential uses also have unique requirements on a per-unit basis for private and/or common open spaces (including balconies and podium areas), which can count toward the overall 30 percent requirement. The applicant is reporting that the development would provide 33 percent open space, although this is subject to detailed verification.

The proposal is also required to implement the Specific Plan's requirements for significantly expanded sidewalks along El Camino Real. The Specific Plan requires a minimum 15-foot wide sidewalk, made up of a minimum 10-foot wide clear walking zone and a minimum five-foot wide furnishings/planting zone. Given the limited right-of-way on El Camino Real, a portion of the sidewalk will be provided on the subject property itself, which will require a Public Access Easement (PAE) or equivalent instrument.

This project is also required to provide a 120-foot-wide, publicly accessible frontage break at Middle Avenue. This "Burgess Park Linkage/Open Space Plaza" would lead to a future grade-separated pedestrian/bicycle crossing of the Caltrain tracks. As is specified in the Specific Plan, the grade crossing itself (which would need to cross the separately-owned 700-800 El Camino Real property) is not the responsibility of this

applicant, but the provision of a 120-foot-wide, publicly-accessible amenity that will ultimately lead to the crossing is a unique requirement of this applicant (while other properties in the Plan area will be required to expand sidewalks, no other parcel is obligated to provide a publicly-accessible area of this scale). As specified by the Specific Plan, the Burgess Park Linkage/Open Space Plaza is intended to create a welcoming, publicly-accessible open space that provides seating and shade and allows for small, informal gatherings, while also providing vehicular access to the 500 El Camino Real proposal.

The project will also include Heritage Tree removal permits, although these have not yet been submitted. The preliminary tree inventory submitted by the applicant states that 21 heritage trees with poor structure and/or health are proposed for removal. Conceptual landscape plans show proposed new plantings. In addition, 11 non-heritage trees are proposed for removal, five of which are street trees that would conflict with new/expanded driveways. The majority of the existing street trees are proposed to remain and be supplemented with new plantings.

Sustainability

The proposal is subject to the Specific Plan’s sustainability standards and guidelines, in particular a requirement to achieve LEED certification at a Silver level or higher (to be verified either directly through the U.S. Green Building Council, or through an independent auditor program if established by the City).

Parking and Circulation

The Specific Plan establishes minimum parking space requirements by use. The following table summarizes the rates that are applicable to the proposal:

<b>Multi-Family Dwelling</b> (per unit)	
- Station Area Sphere of Influence ( <i>applicable to the portion of the property north of Middle Avenue</i> )	1.0
- Other ( <i>applicable to all other portions of the property</i> )	1.85
<b>General Office</b> (per 1,000 sf gfa)	3.8
<b>Medical Office</b> (per 1,000 sf gfa)	4.5
<b>Retail</b> (per 1,000 sf gfa)	4.0
<i>“gfa” = gross floor area</i>	

The Specific Plan also provides an allowance for applicants to incorporate a shared parking study, which can result in reduced rates for certain developments. However, the applicant is not currently proposing any shared parking study. In addition, none of the parking is currently proposed to be provided in landscape reserve. The proposal is also required to implement new short- and long-term bicycle parking requirements, as described in Specific Plan Section F.5.

The proposal would feature auto access at the existing signalized intersection of El Camino Real and Cambridge Avenue. At the signalized intersection of El Camino Real

and Middle Avenue, the applicant is exploring the addition of a southbound left-turn lane (from El Camino Real, into the project site). Such a change would require Caltrans review and approval. The proposal would include right-in/right-out auto access approximately opposite Partridge Avenue and College Avenue, as well as a right-out driveway in the area between College and Middle Avenues. The applicant is also exploring whether a new unsignalized left-turn pocket from southbound El Camino Real into the project site at Partridge Avenue is feasible, although this analysis is at a preliminary stage (note: such a turn pocket would not allow left turns from northbound El Camino Real onto Partridge Avenue).

### Below Market Rate (BMR) Housing Agreement

The City has Below Market Rate (BMR) Housing regulations that apply to commercial and ownership residential (e.g., condominium or single-family subdivision) projects. The BMR Ordinance and Guidelines establish three options for compliance, in the following priority:

- 1) Provide on-site BMR units
- 2) Provide off-site BMR units
- 3) In-lieu fees

The Housing Commission reviews and provides a recommendation on all BMR Agreements, with the final action subject to the Planning Commission or the City Council, in conjunction with the overall project actions.

