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Architectural Review Board Staff Report

From: Jonathan Lait, Planning and Development Services Director
Lead Department: Planning and Development Services

Meeting Date: April 6, 2023
Report #: 2303-1175

TITLE

3200 Park Boulevard/200 Portage/340 Portage [22PLN-00287 and 22PLN-00288]: Consideration of a Planned Community Zoning application to Allow Redevelopment of a 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park Boulevard, 3201-3225 Ash Street and 278 Lambert. The Scope of Work Includes the Partial Demolition of an Existing Commercial Building That has Been Deemed Eligible for the California Register as Well as an Existing Building With a Commercial Recreation use at 3040 Park and Construction of (74) new Townhome Condominiums, a Two-Level Parking Garage, and Dedication of Approximately 3.25 acres of Land to the City for Future Affordable Housing and Parkland Uses. Existing R&D Uses Would Continue to Occupy the Remaining Cannery Building. The Existing Building at 3201-3225 Ash Street Would Remain in Office use and an Automotive use at 3250 Park Boulevard Would Convert to R&D use. The Project also Includes a Development Agreement, Comprehensive Plan Amendment, and Vesting Tentative Map. Environmental Assessment: A Draft Environmental Impact Report for the 200 Portage Townhome Development Project was Circulated on September 16, 2022 in Accordance with the California Environmental Quality Act (CEQA). The EIR Comment Period Ended on November 15, 2022. The Proposed Development Agreement is Evaluated as Alternative 3 in the Draft EIR. Zoning District: RM-30 (Multi-Family Residential) and GM (General Manufacturing). For More Information Contact the Project Planner, Claire Raybould at Claire.Raybould@Cityofpaloalto.org.

RECOMMENDATION

Staff recommends that the Architectural Review Board (ARB) take the following action(s):

1. Consider and provide feedback on the proposed Development Plan for the Planned Community Zoning applications at 3200 Park Boulevard, including modifications to the existing cannery building and construction of the new parking garage and townhomes and continue to a date uncertain.

EXECUTIVE SUMMARY

In Fall 2022, the Sobrato Organization, LLC (Sobrato) submitted an application for a development agreement, planned community rezoning, and tentative map, associated with the redevelopment of the 14.65-acre site at 200-404 Portage Avenue, 3040-3250 Park

Boulevard, 3201-3225 Ash Street and 278 Lambert. A Comprehensive Plan amendment and subdivision map exceptions would also be required. The project includes:

- 74 townhome housing units that would take the place of approximately 84,000 square feet (sf) of the historic cannery building at 200-404 Portage Avenue;
- Retention and remodel of the remaining portion of the cannery building;
- Construction of a new parking garage on the north side of the cannery building to replace surface parking adjacent Matadero Creek
- Dedication of a 3.25-acre parcel to the city for the purposes of a 2.25-acre public park and a one-acre site for affordable housing.

The plans presented to the ARB for this hearing are still under review and refinements to the design are anticipated to meet code requirements based on comments from plan reviewers in various City departments. Staff recommends that the ARB review the changes to the project based on the feedback from the December 15, 2022 and January 19, 2023 study sessions, provide feedback on the revised design, and continue to a date uncertain. A location map is included in Attachment A. A summary of the project description and the proposed rezoning is summarized in the applicant's Development Statement (Attachment B).

BACKGROUND

On December 15, 2022 the ARB held a study session to provide input specific to the townhome design. On January 19, 2023, following review from the HRB, the ARB held a study session to provide input specific to the remaining cannery building design. Minutes from these study sessions can be found online.^{1,2} The Board's comments and the applicant's responses to those comments are summarized below. The staff reports for these study sessions also provide further background information about the proposed Development Agreement, including the formation of the Council ad hoc committee and previous Council and Planning and Transportation Commission comments and motions related to the project.

ARB Comments	Applicant's Response
Site Planning. The ARB asked the applicant to consider different site planning layouts including a design that oriented the townhomes diagonally and a design that considered direct street connections to Park Boulevard and a mix of townhome and condominium complex design	The proposed design is consistent with what was discussed and agreed to with the ad hoc committee. This design takes as much of the original site design from the SB 330 package which maximized the unit density for this type of product on the site while preserving the portions of the cannery building that were of highest importance to the ad hoc committee.

¹ Minutes from the December 15, 2022 Architectural Review Board hearing:

² Minutes from the January 19, 2023 Architectural Review Board hearing:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/architectural-review-board/2023/arb-01-19-23-approved-minutes.pdf>

