

PLANNING COMMISSION MINUTES

Regular Meeting December 8, 2014 at 7:00 p.m. City Council Chambers 701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER - 7:02 p.m.

ROLL CALL – Bressler, Combs, Eiref (Chair), Ferrick (arrived 7:07 p.m.), Kadvany, Onken (Vice Chair), Strehl (departed 8:56 p.m.)

INTRODUCTION OF STAFF – Jim Cogan, Economic Development Manager; Jean Lin, Associate Planner; Vanessa Marcadejas, Environmental Specialist; Thomas Rogers, Senior Planner; Corinna Sandmeier, Associate Planner

A. REPORTS AND ANNOUNCEMENTS

- A1. Update on Pending Planning Items
 - a. ConnectMenlo (General Plan Update)
 - i. City Council Presentation (November 18, 2014)
 - ii. GPAC Meeting #3 (December 4, 2014)
 - iii. City Council/Planning Commission Study Session (December 9, 2014)
 - iv. Workshop #2 (December 18, 2014)

Senior Planner Rogers reported on the recent and upcoming activities related to ConnectMenlo (General Plan update). He said there was a possibility that the December 18 workshop date might change, but that should be confirmed either way shortly.

Commissioner Bressler said he received a call from Tim Tosta asking him to come to Facebook to talk about an item that would be on the Commission's next meeting agenda. He said he asked Mr. Tosta by email if there was anything that would be discussed in that meeting that could not be discussed in a public meeting. He said he had not received any response to that question. He said he would appreciate it if other Commissioners who met with Facebook would report on those discussions when the Planning Commission considered the Facebook item.

B. PUBLIC COMMENTS #1

There was none.

C. CONSENT

C1. Approval of minutes from the November 3, 2014 Planning Commission meeting (Attachment)

Commission Action: M/S Eiref/Onken to approve the minutes with the following modifications as previously emailed to staff by Commissioner Kadvany:

• Page 9, 2nd to last paragraph, 5th line: Replace "human exposure to radio magnetic fields…" with "human exposure to radio frequency and magnetic fields…"

• Page 12, 1st paragraph, last sentence: Replace "He said that another similar proposal would not acceptable to him." with "He said that another similar proposal, on a second building, would not be acceptable to him."

Motion carried 6-0 with Commissioner Ferrick abstaining.

D. **PUBLIC HEARING**

D1. Use Permit and Architectural Control/Yasmin Mustafa & Adam Aisha/1199 Willow Road: Request for a use permit to allow a restaurant use (Senor Pomodoro) in the C-2-B zoning district to operate during the hours of 10:30 a.m. to 10:00 p.m. Monday through Thursday, 10:30 a.m. to midnight Friday through Saturday, and 10:30 a.m. to 8:00 p.m. on Sunday, on a property that is substandard with regard to parking. This application also includes a request to allow outdoor seating in front of the restaurant and architectural control to allow exterior modifications to the existing building. (Attachment)

Staff Comment: Planner Sandmeier said there were no changes to the written report.

Public Comment: Mr. Josef Mustafa said he was representing his daughter and her husband, who were unable to attend. He read a statement from his daughter which included information such as: Senor Pomodoro would provide the Belle Haven neighborhood and community with a quality pizza restaurant; the facility would be designed to match the surrounding area and would be family and children focused; the facility would not serve alcohol, and would have a children's menu; the facility would be as green as it possibly could be; the owners would create and maintain a healthy, respectful and fun environment and provide employees with fair compensation; and they expected a high demand for deliveries and would have two ecovehicles for that purpose.

Commissioner Onken asked about the later hours on Friday and Saturday nights. Mr. Mustafa said he thought that dining hours would be probably until 9 p.m. with only deliveries until midnight.

Chair Eiref said he visited the site and there seemed to be ample parking noting 20 spaces in the rear. Mr. Mustafa said there was parking for another business in the rear and shared parking. He said the building owner had indicated they could use his parking area.

