



# COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 5, 2012  
Staff Report #: 12-084

Agenda Item #: E-1

**PUBLIC HEARING:** Consider Planning Commission Recommendation to Approve the El Camino Real/Downtown Specific Plan and Associated Final Environmental Impact Report (EIR), General Plan Amendments, Zoning Ordinance Amendments, and Rezoning; Consider Amendment to the City's Master Fee Schedule to Add a Specific Plan Preparation Fee

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## RECOMMENDATION

The Planning Commission and staff recommend that the City Council:

### Environmental Review

1. Make a motion to certify the Final Environmental Impact Report (EIR), adopt the Mitigation Monitoring and Reporting Program (MMRP), and make the Findings and adopt the Statement of Overriding Considerations for the El Camino Real/Downtown Specific Plan (Attachment A).

### General Plan Amendments

2. Adopt a Resolution of the City Council of the City of Menlo Park, Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation and to Change the Land Use Designation for Properties Located in the Specific Plan Area (Attachments B.1-B.3).

### Specific Plan Adoption

3. Adopt a Resolution of the City Council of the City of Menlo Park, Approving and Adopting the El Camino Real/Downtown Specific Plan (Attachments C.1-C.3).

### Zoning Ordinance Amendments and Rezoning

4. Introduce an Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the El Camino Real/Downtown Specific Plan and make associated text revisions (Attachment D).
5. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area (Attachments E.1-E.3).

### Specific Plan Preparation Fee Adoption

6. Adopt a Resolution of the City Council of the City of Menlo Park Amending the City's Master Fee Schedule to Incorporate Proposed Changes in Fees to Become Effective August 5, 2012 (Attachment F).

Due to conflicts-of-interest for Vice Mayor Ohtaki and Council Member Fergusson, some of the above actions are segmented geographically. In addition, the City Council should consider recommendations from the Planning Commission on potential revisions to the Specific Plan and/or its implementation, as discussed in more detail in the *Planning Commission Recommendations on Final Specific Plan* section.

### **BACKGROUND**

Menlo Park is developing a long-term plan for the El Camino Real and Downtown areas. The completed visioning process (Phase I: 2007-2008) has led into the preparation of a Specific Plan and associated Environmental Impact Report (EIR) and Fiscal Impact Analysis (FIA) (Phase II: 2009-2012). The culmination of the first phase of work was the City Council's unanimous acceptance of the Vision Plan, which serves as the foundation for the Specific Plan. For reference, the Vision Statement and Goals are included as Attachment G, and the Specific Plan's Guiding Principles are included as Attachment H.

The completed Specific Plan will be a comprehensive, action-oriented set of rules, containing elements such as plans for open space and other public improvements, detailed land use regulations, design guidelines, and implementation measures. The Specific Plan will set up the framework for public and private improvements, although the Specific Plan itself will not undertake or approve any individual project; such projects will need to go through their own approval processes in the future. Both the Vision and Specific Plan processes have benefited from extensive community outreach and participation.

The Specific Plan process is currently in Task 5 (*Final Specific Plan, EIR and Amendments*), having completed the earlier tasks:

- Task 1: *Project Initiation, Existing Conditions Analysis*
- Task 2: *Vision Refinement*
- Task 3: *Development of Framework, Concept Plans, Programs and Guidelines*
- Task 4: *Draft Specific Plan, Fiscal Impact Analysis, and Draft EIR*

The primary elements of Tasks 2 and 3 were the three Community Workshops, at which a diverse group of community members took part in facilitated, interactive activities designed to move from the values and goals of the vision phase to an informed judgment about the detailed elements of the Specific Plan. The workshops benefitted from a large attendance, with between 100 and 150 people participating in each event.

Key milestones of Task 4 were the release of the Draft Specific Plan on April 7, 2010, and the release of the Draft EIR on April 29, 2011, both to strong community interest. The Planning Commission and City Council were originally scheduled to hold one meeting each to provide direction on the Draft Specific Plan, but both bodies expressed an interest and willingness to hold additional meetings in order to more fully explore and address comments, questions, and potential concerns, both from the Commission/Council and the public. The aim of this detailed review was to provide clear and specific direction on improvements and refinements to the plan, resulting in a Final Specific Plan that could be acted on without additional extensive review.

The Planning Commission held five meetings in July through August 2011, and the City Council followed with four meetings in August through October 2011. Both the Commission and Council incorporated review of the project FIA into these discussions. Concurrent with the Planning Commission and City Council's review, the Housing, Transportation, and Bicycle Commissions also conducted sessions on the Draft Specific Plan. Each of these Commissions recommended moving forward with the El Camino Real/Downtown Specific Plan process, subject to specific recommendations that were considered by the Planning Commission and City Council. All meetings benefited from diverse public input. For reference, the specific meeting dates were as follows:

<b>Body</b>	<b>Date</b>	<b>Focus</b>
Planning Commission	July 11, 2011	Overview/background and public input
Planning Commission	July 21, 2011	Station Area
Planning Commission	July 28, 2011	Downtown
Housing Commission	August 3, 2011	Housing
Planning Commission	August 4, 2011	El Camino Real
Transportation Commission	August 10, 2011	Transportation
Transportation Commission	August 18, 2011	Transportation
Planning Commission	August 22, 2011	Review/wrap-up
City Council	August 30, 2011	Introduction/overview; Council review process; Station Area and ECR SE review
Bicycle Commission	September 12, 2011	Bicycle improvements
City Council	September 13, 2011	Downtown and El Camino Real (other than ECR SE zoning district) review
Bicycle Commission	September 19, 2011	Bicycle improvements
City Council	September 20, 2011	Non-geographic topics (public benefit, FIA, bicycle/pedestrian network)
City Council	October 4, 2011	El Camino Real (other than ECR SE) review; review and wrap-up

The City Council concluded its review on October 4, 2011 with clear direction for substantive improvements to the Draft Specific Plan. The City Council direction is included as Attachment I, and key aspects of it are discussed in more detail in the Changes from Draft Specific Plan section of this report. Concurrent with the revisions to the Specific Plan, staff and the consultant team have prepared responses to comments on the Draft EIR and associated changes to the EIR and the Specific Plan, which are discussed in the Environmental Review section. Both the Final Specific Plan and Final EIR were released for public review on April 19, 2012.