<p>Townhome Building Elevations. ARB members commented that there is insufficient variety between individual building massing. Board members noted that the massing on all of the buildings is identical and that changing the color palette was not sufficient to provide the required variety between buildings per the contextual design guidelines. They asked for more variety of height, projections, and entry doors, noting that the project needed both horizontal and vertical articulation. They further suggested a greater use of eaves, window bays, porches, and entries to break up the massing and provide visual interest. Specifically, more elements that defined entries, broke down the massing, and signaled human habitation.</p>	<p>The townhome design has been refined and includes two new architectural styles for the buildings, providing three distinct designs mixed across the site. The facades have been designed to incorporate different massing for the bay elements, different materials, varied roof lines, and different entry conditions to ensure greater architectural variety and pedestrian scale visual interest.</p>
<p>Materials. At least one board member acknowledged that the colors and material of the project are a nod to the neighboring building across Park Boulevard (3101 Park Boulevard), but noted that this was not necessarily an appropriate contextual response as that building is not consistent with the colors and materials of the rest of the neighborhood. Boardmembers encouraged the applicant to look around the neighborhood more and to reconsider the colors and materials accordingly.</p>	<p>The townhome design has been refined and includes two new architectural styles for the buildings. The new styles incorporate different massing for the bay elements, different materials, varied roof lines, and different entry conditions to ensure greater architectural variety and pedestrian scale visual interest.</p>
<p>Trash Service and Design. Because the dead-end aisles cannot be serviced, the ARB noted that the trash service plan for residents on the north side of the complex (on cul-de-sac aisles) needs refinement to ensure that trash can be properly serviced.</p>	<p>At Buildings 1-4, where we have dead end drive aisles, a trash enclosure has been added to serve those buildings. A concierge service will pick up waste at each townhouse and deliver it to the trash enclosure. The concierge service will bring the bins out to a designated staging area (at the intersection of Street A and Street G) on the designated trash pickup day and then return the bins to the enclosure.</p>
<p>Tree Planting and Removal. The ARB asked the applicant to consider whether more protected trees can be retained, particularly any redwood trees that are planned for removal. The ARB also asked the applicant to consider planting more native species to meet the ARB findings. In particular, they asked the applicant to revise the focal tree in the paseo, which was proposed to be a magnolia tree.</p>	<p>The site was reviewed to see if there were any additional opportunities to retain or transplant existing trees. Trees #1-2 and 104 were able to be retained and Trees #3 and 41 (the latter of which is protected) will be transplanted in the final design. Unfortunately, the Redwood trees in question cannot be retained as they occur directly in the footprints of Buildings 2, 3 and 4. See Sheets L-6.1-3 for more information. A full planting plan has been provided, see Sheets L-2.1-3. Native quantification of trees and shrubs can be</p>

	found as part of the plant palette on the right sidebar – 81% native shrub planting and 67% native tree planting. The central tree at the townhome paseo has been updated to <i>Hymenosporum flavum</i> – Sweetshade, see Sheet L-2.3.
Bicycle Parking. Show all short-term and long-term bicycle parking. No short-term bicycle parking is shown.	The project plans have been revised to show all short-term and long-term bicycle parking for the proposed cannery building as well as the new townhomes as shown on sheet L-1.7. In addition, on sheet A3-1.0.0 the 37 long term spaces located in 380 Portage are noted.
Delivery/Pick-Up Designated Parking. Consider making one or more of the parking spaces adjacent the townhomes a designated space for drop-off/pick-up, food service, etc.	One stall on Street A and one stall on Street B will be designated as loading/unloading only.
Pedestrian Paseo. Consider making the paseo wider to improve privacy and allow more space between the buildings.	There is no room on the site to move the buildings to widen the paseo; therefore, no change has been made. Pedestrian circulation was modified to provide larger planting areas for trees. Larger scale evergreen trees are provided in between units facing each other for additional privacy. See Sheets L-1.5, L-2.1-3. These changes will provide both more privacy and a more lush paseo environment.
Monitor Roof Scale. Several board members expressed concern that the monitor roofs on the demolition plan/historic photos and construction plans/renderings did not seem to align with respect to scale, the width seeming much greater in the renderings and construction plans. Board members asked that the architect revisit and ensure the scales were correct.	The existing building has been laser scanned to develop an accurate base file. All plans, sections, elevations, and renderings have been updated to reflect the updated information and correct scale.
Structural Information. Board members asked how the addition of the glass affected the structural integrity of the walls. They asked for additional information on what reinforcements were planned for the building, particularly to support the additional glass, and specifically where the structural engineer was recommending additional interior framing.	As shown in the included plans we have located the proposed brace frame required to bring the structure up to code and life safety requirements. The structural reinforcements will also support the proposed windows.
Grade Separation between Cannery and Parking Garage. Encouraged leaving the surface parking lot down at grade rather than bringing it up to reduce impacts from height/daylight plane perspective and allow for retention of grade separation at the rear of the cannery. The grade separation for the historic loading docks is identified as a character defining feature of the	The plans have been revised to maintain the existing loading dock elevation adjacent the cannery and to lower the parking garage to match the existing grade of the surface parking lot. The change provides separation from the parking and amenity space, reduces the overall impact of the required parking structure, and

cannery building as it helps to convey the historic use of the building.	maintains the historic context of the previous loading dock.
<p>Parking Garage. Some board members stated that the parking structure seemed too long and repetitive of the historic cannery building. They asked the applicant to consider making the parking garage smaller. At least one board member wanted to better understand why below-grade parking wasn't being explored. Boardmembers also asked to maintain a 20-foot separation between neighboring residential properties and the garage, to preserve as many trees as possible, and to incorporate more greenery into the parking garage.</p>	<p>As noted above, the grade of the parking structure has been lowered to maintain the current loading dock condition at the cannery building. This adjustment provided the opportunity to drop the height of the parking structure by approximately 2'-5", reducing the impact to the adjacent residential neighbors. In addition, Sobrato is rebuilding the existing CMU wall along the property line to provide privacy for the single-family residential properties on Olive. In the area between the parking structure and the property line (approximately 20 feet) we added a significant number of trees to further screen the garage. The combination of lowering the parking structure, landscaping, and the CMU wall provide significant screening of the structure from the neighbors. The garage elevation A3_2.2.0 in the submittal reflects the screening of the garage along its length.</p>
<p>Cannery Interior. Several board members expressed concern about how the interior of the cannery relates to the exterior and how it can be made useful without adding lightwells, monitor roofs, skylights, etc. to better bring light into the space, particularly at the center bay of the building. In particular, boardmembers wanted a floor plan to better understand how the retail and R&D entrances on the south side of the façade related to the interior design and mezzanine space. It was unclear how the asymmetrical box heights at the entrance related to the interior design.</p> <p>They also asked for consideration of operable windows and noted that the open warehouse design is inefficient with respect to energy usage. Floor plans for the space were requested.</p>	<p>As shown in the updated submittal, skylights are being added in the roof of the non-monitor area of the building which will provide additional natural light to the interior. Floor plans have been provided and show the proposed restroom, required brace frames, and stairs for the mezzanine. The interior space will be open to attract an R&D tenant who will develop their own interior space layout. In coordination with ARG (historic architect) we understand that the spatial relationships within the cannery building are of primary importance to the historic context of the building. It is therefore Sobrato's intent to maintain the spatial integrity in any future tenant improvement.</p>
<p>Retail. The ARB felt that retail space is not really integrated into the existing building design with respect to the light monitors and providing visibility to the monitor roofs. They noted that just cutting a small hole in the ceiling was not enough.</p>	<p>We have worked to integrate the retail space within the structure to the extent possible. The inclusion of retail space is per a request from the Council ad hoc with the bulk of the space to be R&D office. We have increased the size of the skylight to the extent feasible to maximize the views into the monitor roof areas. The size and location of the skylight is also responding to a future retail tenant and potential back-of-house requirements.</p>

