

**PUD-109, H. James Knuppe**

**Applications at 273 Spring Street for: (1) a certificate of appropriateness to demolish the existing 910-square-foot single-story commercial building; and (2) a Planned Unit Development (PUD) Rezoning and Development Plan approval to rezone the site from the C-C (Central Commercial), Downtown Revitalization, Core Area Overlay District to PUD-C-C (Planned Unit Development – Central Commercial), Downtown Revitalization, Core Area Overlay District; and to construct an approximately 4,074-square-foot, two-story commercial/office building with an attached approximately 1,225-square-foot second-floor apartment unit, and four, approximately 2,015-square-foot, three-story multi-family residential units.**

Eric Luchini presented the staff report and described the scope, layout, and key elements of the proposal.

Commissioner Ritter requested clarification that the Planned Unit Development (PUD) originally was in agreement with the concept but the applicants changed their mind with the proposed changes.

Mr. Luchini replied that is generally correct. He stated that the original set of comments was that they were open to some degree of residential on the property; however, they somewhat changed direction as they were strongly encouraging an increase in the square footage in the area of the commercial use but did not want that to be at the expense of allowing more residential on the property.

Chair Allen noted that she does not recall seeing a letter from the Pleasanton Downtown Association (PDA).

Mr. Luchini replied that the first round of comments from the PDA was actually verbal and was received at one of its Board Meetings that staff attended; these comments were included in the staff report for the Commission's Work Session on August 26, 2015. He added that at that Work Session, the Commission had requested that formal written feedback from the PDA be provided, which is attached as Exhibit G to the staff report.

Mr. Weinstein confirmed Mr. Luchini's statements in terms of the general themes expressed in the PDA's letter. He clarified that he did not think the PDA was saying it was absolutely opposed to any residential uses on the site but just that there should be a majority of commercial uses on the site in excess of the commercial uses that are currently being proposed. He noted that there is a PDA representative in the audience who can speak on the project.

Commissioner O'Connor commented that the PDA also wanted the residential to be second-story.

Mr. Weinstein replied that the PDA did not go into that in the letter but that it could be a logical conclusion.

Chair Allen noted that the Commission will have a chance to hear from Laura Olson, who is here representing the PDA. Chair Allen then noted that the term “precedent” was used in the staff report and asked staff for guidance on this matter. She stated that her assumption is that the decisions the Commission makes tonight, for example, on tandem parking or potential guest parking, could potentially be cited in a future staff report as a “precedent,” especially if the Commission makes comments that it does not consider as precedents. She inquired if her assumption is correct.

Mr. Beaudin replied that it is possible that could happen, but what is unique about the PUD process is that it does allow site-specific alterations to the base zoning district, and that is what the Commission is really looking at tonight. He suggested using the word “example” rather than the word “precedent.” He indicated that it is entirely possible that a decade from now, the Commission might be talking about a project that was approved at an earlier meeting as an example of a particular design decision that was made in the Downtown, but that does not mean it has to be replicated or followed as would be done if it was, in fact, a precedent. He added that because this is a PUD, it does provide some additional leeway in the eyes of history: the Commission is looking at site-specific conditions at a given time and making decisions based on today’s policy and regulatory environment.

Chair Allen stated that she just became familiar with the term “tandem parking” a month ago because she had never seen a project with tandem parking since she has been on the Commission. She requested staff to clearly describe what it is and why the City and most cities do not consider a single tandem parking as acceptable for two parking spots.

Mr. Beaudin stated that tandem parking is when one car is parked in front of another car, whether on a covered or uncovered area; or one could be in the garage and the second in the driveway. He explained that what it basically means is that there are two cars in play, and one car has to be moved in order to move the second car; that when it is nose-to-tail with two cars, somebody is going to have to do some jockeying, and what is usually desirable is to have a little bit of extra room to play with so that if somebody is jockeying a car, that car does not have to be left in the street while the other car is being moved. He stated that there is just one person doing that exercise: he/she moves car “A” out of the way enough to get into car “B” and move it out of the way; he/she then moves car “A” back into the driveway, then gets into car “B” and drive it away. He continued that in this particular scenario, the drive aisle is wide enough to park a car and still maneuver; these are four to five units, and there is really no concern about congestion or causing any sort of delays or impacts or dangerous situations.

Mr. Beaudin stated that a lot of zoning codes did not anticipate tandem parking because when these zoning codes were written, land was not at a premium; there was enough room to build side-by-side two-car garages, or the parking requirements were lower such that one-car parking garage was enough. He added that people who had two cars

might park in the driveway and were using it as a tandem situation; but the reality is there was only a one-car parking requirement or there was enough land to do side-by-side garages, which is much more typical for Pleasanton's residential development when it took off in the late 1970's through the 1980's: the standard development framework was to have a big garage right in front of the house.

Mr. Beaudin stated that the situation today for smaller infill projects today is that cities, including Pleasanton, have not updated their zoning code and do not have the tools to really accommodate the parking requirements that are imposed on these sites, and the current development is not able to mesh with the expectations for these sites with the parking requirement that exists in the base zoning. He added that because projects get too small, cities are using tandem parking as a way to allow development to continue to occur.

Commissioner Ritter inquired if tandem parking currently exists at some locations in Downtown Pleasanton.

Mr. Beaudin said yes, through the zoning flexibility that comes through the PUD process. He noted that this is not the first; there is another example, not precedent, in the Downtown.

Chair Allen stated that the other example cited is Kimberly Commons, located across from the Chamber of Commerce building on Peters Avenue, which was approved ten years ago with a tandem-parking arrangement; it has an open-garage with a long driveway that has plenty of space for a third vehicle for a third occupant of the building or for a guest. She noted that the plans presented at the Work Session included a two-car garage with a driveway that could accommodate two additional vehicles for guests. She recalled that the discussion did not address guest parking for that reason. She inquired where guests would park with the proposed tandem parking.

Mr. Weinstein replied that generally speaking, there are two options: One option which probably is not going to happen is that the household who lives on the site has one car which is parking in the garage, and a guest can park in a space in front of the garage; and the second is that it is likely that the people who live here will have at least two cars which would likely be parked on-site, so, guests would park on the street.

Mr. Weinstein indicated that the provision for parking on the site, including guest parking, was a clear direction from the Commission at the Work Session, and Mr. Luchini talked in detail about all these different competing objectives that staff sought to work through on the site, including building setback, architecture, massing, and so forth. He pointed out that the provision of residential parking to the extent that the Planning Commission asked for was something that was not achieved in this current design. He noted that staff looked at the entire project holistically, and in the context of the entire project, staff felt it was a given fact that guests of these residents are likely to park on the street and that it was acceptable; and that in the context of Downtown, the

pedestrian and walkable environment in the Downtown, and the desire of people to live in close proximity to Main Street, tandem parking on the site would also be acceptable.

Chair Allen asked staff for an update on what the parking survey done by Hexagon in 2013 says about this area, now that there is this project and parking is a concern.

Mr. Weinstein replied that that is the latest study that has been done, and there are no new updates to it. He added that there may be some with the new parking study that is currently being done.

Commissioner Nagler asked staff to walk the Commission through the discussions staff had with the applicant since the Work Session that, in fact, did transition the per-unit parking from a two-car garage to tandem parking.

Mr. Beaudin stated that he did not have the conversations directly was kind of a ripple effect. He noted that at the Work Session, the Commission expressed an interest to increase the amount of ground-floor retail and set it back to address some neighborhood concerns from a compatibility and visibility perspective, give it a little bit of a front yard and create more of a stepped urban design from Main Street up the block. He further noted that there was also a desire to get additional commercial parking as part of the retail and office space. He indicated that in order for the developer to hold to the Commission's desire to have a certain number of residential units, something had to give, and the developer gave at the ground floor to provide more retail and more parking for the commercial, resulting in the residential parking being pinched. He added that the developer and the applicant's team present tonight can speak a little bit more about the concessions they were willing to make, based on the Commission feedback they received at the Work Session.