Like many municipalities in California, the City initially adopted BMR regulations that also applied to rental residential (e.g., apartment) projects. However, such inclusionary requirements for rental residential projects were rendered unenforceable in the state as a result of litigation (Palmer/Sixth Street Properties, L.P. v. City of Los Angeles (2009)).

The 500 El Camino Real proposal contains commercial uses (office and retail) and market-rate rental residential units. As such, the BMR requirements apply to the net new commercial square footage. The preliminary staff calculation of the commercial uses' BMR obligations results in an estimated requirement for 10.7 BMR units. When BMR requirements result in a fractional requirement, the BMR Guidelines establish a preference for providing a whole unit, so this preliminary estimate may be considered as representing a requirement for 11 units (note: the preliminary BMR calculation is subject to review and verification).

The applicant has not submitted a draft BMR Agreement, although they have relayed an intent to comply with the BMR requirements for the commercial uses by providing on-site BMR rental units as part of the overall residential use. As listed above, provision of on-site units is the preferred option for compliance. In addition, staff has relayed to the applicant that there may be an interest in a BMR Agreement that restricts the on-site units to lower income categories than the minimum requirements of the BMR Guidelines, in order to provide new units at needed levels.

## Relationship with Housing Element

The City is currently in the process of updating the Housing Element of the General Plan. The Housing Element provides goals, policies, and implementation programs for the planning and development of housing throughout the City. The City has released a Draft Housing Element, the most recent version of which is dated December 11, 2012. Although the Draft Housing Element is subject to change, one key policy/program of the current draft is the following:

### **Implement the Recently Adopted El Camino Real/Downtown Specific Plan.**

The recently adopted El Camino Real/Downtown Specific Plan contains opportunities for 680 units to be built. Based on current zoning, densities of over 30 units per acre are permitted on the majority of the sites. While the sites could theoretically accommodate a maximum of 699 units at those densities, the EIR prepared for the plan examined 680 units as the maximum number. Appendix A, Table 2 lists the Assessor Parcel Numbers of opportunity sites. There is also the opportunity for a significant number of affordable units to be built. The Affordable Housing Overlay Zone (Housing Element Program H4.C) would be applicable to the entire Specific Plan area and would be a tool to achieve the public benefit densities for affordable housing.

Although not included as part of this report, the referenced Appendix A, Table 2 reviewed the portion of the project site currently addressed 550 El Camino Real, and projected that 65 units would be allowed on this site.

The current proposal for the overall 500 El Camino Real is for a range of 136 to 152 dwelling units. As noted in the previous section, the precise mix of affordable and market-rate units has not been fully determined, nor has the exact income category for the affordable units been selected. Depending on when the 500 El Camino Real proposal is deemed a complete application and/or receives its final actions, the specifics of the proposal will be incorporated into the current or future Housing Element cycles. At this point, Planning staff working on the Housing Element Update have reviewed the 500 El Camino Real proposal and deemed it consistent with the assumptions made in the Draft Housing Element with regard to residential development in the overall Specific Plan area. At this point, staff does not believe approval of the proposal would result in any unanticipated negative Housing Element consequences (e.g., a need to rezone any additional sites beyond those already identified in the Draft Housing Element for potential rezonings).

## Specific Plan Maximum Allowable Development

Per Section G.3, the Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 square feet.

These totals are intended to reflect likely development over the Specific Plan's intended 20- to 30-year timeframe. As noted in the plan, development in excess of these thresholds will require amending the Specific Plan and conducting additional environmental review.

The 500 El Camino Real proposal is currently projected to create between 136 and 152 new dwelling units, on a site that currently has no residential uses. Although the square footage of the active commercial use at 300 El Camino Real has not been fully verified, the 500 El Camino Real proposal is currently estimated to result in approximately 211,568 square feet of net new non-residential uses. As such, the 500 El Camino Real proposal would represent between 20 and 23 percent of the residential uses and 45 percent of the non-residential uses for the overall Specific Plan (note: per Section G.3, the non-residential development is not segmented by use). If the project is approved, these amounts would be deducted from the Maximum Allowable Development in the Plan area.

The potential for large projects to account for a significant percentage of the Maximum Allowable Development thresholds was discussed by the City Council prior to adoption of the Specific Plan. As noted at the time by staff, because the thresholds are based on net new development, it should not be surprising if a project on a large and primarily vacant site would represent a large proportion of the Maximum Allowable Development. Conversely, more modest projects that propose redevelopment of sites with currently-active uses will typically result in smaller net new development totals. As different types and scales of projects are reviewed, the expectation is that the overall Plan area redevelopment will average out in accordance with the projections. In addition, while there is always some uncertainty with projections, the assumptions made when the Specific Plan environmental review was commenced were based upon the best information available at the time about sites that were likely to be redeveloped under the Specific Plan.