On April 30, 2012, the Planning Commission held a public hearing to review the Final Specific Plan and Final EIR, and recommended that the City Council adopt the Specific Plan, certify the Final EIR, and conduct related project approval actions, subject to some additional recommendations. The approved minutes for this meeting are available as Attachment J. The Planning Commission's recommendations are discussed in more detail later in this report.

### **Conflicts-of-Interest**

As noted during the Draft Specific Plan review process, the following Council Members have conflicts-of-interest, and shall recuse themselves from discussion and actions on aspects of the Specific Plan relating to the following geographic areas:

- Vice Mayor Ohtaki: ECR SW (El Camino Real South-West) zoning district
- Council Member Fergusson: ECR SE (El Camino Real South-East) and ECR SW (El Camino Real South-West) zoning districts

The General Plan Amendment, Specific Plan adoption, and Rezoning actions have been structured to allow for geographically-segmented review and action. However, Vice Mayor Ohtaki and Council Member Fergusson shall recuse themselves from the whole of the Council's review and action on the Final EIR, as that topic cannot be geographically segmented. By contrast, the Zoning Ordinance text amendments are not geographically-specific until applied to Specific Plan districts, so the full Council can act on those. In addition, because public comment cannot be easily broken into geographic segments, Vice Mayor Ohtaki and Council Member Fergusson shall also recuse themselves from that portion of the meeting.

As was discussed during the Draft Specific Plan review process, Council Member Cohen does own property within 500 feet of the Plan area, but there is not a conflict-of-interest because he will be affected economically in substantially the same manner as other property owners affected by the Specific Plan, who constitute a significant segment of Menlo Park's population (10 percent or more of all property owners in Menlo Park). This is due to that parcel's location on a cul-de-sac, which is separated from the Plan area by the Caltrain right-of-way and other parcels, and the fact that the property is typical of others in the area.

## **ANALYSIS**

### **Changes from Draft Specific Plan**

This section highlights key changes made to the Draft Specific Plan in response to the City Council's consolidated direction.

#### *Chapter D: Public Space*

- Trial Implementation (pages D10-D21 and D26)

*The City Council directed that certain downtown public space improvements be pursued in a phased approach, with evaluation of trial installations prior to decisions regarding full implementation.*

The Santa Cruz Avenue Sidewalks, Santa Cruz Avenue Central Plaza, Chestnut Paseo, Market Place, and Pocket Park improvements are required to be implemented on a trial basis, before moving forward with permanent installations. The trial period is to be used as the basis for the review and consideration of a permanent installation. Details related to design and operation of the trial periods would be developed at the time the Council decides to move forward with any one of the identified public improvements. (*Note: the text requirement for pocket park trial implementation was inadvertently omitted in this version of the Specific Plan, but this will be corrected along with other minor errors, if the Plan is adopted.*)

- North-South Walkability and East-West Connectivity (pages D38-D44)

*The City Council directed that the Plan be revised to remove any elements (e.g. curb extensions) that would preclude the ability of the City to modify the central portion of El Camino Real to provide three lanes of automobile travel in either direction and/or Class II bicycle lanes.*

The Plan continues to propose expanded sidewalks along El Camino Real between Menlo/Ravenswood Avenues and Valparaiso/Encinal Avenues, but these would be achieved through increased building setbacks, not by relocating the curb line and reducing lane widths. Similarly, the proposal for east-west curb extensions (or “bulb-outs”) has been removed from the Plan. Retaining the existing curb line would provide greater flexibility for potential changes to El Camino Real’s lane configuration in the future. However, no changes are currently proposed to the existing lane configurations; any such future changes would require project-specific public review. *The Planning Commission has made a recommendation to retain the option for bulb-outs, discussed in more detail later in this report.*

## Chapter E: Land Use + Building Character

- Building Heights (pages E18-E20, and individual Zoning District Tables)

*The City Council directed that a number of building height modifications be made, with the overall aim of improving compatibility with nearby existing and allowed building heights. The City Council also directed that maximum heights be raised in two areas, provided public benefit is provided.*

- *SA W (Station Area West), SA E (Station Area East), and ECR SE (El Camino Real South-East) districts: Maximum façade heights have been reduced from 45 feet to 38 feet.*
  - *SA W district and the Alma Street portion of the SA E district: Maximum building heights have been reduced from 60 feet to 48 feet.*
  - *D (Downtown) district: For potential parking garages, maximum building heights have been reduced from 48 feet to 38 feet and maximum façade heights have been reduced from 38 feet to 30 feet, both of which would match maximums for other downtown buildings.*
  - *ECR NE (El Camino Real North-East) and ECR NE-R (El Camino Real North-East – Residential) districts: Maximum building heights have been increased from 38 feet to 48 feet, although this would require the application of a 38-foot façade height and the provision of public benefit.*
- Massing and Modulation (pages E24-E29 and individual Zoning District Tables)

*The City Council directed that a number of regulations relating to massing and modulation be refined and enhanced, with the objective of reducing the perception of bulk and ensuring architectural interest.*