Commissioner Kadvany asked about employee parking. Mr. Mustafa said he thought they would park in the rear. He said initially it would be just his daughter, her husband, and himself operating the facility. Commissioner Kadvany said that a nearby restaurant had been very busy at lunch and he had noticed there were only a couple of parking spaces open.

Mr. Jay Karwash said he owned the Rancho Mercado at 1209 Willow Road and a lot across the street located in East Palo Alto that could provide ample parking for both the applicants and customers for his grocery store, noting that many of his customers walked or rode bicycles to his store. He said he was more than happy to supply any amount of parking needed for the applicants at his grocery store lot. He noted the police substation had been vacated in January and he would do anything to bring more vitality to the area.

Commissioner Strehl noted there had been community outreach and asked if there had been any response. Planner Sandmeier said the City had not received any comments or correspondence from the community about the project.

Commissioner Combs said he was familiar with the area and that the lot for the barber shop he frequented was nearly always full. He said that parking was an issue. He asked how customers would know to park in the other lots.

Mr. Karwash shared the signage he was ordering. He noted that he had 20 spots in front of his Taqueria and about 70 spaces on his parcel.

Commissioner Combs said he thought the signage would be more effective if the actual tenants' business names were listed. Mr. Karwash said his concern would be turnover of tenants but he would try to do that. Commissioner Kadvany suggested in the busy parking lot behind the pizzeria signage there could indicate that parking for this address was also available across the street. Mr. Karwash said he would do whatever was needed to help with the parking for his tenants.

Chair Eiref closed the public hearing.

Commission Action: M/S Ferrick/Eiref to approve the item as recommended in the staff report.

- 1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
- 2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
- 3. Approve the use permit subject to the following *standard* condition:
 - a. Development of the project shall be substantially in conformance with the plans prepared by RCUSA Corporation, consisting of three plan sheets, dated received November 10, 2014, and approved by the Planning Commission on December 8, 2014, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
- 4. Approve the use permit subject to the following *project-specific* conditions:
 - a. The hours of operation shall be limited to 10:30 a.m. to 10 p.m. Monday through Thursday, 10:30 a.m. to midnight Friday through Saturday and 10:30 a.m. to 8 p.m. on Sunday.
 - b. Service shall be limited to non-alcoholic beverages and food items.
 - c. Seating shall be limited to a maximum of 36 seats for customers, including outdoor seats.
 - d. Simultaneous with the submittal of a complete building permit application, the applicant shall submit revised plans that demonstrate compliance with the disabled access requirements of the California Building Code, including the location of disabled access seating in the outdoor seating area.

e. Prior to issuance of a building permit, the property owner shall submit a plan for the parking lot located at the corner of Newbridge Street and Carlton Avenue. The parking plan shall include the following: new signage to replace the two existing "authorized parking only" in the parking lot, installation of wheel stops for each of the parking spaces located adjacent to the sidewalk on Newbridge Street, and repainting of the striping of all of the parking spaces. The new signage shall indicate that the parking lot is for use of the customers and tenants of the commercial building located at 1183-1199 Willow Road and 824-830 Newbridge Street. The parking lot improvements shall be completed prior to occupancy of the tenant improvements.

Motion carried 7-0.

E. REGULAR BUSINESS

E1. Architectural Control/City of Menlo Park/701 Laurel Street: Request for architectural control to allow a new structure for covered parking located in an existing surface parking area at the Civic Center campus, which is in the P-F (Public Facilities) zoning district. The new structure would be located in the parking lot between the Administration Building and Arrillaga Family Gymnastics Center and would not affect the number of parking spaces. As part of the proposed project, an 18-inch diameter heritage camphor tree in good condition is proposed for removal. The project is associated with a proposal to install new solar energy facilities on City sites, although the overall solar project is not subject to architectural control review. (Attachment)

Staff Comment: Planner Lin said there were no additions to the written report and that a color chip was being circulated.