ANALYSIS

Staff has analyzed the project in accordance with applicable plans, goals, policies, regulations and adopted guidelines, as discussed further below. Staff's analysis of the applicant's response to key comments from the board during the study session, both of which are summarized in the table above, is also included. Overall the project has been redesigned to be more consistent with the City's design guidelines, zoning, and goals and policies set forth in the Comprehensive Plan when compared to the previous submittal, particularly with respect to massing and materials along the façade as well as internal circulation on the site. However, these revised plans are still being reviewed by various City departments for consistency with the Municipal Code and other relevant standards and regulations.

Staff Analysis of Applicant's Responses

Although the applicant has not modified the design to address all comments from board members, the revised design includes modifications to address the ARB's feedback and improve the project's consistency with goals, policies, and guidelines adopted by the City. Where changes were not made, information has been provided to explain why the project has not been redesigned to address the suggested modifications. Staff's analysis of the applicant's response to key comments is provided herein.

Site Planning

As noted in the applicant's response, the proposed project reflects the conceptual plan presented to the Council ad hoc committee, the key aspects of which were approved by the full Council. Following the formal application, this plan was also approved by the Planning and Transportation Commission, allowing this conceptual plan to move forward to the ARB. Staff cannot comment on a diagonal layout without a conceptual plan to review. However, staff notes several code compliance issues with the proposed conceptual design presented by one board member during the December 15, 2023 hearing, which is included for reference in Attachment C. These include, but are not limited to:

- The conceptual design encouraged a mix of unit types and included a 4- to 5-story building, which presumably would be 40-50 feet in height, adjacent single-family residential uses, then steps down to the three-story townhomes. Under the current zoning of RM-30, this proposal would exceed the 35-foot height allowance. Under the proposed Planned Community (PC) zoning this would also exceed the allowances set forth in 18.38.150, which limit the height of buildings in a PC Zone District to 35 feet within 150 feet of R-1 zoning. In a previous Council study session, Council expressed that they would not be likely to support exceptions to this height allowance when adjacent to R-1 zoning. In addition, the context-based design criteria encourage transitions in scale from lower to higher density. The proposed project transitions from single-family (low) to three-story townhome (medium) and then to a future higher density affordable housing project on the City dedication parcel. The conceptual design transitions from low to high and then back to medium density housing which staff believes is less consistent with the context-based design criteria than the proposed project.

- The conceptual design does not appear to respect the required setbacks that would apply to PC zoning adjacent to single-family residential uses (or that would apply to the current Rm-30 zoning).
- the conceptual design includes five curb cuts (three more than what currently exists) along Park Boulevard. The City's Office of Transportation would not support this increase in vehicular/bicycle conflict points along Park Boulevard. This street is a high-use bicycle connection within the City and any improvements to this street should look to maintain or reduce curb cuts rather than introduce new curb cuts.

Townhome Building Design

The revised design provides more variation between the buildings by presenting three unique townhome building designs. It includes more variation in height along Park and articulates the façade through changes in materials and building step-backs, both to provide a more defined base, middle, and top and to create entrances that have a pedestrian scale. The entrances are highlighted through bays, the addition of raised stoops along park and some of the interior pathways, and material changes. The façade improvements help to break up the massing and provide more visual interest as suggested by board members. Improvements to the planting plan also complement the revised entries. Overall, the plans are responsive to the ARB's recommendations.

Staff notes that in order to achieve this change in height, the revised design includes buildings with a height of 37.5 feet at peak points of the roofline. The Planned Community Zone District Ordinance will reflect this proposed development plan. The 35-foot height limit within 150 feet of single family uses, consistent with the requirements set forth in 18.38.150 for Planned Community zone districts, is maintained.

Materials

The proposed materials have been revised based on the ARB's comments both to better reflect the project's surroundings and to address comments requesting more variety in the materials between the buildings. The materials appear to relate better to the surrounding environment. References to the color and material placement on the facades is provided starting on Sheet A1_2.7.0 of the plan set and revised materials boards have been provided. The proposed revisions appear to be responsive to the ARB's comments.