New detailed building break, façade modulation, and upper story façade length requirements have been added, to ensure that buildings are varied and non-monolithic. Building profile requirements have been reviewed and revised, in particular to establish the profile at the minimum setback line in order to allow for greater flexibility and variation in site layout and building design. Requirements for the ECR SE (El Camino Real South-East) zoning district have been reviewed comprehensively to both address community preferences and provide for feasible development. *The Planning Commission recommended that staff and the consultant reexamine aspects of the massing and modulation requirements, as discussed in more detail later in this report.*

- Non-Parking Improvements on Downtown Parking Plazas (page E11)

*The City Council directed that current surface parking plazas be retained for parking use, with some modest exceptions.*

Except for the limited market place concept, the Specific Plan has been revised such that downtown parking plazas may not be used for non-public purposes. *Staff believes the whole of the Specific Plan makes this clear as a requirement.*

*However, the City Council has received correspondence that questions whether additional private development could occur on the parking plazas. While not strictly necessary, staff has provided options for addressing this, in the Errata and Other Changes section.*

- Public Benefit Bonus and Structured Negotiation (pages E16-E17)

*The City Council directed that the Plan move forward with the existing thresholds for public benefit, but that additional information and analysis be provided to enable further consideration of those levels. The Council also directed that the public benefit process be clearly subject to public review in one or more public meetings, and documents estimating value provided as part of that review. The Council also directed that staff and the consultant explore a simpler public benefit process that could apply to smaller projects which wouldn't require a Development Agreement.*

Greater specificity is provided on the structure of the review process. In particular, the Planning Commission would provide an initial evaluation and comment in a public study session prior to a full application, with the review informed by appropriate fiscal/economic analysis. The list of recommended public benefits has been expanded with public suggestions from the Draft Specific Plan review process, and a process is established for the City Council to review and revise that list over time.

With regard to final actions, additional clarity is provided on the types of benefits that require City Council action, as opposed to Planning Commission action. Specifically, projects that propose public benefits that are incorporated within the project (for example, a project proposed as an affordable housing development) and/or which can be memorialized in typical conditions of approval can be acted on by the Planning Commission (with standard City Council appeal rights). By contrast, benefits that cannot be imposed through the City's planning and zoning authority (such as a contribution to, or construction of, an off-site community facility) must be included in a Development Agreement acted upon by the City Council (with Planning Commission review/recommendation) and adopted by ordinance.

In response to the direction to provide more information about the public benefit threshold levels, staff and the consultant conducted a detailed feasibility analysis (Task Memorandum G: Public Benefit Financial Feasibility Analysis included in Appendix F of the Final EIR), which updated a preliminary analysis conducted during the Community Workshop phase. The revised analysis determined that, given typical land and construction costs, residential development appears to be moderately feasible, and office development appears to be infeasible. As such, the recommended density and intensity standards for the Base level maximum and the Public Benefit Bonus level maximum have been retained. Had the analysis determined that the proposed standards would result in excessively high private development revenues, staff and the consultant would have explored the potential for lower Base level maximum thresholds. However, given the results of

the feasibility analysis, staff believes that any reduction in the density and intensity standards would be arbitrary and would likely reduce the potential for projects to address inherent Plan goals, such as activating the train station area, increasing downtown vibrancy, and redeveloping underutilized parcels.

- Sustainability (pages E36-E44)

*The City Council did not specifically direct changes to sustainability elements, but staff and the consultant conducted this review to ensure that all recommendations were as up-to-date as possible.*

Sustainable practices have been comprehensively reviewed and revised, both to reflect advancements that have occurred since the Draft Specific Plan was released (April 2010) and to enhance and clarify applicability of LEED requirements. *The Planning Commission has recommended that LEED requirements be revised to allow for verification of LEED Silver compliance through a City-approved outside auditor, as discussed in more detail in a following section.*

#### Chapter F: Circulation

- Bicycle Improvements (pages F9-F14)

*The City Council directed that the Plan encourage bike lanes rather than bike routes wherever and whenever feasible, even if doing so will, in the long term, mean that the City adopt new or creative lane and parking arrangements.*

A new category of bicycle improvement has been added: "*Future Class II/Minimum Class III*", for areas where bicycle lanes are desired long-term, but are not necessarily feasible in the short term due to constraints, such as a need for removal of on-street parking. El Camino Real is included under this designation, although it is acknowledged that a detailed comprehensive analysis is required prior to implementation due to the complexity of this corridor, and no immediate changes are proposed. El Camino Real bicycle lanes are considered to address Council direction regarding protected bicycle facilities between the Middle Avenue/Burgess Park linkage and Roble/Cambridge Avenues. Bicycle parking standards have been reviewed and revised.

- Residential Parking Standards (pages F18-F21)

*The City Council directed that residential parking requirements be reduced in the Station Area, and additional reductions be explored for nearby areas, with the overall intent of encouraging smaller units and senior housing, and potentially reducing traffic and school impacts.*

In recognition of the area's proximity to transit, the minimum parking standard has been lowered to one (1) space per unit in the Station Area and nearby. In

addition, a maximum parking standard of one-and-a-half (1.5) spaces per unit has been established in the Station Area.

- Downtown Parking (pages F20-F30)

*The City Council directed that Parking Plaza 2 be included as a possible site for a parking structure.*

Parking Plaza 2 has been added as a potential location for structured parking, in addition to Parking Plazas 1 and 3. However, the Plan retains a two-garage maximum.

### *Chapter G: Implementation*

- Maximum Allowable Development (page G16)

*The City Council directed that staff provide more context and analysis around the Maximum Allowable Development topic, and a fuller explanation of what occurs when cap is reached.*

Clarifications have been made to specify that the Specific Plan would itself need to be amended, and additional environmental review conducted, in order to permit development in excess of the listed caps.