Commissioner Nagler inquired if there were any specific discussions between staff and the applicant on changing the number of units to allow for the continuation of the two-car garages and the number of units that the development ends up possessing.

Mr. Weinstein replied that staff discussed a lot of different options with the applicant team to reconcile all of the direction provided by the Planning Commission at the Work Session, and one of those options was carving out residential units and providing either more parking or more residential space. He added that staff also encouraged reducing the size of the residential units as another way of getting more space and more usable square footage out of the project. He indicated that the applicant's team declined to actually carve off residential units from the project because they felt they needed this number of residential units to make the project work, but they slightly reduced the size of four of the townhouse units and substantially reduced the size of the fifth unit, which is now an apartment unit on the second floor. He noted that while they were able to seek out more space from that process, it did not result in the provision of more parking; instead, it allowed the building in front of the site to be set back a little and the commercial space to be expanded.

Chair Allen noted that there has been a lot of discussion about retail and retail versus commercial, and that there will be 975 square feet of retail. She asked staff to define “retail,” what that would include, and whether that would include a bank or a mortgage company or a beauty salon.

Mr. Weinstein replied that there is actually no definition of “retail” in the Municipal Code, so in this case, staff will interpret projects that are going to be using this tenant space and decide whether the use is retail or not. He indicated that, generally speaking, the use is going to have to be substantially selling products as a primary function; so, a salon that happens to sell hairspray would not be considered retail; nor would a bank or anything else that does not devote the vast majority of that retail space to actually selling things. He clarified that if the primary use is a service use, then it would not be something that would be allowed in a retail space.

Chair Allen inquired if staff included a condition that defined retail and specifically what the uses would be.

Mr. Luchini: replied that there are no defined uses. He stated that anything allowed by the current C-C zoning could potentially go in there, and there are no proposed changes at this time. He noted that as earlier mentioned by Mr. Weinstein, staff will evaluate the uses on a case-by-case basis. He added that if the Commission felt inclined, it could add a condition that would restrict those uses.

Chair Allen noted that at the Work Session, the Commission indicated that retail was important and distinguished it from office and a bank and a mortgage company. She questioned if there was the capability to manage that and if, in fact, should the Commission decide to approve this project, the Commission could be sure that the space really would be retail in the way the Commission talked about it.

Mr. Beaudin stated that staff understands the intent, that it is pedestrian-oriented, active, and commercial goods exchanged. He added that there were some concepts brought up tonight that staff could certainly turn into a condition if the Commission so desired.

Commissioner Balch inquired if “commercial” is defined in the Municipal Code.

Mr. Weinstein said no. He explained that typically through the planning realm, “commercial” is used in a slightly different way than a lot of other people in the world; it is used to indicate non-retail which also is not defined.

Chair Allen commented that it sounds like there are no definitions in the Municipal Code for any of the things being talked about.

Mr. Beaudin stated that staff is looking right now at an administrative draft that would comprehensively update the use tables and definitions for the Zoning Code. He added

that the Downtown Specific Plan will also be updated in the spring to try and bring some clarity to some of these finer points.

Commissioner O'Connor commented that "retail" would be those that include sales tax dollars.

Commissioner Balch noted that there are four uses in this building: residential, commercial, office, and retail. He inquired if "office" is defined in the Municipal Code.

Chair Allen inquired if they are highly interchangeable.

Mr. Weinstein replied that "office" is being considered "commercial." He stated that staff is making sure that this project adheres to what is approved tonight, and if the project is approved as proposed, the 975-square-foot space in the front of the building is actually identified as retail, which is undefined and would be subject to staff interpretation. He noted that staff is on the same page as the Commission in terms of what retail actually means in practice. He added that if the Commission desires, a condition could be imposed that absolutely restricts that space solely for retail uses.

Commissioner Balch inquired, given the slight ambiguity discovered by staff at this time and as initially proposed, whether staff is suggesting a condition for each of the three uses – retail, office, and commercial – or for only retail; and whether staff is not going to suggest a condition at this time.

Mr. Beaudin clarified that there is a distribution of commercial floor area analysis in the Downtown Specific Plan (DTSP), and the use categories are retail restaurant; hotel; commercial services, which is broken down into beauty services and other personal services; office space, which is broken down into three categories; and government. He noted that while the categorization exists in the DTSP, there are no exact definitions; however, staff has certainly been working with these definitions or categories for long enough since 2002 when the DTSP was adopted to know how much of this type of space was available in Downtown. He added that there are a lot of examples, and the background document from this document identifies exactly which spaces were included in what categories.

Mr. Beaudin stated he does not think a condition needs to be added; however, it adding a condition will makes the Commission feel more comfortable with an action this evening, staff can certainly try and put some parameters around retail and around office. He reiterated that the framework is certainly identified in the DTSP; it is just not defined. He clarified that the phrase "active ground-floor retail" is commonly heard, and that basically means that it is selling something, and there is a lot of foot traffic or in-and-out traffic. He noted that the ground floor in the front part of the building could be a restaurant or a shoe store or a jeans store, and the back half and the second floor would be office categories, whether they be a mortgage company, a financial institution, a legal, medical, or real estate office or other private office. He stated that he did not

think it necessary to split hairs for this project, but if the Commission would be more comfortable to define retail, staff can put together a sentence or two tonight.

**THE PUBLIC HEARING WAS OPENED.**

Galen Grant, Applicant, stated that he is very proud of this project and would like to walk through it, addressing the issues the Commission raised at the Work Session and getting as close to the guidelines suggested for as possible, through a PowerPoint presentation:

- The retail in the commercial area was doubled, and more commercial and retail parking. The setback was increased and the footprint of the residential was reduced in order to get the commercial parking. Architecturally, relative to the entire building, the revised plan is far better than what was presented at the Work Session, particularly the detailing and the improvement to the colors. In consultation with the Fire Department, the footprint of the drive was reduced to 20 feet and still conforms with the overall building height.
- The renderings very accurately portray a design solution that will fit beautifully into the architectural theme of Pleasanton. A lot of the forms, the character, the features, and the colors were derived from neighboring buildings, in particular, the pest control building just to the east of the site. From Spring Street, the building feels like an architectural companion to the pest control building next door, and an integral part of that was setting the building back another three feet.
- The elevations are very articulated, and there is no place on the primary elevation where the three stories are vertically visible. There is a lot of layering, sculpting, and shade and shadow which make this architectural mission style effective. The parapets, some sloping, and some flat differentiate but also integrate the architecture from the retail commercial two-story end which is significantly larger. It is differentiated from the housing but feels like it really was truly an integrated design. The materials are stucco, rich wood doors not only for the overhead doors for the garages but also for the front doors of the retail and the residential.
- The two-story building is 30 feet high, and the character and the colors and everything that is visible from Main Street is a real positive contribution.
- The frontage along Spring Street was expanded: 900 to 1000 square feet is a beautiful, normal size for ground level retail.
- An elevator was provided, and a very handsome polished floor type of lobby would lead people into the second floor and also provide a gracious sense of entry to office space which is behind the parking for the commercial and retail space. To add this tuck-under parking, the footprint of the residential was reduced; one of the units was removed but that still did not provide enough

parking, and the only way to go further to reduce that residential footprint was to say this is an urban environment, this is Downtown. It is not necessary to have two-car garages or two-car driveway aprons. People who live Downtown want to walk to work, to the bank, and to a restaurant.

- The commercial parking and the accessible path of travel; the street rises in elevation just as the site rises in elevation so that this finished floor elevation works. The second-floor office looks gracious and beautiful right off of this lobby. There are decks front and back on all the residential; the third floor is roofed over the office, and there is even a new deck on the third floor off of the master bedroom facing the west side.
- Landscaping is strong. The parking breakdown is in terms of footprint between residential and retail—53 to 47 percent. The three stories satisfy all three conditions, particularly with the idea of the setback on the third floor; a 3.0 floor area ratio (FAR), 40 feet tall, tandem parking.