Trash Service and Design

The revised plan for service of dead-end aisles is still being reviewed by zero waste and the City's contractor, Greenwaste, to ensure that the revised proposal complies with the applicable standards and regulations for proper service. However, based on planning staff's initial review, the addition of the trash enclosure and staging for the consolidated bins appears to comply with the applicable requirements. Consistent with the original plan, all units that are not located on dead-end aisles will be serviced along the private streets. The 26-foot proposed street widths for two of the interior private streets is sufficient to accommodate trash service. Signage to restrict parking during the pick-up hours will need to be required as part of the plans or as a condition of approval of the project.

Several board members also noted that the materials for the commercial trash enclosure along Street B seemed out of place. The project plans have been revised to include updated materials for the enclosure that align with adjacent buildings on site, consistent with the ARB's suggestions. Staff notes that the commercial trash enclosure has not been moved. Because this enclosure serves both the 3201 Ash Street Building as well as the remaining cannery, the applicant has stated that moving the enclosure to the north side of the building is not feasible. Staff and the applicant agree that placing it in front of the retail space is also undesirable. Staff would still recommend moving this enclosure closer to the Ash/portage connection so that it is not directly across from the proposed future affordable housing project.

Bicycle parking

Long-term bicycle parking for the townhome project was shown in the previous plan set (within private garages). Short-term bicycle parking for the townhome project and both short-term and long-term bicycle parking required for the cannery building are now shown on the revised site plan. The location and design of the bicycle parking is still being reviewed by the City's Office of Transportation. The project provides the required short-term and long-term bicycle parking for the new townhomes and exceeds the required short-term bicycle parking for the cannery building uses, including the new retail use. The project does not meet the required long-term bicycle parking requirement of 57 spaces for the cannery building. However, the cannery building and R&D uses exist on the site, therefore the project brings the site more into conformance with the code. The addition of a bike storage room could be considered for the interior space to bring the site into conformance as part of this project.

Tree Removal and Planting

The applicant has made some revisions to the plans to retain three trees that were previously planned for removal including two larger silver dollar gums near the northwest corner of the proposed parking garage and Tree 104, a 23" cannery island pine near the entrance to the proposed street B near Park Boulevard. In addition, the applicant responded that trees #3 (11" valley oak) and #41 (15" coast live oak) will be transplanted. This is not reflected in the current plans. If this is proposed as suggested in the responses, this will need to be revised in the plan set prior to approval.

The ARB asked for consideration, in particular, for retaining more redwood trees. The applicant has stated that, upon further review, no additional redwood trees can be preserved because the redwoods planned for removal are directly within the building footprint of the townhomes. However, the revised plans provide further information in accordance with the new tree preservation ordinance requirements to show the valuation of protected trees to be removed and to assess the impact on costs to design around these trees. This assessment is required in accordance with the new Tree Protection Ordinance to justify removal. Urban Forestry is still reviewing this valuation; however, based on the information provided in the plan set, the requirements of the new ordinance have been met to allow for the proposed tree removals. As has always been required, replacement of the tree canopy is required for all trees over 4 inches that are removed. The applicant has also provided the calculations of tree canopy removed and the planned replacement to show compliance with this requirement.

The previous plan set did not include a full planting plan. The revised plan set includes a full planting plan on Sheets L-2.1-3. The complete palette provides 81% native shrub planting and 67% native tree planting as noted in the applicant's response.

Overall the revised plans include minor additional tree preservation. The plans are still being reviewed by Urban Forestry for final approval; however, tree removals and replacement planting appears to conform with the requirements of the updated tree ordinance. The revised planting plan provides primarily native species, consistent with the ARB findings.

Pedestrian Paseo

No changes were made to widen the paseo in response to the ARB's comments. However, the revisions to the planting plan do improve the paseo design. The paseo design has been revised to slightly offset the pathway entrances to units across the paseo and larger planting areas have been provided to support the larger scale evergreen trees between units. These changes do help to improve privacy between units. The central tree at the townhome paseo has been updated to *Hymenosporum flavum* (Sweetshade), an evergreen tree in response to the ARB's comments. Overall, although the applicant has not widen the paseo as requested, but the revisions do improve the paseo design.

Monitor roof Scale and Structural Information

As noted in the applicant's response, the applicant laser scanned the existing building to develop an accurate base file and all plans, sections, elevations, and renderings have been updated to reflect the updated information and correct scale consistent with the ARB's comments.

Grade Separation Between Cannery and Parking Garage

Consistent with recommendations in the City's Historic Architect's analysis and based on ARB comments, the plans have been revised to maintain the existing loading dock elevation adjacent the cannery, lowering the parking garage to match the existing grade of the surface parking lot. The change provides separation from the parking and amenity space and reduces the overall impact of the parking structure. An updated analysis of the revised project's Secretary of the Interior's standards is being prepared. Staff anticipates that the proposed change will improve compliance with the standards; however, the conclusion of the EIR, which identify demolition of a portion of the building to be a significant and unavoidable impact are not expected to change.

Parking Garage

The proposed modifications lower the parking garage so that the new development adjacent the cannery building is more consistent with the datum of the trellis/awnings in-between. The parking garage was revised to be set back approximately 23 feet along the property line where it abuts single family residences as shown on Sheet A0.1.2, consistent with at least one board member's recommendation to provide 20 feet at all points between the structure and the property line. Many of the existing trees along the rear property line are very small trees and are proposed to be replaced with larger trees that can provide better screening. The applicant reassessed mature trees and determined that two additional mature trees between the parking

garage and property line could be retained. Additional climbing vines have been incorporated into the parking garage façade. It would be more desirable if trees could be planted on the second level to provide shading for the parking garage. However, the addition of trees would result in fewer parking spaces. Residents in the vicinity have specifically raised concerns about lack of parking in and around their neighborhood and the Council ad hoc and property owner have expressed a shared interest in maintaining the existing parking ratio on site at minimum to provide adequate parking for the commercial uses.