Questions of Staff: Commissioner Bressler said he was concerned that more than ground parking was not being proposed for this very busy lot. He asked if this project would hinder any future parking structure project that was needed. Planner Lin said the proposed carport project should not affect any future potential for modifications to the parking lot. She said the current proposal had no changes to the number of parking spaces and noted there were parking choices throughout the Civic Center complex.

Commissioner Bressler said they had discussed parking needs previously and there had been proposals for employees to park in other lots and for parking to be monitored. He asked if there were any plans to expand this parking lot. Planner Lin said she was not aware of any plans to expand the parking lot and that she was aware of heightened demand in the afternoon for this particular lot. She said the lot next to the police department often had available spaces. Senior Planner Rogers said the City's CIP would be considered by its various city commissions in the near future. He suggested that projects considered to be a priority by the Planning Commission could be recommended to the City Council through that process. He said building a carport would likely not be the primary factor determining whether a parking structure was feasible or not.

Commissioner Kadvany asked if Menlo Park was paying for this project entirely or was contributing to a pool. Ms. Vanessa Marcadejas, Environmental Specialist, with the City's Environmental Programs Division, said there was no upfront cost for the project. She said the City did a proof of power agreement (PPA), which is a 20-year energy agreement, with

Cupertino Electric, also known as CEI Solar One, and that City would pay for the renewable energy only.

Commissioner Kadvany asked what direction the panels would face. Planner Lin said the panels would be slanted and not directly south-facing but more southwesterly-facing.

Ms. Marcadejas said the solar carport project was being proposed due to the City's participation in a Regional Renewable Energy Program (R-REP). She said this program was led by Alameda County to collaboratively purchase renewable energy with 19 other counties and cities. She said sites for the proposed project included the Arrillaga Gymnastics Center, the Arrillaga Gymnasium, the City corporation yard, and the Onetta Harris Community Center. She said the installation of renewable power at the four proposed sites through the R-REP project would assist in offsetting 80 percent of current energy use at each site. She said it was estimated these sites would save the City over \$461,000 in energy costs during the course of the 20-year PPAs and could potentially reduce 419 tons of Greenhouse Gas Emissions from government operations per year which was a community-wide savings of 0.1 percent annually. She said Mr. Luke Wegener-Vernagallo, Project Engineer, with Cupertino Electric, was present.

Commissioner Combs asked how the \$461,000 estimated in savings was calculated. Ms. Marcadejas said the average energy cost for PG&E service at city sites was \$0.17 per kilowatt hour (kwh). She said with the installation of the solar carports that the cost would be reduced to \$0.11 to \$0.14 per kwh. Commissioner Combs asked if that rate was fixed or based on market fluctuations. Ms. Marcadejas said it was fixed and would allow the City to project energy costs for a 20-year period.

Chair Eiref noted there were no public speakers and closed the public hearing.

Commission Comment: Chair Eiref asked if the inverter would be visible so the public could see the energy generation.

Mr. Luke Wegener-Vernagallo, Cupertino Electric, said he was the onsite project manager. He said the inverters for the carport would be mounted on the columns at an eight-foot height. He said this would be located near the inbound driveway next to the fence for the Police Department. He said Cupertino Electric would provide a monthly statement of usage and cost per kwh. He said third party monitoring was also used to show the delta of what was being produced and what was being used. Chair Eiref suggested that information be posted on the City's website.

Commissioner Onken asked if the fixed rate included equipment and maintenance costs over the 20-year period. Mr. Wegener-Vernagallo said Cupertino Electric would replace PG&E as the provider, and would front all the costs and install their equipment. He said in 20 years the City could keep the equipment or ask for it to be removed. Commissioner Onken said he thought paying for the equipment upfront was more beneficial. Mr. Wegener-Vernagallo said through the R-REP, the City had contracted with Optime who was running the project. He said the feasibility studies were done before his company was brought onboard and the discussion was that the PPA would be the best option.

In response to Commissioner Onken, Ms. Marcadejas said they went to the City Council for consideration of the contracts on October 7 and had given for the Council's consideration

several plan mechanisms, which included doing 20-year PPAs, leasing agreements or purchasing the system for the City to operate and maintain. She said for the last option the City did not currently have staff trained for that type of work.