Commissioner Balch noted in staff's presentation that the driveway is being proposed to be reduced from 25 feet to 20 feet and asked the applicants how they feel about that.

Mr. Grant replied that was perfectly fine.

Commissioner Balch inquired if they can design around that.

Mr. Grant said yes.

Commissioner Balch clarified that, with respect to the on-street parking element, if the 25 feet were retained, an on-street parking space would have been required to go away.

Mr. Grant replied that was correct.

Chair Allen referred to Mr. Grant's 53-percent to 47-percent residential to commercial ratio, and staff talked about a 71-percent residential to 28 percent commercial and asked if this is comparing apples to oranges.

Mr. Grant said yes. He stated that his percentage just takes the ground floor footprint and the overall dimension of how much is residential on the ground level versus how much is commercial.

Mr. Luchini stated that staff's calculation is based on total building square footage and the ratio of residential and commercial.

Mr. Grant clarified that his ratio is looking at the appearance, and staff's is based on square footage.



Chair Allen asked Mr. Grant if his computation includes: the five commercial parking spots.

Mr. Grant replied that it does.

Chair Allen stated that there was an earlier discussion about market rate for this project and asked what the going market rate of the rents for the Angela Row Townhouses is.

Mr. Grant deferred to Mr. Knuppe.

Michael Knuppe, Owner, stated that he represents the family proposing to do this project and is the current owner of Angela Row Townhouses as well as the Kimberly Commons project. He indicated that the market rents right now are between \$3,200 and \$5,000 a month.

Charles Huff stated that he enjoyed these meetings going back to the late 1970's and always interesting when developers propose projects in this area without knowing the background of why, for example, there is a certain percentage of commercial near Spring Street. He indicated that he has been involved with a few projects on Spring Street and similar areas where staff has always supported keeping an older house up front and encouraged preserving that one-story look to the neighborhood, such as in Old Stanley Boulevard and in Knuppe's project in the Angela Row area. He noted that it should be that same type of situation here. He questioned why a developer has to have a commercial and a two-story right on Spring Street, why commercial is being brought into the site. He commended the Knuppes on their patience during this whole process

Mr. Huff stated that he is not the architect on this project, but he has been involved in a few projects in this area and would like to review a few of the things that have happened on that site over the last 15 or 20 years: first, in 1990, a failed attempt to build a four-story apartment house with underground parking, asking for 100 percent FAR; then in 2002, a dog shelter business which also failed; a pilates studio business in 2008 that did not quite make it; in 2010, the site was offered to the City for purchase as a parking lot; the Japanese garden in 2012; and finally in 2014, an attempt to build five single-family residences, a retail shop, and a public plaza. He noted that all of the projects on this site have been pretty much set back towards the back part of the project; obviously, they all went south, and none were built out.

Mr. Huff stated that here is a developer now who has gone way beyond to do what staff is recommending. He indicated that he thinks he could speak for them if they were to have a situation where they could abide by the Spring Street situation in terms of having one-story and residential or some commercial as well. He noted that there were some attempts to put the commercial on the opposite side of the lot that it is on right now, to put the commercial on the Main Street side which was a great idea in itself and would not have offended some people; and now staff got shifted over to the east side of the property.

Mr. Huff stated that he did not come here to support one side or the other, but to ask what happened here and why this meeting is taking place. He indicated that the project should go back to the drawing board, and the Planning Commission should review what the best use of this site is in terms of residential and commercial, without having situations where it is being dictated that commercial should be a certain percentage of the property. He urged the Commission to think about the current situation and suggest that the current developers talk with the staff about not being handcuffed into having two-story commercial which is not the best thing to do on Spring Street.

Commissioner Piper asked Mr. Huff if her reading is correct that he is not in favor of the way the project is currently proposed.

Mr. Huff replied that he is really not in favor of the situation where this is a very unique site, that it has gone through a lot of reiterations over the years, and finally here is someone who comes up and says he will work with it, and he is basically hearing that this is a commercial zone and there should be more commercial. He pointed out that Spring Street is not a commercial zone; it is a historic neighborhood that has one-story residences and a specialty that has the look of residential right up and down the street, particularly on the north side of the street. He added that to have a two-story commercial building right there on that corner is pretty over-bearing.

Commissioner Piper asked Mr. Huff if it is more optimal to have a stand-alone residence in the front and multi-units in the back.

Mr. Huff said yes; a one-story residence in the front and on the east side as opposed to the west side; and the next unit could be a story-and-a-half. He indicated that he would like to keep the residential feel of the neighborhood.

Mike Carey stated that he attended the workshop at which there was conversation about past projects on the site that never moved forward. He indicated that he is not here to speak in detail about anything but would just like to see the City of Pleasanton work with applicants who propose projects that meet the development standards of the zoning district. He encouraged the Commission, if it had any concerns with any elements of a project, to clearly let the applicant know what changes can be made to support development on sites to improve the Downtown, lot by lot. He indicated that Pleasanton is a great place in which to live, that he has lived here since 1973 and raised his family here, and that he loves seeing new things done. He urged the Commission to indicate what it would like to see in a development on this site so the applicant can move forward with something great for this town.

Laura Olson, Pleasanton Downtown Association (PDA), stated that the PDA sent the Commission a letter, and she is here to elaborate a little bit on PDA's position regarding the Spring Street project. She indicated that in general, the PDA certainly appreciated the time, energy, and effort that the Knappes have put into this beautiful project, and PDA's issue truly is its location in the commercial core of Downtown, one parcel in from Main Street. She noted that there is a tremendous parking issue in the Downtown, and

PDA has a huge desire to recruit and retain vibrant retail, especially on Main Street, and to put residential units directly behind.

Ms. Olson stated that the City, with PDA, went through the Downtown Hospitality Guidelines process a few years ago, and the only opposition to increasing vitality Downtown was from Downtown residents. She indicated that PDA does not have a right to have a business ordinance in the City of Pleasanton that allows its businesses to have some teeth when it comes to pushing back against noise concerns, and the proximity of residential to commercial is where it all comes to a head. She noted that if this project were located in the residential area and outside of the commercial core, she would not be here tonight and it would not be an issue. She added that the proposal is hitting at a time when parking and a desperate need for more retail in the Downtown is its top priority.

Commissioner Piper asked Ms. Olson how likely this project would get pedestrian traffic down there if the whole project were all retail lengthwise.

Ms. Olson acknowledged that it is a very difficult site, which is why it has seen so many projects proposed and gone away. She noted that one could come to a multitude of PDA committee meetings and hear a multitude of different opinions on what would and would not work at that site, and she believes that no one thinks anyone can just put a huge retail development there unless he or she had a brilliant, fairy-type project that was so destination-oriented that it would be successful.

Ms. Olson stated that there is acknowledgement in the current DTSP that the site would be a desired parking lot, which PDA would support to help meet the Downtown's parking issues, especially at the north end of Main Street. She indicated that she is not proposing an answer for what the project should be; however, the residential component is a huge concern to PDA as it impacts vibrancy and Downtown parking.

Commissioner Nagler stated that the thing he has always wanted was in fact to have an active retail location, and activity for retail is dependent upon having customers. He indicated that what he does not understand is why the PDA would be opposed to a mixed-use project. He acknowledged that a purely residential would be a concern, but a mixed-use project that is basically balanced 50/50 between retail and residential provides an interesting use of an important parcel of land as well as an upgrade to the basic aesthetic architecture of the block. He added that it pays obeisance to the existing architecture and provides a handful of additional customers to Downtown businesses.