Cannery Interior

The applicant provides a basic floor plan for the interior on Sheet A3_2.1.6. Renderings of the interior space on the northern end (behind the new retail) are provided. As noted in the applicant response, the openness of the interior relates to its historic use as a cannery. Modifications that break up the space would not be consistent with the historic context of the building. Therefore, changes to break up the spaces were not proposed. The applicant has not made changes to include operable windows. An explanation of why this was not incorporated was not provided.

Retail

The applicant has revised the design to provide a larger view of the monitor roofs, improving the design. This view still doesn't seem to be integrated well into the design to provide meaningful public access/viewing of this feature. Staff does not have suggestions of how this design can be improved and would appreciate the ARB's feedback on how the views of the monitor roof might be better integrated into the design if there are still concerns regarding the proposed plans.

Consistency with the Comprehensive Plan, Area Plans and Guidelines³

The Comprehensive Plan land use designation for the majority of the 14.65-acre site is Multifamily Residential; a small portion of the property located at 3040 Park Boulevard has a land use designation of Light Industrial. Detailed information on proposed changes to the Comprehensive Plan Land Use Map is included in the December 15, 2022 and January 19, 2023 staff reports to the ARB and is reflected in Attachment C.

As discussed on January 19, 2023, in addition to these re-designations, because of the total land area being dedicated to the City (which significantly reduces the size of the existing cannery parcel), the non-residential gross floor area in the remaining building would exceed the 0.4:1 FAR. This threshold is stipulated not only in the CS Zone development standards but also noted in the description of the Service Commercial designation in the Comprehensive Plan. To address this, a Comprehensive Plan Text Amendment is proposed for the Service Commercial designation description as follows (additional proposed text shown underlined):

³ The Palo Alto Comprehensive Plan is available online:

<http://www.cityofpaloalto.org/gov/topics/projects/landuse/compplan.asp>

“Facilities providing citywide and regional services and relying on customers arriving by car. These uses do not necessarily benefit from being in high-volume pedestrian areas such as shopping centers or Downtown. Typical uses include auto services and dealerships, motels, lumberyards, appliance stores, and restaurants, including fast service types. In almost all cases, these uses require good automobile and service access so that customers can safely load and unload without impeding traffic. In some locations, residential and mixed-use projects may be appropriate in this land use category. Examples of Service Commercial areas include San Antonio Road, El Camino Real, and Embarcadero Road northeast of the Bayshore Freeway. Non-residential FARs will generally range up to 0.4 but may exceed this threshold in a Planned Community Zone. Consistent with the Comprehensive Plan’s encouragement of housing near transit centers, higher density multi-family housing may be allowed in specific locations.”

Although this change would apply citywide to parcels with a Service Commercial land use designation, staff does not expect that this change would impact other parcels because the Zoning Code continues to regulate the allowable floor area for Service Commercial designated parcels citywide and any new Planned Community rezoning, or amendment to an existing PC Zone, would be a legislative action requiring a recommendation from the PTC and ARB as well as Council approval. The Service Commercial land use designation remains compatible with the future use of the entire site for housing. This legislative action is not subject to the ARB’s purview; the information may help the ARB and public to understand the full scope of the project.

North Ventura Coordinated Area Plan

As discussed in previous staff reports for this project, the project site is located within the boundaries of the proposed North Ventura Coordinated Area Plan (NVCAP). The City Council set goals and objectives in March 2018, and NVCAP working group meetings commenced in 2018. On November 14, 2022, City Council reviewed and endorsed the refined preferred alternative plan.⁴

An analysis of the project’s consistency with key goals articulated for the NVCAP process is included in Attachment D. The City, in its negotiations with Sobrato, focused on the key goals of the NVCAP and the expressed interests of the public and NVCAP working group. These included:

- Open space adjacent to Matadero Creek
- Housing, particularly affordable housing
- Retention and historic rehabilitation of the cannery building
- Improved bicycle and pedestrian connections
- Transportation Demand Management Plan

Zoning Compliance⁵

⁴ Minutes of the November 14, 2022 Council hearing are available online at:

<https://www.cityofpaloalto.org/Departments/City-Clerk/City-Meeting-Agendas/Meeting-Agendas-and-Minutes>

⁵ The Palo Alto Zoning Code is available online: http://www.amlegal.com/codes/client/palo-alto_ca

Because the proposed Development Agreement includes the donation of a significant portion of the property to the City of Palo Alto, the remaining buildings (including the remaining cannery building, 3201 Ash Street Office building, and the Audi building on Park Boulevard, as well as the proposed townhome development, would not comply with certain aspects of the zoning ordinance. These include development standards such as FAR, lot coverage, and site open space, which are based on the size of the parcel, but also include standards such as setbacks, which are reduced in some cases based on the new location of parcel boundaries. The applicant is seeking, through the Development Agreement and Planned Community (PC) rezoning, permission to deviate from certain code standards, in a manner that is consistent with the Zoning Ordinance. Staff's detailed review of existing and proposed cannery building parcel's improvements' consistency with applicable Zoning standards is included in Attachment E.

To address any inconsistencies with the municipal code, the project would include rezoning all of these parcels, with the exception of the City dedication parcel, to a Planned Community zone district. Rezoning of the site is not subject to the ARB's purview; however, the final Development Plan will inform the standards set forth in the proposed ordinance for the Planned Community zone district, which will require a recommendation from the PTC and Council approval.