- Phasing of Public Improvements (page G26)

*The City Council directed that certain downtown public space improvements be pursued in a phased approach, to allow for evaluation of trial installations.*

The requirement for certain Downtown public space trial improvements has been reiterated here, along with limits on multiple projects occurring in close proximity at the same time and requirements for programs to minimize fiscal and convenience effects on businesses.

### *Overall*

- Standards and Guidelines

In order to better address the various changes described above, as well as topics that came up in the EIR process, standards (“shall” statements) and guidelines (“should” statements) have been comprehensively reviewed and revised. A number of guidelines have become standards, in order to provide greater certainty on key issues.

### **General Plan and Zoning Ordinance Amendments**

With a few, relatively modest exceptions, the Specific Plan has been designed to be an “all-inclusive” document. In other words, a property owner wishing to develop a piece of

property would use the Specific Plan to understand the goals, standards, guidelines, and other regulations that apply, and would not need to also frequently cross-reference the Zoning Ordinance, General Plan, or other City document. Similarly, anyone wanting to understand how a particular public improvement would be implemented would primarily consult the Specific Plan. As such, the General Plan and Zoning Ordinance Amendments required to implement the Specific Plan are relatively limited. As noted previously, these actions have been segmented geographically in order to account for conflicts-of-interest.

The General Plan Amendments (Attachments B.1-B.3) consist of the incorporation of the Specific Plan through a new land use designation (*El Camino Real/Downtown Specific Plan*) and the change of Plan area parcels to that designation. The Zoning Ordinance Amendments (Attachment D) primarily consist of the addition of a new Zoning District (*SP:ECR/D, El Camino Real/Downtown Specific Plan*) and the deletion of pre-empted districts (*R-C, C-1-B, C-3, C-4(ECR), and P-D*) and associated references. In addition, the Zoning Ordinance Amendments include small changes to the Architectural Control and Variance sections, as well as modifications to the Nonconforming Uses and Buildings chapter to designate that existing buildings will not be considered nonconforming as a result of the Specific Plan (such as with regard to new setback requirements) and that existing discretionary approvals (such as a Use Permit, Conditional Development Permit (CDP), or Planned Development (P-D) Permit) will continue to be honored and enforced.

As the City has done for other recent Zoning Ordinance Amendments, there would be an allowance for projects that have applied for but not fully received their discretionary approvals to continue their review under the existing General Plan and Zoning Ordinance. Similarly, projects which have received discretionary approvals but not yet obtained building permits or completed construction would be allowed to complete the projects under the existing General Plan and Zoning Ordinance, provided they meet the timelines stated in their discretionary approvals.

Concurrent with the Zoning Ordinance Amendments, the project area parcels would be rezoned to the new SP:ECR/D zoning district (Attachments E.1-E.3).

### **Planning Commission Recommendations on Final Specific Plan**

On April 30, 2012, the Planning Commission recommended that the City Council:

#### **Environmental Impact Report (EIR)**

1. Make a motion to certify the Final Environmental Impact Report (EIR), adopt the Mitigation Monitoring and Reporting Program, and adopt the Findings Required Under the California Environmental Quality Act (including the Statement of Overriding Considerations) for the El Camino Real/Downtown Specific Plan.

### General Plan Amendments

2. Adopt a Resolution of the City Council of the City of Menlo Park, Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation and to Change the Land Use Designation for Properties Located in the Specific Plan Area.

### Specific Plan Adoption

3. Adopt a Resolution of the City of Menlo Park, Approving and Adopting the El Camino Real/Downtown Specific Plan.

### Zoning Ordinance Amendments and Rezoning

4. Introduce an Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the El Camino Real/Downtown Specific Plan and make associated text revisions.
5. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area.

Recommended actions two through five were geographically segmented (Downtown and Non-Downtown), in order to allow for the recusal of Commissioner Riggs with regard to the downtown area, but have been unified here for clarity. Commissioner Riggs also recused himself from the EIR discussion and recommendation. The respective recommendations were all unanimous (6-0 or 5-0, with Commissioner Eiref absent).

In addition to these overall recommendations, the Planning Commission recommended that the City Council consider several other changes to the Specific Plan and/or its implementation. Each recommendation is discussed below. The City Council should consider whether to incorporate any of these as part of the overall project actions.

***Make the development of the Parking Management Plan, as already described, a high priority upon acceptance of the Specific Plan, focusing especially on the management of permit and on-street parking and the ways in which they facilitate implementation of Plan features (5-0, with Commissioner Eiref absent and Commissioner Riggs recused)***

Staff agrees that the Parking Management Plan (discussed in more detail on pages F28-F30 of the Plan) will be a key component of the overall downtown parking strategy. However, staff believes that the development of such a parking management plan does not need to be instigated until a significant change to downtown parking is proposed. For example, when a parking garage is proposed, it would be appropriate to implement a parking management plan. By contrast, if no downtown parking changes are proposed in the near term (or if only modest trial sidewalk extensions are implemented), staff believes that given the current parking capacity, the modest changes can be addressed without the full implementation of the parking management plan. Staff recommends that no changes to the Specific Plan be made, but that development of

the Parking Management Plan (through the City's Capital Improvement Program (CIP) process) be made a priority in the future, when a significant change to downtown parking is proposed.

***Revise LEED requirements to allow for verification of LEED Silver compliance through City-approved outside auditor (6-0, with Commissioner Eiref absent);***

The Planning Commission expressed support for the values associated with the requirement for new buildings to achieve LEED Silver levels, but concern with the time and expense associated with formal certification. In response, the consultant suggested an alternate method by which project sponsors could use a City-approved auditor to determine if a development achieves LEED Silver equivalent standards, without necessarily requiring formal certification (developers could still opt to go through that process for other reasons). Staff recommends that the Specific Plan's Sustainability standards be revised to allow for LEED Silver compliance to be verified through a City-approved auditor. As part of the Specific Plan implementation process, auditor(s) would be identified and a more detailed process specified for this alternative.