Ms. Olson stated that going through the Downtown Hospitality Guidelines Task Force three years ago was extremely painful and disappointing for Downtown businesses. She noted that they had to over-compromise in order to accommodate the very loud desire of the residents in Downtown to quiet Downtown businesses. She pointed out that Downtown is a commercial district first and foremost, and the PDA represents the

businesses Downtown. She acknowledged that there are residential units within the Downtown district, but these residential units are not part of the PDA.

Ms. Olson stated that PDA is hitting the point where it is only a few years out of this really painful process and something that Downtown businesses are still kind of bitter about, and it still is not doing what PDA needs it to do entirely to meet the needs of its businesses to add the desired vibrancy. She pointed out that one can read over and over again in any of the local publications that Pleasanton does not have a vibrant Downtown; that it does not have a nightlife, and that it does not have the activity that would draw the crowds that the businesses want. She indicated that residential units in Downtown hurts that and puts pressure on it, especially when residential units will be placed behind five parcels in a City block that currently has retail and restaurants inside them.

Commissioner Nagler asked Ms. Olson to confirm that his understanding of her statement that residential use does not mix well in the Downtown because of complaints from the residents.

Ms. Olson said yes. She acknowledged that there are people who live in the Downtown who support the Downtown and shop and dine there, but they are also the first ones to complain especially when there are rentals that will turn over. She pointed out that they do not know the tenancy and whether there is a good neighbor policy. She added that it is not a right to do a business ordinance, and it does not provide enough protection for businesses Downtown.

Mark Kearns stated that he owns the property at 261 Spring Street, located to the east of the project site. He indicated that he attended the Work Session and still has the same concerns: the setback, the massiveness of the building, and the percentage of commercial versus residential. He noted that Charles Huff designed his building so it was a residential structure; it had a teardown permit already on it, and they were encouraged to bring it back to its original state. He pointed out that they could have torn it down and built a two-story building or whatever they wanted since a demolition permit was already issued on it, but they decided to go back to the way it originally was, with four parking spaces and a handicapped space, all for a 1,000-square-foot office.

Mr. Kearns stated that his biggest concerns are the setback of the building and parking. He noted that the building is too massive and cuts off the entire rest of Spring Street from the Downtown. He added that more parking has to be provided. He pointed out that there currently are about ten cars in that parking lot at any given time of the day; two of his five office staff park all the way down at First Street because there is no available parking on Spring Street. He stated that that if this site is going to be developed as proposed, it has to be downsized, have more commercial and less residential, and provide more parking.

Mr. Kearns stated that he does not know if he will have his pest control company there forever; he is renting a space on Serpentine Lane, and it may not make sense for him to

remain on Spring Street. He noted that there are not too many lots left in the Downtown area for commercial expansion, and he would like to see Spring Street grow into a commercial street with restaurants and other commercial businesses, go over the railroad, and right into to the Firehouse Arts Center.

Jerome Blaha stated that he has known Jim Knuppe for about 19 years, and every project Mr. Knuppe has done is first class, such as the storage units in Castro Valley, which initially had all types of objections until it was completed and 20 Redwood trees were planted for aesthetic reasons. He added that Mr. Knuppe tries to find ways to improve the area and makes sure that everybody on the site enjoys the benefits of his project, whether it be retail, office, or residential.

Mr. Blaha stated that when he went to Buenos Aires, Argentina, in 1968 to study the economic development of Latin America, he saw the brilliance of the design along the Avenida Fifth, where the ground-floor, all on the road, is retail; the second and third levels are offices; and the fourth to the sixth levels are residential, and the people who want to live there are those who want to go to those offices. He pointed out that it is self-serving when residential, office, and retail are in the same unit.

Mr. Blaha stated that he has a personal reason why he would like to see this project approved. He noted that he opened his office in the Signature Center in 1989, where he was the first tenant, and has been there for 25 years. He indicated that he has looked at and actually put an offer on three different properties on Spring Street: one was across the street where there were two apartments in the back; the second was down the street and had units in the back; and the third was this project site where he was trying to work out a deal with the neighboring business to make everything compatible but was unable to. He added that he is glad he did not spend many years doing what Mr. Knuppe did just to have a building, but he would like to be able to rent that office upstairs because that is where he would like to put his law office. He stated that this is a phenomenal project and urged the Commission to approve it.

Chair Allen asked Mr. Blaha how many employees he had.

Mr. Blaha replied that he has three full-time employees and shares office space with four other attorneys, three of whom are there every day, and the fourth comes in on Thursdays. He added that they do not plan to use any of the spaces in the parking lot and plan to work out an arrangement with the Firehouse Art Center to donate to the Center for their employees to park at the Center's parking lot.

Carolyn Cardinalli stated that she and her brother are part of Antonini Properties and own properties Downtown on Ray Street, directly behind the proposed project. She indicated that the proposed three-story residential buildings are very close to their property line, right at the backyard of their tenants. She added that she had heard the applicant will be installing a six-foot tall fence between their properties and requested that the fence be solid, its height raised to eight feet, and installed prior to the demolition

of the existing building for the security and privacy of their tenants who live in the triplexes behind the project site.

Mr. Grant stated that 30 feet high is equivalent to a two-story retail building and that its view from Main Street is very appropriate in scale. He then addressed tandem parking with respect to whether or not it is appropriate or and would be sufficient, and how it is sensitive to the Downtown location. He indicated that tandem parking is what cities are looking at, and every city on the corridor is now acknowledging that it is appropriate. He added that it also addresses the fact that Downtown locations are functioning differently, and people who live Downtown expect it to work differently. He noted that all of the maneuvering is on a private road, so there will be no backing out from someone else's driveway onto Spring Street.

Mr. Grant stated that he has discussed the in-lieu parking fee with staff and that there are three recent Downtown projects that have done the same: Pastime Plaza's fee had been waived as the developer provided for a mini-park; and the projects at 725 Main Street and 377 St. Mary Street will be paying their required in-lieu fees.

Mr. Grant stated that the project conforms to the DTSP: the three-story element has been addressed, and it has unique designs as well as variety. He indicated that the project provides a traditional style of architecture and will be a beautiful addition to the Downtown. He added that they have fully complied with every one of the aspects of the General Plan, the Downtown Specific Plan Guidelines, and the GreenPoint rating program. He stated that this is a good project and requested the Commission to support it.

Commissioner O'Connor stated that Mr. Grant mentioned there are no three-bedroom/ three-bath units, but the plans appear to have three bedrooms and three-and-a-half baths.

Mr. Grant replied that there are three-bedroom units, and there is also a small bedroom and bathroom with a shower on the ground level.

Mr. Knuppe thanked the Commission for its time tonight and asked the Commissions to approve the project.

Jim Knuppe, Applicant, stated that he will do a first-class job. He indicated that the buildings will not have windows looking into the side yards of the neighboring units and that Ms. Cardinalli can have an solid eight-foot tall fence before the existing building is demolished.

**THE PUBLIC HEARING WAS CLOSED.**

Commissioner O'Connor stated that it was his understanding that under the C-C zoning, residential is allowed but is either restricted to or desired for the second story or above, but not on the first floor. He inquired if this is a requirement or just a preference.

Mr. Weinstein replied that what staff is operating off of the DTSP, the Downtown Commercial District, which specifically calls for ground-floor commercial uses and allows for residential uses to be on the second floor.

Chair Allen asked staff to share with the Commission what the parking survey says about this area.

Mr. Luchini replied that according to the study, Spring Street is generally congested the majority of the time, with 90-percent to 100-percent occupancy during a weekday evening on the first half of Spring Street going east from Main Street up to Railroad Avenue, and then opens up pretty significantly. He added that Railroad Avenue itself is showing capacity for on-street parking.

Chair Allen inquired what the survey says about Main Street right next door.

Mr. Luchini replied that Main Street is highly impacted with 90-percent to 100-percent occupancy during weekday evenings.