Commissioner Strehl asked which other cities had contracted with Cupertino Electric for this work. Mr. Wegener-Vernagallo said they were working with the cities of Cupertino and Foster City. He said Menlo Park was their third city under the R-REP. He said they would also work with the City of Redwood City.

Commissioner Strehl confirmed with staff that this item would also be heard by the City's Environmental Quality Commission.

Commissioner Strehl moved to recommend that the City Council approve the item as recommended in the staff report. Commissioner Onken seconded the motion.

Commissioner Kadvany noted the Commission was considering architectural control for the project. He asked if there were pylons down the center supporting the solar panel arrays. Mr. Wegener-Vernagallo described the support system for the panels. Commissioner Kadvany asked if these would look very utilitarian and whether there were architectural features that could be used to create more visual interest. Mr. Wegener-Vernagallo said some customers wanted architectural features incorporated but that reduced the energy savings as the structure would cost more. Commissioner Kadvany noted bicycle racks that were shaped like bicycles and asked if there was anything like that for solar panels. Mr. Wegener-Vernagallo said that there would be paint treatment to help the system blend with the campus architecture but he did not know of anything else architecturally that could be done. Commissioner Onken noted that the inverter was shown as painted white and suggested it be painted the same brown as the installation. Mr. Wegener-Vernagallo said painting of the main unit was done offsite for quality control purposes. He said the inverter was a very sensitive piece of equipment and therefore could not be painted. He noted that the system has an anti-glare coating.

Commission Action: M/S Strehl/Onken to recommend that the City Council approve the item as recommended in the staff report.

- Adopt a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (CEQA) Guidelines.
- 2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.

- d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
- e. The property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
- 3. Approve the architectural control request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Cupertino Electric, consisting of five plan sheets, dated received by the Planning Division on December 3, 2014, and recommended by the Planning Commission on December 8, 2014, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, San Mateo County Health Department, and utility company's regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
 - f. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 7-0.

F. COMMISSION BUSINESS

There was none.

G. STUDY SESSION

There was none.

H. **PRESENTATIONS**

H1. Economic Development Plan Update Presentation/City of Menlo Park/701 Laurel Street: The City is undertaking an update to the Economic Development Plan, in order to make Menlo Park more competitive in the regional and global economy. Staff will provide the Planning Commission with an informational presentation, with the opportunity for comments from the public and the Commission. (Attachment)

Commissioner Strehl noted she had attended the Economic Development meeting a few weeks prior and had heard this presentation. She indicated she would probably not stay for the entire discussion.

Mr. Jim Cogan, the City's Economic Development Manager, introduced staff person Ms. Amanda Wallace. He noted that any reports he mentioned during his presentation were available on the Economic Development website.

Mr. Cogan highlighted in his presentation that the City's main employers were located in the M2 zoning district, downtown and Sand Hill Road area. He said the City's office use has a slightly higher vacancy rate than other comparative cities in the region but that was balanced with a relatively high per square foot cost for office space. He said the City was somewhat behind comparable cities for retail and that was made up for by services, which were not taxable. He said a lot of the City's industrial properties were antiquated in the M2 area and also the City's highest vacancy rates were there. He said the City had recently seen a considerable drop in taxable sales. He said as part of the trends report they had sent a survey to 751 businesses in Menlo Park.

Mr. Cogan said the evolving economy in Menlo Park was innovation. He said a recent book called *The New Geography of Jobs* stated that there were three non-professional service jobs and two professional jobs for every innovation job brought into an area. He said they were focusing on identifying the transit opportunities and that through the General Plan update they would look at how to maximize the Dumbarton Rail spur opportunity. He said a critical part of the General Plan update was the economic aspect and answering the question of what needed to be done to insure Menlo Park was able to compete in an innovative economy.