***Public Benefit: prioritization should be given to elements that are publicly-accessible and usable by the public in general (6-0, with Commissioner Eiref absent)***

As noted earlier, the Specific Plan establishes a public review process for developments incorporating Public Benefit Bonus elements, including fiscal/economic analysis. The Plan also recommends an initial list of such elements for consideration, along with a process for regular City Council review of that list. The Planning Commission recommends that prioritization be given to elements that are publicly accessible or otherwise usable by the general public. While this guidance for "prioritization" wouldn't necessarily preclude approval of projects with positive non-publicly-accessible benefits, staff believes that it could be unnecessarily restrictive in practice and may inadvertently discourage elements that are of overall benefit to the community. For example, senior housing was noted by many during the Community Workshop and public meeting processes as a positive for the City, but it would not be a publicly-accessible space. In addition, prioritization of publicly-accessible spaces could result in provision of more of these spaces than is actually needed. Staff recommends retaining the flexible project-specific benefit review process, along with the ongoing review of the recommended benefit list, which allows priorities to be highlighted as needs change.

***El Camino Real side setbacks: Staff and the consultant to review requirements as they apply to narrow parcels and to explore revisions, such as eliminating the side setback, potentially on the ground floor only (6-0, with Commissioner Eiref absent)***

For reference, the Plan’s side setback requirements along El Camino Real are currently as follows:

District	Min	Max
ECR NE-L	10’	25’
ECR NE	10’	25’
ECR NE-R	10’	25’
ECR SE	10’	25’
ECR NW	n/a	n/a
ECR SW	5’	25’

Staff and the consultant have comprehensively reviewed how the proposed setbacks would relate to typical parcel sizes for each district, as well as to the character of the general area. Staff and the consultant believe that ground-floor setbacks could be reduced in certain areas, which would improve the feasibility of providing parking and pedestrian/bicycle circulation on narrower parcels. However, the proposed side setbacks for levels above the ground floor would be retained, in order to achieve visual building separation and limit possible aesthetic/shadow effects. Such modest revisions to the ground-floor setbacks would not require revisions to the EIR, because the revised ground-floor setback would be consistent with existing regulations and many existing structures in this area, the upper-level shadow and aesthetic impacts would not change, and these areas are not directly adjacent to sensitive residential uses.

Staff recommends that the side setback requirements for the El Camino Real districts be revised as follows:

<u>District</u>	<u>Min</u>	<u>Max</u>	
<u>ECR NE-L</u>	<u>10’</u>	<u>25’</u>	<u>no change</u>
<u>ECR NE</u>	<u>0’ ground level</u> <u>10’ upper level(s)</u>	<u>25’</u>	
<u>ECR NE-R</u>	<u>0’ ground level</u> <u>10’ upper level(s)</u>	<u>25’</u>	
<u>ECR SE</u>	<u>10’</u>	<u>25’</u>	<u>no change</u>
<u>ECR NW</u>	<u>n/a</u>	<u>n/a</u>	<u>no change</u>
<u>ECR SW (South of Live Oak Avenue)</u>	<u>5’</u>	<u>25’</u>	<u>no change for majority of area</u>
<u>ECR SW (North of Live Oak Avenue)</u>	<u>0’ ground level</u> <u>5’ upper level(s)</u>	<u>25’</u>	<u>new geographic distinction</u>

***Staff and the consultant to review building profile requirements and effective upper-floor setbacks (4-2, with Commissioners Yu and Riggs opposed and Commissioner Eiref absent)***

This direction derived from a discussion about revisions to the building profile requirements that took place between the Draft and Final Specific Plans, specifically the establishment of the profile at the minimum setback line and the elimination of a minimum 10-foot upper floor setback. Staff and the consultant have reviewed the regulations as proposed in the Final Specific Plan and believe they would better achieve building variation and upper-floor modulation than the equivalent Draft Specific Plan standards, while still preserving street-level access to light. Staff recommends no changes to the building profile requirements.

***Curb extensions (“bulb-outs”): Revise the Plan to include the flexibility for bulb-outs (5-1, with Commissioner Riggs opposed and Commissioner Eiref absent)***

The Draft Specific Plan review process included detailed discussion (at both the Planning Commission and City Council levels) of the potential to improve east-west connectivity through curb extensions, or bulb-outs, across El Camino Real. This was countered with an interest in preserving flexibility for alternate lane configurations, and ultimately concluded with the Council’s direction to remove the potential for El Camino Real bulb-outs from the Plan.

During review of the Final Specific Plan, some Planning Commissioners indicated that their earlier direction may have derived from a misunderstanding that bulb-outs conflicted with bicycle lanes (if designed to proper standards, they do not). Staff believes that there may have been some information/discussion to that effect during the Draft Specific Plan review process, but that the final Council direction appeared to have been made with an understanding of the overall pros/cons with regard to vehicle, bicycle, and pedestrian circulation.

Staff recommends the City Council consider the following options:

1. Retain approach in the Final Specific Plan of not permitting bulb-outs.
2. Add language in the Final Specific Plan that bulb-outs can be considered in the future, subject to project-specific outreach and review, but not otherwise encourage/discourage them or revise any diagrams.
3. Add language and revised diagrams in the Final Specific Plan that bulb-outs are a full option that should be considered, subject to project-specific outreach and review, and revise diagrams to show them as an option (along with retaining the existing curb line).