Chair Allen noted that this survey was done two years ago. She stated that the current parking on Spring Street kind of illegally serves 10-20 cars, and people park there because it allows it as long as they are liable for any injury, for example, if they trip. She added that the survey does not account for the fact that when a developer builds on Spring Street, those 20 cars will need to move somewhere.

Chair Allen inquired what the potential maximum number of employees might be for 4,000 square feet of commercial, retail, and office on Spring Street.

Mr. Weinstein replied that it varies, depending on the parameters of the businesses that would relocate to the site. He indicated that generally speaking, it could be something like one employee for every 300 square foot or so in a retail/commercial space, which would amount to approximately 13 employees.

Chair Allen noted that there are four parking spots, and that does not count any clients who might be visiting the financial planner or anything like that.

Mr. Luchini confirmed that was correct. He added that the applicant asked him to provide the Commission with a clarification that it is the applicant's intent to add signage on the site that would allow guest parking in the commercial spaces after hours.

Commissioner Balch then initiated an informal poll to gauge where the Commissioners stood on the issues:

Tandem parking: Commissioner Balch said he was fine; Commissioner O'Connor and Chair Allen stated that they objected.

Massing: Chair Allen stated she objected and had concerns.

Number of residential units: Commissioner O'Connor stated he had concerns. He recalled that the Commission had recommended at the Work Session that the number of residential units be reduced.

Commissioner Balch requested additional information as he was not at the Work Session.

Chair Allen summarized that at the Work Session, the Commission was unanimous that the developer fully park on the property, both for residential, based on the number of units, as well as commercial with no in-lieu parking fees, so there would be no overflow parking on the street. She noted that the only way to do that was to take something out. She added that there was no discussion specifically about tandem parking for residential.

Heritage trees: Commissioner O'Connor stated that unfortunately, the only way to build anything there is to take out some of those trees. Chair Allen stated that there should be a fee for tree removal and that she is fine with letting that pass for the right project for the site.

Mixed-Use; commercial/residential: Commissioner Piper stated she had no concerns. Commissioner O'Connor stated he had no problems with mixed-use, per se, but did with so much residential, which may not be feasible today. He indicated that it could probably be phased, for example, building a commercial and residential now and then adding another layer when commercial is more viable. He added that maybe a whole ground floor of commercial should not be put in today; but then there is no going back if residential is built from the ground floor up.

Commissioner Balch then presented his own comments:

- Tandem parking: He is not a fan in general, especially when it opens onto a public street or right-of-way, but he could get there in this project because there is plenty of room to back up for a three-point turn.
- Mixed-use: When he met with the applicant, he made a comment that there needs to be some type of visual corridor or distinguishment to define the front commercial section and the rear residential section, for example, changing the pavers in some distinguishing way from the 18-inch wide path, to prevent the commercial traffic from going into the residential and having to back the whole lot out.
- Massing: He sees a problem because this is straight-zoning and would allow almost 100-percent FAR on the site: it could go much higher and much wider; it could be an enclosed mini-mall type of building with retail shops inside; but he also understands the need for a vibrant Downtown.
- Residential units: Five is a lot, but the applicant has done it tastefully; he could see it being reduced to give elsewhere, but the applicant has balanced it nicely.



- Heritage trees: Removing them always concerns him, and he is not happy with removing nine of them; however, he understands staff's comment that some of them will basically need to be removed to be able to build anything on the site.
- Commercial/Retail: Responding to the PDA's comment that it should be a commercial/retail lot, he agreed with the applicant that putting retail on the ground floor on the far side of this lot would not be viable, given its situation in the Downtown. He did not think anything else out there would be practical and would not survive; possibly mixed-use could work in some regard, but he was not sure.
- Parking: He has a concern with the number of in-lieu parking: three or four is where most of these other projects he has seen personally have come around; but the staff-recommended seven to start is a lot. The Commission needs to give direction to Council, who will be making the final decision.

Commissioner O'Connor asked staff what the in-lieu fee is.

Mr. Luchini replied that it is roughly \$19,000 per space.

Commissioner O'Connor inquired what the actual cost of creating a parking spot is, based on any studies that have been done on developing parking lots.

Mr. Beaudin replied that around \$20,000 a spot would probably be about right for a surface parking spot. He added that a parking structure would probably cost double or more in the Bay Area right now.

Commissioner O'Connor stated that he thought it was closer to \$30,000, based on the parking study done a couple of years ago.

Mr. Beaudin stated that he did not look at the Pleasanton study, but based on what he knows from other work done in the Bay Area, \$20,000 is probably reasonable. He noted that what adds to the cost of parking lots now are the stormwater retention and the lighting requirements, which could push it up closer to \$30,000.

Chair Allen inquired if that includes the land on which to build it, widening it, insurance, and everything else.

Mr. Beaudin replied that it does not include land costs and that the full cost would really depend on where the land is. He noted that including land costs would be a lot higher than \$30,000.

Chair Allen stated that she understood that the last parking study was done some ten years ago and has not been updated in quite a while.

Ms. Seto confirmed that the study is more than ten years old. She noted that since then, there have been some CPI adjustments, but they did not reflect the actual property-acquisition costs and other construction-related costs. She added that a more

current cost estimate to provide off-site parking could be obtained by looking at the appraised value of some sites; for example, how much the City really did spend to obtain the Alameda County Transportation Corridor and the various costs that went into that.

Commissioner O'Connor stated that his problem is that he has been in town for about 13 years and he keeps saying that parking is not being developed fast enough and developers have not been required to provide parking anymore for a while now. He indicated that the City is running out of space and time; there is a parking problem, and it is not being addressed. He noted that a while back, he had made the statement that he wanted to start seeing parking provided on these properties as they are developed because there will come a time, regardless of what precedent there is, that there will be nothing left and the City will have to start requiring parking. He added that he does not think the in-lieu fees the City is collecting are going to pay for parking down the road.

Commissioner Balch agreed. He stated that it has reached a point where it needs to be evaluated. He asked what the Commission thinks about giving a credit for three as opposed to staff's recommendation of seven. He computed that the use requires 14 spaces; the credit for three is for removing the prior structure to improve it and then putting four back.

Commissioner O'Connor noted that the commercial building is 4,000 square feet and required about 13 or 14 spots; there is one apartment that needs one, and four more townhomes that need two spaces a piece for a total of nine, which, added to the required 14 for commercial would total 23. He indicated that he cannot understand why credit is being considered for building and tearing down as the building is being replaced and may use something more. He added that in this case, something under 1000 square feet that has enough parking is being torn down and is being replaced with a building that does not have enough parking, even with the tandem. He stated that he has a problem with the parking overall, and he has a problem with giving credits when such a massive building is being built. He noted that the City has not been requiring parking for a while, and everyone keeps saying there is a parking shortage. He reiterated that the parking problem needs to be fixed, and it will not be fixed unless each development is required to provide its full on-site parking requirement. He pointed out that here is essentially a vacant lot, and whatever is built on it should not be overbuilt such that there is no room left for parking.

Chair Allen noted that there is a clear reference in the DTSP that any new development that builds a commercial building needs to provide the vast majority of the parking requirements on-site, as opposed to paying in-lieu fees.

Commissioner Ritter stated that he struggles with the fact that this site has basically been semi-vacant or struggling along for 25 years. He indicated that the City has done a disservice to residents and land owners by not zoning the site correctly or getting the right mix for that use, such that the proposed projects for the site have failed. He stated that he agrees with the Commissioners regarding parking Downtown, the PDA, and

creating vibrancy in Downtown; but something that is going to work has be done in that location because a dirt lot does not create vibrancy. He added that he understands there is a parking study going on right now and that the City is putting a task force together to come up with a parking plan.

Mr. Beaudin confirmed that it correct. He indicated that the City Council will get an update next week on that parking work, and the Downtown parking strategy and implementation plan will be ready by next spring. He explained that the City is looking not only at where additional parking supply is needed but also how it is going to get there.

