

PUD-104/PUD-81-22-14M/P14-0590, Workday, Inc.

Applications for: (1) Planned Unit Development (PUD) rezoning and development plan to construct a six-story, approximately 430,000 square foot office building, parking garage, and related site improvements at 6110 Stoneridge Mall Road (adjacent to the West Dublin/Pleasanton BART station); (2) PUD Major Modification to the PUD governing Stoneridge Corporate Plaza (6120-6160 Stoneridge Mall Road) to construct a parking garage, surface parking modifications, and .private landscaped area between the existing office buildings; and (3) Development Agreement to vest the entitlements for the project. Zoning for 6110 Stoneridge Mall Road is PUD-HDR/C (Planned Unit Development – High Density Residential/Commercial) District and zoning for 6120-6160 Stoneridge Mall Road is PUD-C-O (Planned Unit Development – Commercial-Office) District.

Also consider the Mitigated Negative Declaration prepared for the project.

Chair Olson recused himself due to a conflict of interest. Commissioner Pearce chaired the discussion.

Steve Otto presented the staff report and described the scope, layout, and key elements of the proposal.

Commissioner Ritter referred to the visual showing the buildings and greenscape and noted the gate next to the BART garage between the BART parking lot and the Workday site. He inquired if this is all Workday parking and if there is another gate on the south end of the building.

Mr. Otto replied that Workday has not proposed gates anywhere else on the site and that this would be the most desirable spot for anyone wanting to park at Workday.

Commissioner Ritter inquired if it is a one-way access into the Workday site.

Mr. Otto replied that this is also an access out from Workday. He added that there is also access through the garage and the drive aisle on the northern end of the garage for Workday employees.

Commissioner Ritter inquired if the only enclosed area is the park area.

Mr. Otto said yes, in terms of the secure area. He noted that there would be gates inside the buildings.

Commissioner Ritter stated that it was his understanding that the parking garage being constructed would be for Workday employees only.

Mr. Otto replied that was correct.

THE PUBLIC HEARING WAS OPENED.

Brian Griggs, representing Workday, stated that his project staff are also present at the meeting: Paul Ferro from Form 4, Project Architect; Rich Sharp, Landscape Architect; Steve Calcagno, Civil Engineer; and two Workday representatives, Jim Shaughnessy and Michele Hodge. He indicated that he has been fortunate to do some real estate consulting and advisory work for Workday for about six or seven years. He added that also present are Steve Hill, representing Stoneridge Corporate Plaza, Workday's partner in developing the campus, and John Rennels from Bay Area Rapid Transit (BART).

Mr. Griggs stated that the proposed project is a culmination of Workday's move five years ago from Walnut Creek to Pleasanton. He indicated that their hope is that, given the design and effort they have made to come up with a project they are proud of and one that the City can be proud of, their project will receive approval so they can proceed. He noted that Planning staff had given them some great direction and that it has been a pleasure working with Mike Tassano, City Traffic Engineer, and several people from the Building and Safety Division to try and create a project that was not going to be controversial and that would really be representative of what Workday wants to present to the City of Pleasanton.

John Rennels, Principal Property Development Officer, BART, stated that he has been doing transit-oriented development at BART for 22 years, previous to which he was Secretary to the General Loan Committee for Bank of America. He commended City staff and the Workday team for the quality of this project which has come forward so quickly. He acknowledged the work they have done to retain such a critical employer in the area and what it will do in the way of business. He added that he is proud to be a partner in this project.

Becky Dennis, Citizens for a Caring Community (CCC), stated that this is a lovely project but that it is not really their primary concern. She indicated that CCC's concern is the loss of the housing and the fact that staff is not recommending the replacement of acreage which would normally be done when high-density acreage to accommodate lower-income workforce housing is removed. She added that it was not clear how much acreage would be necessary to mitigate the impacts of this project.