Context-Based Design Criteria

The context-based design criteria do not apply to PC Zone Districts. However, the Planned Community rezoning process provides the City discretion with respect to approval of the development plan and any proposed development should be required to comply with these criteria to ensure high quality design and compliance with the ARB findings. Therefore, an analysis of the project's consistency with the context-based design criteria that would normally apply to commercial and residential projects is provided in Attachment F. The analysis assesses the townhomes for conformance with the context-based design criteria for residential projects and assesses the remaining cannery building and parking structure addition for conformance with the context-based design criteria for commercial projects.

The proposed parking garage will be located adjacent to existing single-family homes. The existing wall on the site would be moved to align with the property line and existing fence lines of the neighboring residences. In the previous plans, the parking garage was set back between 10 and 25 feet from the residential parcels (10 feet on the western end and about 25 feet at the center and on the eastern end) and complied with the daylight plane requirements. At the ARB's request, the proposed structure has been redesigned to provide a 23-foot setback adjacent the single-family residential parcels. A line-of-site diagram has been provided, per staff's request, to views between the second level of the garage and single-family residences. Some additional mature trees have been retained. The previous plans did not clearly show the existing mature trees within the small sliver parcel between the existing parking lot and single-family residences. Most of the mature trees between these uses were within this sliver parcel whereas the trees along the existing wall are small, ornamental trees. The plans have now been revised to show retention of most of those trees. Where small ornamental trees are removed,

evergreen trees that have the potential to grow taller and provide better screening between the parking garage and neighboring residences is proposed.

A lighting plan for the parking garage has also been provided and shows how lighting would be designed to reduce impacts on neighboring residences.

Overall, the plans as revised are consistent with the context-based design criteria as they relate to their respective uses.

Multi-Modal Access & Circulation

The proposed project includes four points of vehicular ingress/egress to the site, two from Park Boulevard, one from Portage Avenue/Ash Street, and one from Acacia Avenue. Private streets would provide internal access between the Townhome units and other uses. The Development Agreement and associated plans include various ingress/egress easements as well as a public access easement between Portage Avenue and Park Boulevard along the alignment of Street B in the plans (Sheet L-1.1 and AR1.0.0). Access to the parking garage for the cannery building would be provided through an existing easement and entrance at the rear of the property at 420 Acacia Avenue (where Acacia Avenue meets Ash Street) but can also be accessed via Park Boulevard across the townhome parcel.

Sobrato is required to provide an enhanced bicycle connection between Park Boulevard and Portage/Ash for consistency with the Palo Alto Bicycle and Pedestrian Transportation Plan (BPTP) as well as the Countywide Trails Plans. This connection is proposed as part of the Development Agreement. An enhanced bicycle connection requires, at minimum, sharrows. Staff is exploring options with Sobrato for these bicycle improvements that would exceed the requirement of providing sharrows and to resolve any potential conflicts between parking and the enhanced bicycle connection. Based on discussions between the City and Sobrato, the proposed plans reflect a two-way bicycle connection that is buffered from the street by markings and grade-level vegetation. Staff is still evaluating how to best connect the bike path at both Park Boulevard and Ash/Portage based on feedback from the Palo Alto Bicycle Advisory Committee provided on February 7, 2023 and anticipates some refinements as part of the final plan sets. Considerations may include high visibility markings and raised bike crossings. Staff anticipates that this will align with the NVCAP proposal for Portage Avenue, which will propose a future bicycle boulevard between the site and El Camino Real, possibly with protected/buffered bicycle lanes on the South side of the street.

Pedestrian access to the site is provided from Park Boulevard across the townhome parcel, from Portage/Ash in the same manner as the existing pedestrian access, and between the parking garage and cannery building from Acacia. The pedestrian connection from Acacia is unclear and does not appear to connect through the parking garage into the pedestrian mews. Staff will continue discussing options for this connection with the property owner. Pedestrian connections are provided throughout the townhome site and across Street B to connect the retail space into the future Park.

Transportation Impact Analysis

The City prepared a Transportation Impact Analysis (TIA) for the proposed 200 Portage Townhome Project (91-units) as well as the proposed Development Agreement. The TIA analyzed the project in accordance with both Vehicle Miles Traveled (VMT) for the purposes of CEQA as well as with the City's Local Transportation Impacts policy adopted by the City Council. The Council adopted a policy to evaluate circulation as well as level of service at intersections. The complete Transportation Impact Analysis is included in Appendix H of the Draft EIR. A link to the Draft EIR is included in Attachment J of this report.

Vehicle Miles Traveled

The criteria used by the City of Palo Alto state that each component of a project should be evaluated independently for mixed-use projects consisting of multiple land uses. The Palo Alto VMT Criteria states:

- Projects located within a half-mile walkshed around high-quality transit corridors that do not exceed City parking requirements can be presumed to cause a less-than-significant VMT impact.
- Local-serving retail projects comprised of less than 10,000 square feet can be presumed to cause a less-than-significant VMT impact.
- Residential projects may indicate a significant transportation impact if the proposed project VMT exceeds 15 percent below the existing County home-based VMT per resident.
- Office (or employment-based) projects which exceed 15 percent below the existing regional home-based work VMT per employee may indicate a significant transportation impact.

The project is located within one half-mile of high-quality transit corridors and the project does not exceed the parking requirements. Therefore, the Development Agreement Alternative would normally be screened out as a project with a less than significant impact. However, for comparison with the proposed 91-unit townhome project, and because the parking was not known at the time the analysis began, the City evaluated each use individually.