Commissioner Ritter stated that he believes this will help everyone.

Commissioner O'Connor agreed but stated that this block is going away and it cannot be considered.

Chair Allen noted that there is a whole paragraph in the DTSP about top priority lots for consideration, and this is one of them.

Mr. Weinstein replied that is correct. He stated that this site is identified as a potential public parking lot in the DTSP and is grouped in the category of parking lots that could be developed pursuant to a special assessment district which, again, has not been developed at this point. He noted that the site is also designated for Downtown commercial uses as well. He added that the DTSP also identifies other sites that could potentially be used for parking, such as a railroad corridor which actually has a designated land use for public uses. He noted that there is some kind of distinction in the DTSP between the special assessment parking areas and other parking areas that could be used for public parking as well, and this particular site on Spring Street does not have that special assessment designation.

Commissioner Piper commented that the property is not for sale and, therefore, cannot be purchased for a parking lot.

Commissioner Balch inquired when the DTSP was authored.

Mr. Beaudin replied that was in 2002.

Commissioner Balch commented that the City did not acquire the land in 2010, that it had the opportunity but passed.

Mr. Weinstein confirmed that the City never acquired the land and that it probably could have acquired it for the right price.

Commissioner O'Connor noted that the property has been sold three times since 2002.

Chair Allen added that its assessed value is under \$1 million, according to the County's property records.

Commissioner O'Connor noted that the lot next door is very similar; it has a much smaller commercial business in the front and either an office or a residential unit in the back. He added that the City cannot continue to burden the rest of the Downtown when there is no parking; this has to stop somewhere.

Chair Allen acknowledged Commissioner Ritter's comment and stated that she too has been struggling with the same question. She shared an article headlined "Investors Eye Makeover for This Site" about a development in Santa Cruz that is very similar to this one but a little bit larger at just under half-an-acre. She stated that it is a long, narrow spot in a residential kind of neighborhood that has a little bit of small business, and they are turning it into a three-story building with café artisan shops on the bottom, service businesses on the second floor, and studio apartments on the third. She added that the reason they are doing these kinds of developments because they have been so successful at turning these little alleyways or vacant lots into little mini-Rockridge areas with a café and a wine shop or maybe a bakery or something like that, and then going up with studios.

Chair Allen continued that her big picture is about a PUD and this property. She indicated that there needs to be trade-offs, but the trade-offs need to have something that the community is also going to perceive as a huge value and get excited about. She added that she would personally be much more open to beginning to waive and loosen up on parking and other things if she could foresee that there is a greater community benefit. She pointed out that this is huge pedestrian-oriented site and it would serve a lot of the local businesses on Main Street who have employees that right now are walking four blocks right up to the Tully's area or the hair salon on a 30-minute break.

Commissioner Ritter acknowledged that the Commission is struggling with this site because it is in Downtown Pleasanton, and he is personally struggling with the Downtown parking issue. He noted, however, that the Commission's job is to zone, not to develop or build, and he does not think the Commission should hold up an opportunity where a developer is interested in providing a service that will help Pleasanton. He recalled having a WorkDay person coming in and saying that they are hiring lots of people who want to live in Downtown Pleasanton, people who will probably be able to afford the \$5,000-a-month rent and might spend hundreds of dollars at restaurants Downtown. He indicated that he is in favor of the project and would like to make a motion to approve the project, but would like to raise the in-lieu parking fees from seven spaces to ten.

Ms. Seto indicated that on page 14 of the staff report, there is a discussion about the findings the Commission would need to make in order to provide the credit for the demolition of the existing building, which is the equivalent of three parking spaces. She noted that if the Commission decided that, based on some of the concerns raised by the

Commission or by other speakers such as massing or the loss of the residential character of this one area, it cannot make one of those findings and that the three parking space credit should not be granted, then the applicant would be required to pay in-lieu fees for three more parking spaces.

**Commissioner Ritter moved to find that the project is categorically exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15332, In-fill Development Projects, Class 32, and would not have a significant effect on the environment; to make the PUD findings for the proposed Development Plan as listed in the staff report, and to recommend approval of Case PUD-109 for a certificate of appropriateness to demolish the existing 910-square-foot single-story commercial building and for a Planned Unit Development (PUD) Rezoning and Development Plan, subject to the Conditions of Approval listed in Exhibit A of the staff report, with the modification that no parking credit be granted for building demolition, thereby requiring in-lieu fee payment for a total of ten spaces, and the installation of an eight-foot tall solid fence in the back of the project site.**

Commissioner O'Connor stated that the Commission needs to calculate the required number of spaces before the motion can be acted upon.

Commissioner Balch stated that he would like to hear Commissioner Piper's initial thoughts.

Chair Allen indicated that a motion has been made and that after it is seconded and before a vote is taken, the Commission will have a discussion to hear from the Commissioners who would like to speak.

Commissioner O'Connor asked staff to confirm his understanding that the commercial building requires 14 parking spaces, the four residential units require two spaces each equivalent to eight parking spaces, and the apartment requires one parking space, all together requiring a total of 23 parking spaces. He continued that the project, as proposed, currently has only 15 parking spaces and, without any credits in place, the project is short by 10 parking spaces.

Mr. Luchini confirmed that was correct.

Commissioner Ritter indicated that ten was his number of total parking spaces required for payment of in-lieu parking fees.

Ms. Seto stated that this could be based on the language discussed that the Commission could not make that finding based on some of the concerns raised.

Ms. Seto inquired if there were any interest in discussing retail uses and if the Commission has some information or options for that as well.

Commissioner Ritter indicated that he does not want to over-regulate the project but that if the Commission wanted that added, he would go with it.

Chair Allen asked if any of the Commissioners were open discuss the specificity on the retail uses.

Commissioner O'Connor stated that he is not opposed to it but he is not in favor of it either.

Commissioner Piper stated that does not have any issue with the retail and is fine with it.

Commissioner Balch stated that he would like to make a friendly amendment and would like to clarify that amendment. He noted the PDA's concern regarding noise complaints raised by Downtown residents and inquired if there are provisions available that would restrict residents from filing a noise complaint.

Mr. Beaudin stated that staff would not try and restrict people's ability to complain but a condition could be added that requires disclosure in the CC&R's or upon signing the rental or the purchase agreement, that the prospective residents are renting or buying in a commercial area.

Mr. Weinstein added that there actually is a condition that requires the leases to disclose the fact that the property is located in an area that is subject to noise, activity, and traffic impacts, including a railroad nearby as well as some other things that do not necessarily relate to the Downtown.

Commissioner Balch commented that the right to complain about the noise during the business time set cannot be revoked.

Commissioner O'Connor stated that this is a Downtown property and does not have the support of the PDA. He indicated that even if in-lieu parking fees are collected, the parking problem for the people on Spring Street who already cannot park on Spring Street is not resolved. He stated that he needs the PDA to support this project and reiterated that the project needs to be self-contained in terms of providing its own parking. He added that he is aware that, as was discussed at the Work Session, this would require removing some of the residential units and reducing it to up to only three units, and making the commercial bigger. He noted that the commercial came out bigger but very little was taken off of the residential, such that 800 square feet was actually added to the entire building.

**The motion died for lack of a second.**

Commissioner Piper stated that she is good with the massing and the 30-foot height, noting that while she does not like the idea of a three-story building, she liked the design and the way it fits in the property, such that it does not feel like a three-story building.

She indicated that she was fine with the setback of an additional three feet but would have liked a little bit more than that.

With respect to Ms. Olson's comments, Commissioner Piper stated that she totally understands where the PDA is coming from because the Commission gets so many comments about the need for more vitality Downtown and comparing it with Livermore. She noted that the difference between Pleasanton and Livermore is that Pleasanton has these residential units so close to Downtown, while Livermore does not, and, therefore, their establishments can have music and can remain open longer. She stated that Ms. Olson's comments makes sense because the PDA wants to bring vitality Downtown and the restaurants want to have music and be open later, but yet the small number of residents Downtown complain constantly about, which is such a shame because Downtown Pleasanton need to be more vibrant.