Ms. Dennis stated that she was not really satisfied with the environmental analysis done in the air quality report and was hoping to get a more detailed environmental analysis. She indicated that the trip lengths are too high in the area of the shopping trips the project is going to generate and too low in terms of the mileage that is going to be traveled for Workday employees to get here. She noted that those numbers and the greenhouse gas (GHG) generation profiles are very important for the City because the City is charged with a reduction of GHG emissions by a certain time. She further noted that this means that the City needs to begin to look at all projects in terms of how much carbon they are putting in the air. She added that there is nothing wrong with this project by itself, except that it has displaced housing that was going to be mitigating the commute trips of other businesses in the City. She indicated that now the City has both

the Workday project, whose impacts are uncertain as far as GHG emission is concerned, and the elimination of the Windstar project which would also have prevented trip generations from occurring. She stated that if it were to be found that the project did need housing as a mitigation for GHG emissions, it is important to recognize that this project will not pace sufficient lower-income housing fees to mitigate those impacts because the City Council has frozen those fees at the 2003 levels. She indicated that the Commission could perhaps make a recommendation that those fees be increased as this is a big project and there will be many employees working here.

Ms. Dennis stated that the Workday narrative indicates that there is no definite timeline for moving the Workday workforce into this building; that they were not really sure about the construction timing or how quickly that needed to happen for them. In light of this, she indicated that she would very much appreciate a Planning Commission recommendation to do an expanded environmental analysis with more detail than what is in the Mitigated Negative Declaration.

Jocelyn Combs, Citizens for a Caring Community (CCC), stated that Ms. Dennis covered what CCC's major issues are, and she wanted to suggest there is time to wait before doing this. She indicated that there are very few sites left in Pleasanton, and taking a considerable amount of time looking at its impacts would be in everybody's best interests. She stated that she is not sure what the City's commercial/office vacancy rate is or could be in the future, noting that the Safeway buildings right down the street are going to be vacant soon in all likelihood.

Ms. Combs stated that there will always be a need for housing, and that if houses are built here, they will always be full, as opposed to businesses which undergo changes when they are bought out or turn virtual. She noted that this has happened a lot in Pleasanton and is another reason to take a little more time and a closer look at what impacts this project may have. She stated that she knows it probably was not required, but the traffic and this project's impacts on I-580 resulting from the 900-plus commuters into and out of this project should be considered as well. She recalled that looking at EIR's back in the days of Dublin's, Livermore's, and Pleasanton's projects, a 12-lane freeway suddenly came to be, which is what the Tri-Valley is going to have in the next few years, and that is probably buildout.

Ms. Combs concluded that there are very few non-controversial high-density project sites left within the City, and to lose one of those and put the City in a position of bringing more infill and more controversial projects is something the Commission needs to think about as well.

Brian Griggs stated that he thinks there are concerns brought out which the environmental documents hopefully have explored. He indicated that certainly the last thing Workday wants to do is be perceived as an unfavorable partner with the City. He noted that there are some concerns about timing if this project were to be delayed; he indicated that Workday has commenced drawings to actually be able to bid the project. He added that the uncertainty as to start of construction really has to do with flexibility

and should not be perceived in any way as an indication that Workday is going slow. He indicated that they have spent a lot of money and will continue to spend a lot more speculatively to try and have the ability to start in a fairly timely manner.

Mr. Griggs stated that Workday certainly has alternatives to find space, and they did look. He noted that there are a couple of very large vacant projects both in Pleasanton and outside Pleasanton. He further noted that the culture that Workday is founded upon really is indicative of an inclusive culture, and that was one of the reasons they wanted to be proximate to the other two buildings they occupy and, pretty soon, possibly part of a third building in the complex. He indicated that having the ability to keep the company together is really what the main emphasis of this will be. He added that candidly, Workday has a very good partnership with the City of Pleasanton, having employed a lot of residents and planning to continue to employ residents as they grow. He asked the Commission to take this into consideration and to not delay the project.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Allen asked staff to address the process for creating some of the assumptions that were used around air quality and the miles traveled.

Mr. Dolan replied that there are really two points in Ms. Dennis' letter: the first relates to air quality/greenhouse gases (GHG) issues, and the other one is about the housing inventory. He indicated that he would address the first issue on environmental.