## Fees

If approved, the project would be required to pay applicable standard fees, some which are briefly summarized below. In general, such fees are based on net new development (e.g., the square footage and/or dwelling unit count of active existing uses may be deducted), although this may vary by fee. Such fees are also generally considered to account for the impacts of development (as opposed to representing extra benefits).

- Transportation Impact Fee (TIF)  
The TIF is intended to defray the cost of certain transportation improvements required to serve development within the city of Menlo Park. Many (although not all) of the EIR transportation mitigations were already part of the TIF program, which means that payment of the TIF is considered as representing an individual development's proportional responsibility for mitigating those particular impacts. Developers may receive a TIF credit in consideration for certain facilities or improvements constructed or paid for by the developer.

- El Camino Real/Downtown Specific Plan Preparation Fee  
The Specific Plan Preparation Fee was adopted in conjunction with the approval of the Plan and, as allowed by State law, the cost of preparation, adoption, and administration of the Specific Plan.
- Building Construction Street Impact Fee  
The Building Construction Street Impact Fee is intended to recover the cost of repairing damage to streets caused by construction-related vehicle traffic.

In addition to City fees, school impact fees will need to be paid to the Menlo Park City School District and the Sequoia Union High School District. Greater specificity on projected fees will be provided as the project review proceeds.

## **ENVIRONMENTAL REVIEW**

The Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR), as required by the California Environmental Quality Act (CEQA). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012.

The Specific Plan EIR identifies no impacts or less-than-significant impacts in the following categories: Aesthetic Resources; Geology and Soils; Hydrology and Water Quality; Land Use Planning and Policies; Population and Housing; and Public Services and Utilities. The EIR identifies potentially significant environmental effects that, with mitigation, would be less than significant in the following categories: Biological Resources; Cultural Resources; Hazards and Hazardous Materials. The EIR identifies potentially significant environmental effects that will remain significant and unavoidable in the following categories: Air Quality; Greenhouse Gases and Climate Change; Noise; and Transportation, Circulation and Parking. The Final EIR actions included adoption of a Statement of Overriding Considerations, which is a specific finding that the project includes substantial benefits that outweighs its significant, adverse environmental impact.

As specified in the Specific Plan EIR and the CEQA Guidelines, program EIRs provide the initial framework for review of discrete projects. In particular, projects of the scale of the 500 El Camino Real proposal are required to be analyzed with regard to whether they would have impacts not examined in the program EIR. At this point, staff anticipates this will take the form of an expanded checklist that analyzes the project in relation to each environmental category in appropriate detail. In particular, traffic and transportation impacts are known to be a key area of interest, and will likely require detailed analysis and discussion. Depending on the results of such analysis, the City could determine that the program EIR adequately considered the project, or the City could determine that additional environmental review is required. This type of detailed project-specific CEQA review will be available in advance of consideration of final project actions.

In addition, all projects must incorporate feasible mitigation measures included in the Specific Plan EIR's Mitigation Monitoring Program. Examples of such mitigations include:

- Payment of fees for transportation improvements (some of which are included in the City's TIF program and some of which would require additional fees for the Specific Plan area);
- Incorporation of Transportation Demand Management (TDM) programs;
- Surveys and avoidance programs for special-status animal species; and
- Training programs and protection measures for archaeological resources.

## **RECOMMENDED MEETING PROCEDURE**

As noted at the beginning of the report, the January 28, 2013 study session will provide an opportunity for the Planning Commission and the public to become more familiar with the proposal and to identify preliminary questions and areas of interest, to inform future meeting(s). Staff recommends that the meeting be conducted as follows:

1. Project Introduction by City Staff
2. Project Presentation by Applicant
3. Commission Questions on Project Proposal
4. Public Comment on Project Proposal
5. Commission Comments on Project Proposal

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## **PUBLIC NOTICE**

Public notification consisted of publishing a courtesy notice in the local newspaper and notification by mail of owners and occupants within a 1,320-foot radius of the subject property. In addition, the City sent an email update to subscribers to the project page for the proposal, which is available at the following address:  
[http://www.menlopark.org/projects/comdev\\_300-550ecr.htm](http://www.menlopark.org/projects/comdev_300-550ecr.htm)

No action will take place at the January 28, 2013 Planning Commission study session. Future meetings will include additional notices as required by the Zoning Ordinance.

## **ATTACHMENTS**

- A. Location Map
- B. Project Plans

**Note:** Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

## **EXHIBITS TO BE PROVIDED AT MEETING**

None

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