None of the above scenarios would require revisions to the EIR, because the Draft EIR included intersection analyses both with and without the curb extensions, and found that including them would not generate new significant impacts.

***Require ongoing, two-year review of the Specific Plan after adoption (6-0, with Commissioner Eiref absent)***

The Specific Plan includes a recommendation for a near-term (within two to four years) review of the Plan, in order to verify that the Plan is functioning as intended. This review would be conducted with both the Planning Commission and City Council. The near-term review would be complemented by required yearly informational updates about the maximum allowable development in the Plan area. The informational update process also requires a formal report at the point that 80 percent or more of either the maximum residential or non-residential metrics have been exceeded, at which point the Council should consider whether to amend the Plan and conduct additional environmental review, or to make no changes to the Plan.

The Planning Commission recommends making the overall Plan discussion a recurring review, at a set interval of two years. As noted by staff during the Planning Commission discussion, such review would not be strictly necessary, as the Planning Commission can recommend, and the City Council require, review and revision of the Specific Plan at any point. In addition, the near-term review and the informational updates (and associated 80 percent review requirement) allow for deliberate consideration of how well the Plan is achieving its goals. Staff recommends that the City Council consider whether or not to add an additional recurring, two-year review requirement. If so, staff recommends modest text edits to the "Near-Term Review of Specific Plan" section (page G16) to cover that original objective as well as an ongoing general review.

***Prioritize Middle Avenue bicycle-pedestrian crossing as a Public Benefit Bonus element (6-0, with Commissioner Eiref absent).***

The Planning Commission suggests that the Middle Avenue bicycle-pedestrian crossing be specifically listed as a potential basis for a public benefit bonus. This refers to the grade-separated crossing of the tracks itself, not the open space plaza between El Camino Real and the tracks (the latter is a requirement of the Plan for that property). Staff recommends that the Public Benefit Bonus element list be amended to include the Middle Avenue bicycle-pedestrian crossing.

**Errata and Other Changes**

Since the publishing of the Final Specific Plan on April 19, 2012, staff and the consultant have noticed a few errors in this document. Most of the errors are minor (such as a mistake on a photo caption), although a few are more substantive (such as the inadvertently omitted pocket park trial implementation requirement, mentioned earlier). The list also includes a suggestion from the Menlo Park Fire Protection District that text be slightly edited to include the District in a possible future water system master plan process, which staff believes is reasonable. These edits have been collected as Attachment K. If the Specific Plan is approved, these and any similar additional edits will be corrected in the final version.

In addition, after the Planning Commission's review of the Final Specific Plan, the City Council received correspondence (part of Attachment L) from an attorney representing

the Downtown Alliance, a group of downtown property/business owners, questioning whether the D (Downtown) zoning district could allow private development on the public parking plazas (in excess of the market place concept), and requesting that these parcels be rezoned to the City's existing P (Parking) zoning district. Staff believes that this may be a misunderstanding due to focusing primarily on the D (Downtown) district section and disregarding other elements of the Plan. Chapter D is clear on what improvements may be permitted on public parking plazas, and Chapter F is clear both on where public parking will be provided and how existing private parking lots can be redeveloped (namely, only through provision of equivalent replacement parking).

Any new development, in the D (Downtown) district or elsewhere, will require a new architectural control finding:

(5) That the development is consistent with any applicable Specific Plan.

Because the overall Specific Plan is so clear and detailed on downtown parking, the new architectural control finding could not be made for new development on the public parking plazas (aside from the market place concept). As such, no changes are strictly necessary to address this concern. However, the Council may consider whether to recommend, out of an abundance of caution, adding the following text to the "Non-Parking Improvements on Downtown Parking Plazas" section (page E11) and the Land Use row of the Downtown (D) zoning district table:

Except as specifically provided in the Specific Plan, the downtown public parking plazas shall remain in parking use.

This text would not actually change any requirement, but its inclusion may help address the stated concern.

### **Correspondence**

In addition to emails received through the Council's public email log (<http://ccin.menlopark.org:81/>), staff has received four items of correspondence, included as Attachment L. In addition to the Downtown Alliance letter discussed earlier, there is a letter from Henry N. Kuechler IV, stating agreement with the Downtown Alliance letter. There are also letters from two business owners, Marty Oncina of Oncina Fine Jewelry (1148 Crane Street) and Mai Hong of A Touch of Elegance (1150 Crane Street), stating opposition to the Plan.

## **IMPACT ON CITY RESOURCES; SPECIFIC PLAN PREPARATION FEE**

The Specific Plan has required staff resources, consultant and contract attorney services, and operating costs (meeting materials, mailing costs, etc.). The total breakdown of project costs is as follows:

Consultant Costs:	\$1,191,390
Contract Attorney:	\$100,000
Operating Costs:	\$25,000
Staff Costs:	\$374,850
Total Costs:	\$1,691,240

With the exception of staff and legal resources, which have typically consisted of departmental operating budgets, almost all costs have been made up of General Fund Reserve appropriations. Such appropriations can be considered equivalent to a discrete capital (non-operating/recurring) expense and an investment in the City's future success. However, as noted in previous staff reports, costs for the Specific Plan preparation (including the EIR) may be applied directly to future development in the project area through fees, as authorized by State General Code Section 65456, which reads in part:

The fees shall be established so that, in the aggregate, they defray but as estimated do not exceed, the cost of preparation, adoption, and administration of the specific plan... As nearly as can be estimated, the fee charged shall be a prorated amount in accordance with the applicant's relative benefit derived from the specific plan. It is the intent of the Legislature in providing for such fees to charge persons who benefit from specific plans for the costs of developing those specific plans which result in savings to them by reducing the cost of documenting environmental consequences and advocating changed land uses which may be authorized pursuant to the specific plan.