Mr. Dolan stated that the air quality analysis is the traditional analysis staff has been doing for years in CEQA about specific contaminants. He indicated that there are models that are approved for this, and the normal model was used. He added that there are some averages there that are assumed and that it is accepted practice to use the default settings for a project like this. He explained that the idea is that if one is too high in a certain situation and the other is too low, it is going to average out. He noted that that is completely different from the GHG analysis: the first one is relatively routine, and the GHG analysis is something that is relatively recent. He pointed out that when the City did its General Plan, the City was sued over its Housing Element, and there was another lawsuit that included an inadequate GHG analysis of the City's overall development. He noted that collectively, the State and the region have come up with an approach to that; and one of the things the City was asked to do was prepare a Climate Action Plan (CAP), which it did and added it to its General Plan. He continued that once a Climate Action Plan is done, individual GHG analysis for every project does not need to be done; all the City needs to do is analyze whether the project that is being proposed is consistent with the Climate Action Plan. He pointed out that the Commission has become familiar with the Climate Action Plan checklist and the analysis staff goes through. He added that this is done throughout the City on every project, and the conclusion is that the City will meet its numbers and has done everything correctly. He indicated that every project the Commission has seen of any size since the Climate Action Plan was adopted has gone through that process, in the

same manner that this one has, and staff has ensured that relative to GHG, this project complies with the Climate Action Plan.

Mr. Dolan then asked Ms. Stern to address the second issue regarding housing inventory.

Ms. Stern explained that when the amount of housing that has been previously counted in the adopted Housing Element is reduced, the State requires that findings be made that it is consistent with the current Housing Element and that the RHNA requirements can be met on the remaining sites. She stated that Exhibit D of the staff report outlines staff's analysis on how these findings could be made: staff looked at the surplus units the City had from the last Housing Element and compared them to the 350 units that are being removed from the inventory. She indicated that staff believes the City has sufficient units, in addition to the fact that the Housing Element has a program that states that the amount of multi-family housing should not be reduced. She added that the caveat to that is unless there are adequate sites, and the City does have adequate sites remaining.

Mr. Dolan added that, as the Commission knows and has heard about a little bit and you will hear more later tonight, the Regional Housing Needs Allocation (RHNA) numbers went down. He noted that the City had to have a certain number for last time; but with the new numbers, the City will have a big surplus. He added that once the new Housing Element is done, there will be over 1,000 extra units. He indicated that there are some people who have criticized the City for doing this, but the City had to do it the last time to meet RHNA numbers; however, with the new numbers, the surplus will be very generous.

Mr. Dolan then stated that there has been an insinuation that this is not a transit-oriented development (TOD) project and is not consistent with the City's TOD policies. He indicated that he thinks it is very fair to say that the definition of TOD goes well beyond just putting housing by a BART station. He noted that there is a lot of thinking, including the Association of Bay Area Governments (ABAG) and regional and non-profit planning organizations, that definitely includes office. He added that the creation of a TOD district does not revolve around one project; it includes what else is around it, and often there is a mix of uses.

Mr. Dolan stated that there will be a reduction in the traffic from this project because of its location, which is one of the reasons Workday selected this area and will purchase the adjacent campus and expand it. He indicated that the City did approve that housing project almost six years ago and liked that project a lot. He noted that there has been no transit ridership generated from that site since it was approved, and BART is very anxious for Workday to build something so they will get some ridership off of this; and the City can take advantage of this location as well.

Commissioner Ritter commented that the State never changes its minds, and the government does not either, and inquired how the numbers went down by 1,000 units.

He further inquired what the chances are that the State will change it again after it has revamped all of its RHNA numbers.

Mr. Dolan replied that the City has its numbers for the next Housing Element which it needs to complete by the end of this year. He noted that there will not be another RHNA assignment for another eight years. He noted that it is difficult to say which direction it will go and that a lot of it depends on the economy.

Commissioner Ritter stated that he does not want the City to be sued again based on what it does now.

Mr. Dolan replied that he does not really see that happening. He explained that the last time the City was behind, it did not have the zoning for the numbers it was assigned, but it has extra units this time.

Commissioner Ritter referred to Figure 5 of the transportation analysis and noted that it looked like there was an error on No. 10 on the turn lanes, which shows they are all going right when they probably should be going left onto the freeway. He noted that No. 3 and No. 10 are going to be the most commonly used, and No. 10 will be adding an extended turn lane to get more vehicles going onto the I-580 freeway. He pointed out that the arrows seem to be going the wrong direction, and he wanted to make sure that got corrected because it did not make sense.