Responding to Chair Eiref, Mr. Cogan said the General Plan was a 20-year plan and an economic development plan was for three to five years usually and was intended to reflect the character and goals of the community. He said they would also be marketing the Specific Plan to stimulate good projects in the plan area.

Chair Eiref noted the tensions of lower retail use and vacant office use. Mr. Cogan said often the question asked was whether to focus on retail or office use. He said both needed focus noting that office daily/weekly foot traffic supported retail. He said one effort would be to have Facebook offer retail space to create something similar to Santana Row.

Responding to Commissioner Kadvany's concerns related to developers reluctant to build retail and what planning was doing wrong or right to cause more retail use, Mr. Cogan said that a good mix of uses was desirable. He said the Specific Plan offered the opportunity for the market to determine what that mix was. He said however the M2 zone had not had a zoning change update since 1967, and the regulations that affect retail were very antiquated. He said

in the downtown the office market was hot and retail was in flux. He said however that it was cheaper and easier for retailers to be in downtown Menlo Park than in downtown Palo Alto or Stanford Shopping Center. He said they had to show prospective retailers that the downtown and City has the visitors needed to support retail.

Commissioner Onken said among the development community the City's downtown was seen as having a parking issue. He said if the City was in favor of small growth development in the downtown then taking a much more proactive view of parking structures was very important. He said also among the development community it was widely thought that Menlo Park was an incredibly difficult place to do anything. He asked if there was anything that could be done about that perception.

Mr. Cogan noted the Commission's welcome of the food trucks and support for places like The Refuge. He said those were changes in the business model that he felt would start changing the negative perception of the City which Commission Onken had noted. He said updating the General Plan and the Housing Element also served to help change that perception. He said that the City was making headway in showing a new model for development that was not antigrowth but more of a measured growth approach.

Commissioner Bressler said he thought the City really needed to define what was wanted. He said there were contradictions in what was being said and the reality. He said Facebook was a huge employer and was closed off, and asked if they really wanted to have another such employer here. He said a retail area in the M2 could be easier to access than either Stanford or Hillsdale shopping centers.

Commissioner Strehl said she worked on a huge campus east of Highway 101 in Sunnyvale and they were encouraged to stay onsite for lunch as it was impossible to get to downtown Sunnyvale for lunch and get back in an hour. She said each campus has its own needs. She said employees at Facebook would not be able to get to downtown Menlo Park or Palo Alto within an hour for lunch. She said they needed to be thoughtful about what kind of businesses the City was attracting and where they were located.

Commissioner Strehl left the meeting at 8:56 p.m.

Commissioner Ferrick said the City has a higher services ratio than other cities and that could not be replaced by online. She said retail jobs were important but she did not think it was necessarily a bad thing that the City's numbers for those types of jobs were low as those jobs were not generally supportive of upward mobility.

Mr. Cogan said there was no single use to get the City to where it needed to be and the City's prosperity depended upon a continuous process to be responsive to market pressures and indicators. He said part of the goal for the Economic Development Plan and the continuing work of economic development was to make recommendations that put the City in the best possible position for capturing revenue, whatever type of revenue that was.

Responding to Commissioner Ferrick regarding the survey results, Mr. Cogan said 76% of the respondents indicated they were staying and planning to expand in Menlo Park. He said only 15% cited downtown parking as a big problem. He said respondents cited high rents charged as a minus for doing business in the City, but rents were outside the City's control.

Commissioner Ferrick said the hazmat permit hearings while seemingly perfunctory did provide neighbors an opportunity to address any concerns with the applicant. She asked if there was a way to streamline the process and provide an opportunity for the public to have any concerns addressed.

Mr. Cogan said they would be looking at that and noted there would be new information presented at the Economic Development Stakeholder Group meeting the following night.

Commissioner Ferrick said there were food services jobs associated with Facebook and asked how the City captured the numbers for those retail jobs. Mr. Cogan said those numbers were not well captured and also with Facebook there was a question of where the point of sale was related to sales tax.

There were no public speakers on this topic.

ADJOURNMENT

The meeting was adjourned at 9:23 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on January 12, 2015