The proposed development Agreement includes an on-site 2,600 square foot retail space which is smaller than the 10,000 square foot threshold adopted by the City VMT criteria. Based on guidance from the OPR Technical Advisory and Palo Alto's adopted criteria, local-serving retail such as this can generally be presumed to have a less-than-significant impact on VMT. These types of uses will primarily draw users and customers from a relatively small geographic area that will lead to short-distance trips and trips that are linked to other destinations. The total demand for retail in a region also tends to hold steady; adding new local-serving retail typically shifts trips away from another retailer rather than adding entirely new trips to the region. According to the Santa Clara Countywide VMT Evaluation Tool (Version 2), the countywide

household VMT per capita is 13.33 miles. Based on the Palo Alto VMT Criteria, a project generating a VMT that is 15 percent or more below this value, or 11.33 miles per capita, would have a less-than-significant VMT impact. The evaluation tool estimates that this project would have a projected VMT rate of 4.89 miles per capita. Because this per capita VMT rate is below the significance threshold of 11.33 miles, the residential portion of the project alternative would be considered to have a less-than-significant VMT impact. The Countywide VMT Evaluation Tool also estimates that the countywide average VMT per worker is 16.64 miles. Per City VMT Criteria, a project generating a VMT that is less than 15 percent of this value, or 14.14 miles per worker, would have a less-than-significant VMT impact.

The evaluation tool estimates that this project would have a projected VMT rate of 15.56 miles per worker. A Transportation Demand Management (TDM) program includes measures which can reduce the need for vehicle travel by employees of the proposed project. A TDM program capable of reducing vehicle trips by 15 percent is proposed in the Development Agreement between the City and the project applicant. Successful implementation of the project's proposed TDM program would be expected to reduce VMT and would result in the project alternative having a less-than-significant VMT impact for its employment-based uses, 13.23 VMT. The proposed TDM Plan is included in Attachment G.

Local Transportation Analysis

The Development Agreement alternative is expected to generate an average of 43 net-new vehicle trips during the a.m. peak hour and 51 trips during the p.m. peak hour. This represents an increase of three and four trips during the a.m. and p.m. peak hours, respectively, when compared to the 200 Portage Avenue Townhome project. Because the proposed project alternative is expected to generate a similar number of peak-hour vehicle trips compared to the base project, staff did not perform a separate intersection analysis for the project alternative condition. The TIA concludes that the results would be nearly identical to those from the base project and any differences would be nominal.

The Local Transportation Analysis concludes that the study intersections would continue operating at the same levels of service with or without the addition of project-generated traffic. At the intersections of El Camino Real/Olive Avenue and El Camino Real/Lambert Avenue, the westbound approaches would operate at LOS F during both the a.m. and p.m. peak hours regardless of whether project-related vehicle trips are included. The intersection of El Camino Real/Olive Avenue would have volumes that satisfy the peak hour volume warrant under the Cumulative plus Project condition for the p.m. peak hour with the project and the intersection of El Camino Real/Lambert Avenue would also satisfy this warrant with both the a.m. and p.m. peak hour volumes with or without the project.

The City does not have a threshold of significance for unsignalized intersections already operating at LOS F prior to the addition of project trips. It is suggested that unsignalized intersections that satisfy a peak hour traffic signal warrant and operate at LOS F be included in the City of Palo Alto's list of intersections that are considered for traffic signal installation. The City identifies its own criteria for ranking and prioritization, including other signal warrants and

crash history when considering the need and timing for traffic signal installation. It should also be noted that because these intersections affect Caltrans right-of-way, Caltrans signalization of these intersections would fall under Caltrans' jurisdiction. Similar to the City, Caltrans has additional considerations with respect to ranking and prioritization before it would consider signalization of an intersection. The City is exploring the potential for future signalization of this intersection with Caltrans as part of the NVCAP process. In accordance with PAMC Section 16.45, the applicant is required to pay a Transportation Impact Fee for new PM peak hour trips associated with the proposed project.

Parking

The parking garage would replace existing at-grade parking on the east side of the cannery building as well as accommodate surface parking that would be removed on the City dedication parcel (adjacent Matadero Creek). Removal of the surface vehicular parking spaces adjacent to the creek will allow for that area to be used for a public park and a future affordable housing project. Additional parking is provided along Street B (south side of the cannery building) to serve the Ash office building, as well as the retail and R&D uses within the cannery building; along Street C (east of the cannery building), and on the cannery parcel to the east of the parking garage. Parking for the Townhomes is provided within private parking garages with two dedicated spaces for each unit. The applicant indicates that additional parking spaces will be provided along Streets A and B for guest parking and deliveries. These are not shown on the plan set. Therefore, if proposed, revised plans would need to reflect this proposal prior to approval.

Short-term and long-term bicycle parking are also proposed both for the cannery building and the townhomes as shown in the revised plans.