Staff is recommending that the City Council impose such a Specific Plan Preparation Fee, with the following findings:

1. The fee is being imposed pursuant to General Code Section 65456, which allows the City to impose a fee on persons requesting planning approvals that are required to be consistent with the Specific Plan.
2. The total cost of the Specific Plan is: \$1,691,240.
3. The fee is based on the benefit to each applicant from the preparation of the specific plan, which has reduced the cost of future environmental review and development approvals within the Specific Plan area. The benefit to each applicant is the net new development permitted by the Specific Plan.
4. Therefore, to determine the fee, the total cost of the Specific Plan (\$1,691,240) was divided by the net new total (both residential and non-residential) square footage (1,500,000 square feet) permitted under the Plan's Maximum Allowable

Development, to determine a fee of \$1.13/square foot for all net new development proposed in the Plan area.

An estimate of such a fee was included with the recent financial feasibility analysis (discussed earlier), in order to verify that such a fee itself would not unreasonably affect the profitability of new development. The consultant has confirmed that the proposed fee should not negatively affect the feasibility of development.

Property development processing fees, such as fees for building and use permits, variances, building inspections, map applications, and planning services, can be effective no sooner than sixty days after approval by City Council. As such, if approved by the City Council on June 5, 2012, the Specific Plan Preparation Fee would take effect on August 5, 2012.

The Vision Plan (Phase I) required both staff resources dedicated to the project as well as a General Fund reserve appropriation of \$176,500 for consultant services and \$50,000 related City costs (initial outreach, speaker series, printing and mailing of the project newsletters, meeting documents and refreshments, and contingencies). The Vision Plan expenses cannot be recouped through the Specific Plan Preparation Fee, as it was a separate process and not covered by the State statute authorizing such fees.

## **POLICY ISSUES**

The El Camino Real/Downtown Specific Plan will result in policy clarifications and changes related to land use and transportation issues, as described in detail in the Specific Plan.

## **ENVIRONMENTAL REVIEW**

The Draft EIR was released on April 29, 2011, with a public comment period that ended on June 20, 2011. The Planning Commission held a public hearing on June 6, 2011, for public and Commissioner comments on the Draft EIR. The Final EIR, prepared with response to comments on the Draft EIR, was released on April 19, 2012. CEQA does not establish a public comment period for Final EIRs that is analogous to those required for Draft EIRs; however, the City encouraged that comments be provided by April 30, 2012. No comments have been received thus far.

The EIR analyzes the potential impacts of the project across a wide range of impact areas. The 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. Except as updated by the Final EIR, the

impacts were explained in detail in the staff report and presentation for the June 6, 2011 Planning Commission meeting.

The Final EIR primarily consists of comments received on the Draft EIR and associated responses. CEQA requires responses only to comments that address the adequacy of the EIR or the City's compliance with CEQA. However, comments related to the Specific Plan are noted and, in some cases, responded to with additional information. No substantive conclusions of the Draft EIR have changed. However, in some cases, Draft EIR comments have resulted in changes to the EIR text. For example, Chapter 4.8 *Hydrology and Water Quality* has been amended with additional information about the City's existing requirements that limit increases in off-site stormwater flow and which require treatment of such water. Changes have also been made to the EIR text to reflect the elements of the Specific Plan that have changed, such as the modified height limits. Where changes have been made to the EIR text, they are shown in standard "track changes" format (e.g., additions and ~~deletions~~). In addition, some Draft EIR comments have resulted in changes to the Specific Plan itself. For example, as previously noted, the Maximum Allowable Development section of Chapter G *Implementation* has been revised to clarify that amendment of the Specific Plan itself is required, in order to exceed the development caps described therein.

In order to complete the EIR process and certify the document, CEQA requires the adoption of a Statement of Certification, a Mitigation Monitoring and Reporting Program (MMRP), and Findings for Certification. The Statement of Certification states that the City has met all procedural requirements of CEQA, that the reviewing body has reviewed the EIR, and that the EIR reflects the City's independent judgment. The MMRP establishes responsibility and timing for implementation of all required mitigation measures. The Findings for Certification address the potentially significant impacts identified in the EIR, describing the impact, the mitigation, and whether or not the impact has been mitigated or is significant and unavoidable. The Findings also address the feasibility of mitigation measures and alternatives. All EIR-related actions are included as Attachment A.

As identified in the EIR, the project would result in significant, unavoidable impacts. In order to approve the project with significant and unavoidable environmental impacts, the City Council must adopt a Statement of Overriding Considerations. This is a specific finding that the project includes substantial benefits that outweighs its significant, adverse environmental impact. The Statement of Overriding Considerations is included as part of the Findings for Certification.

## **MEETING PROCESS AND SUMMARY**

Staff recommends that the City Council conduct the June 5, 2012 meeting as follows:

1. Staff overview presentation
2. Council technical or clarification questions of staff
3. Public comment (*Vice Mayor Ohtaki and Council Member Fergusson recused*)