Commissioner Piper stated that she is definitely good with mixed-use residential and commercial/retail. She indicated that she does not see this project as a full retail project but pointed out the likelihood of a resident moving into that building and later sitting right here in this room complaining about noise coming from the establishment next door.

Commissioner Piper stated that she can live with the number of units, although she would have liked to have seen one unit less or the square footage a little bit less to create more parking. She noted that 2,000 square feet is a lot of square footage for a townhouse. She added that people living in townhouses oftentimes use the garage for storage rather than as an actual parking spot, and that will probably be true in this case, thus leaving only one parking spot for the unit.

Commissioner Nagler thanked Commissioner Piper for her completely practical, balanced, caring, and unbiased point of view, which is what Pleasanton is going to miss when she leaves the Commission. He continued that it is interesting how, every so often, a project comes along that is just a challenge, how things just do not line-up right for there to be an easy answer. He pointed out that this piece of property, which he walks by every single night, just glares or calls out for something, and staff's findings on the basis that this Commission should make its considerations are all correct. He noted that staff and the applicant have attempted very hard to strike the balance to make something happen that is of interest to the applicant to pursue while following the DTSP and the design guidelines.

Commissioner Nagler stated that having said all that, he personally thinks that no matter how well thought-out this project may be, he personally does not think it is yet fully cooked because of the unique challenges that the Commission has been talking about round and round. He added that no matter how hard the Commission tries, those concerns are not going to be addressed or resolved this evening or with this specific design, as terrific as it is and with as much support for the mixed-use as the Commissioners has indicated in varying ways, whether or not it could be flexible with retail on the ground floor and residences on the second floor.

Commissioner Nagler stated that in the end, parking is actually the issue to him, and it is not even the same parking issue that the Commission has raised on other projects. He noted that Spring Street is almost like a micro-climate zone, and parking on Spring Street in particular is already so congested; yet, on the one hand, one could say that other applicants have been able to build on Spring Street and they park on the street, so this applicant should not be held hostage. He indicated that the problem is, there is a tipping point, and the fact that tandem parking is the way that the setback occurred exacerbates the problem; and the Commission has not even had a conversation about the parking required for the people who are going to visit the retail space or the law office. He pointed out that this is yet a whole other problem or demand on parking, and he believes the current residents and businesses on Spring Street have a completely legitimate point when they say they now have a hard time figuring out where their employees should park or where they will park at night. He stated that in the end, that is the biggest challenge of this project; and the long and short of it is that there is a project to be had here, it is a mixed use project, and the findings that staff is recommending are all right; but this project is not properly defined.

Commissioner O'Connor agreed that he does not think this project plays out and that it needs to be looked at again. He added that he failed to mention that he does not have a problem with a three-story structure that is 30 feet tall because most two-story structures are 30 feet tall.

Chair Allen agreed as well. She stated that she is open to a mixed-use project and to residential in the back and on the first floor, but she thinks the project is not fully cooked yet and needs more work. She indicated that the Commission needs to make sure it supports the parking. She added that she could potentially be open for a little smaller commercial up front, based on the assumption some of the Commissioners were arguing for that residential would go down to provide parking.

Commissioner O'Connor noted that at the Work Session, three of the Commissioners on board gave the direction to staff and the applicant to reduce residential to three units, even if they were ground floor all the way in the back in the corner where the building is being demolished, separate from the retail but with parking in between to keep commercial people from driving to the residential areas.

Chair Allen agreed.

Commissioner Ritter indicated that he remembers that discussion and asked staff if they reviewed that with the applicant and that the reason they came back with this plan is because that direction did not pencil out.

Mr. Weinstein said yes. He stated that a standard experience in terms of what happens after a Work Session is that the discussion with the applicant always starts with all of the recommendations the Planning Commission made, and similar to other projects, a lot of requests were made and the applicant felt like it was hard to accommodate those on this particular site. He noted that after a lot of meetings and conversations and



design iterations, the project ended up with what is here today, and everybody who was involved in that process was cognizant that some of the checklist items that were requested by the Planning Commission, most notably, parking, were not met.

Chair Allen commented that she wondered what the project would look like if the requirement to fully park the property were set as a constraint, have a mixed-use and some retail and office on the front and office, and then back it in.

Commissioner O'Connor noted that this building, regardless of what use is in it, came back bigger than what it was at the Work Session.

Commissioner Ritter recalled the discussion that if the project were to be fully parked on the property, it needed to be all residential; but because the Commission started pushing to get it more commercial as that was what the PDA wanted and to add vibrancy to the Downtown, the Commission then directed to cut back on the residential. He commented that the balance is that the residential is helping pay for the project, but the commercial is feeding the need in the Downtown; and then there is the parking issue.

Commissioner O'Connor asked if starting with straight zoning would work for the project.

Commissioner Ritter noted that the site was vacant for 25 years.

Commissioner O'Connor noted that if a PUD would have to start with something. He stated that there are constraints to every property purchased, and the value of the lot should have taken into account that this is a long, narrow lot.

Commissioner Nagler inquired what the status of the project would be if the Commission were to deny the application.

Mr. Weinstein replied that the Commission's action is a recommendation to the City Council, who then takes that recommendation into account when it makes its decision on the project application.

Commissioner Nagler inquired, if the motion were to approve the project, and that motion was defeated, whether that would simply result in a negative recommendation to the City Council.

Mr. Weinstein replied that is correct.

Commissioner Nagler further inquired, if a motion were approved by the Commission with a direction for some additional work, if that would hold up or limit or constrain in some way the ability of staff to work with the applicant and bring an ultimate project back.

Commissioner O'Connor clarified that if the Commission recommends denial of the project, that recommendation goes to the Council, and the Council has to make a decision on what to do with the project. He continued that if the Commission recommends approval of the project but with some conditions, that recommendation and those conditions will also move forward to the Council for consideration and a final decision. He added that the Commission can also continue the item and send it back to staff to work with the applicant to come up with a plan that better fits with what the Commission directed in the Work Session that it feels it did not get with the revised design.

Commissioner Nagler stated that he was trying to forestall a motion being made because he did not think taking action in the form of a motion is the right way to encourage on-going work.

Chair Allen asked staff, if the Commission continues the item and directed staff to work some more with the applicant, if that would get the design closer to where the Commission wants it to be or if that would just be wasting everyone's time.

Mr. Beaudin replied that staff would ask the Commission to be very specific with the kinds of changes it is looking for. He noted that the applicant is present, with the designer, and they could weigh in on that direction and give early feedback; however, if it is a matter of a denial or directing continuance with an applicant who disagrees with those changes, moving it forward to the Council may be ultimately what happens because the Commission wants more, and the applicant does not want to make the changes.

Commissioner Ritter stated that he is not in favor of continuing the project. He indicated that he heard three of the Commissioners say they like the project and two for sure do not like the project the way it is.

Commissioner O'Connor stated that there some points here that the Commissioners can agree they want done: one is to provide all or close to all 23 parking spots onsite. He noted, however, that if the applicant does not want to work with staff to bring that about, then that pretty much ties the Commission's hands.

Commissioner Balch stated that he does not agree that the applicant has to put all the parking onsite. He indicated that the Commission already did the math, and the idea is to get 10 spaces onsite and pay the in-lieu fee for the other ten.

Commissioners Piper and Ritter agreed.

Chair Allen disagreed and stated that seven is her number for in-lieu parking fee because she is open to waiving the three for the demolition.

Commissioner O'Connor noted that the Commission has not agreed to that waiver.

Commissioner Balch stated that however it is justified, what Commissioner O'Connor is saying is that five more spaces should be provided onsite; and from there, the in-lieu parking fee would be for five spaces as well. He added that that is where the majority of the Commission is.