Historic

The HRB report for the January 12, 2023 hearing as well as the attached Secretary of the Interior's Standards Analysis (Attachment H) analyzes changes to the cannery building and where the project is or is not consistent with the Secretary of the Interior's Standards. As detailed in the Environmental Impact Report and the SOI Standards analysis, the building would no longer be eligible for the California Register of Historic Resources following demolition of a portion of the building in order to create the townhome parcel. Therefore, regardless of the changes to the remaining cannery building, the project and modifications to the building would not be consistent with the Secretary of the Interior's Standards for Rehabilitation. However, some community members, councilmembers, the HRB, and the ARB expressed an interest in retaining the remainder of the building as consistent as possible with the SOI standards. The analysis prepared by Rincon consultants concludes that many of the modifications proposed would not be consistent with the standards. Staff requested feedback from the HRB and ARB for feedback on where improvements could be made to improve consistency with the SOI standards while still providing high quality design that is appropriate for the proposed use of the space. The HRB did not provide detailed feedback on the specific design changes to the cannery building. However, the general feedback from the board was to try to limit changes to

the remaining building to be more in line with the Secretary of the Interior's Standards for Rehabilitation with priority given to the portion of the building below the monitor roofs. The HRB also expressed an interest in having additional evaluation completed to determine whether the Ash building would retain its integrity for the California Register (even if the cannery would not) to determine if the Ash Street office building could be individually listed on the California Register. The HRB agreed that there was an interest in considering both the cannery building and Ash Street building for the City's local register. This analysis is on-going and staff anticipates that this analysis will be complete within the next month.

The ARB recommended reducing the changes to the remaining building and noted, in particular, that priority should be given to maintaining the monitor roofs and the loading docks. The revised plans reduce changes to the south side of the building in particular to address the comment related to the loading docks. The monitor roofs are still planned to be retained in the revised design. Staff's architectural consultant will evaluate the revised design and update the previous report to reflect the proposed changes. Staff anticipates that the revised design is more consistent with the SOI standards; however, it is not expected that the conclusions of the EIR would change.

Public Art

The Council ad hoc committee expressed an interest in utilizing the required public art funds from the proposed project to further convey important aspects of the history of the site to the public. The Public Art Commission held a public meeting on January 19, 2023 to provide initial input to the applicant on the public art themes, location, etc. that should be considered. With this feedback Sobrato hired an art consultant and is in the process of selecting an artist for the proposed public art. The HRB has expressed an interest in having any public art provided on site relate, in particular, to Thomas Foon Chew and his role in providing opportunities for minorities and as a leader in furthering diversity. Sobrato is currently working with Mr. Foon Chew's granddaughter and their art consultant to identify some initial desired concepts and select the artist.

STAKEHOLDER ENGAGEMENT

Notice of a hearing for this project was published in the Daily Post on March 24, 2023, which is 12 days in advance of the meeting. Postcard mailing occurred on March 21, 2023, which is 15 days in advance of the meeting.

As noted in previous staff reports, the City has received significant input with respect to the project area as part of the NVCAP process, including from members of the public, recommending bodies, Council, and the NVCAP working group. That input informed the objectives identified for the NVCAP process as discussed above and included in Attachment D.

The Council study session on August 1, 2022, served as the prescreening meeting required for a proposed development agreement and legislative changes, including Planned Community rezoning and a Comprehensive Plan amendment, in accordance with PAMC Chapter 18.79. The session provided an opportunity for initial comments on the general development terms and

public benefits. Councilmember comments from that study session were summarized in the December 15, 2022 staff report to the ARB for the study session on the townhome portion of the project. Minutes from the August 1, 2022 Council hearing can be found online.⁶

The Planning Commission held two study sessions in October and November 2022 to provide feedback on the project and to allow for public comments on the project during the draft Environmental Impact Report (EIR) comment period. Public comments periods and comments received as part of the environmental review process are discussed below. Following these study sessions, the PTC voted to move the formal application forward to the ARB for review.

ENVIRONMENTAL REVIEW

The subject project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The City, acting as the lead agency, circulated a Notice of Preparation on December 16, 2021, for a 30-day comment period. The City received comments from one individual and three agencies: the Native American Heritage Commission, California Department of Transportation, and County Department of Parks and Recreation. The Notice of Preparation and Comments on the Notice of Preparation are included in Appendix A of the Draft EIR.

The City released the Draft Environmental Impact Report (EIR) for the 200 Portage Avenue Townhome project on September 16, 2022. The 45-day comment period was extended to 60 days in response to public comment. Circulation ended on November 15, 2022. In addition to comments received prior to and during the PTC hearing, the City received written comments from Valley Water, the Department of Toxic Substances Control, the property owner, and six individuals. These comments are included in Attachment I. Responses to all oral and written comments on the Draft EIR will be formally responded to in the Final EIR.

The Draft EIR concludes that the proposed project would have a significant and unavoidable impact on a historic resource because it includes the partial demolition of a building that the City's consultant has identified as being eligible for the California Register of Historical Resources. Therefore, to approve the proposed project, Council would be required to adopt findings to adopt a Statement of Overriding Consideration for the proposed project as well as any of the proposed alternatives. The Development Agreement is analyzed as Alternative 3 in the Draft EIR. The Draft EIR concludes that Alternative 3 would similarly result in a significant and unavoidable impact on a cultural resource because it similarly requires the demolition of a large portion of the cannery building at 200 Portage/3200 Park Boulevard. When the ARB makes a recommendation on the proposed project, the board is required to consider the environmental analysis and its conclusions in making the recommendation.

ATTACHMENTS

⁶ Minutes from the August 1, 2022 Council hearing can be found online at: <https://www.cityofpaloalto.org/Departments/City-Clerk/City-Meeting-Agendas/Meeting-Agendas-and-Minutes>

Attachment A: Location Map
Attachment B: Development Program Statement
Attachment C: Land Use Map Amendments
Attachment D: NVCAP Key Goal Consistency
Attachment E: Zoning Consistency Analysis
Attachment E: Context based design criteria consistency
Attachment F: Context-Based Design Criteria
Attachment G: TDM
Attachment H: SOI Standards Consistency Analysis
Attachment I: Written Comments on the Project
Attachment J: Architectural Plans and Environmental Documents

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