4. Environmental Review (*Vice Mayor Ohtaki and Council Member Fergusson recused*)
  - a. Make a motion to certify the Final Environmental Impact Report (EIR), to adopt the Mitigation Monitoring and Reporting Program (MMRP), and to make the Findings and to adopt the Statement of Overriding Considerations for the El Camino Real/Downtown Specific Plan (Attachment A).
5. Specific Plan and Associated General Plan Amendments, Zoning Ordinance Amendments, and Rezonings
  - a. All Districts Except El Camino Real South-East and South-West (*all Council Members participating*)
    - i. Consideration of Planning Commission recommendations on possible edits to the Specific Plan and potential direction applicable to all Specific Plan districts except El Camino Real South-East and South-West.
    - ii. Adopt a Resolution of the City Council of the City of Menlo Park Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation for Property Located in the Specific Plan Area (Applicable to All Specific Plan Districts Except El Camino Real South-East and South-West) (Attachment B.1).
    - iii. Adopt a Resolution of the City Council of the City of Menlo Park Approving and Adopting the El Camino Real/Downtown Specific Plan for all Specific Plan Districts Except El Camino Real South-East and South-West (Attachment C.1).
    - iv. Introduce an Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the El Camino Real/Downtown Specific Plan (Attachment D).
    - v. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area (Applicable to All Specific Plan Districts Except El Camino Real South-East and South-West) (Attachment E.1).
  - b. El Camino Real South-East (*Council Member Fergusson recused*)
    - i. Consideration of Planning Commission recommendations on possible edits to the Specific Plan and potential direction applicable to the El Camino Real South-East District.
    - ii. Adopt a Resolution of the City Council of the City of Menlo Park Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation for Property Located in the Specific Plan Area (Applicable to the El Camino Real South-East District) (Attachment B.2).
    - iii. Adopt a Resolution of the City Council of the City of Menlo Park Approving and Adopting the El Camino Real/Downtown Specific Plan for the El Camino Real South-East District (Attachment C.2).

- iv. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area (Applicable to the El Camino Real South-East District) (Attachment E.2).
- c. El Camino Real South-West (*Vice Mayor Ohtaki and Council Member Fergusson recused*)
  - i. Consideration of Planning Commission recommendations on possible edits to the Specific Plan and potential direction applicable to the El Camino Real South-West District.
  - ii. Adopt a Resolution of the City Council of the City of Menlo Park Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation for Property Located in the Specific Plan Area (Applicable to the El Camino Real South-West District) (Attachment B.3).
  - iii. Adopt a Resolution of the City Council of the City of Menlo Park Approving and Adopting the El Camino Real/Downtown Specific Plan for the El Camino Real South-West District (Attachment C.3).
  - iv. Introduce an Ordinance of the City Council of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area (Applicable to the El Camino Real South-West District) (Attachment E.3).
- 6. Specific Plan Preparation Fee (*all Council Members participating*)
  - a. Adopt a Resolution of the City of Menlo Park Amending City Fees and City Charges to Establish an El Camino Real/Downtown Specific Plan Preparation Fee.

The El Camino Real/Downtown Specific Plan is the product of a transparent, multi-year process designed to develop community judgment. The project has benefitted from unprecedented levels of public outreach and participation, and has been informed by appropriate environmental and fiscal analyses. The Planning Commission and City Council both conducted a detailed review of the Draft Specific Plan and provided clear direction that has been comprehensively addressed. The Specific Plan will provide a firm foundation for the development of the heart of Menlo Park, and will enhance public space, generate vibrancy, sustain Menlo Park's village character, enhance connectivity, and promote healthy living and sustainability. Staff recommends that the City Council approve the El Camino Real/Downtown Specific Plan.

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Thomas Rogers  
Associate Planner  
Report Author

  
Arlinda Heineck  
Community Development Director

## PUBLIC NOTICE

Public notification for all actions other than the proposed fee consisted of publishing a legal notice in the local newspaper and notification by mail of all property owners and occupants within 300 feet of the subject property. Public notification of the proposed fee consisted of publishing a legal notice in the local newspaper and making available to the public the data indicating the cost and other details of the fee.

In addition, the City has prepared a project page for the proposal, which is available at the following address: <http://www.menlopark.org/specificplan>. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated and meetings are scheduled. The project list currently has 975 subscribers.

## ATTACHMENTS

- A. [Draft Council Motion Certifying the Final Environmental Impact Report](#)
- B. Draft Resolution of the City Council of the City of Menlo Park, Amending the General Plan to Add the El Camino Real/Downtown Specific Plan Land Use Designation and to Change the Land Use Designation for Properties Located in the Specific Plan Area
  - 1. [Applicable to All Specific Plan Districts Except El Camino Real South-East and South-West](#)
  - 2. [Applicable to the El Camino Real South-East District](#)
  - 3. [Applicable to the El Camino Real South-West District](#)
- C. Draft Resolution of the City of Menlo Park, Approving and Adopting the El Camino Real/Downtown Specific Plan
  - 1. [For All Specific Plan Districts Except El Camino Real South-East and South-West](#)
  - 2. [For to the El Camino Real South-East District](#)
  - 3. [For to the El Camino Real South-West District](#)
- D. [Draft Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the El Camino Real/Downtown Specific Plan](#)
- E. Draft Ordinance of the City of Menlo Park, Rezoning Properties Located in the El Camino Real/Downtown Specific Plan Area
  - 1. [Applicable to All Specific Plan Districts Except El Camino Real South-East and South-West](#)
  - 2. [Applicable to the El Camino Real South-East District](#)
  - 3. [Applicable to the El Camino Real South-West District](#)
- F. [Draft Resolution of the City Council of the City of Menlo Park Amending City Fees and City Charges to Establish an El Camino Real/Downtown Specific Plan Preparation Fee](#)
- G. [Vision Plan Excerpt - Vision Statement and Goals](#)
- H. [Specific Plan Excerpt - Guiding Principles](#)
- I. [City Council Consolidated Direction on the Draft Specific Plan](#)
- J. [Planning Commission Approved Minutes for the Meeting of April 30, 2012](#)
- K. [Final Specific Plan \(4/19/12 version\) - Errata](#)

L. [Correspondence](#)

1. Shute, Mihaly & Weinberger LLP, dated May 21, 2012
2. Henry N. Kuechler IV, dated May 22, 2012
3. Marty Oncina, dated May 28, 2012
4. Mai Hong, dated May 28, 2012