Commissioner Piper clarified that Commissioner Balch is saying he is not in support of requiring the applicant to do all 10 additional spaces onsite.

Commissioner O'Connor stated that Commissioner Balch is willing to say ask for five more parking spaces onsite and have the other five for in lieu fee.

Commissioner Piper clarified that she agrees on that fact that the Commission should not demand all of the parking spaces to be on the property, but she is not sure she agrees on the numbers. She added that she was torn because she is also in favor of the project the way it is, even though, sadly, she has a strong feeling about the parking. She noted, however, that parking is an issue in the Downtown and she does not like the idea that this piece of property is sitting ugly and vacant while here is someone who is willing to put a really cool project there.

Commissioner Balch noted that the Commission has a majority and would like to move on. He stated that one reason the massing is fine for him is that Spring Street is an interesting street in that it does not immediately turn residential and retain residential all the way down to First Street; that Spring Street has a lot of commercial establishments, including a shopping market to the right. He indicated that he agrees 100 percent with the comments made to staff regarding the loading zone and the difficulty with the street, and that is the reason he is concerned about the initial loss of the on-street parking spot and appreciates staff's comments to put it back. He agreed with Commissioner Piper that while he thinks he is there, he believes parking is the problem.

Commissioner Balch continued that if residential unit number one is removed to provide parking in the back lot, given the width of residential unit number one, it would result in only two more tandem spots. He noted that there is really no net gain, because the one that was tandem now has to go to its next stall, unless it is cantilevered over the right way with a carport on the first floor. He stated that the residential, as designed, is pretty sharp-looking, and if the desire is to keep the retail and the commercial and the office, the residential would really look different and would degrade the project.

**Commissioner Balch moved to find that the project is categorically exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15332, In-fill Development Projects, Class 32, and would not have a significant effect on the environment; to make the PUD findings for the proposed Development Plan as listed in the staff report, and to recommend approval of Case PUD-109 for a certificate of appropriateness to demolish the existing 910-square-foot single-story commercial building and for a Planned Unit Development (PUD) Rezoning and Development Plan, subject to the Conditions of Approval listed in Exhibit A of the staff report, with the modification that no**

**parking credit be granted for building demolition, thereby requiring in-lieu fee payment for a total of ten spaces, and the installation of an eight-foot tall solid fence in the back of the project site, subject to the approval of the Director of Community Development.**

**Commissioner Ritter seconded the motion.**

Commissioner O'Connor stated that he will not support the motion even with the requirement that the applicant pay in-lieu fees for ten spaces. He indicated that parking is needed on this site and that he is not going to keep pushing the can down the road anymore.

Chair Allen stated that she will not support the motion either. She indicated that it is clear that the community came out today, they sent letters, and parking is a huge issue. She added that this is one of the few projects that can provide the parking needed, and that this is the wrong message because it is exacerbating a very serious problem that is one of the top Council priorities.

Commissioner Nagler stated that Commissioner Balch talked about considering losing one unit, and it may be that if a unit were to be lost, it could go back to two-car garages, which would substantially address a lot of the parking issue. He indicated that he is not sure what the impact of this is on the actual execution of this development, but he is suggesting that it is a possibility that could have a different impact than what Commissioner Balch suggested.

Commissioner O'Connor noted that the Commission also directed at the Work Session that if a unit was lost in the re-design, the office/retail building at 4,000 square feet could be reduced to something smaller to create an area of parking. He indicated that he is not designing the new project but is just saying that if square footage is taken out, some ground square footage should be freed up in some way.

Commissioner Balch agreed that is a very valid point and that he would actually consider making it a condition to remove unit number one and create two to four non-tandem parking spaces, and then move it forward with a re-design.

Mr. Beaudin stated that he is a bit concerned that the math might not work and wants to make sure it will add up.

Commissioner Balch stated that he has not added it up either but that it was brought up as a discussion so it is a possibility to be considered.

Mr. Beaudin replied that it might entail more adjustment. He indicated that the Commission wants to be really clear in its motion to remove one unit and to adjust the width of the other units, which might mean narrowing them in some cases, to ensure that there is enough tandem parking available. He noted that converting those units to non-tandem may entail stretching the footprint such that it might eat into that commercial space a little bit more on the back side. He added that he is not sure taking

away one unit will give enough linear footage to put side-by-side parking back for the remaining units.

Ms. Seto pointed out that losing a unit would also decrease the demand for two of the parking spaces, and if the parking demand decreases and the design went back to the original proposal, in theory, if it was wide enough, there would be two parking spaces in the garage and two more in the driveway aprons.

Commissioner Balch pointed out that the thought about the non-tandem parking is that it at least provides for the visitor parking for the residential units if the two primary cars are required to be parked in the garage.

Commissioner Ritter recalled that the applicant had proposed that at the Work Session, and then the Commission directed that they add more commercial, which resulted in moving the building back and having tandem as the only option.

Commissioner Balch asked Mr. Grant to comment on this non-tandem/tandem element with a ground floor unit gone and whether non-tandem parking could be accommodated for three residential units on the ground floor.

Mr. Grant replied that what the Commission is ignoring is that there is a certain number of units that make this project work.

Commissioner Balch clarified that profitability is not the Commission's concern and asked Mr. Grant if he thought that it was a plausible design.

Mr. Grant stated that he understands profitability or financial feasibility is not the concern of the Commission; however, mathematically, taking out one 25-linear-foot unit will not create three or four two-car garages.

Commissioner O'Connor stated that what is being considered are three additional garage parking spots for the three remaining units, which would be equivalent to about 30 linear feet. He noted that shaving off five linear feet from the commercial building, added to the 25 linear feet from the unit to be removed, would result in 30 linear feet.

Mr. Grant stated that they started at one point, and the Commission's direction was to add more commercial, and to get as close as possible to that, they shrunk the garages and aprons of the residential units. He pointed out that this is Downtown, not a suburban site, so a one-car garage with tandem drive makes sense. He noted that he is trying to do a project that makes financial sense or the Knappes will walk.

Commissioner Balch pointed out that tandem parking does take away the visitor element to the residents.

Mr. Grant stated that the visitor parking will be handled by the commercial parking after hours.

Commissioner O'Connor stated that no one knows who is going to occupy these units. He added that this is California, and no one knows how many people are going to move into one of these three-bedroom, three-and-a-half baths and only have one car even though they are in the Downtown.

Mr. Grant indicated that they have to design for practicality and for the logic behind this. He stated, for example, that the residents in all the units have two cars; their guests will park on Spring Street, the same way any other guest parks. He noted that all the residents on Spring Street live in houses with a one-car garage and a driveway apron.

Commissioner O'Connor stated that what he is trying to say is that at some point, a critical mass will be reached, and what is being done is no longer possible. He noted Mr. Grant's statement that everybody's guest or everybody's commercial customer can park on Spring Street, but there is no parking left on Spring Street.

Mr. Grant stated that he understands that; but it is also understood that when there is retail on a downtown main street and that retail is forced around the corner and is turned into a residential neighborhood as the Commission wanted, parking is not required for the new retail on the main street. He added that a little mini-park does not provide parking, but it still brings in customers and tenants.

Chair Allen clarified that an existing building has a different zoning, as well as some of the other existing projects; however, this property has the space, and the guidelines are very clear.

Commissioner O'Connor agreed that the City has let people off the hook before, and that is why Downtown is in trouble today.

Commissioner Balch indicated that he is not amending his motion and that he is not including the direction to remove one unit.

**ROLL CALL VOTE:**

**AYES: Commissioners Balch, Piper, and Ritter**  
**NOES: Commissioners Allen and O'Connor**  
**ABSTAIN: None**  
**RECUSED: None**  
**ABSENT: None**

Resolution No. PC-2015-42 recommending approval of PUD-109 was entered and adopted as motioned.