Mike Tassano replied that the arrows will all be switched the right way. He noted that he does not really look at the arrows as opposed to ensuring the number is correct.

Commissioner Ritter stated that when he was looking at the numbers, it looked like traffic did not go up that much based on the buildout plans. He noted that it mostly went up in the A.M. and not the P.M., and sounded like the A.M. traffic was busy getting on and off Stoneridge Drive and Stoneridge Mall Road.

Mr. Tassano replied that was correct and added that the P.M. traffic is busy as well. He stated that one of the things seen in the cumulative hour is that there is a lot of congestion, so there is already some spreading that occurs. He added that it is one of those things that needs to be balanced: how much traffic is going to be there, and where that other traffic is going to be diverted to. He noted that there would be more diversion in traffic farther away from this project, which the City also analyzes to make sure it works, although it is not included in this report.

Commissioner Ritter noted that it looked like it went to two lanes versus three lanes.

Commissioner Allen noted that traffic forecasts are not necessarily reality all the time and inquired what other levers the City has to pull in a worst-case scenario, if the traffic impact is worse than what is expected.

Mr. Tassano stated that the two key intersections that this project contributes traffic towards are Stoneridge Mall Road and Stoneridge Drive, which is a “T” intersection with three southbound left-turn lanes. He explained that there are some capacity issues, with only a limited number of vehicles actually being able to use those lanes, and then quite a number of eastbound and westbound lanes to go through as well. He continued that one of the things that the City will be requiring of the Workday project is to improve that intersection to make that signal more efficient. He indicated that the intersection can be potentially extended to the south to increase capacity for the east and west. He added that the street cannot be widened more; building four left-turn lanes will make it the main movement and something else will need to be closed down. He pointed out that it is kind of land-locked; it is a “T” intersection, and he does not see the City not being able to process those volumes.

Mr. Tassano stated that the other intersection that is critical is the Foothill Road at Canyon Way intersection. He noted that it is a gateway intersection, so it is exempted in the General Plan from actually having to do anything; it does not mean, however, that the City should not make every effort to make sure it can process the vehicles that come through that intersection. He indicated that it has a double right-turn lane for the P.M. peak hour right now, which is one of the traps onto the freeway. He stated that the City is going to bring that further up to try and process more traffic through there; that construction is underway. He added that the Workday project will also be required to build a third southbound left-turn lane and a third receiving lane to improve the efficiency of the traffic signal; and there is the opportunity as well to add a fourth northbound through-lane on Foothill Road. He pointed out that it was in the 1996 General Plan but not in the 2006 General Plan only because it was not identified as a needed improvement going forward. He indicated that the right-of-way still exists there, and that improvement and some other modifications to the Foothill Road at the Canyon Way intersection can still be done as another fallback.

Commissioner Allen moved to: (1) find that the project would not have a significant effect on the environment; and (2) find that the proposed Rezoning and Development Plan for the project, the PUD Major Modification for the Stoneridge Corporate Plaza site, and the Development Agreement for the project are consistent with the General Plan, including the reduction of the residential density, and that the remaining sites identified in the City’s Housing Element are adequate to accommodate the City’s share of the regional housing need after the elimination of the Windstar project’s 350 apartment units; (3) make the PUD findings for the proposed Development Plan as listed in the staff report; and (4) recommend approval to the City Council of (a) the Mitigated Negative Declaration; (b) Cases PUD-104, the PUD Rezoning and Development Plan, and PUD-81-22-14M, the Major Modification, subject to the Conditions of Approval as listed in Exhibit A of the staff report; and (c) Case P14-0590, the Development Agreement for the project, as shown on Exhibit B of the staff report.

ROLL CALL VOTE:

AYES: Commissioners Allen, Pearce, and Ritter

NOES: None

ABSTAIN: None

RECUSED: Commissioner Olson

ABSENT: Commissioners O'Connor and Posson.

Resolutions Nos. PC-2014-21 recommending approval of the Mitigated Negative Declaration for the project; PC-2014-22 recommending approval of Case PUD-104, the PUD Rezoning and the Development Plan; PC-2014-23 recommending approval of Case PUD-81-22-14M, the PUD Major Modification; and PC-2014-24 recommending approval of Case P14-0590, the Development Agreement for the project, were entered and adopted as motioned.