

City Council Chamber
200 Old Bernal Avenue, Pleasanton, CA 94566

DRAFT

Wednesday, November 18, 2015

CALL TO ORDER

The Planning Commission Meeting of November 18, 2015, was called to order at 7:00 p.m. by Chair Allen.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Ritter.

1. ROLL CALL

Staff Members Present: Gerry Beaudin, Planning Manager; Adam Weinstein, Planning Manager; Julie Harryman, Assistant City Attorney; Jenny Soo, Associate Planner; Eric Luchini, Associate Planner; and Maria L. Hoey, Recording Secretary

Commissioners Present: Commissioners Nancy Allen, Jack Balch, David Nagler, Greg O'Connor, and Herb Ritter

Commissioners Absent: Commissioner Gina Piper

2. APPROVAL OF MINUTES

a. October 28, 2015

Commissioner Nagler stated that the statements attributed to him on pages 7 and 8, were made by Commissioner Balch and not by him. He requested that they be corrected accordingly.

Commissioner Balch similarly noted that the statements attributed to him on page 6 were made by Commission Nagler and not by him. He likewise requested that they be corrected accordingly.

**Commissioner Balch moved to approve the Minutes of the October 28, 2015 Meeting, as amended.
Commissioner Nagler seconded the motion.**

ROLL CALL VOTE:

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

The Minutes of the October 28, 2015 Meeting were approved, as amended.

3. MEETING OPEN FOR ANY MEMBER OF THE AUDIENCE TO ADDRESS THE PLANNING COMMISSION ON ANY ITEM WHICH IS NOT ALREADY ON THE AGENDA

Johnson Drive Economic Development Zone (JDEDZ)

Pam Boyer stated that she thinks the Johnson Drive/Stoneridge project is short-sighted and that she has some deeply-held concerns about traffic. She pointed out that the City might consider Stoneridge Drive where it goes into I-680, but it is not looking at Foothill Road and Hopyard Road in relationship to I-580. She also expressed concern that Owens Drive going into Johnson Drive from Hopyard Road would not be developed other than to add a stop light. She added that a final concern is that if the area were to be rezoned, it would leave it wide open to be pencil-approved without the community members even knowing anything until they hear the fat lady sing.

Craig Schwab stated that he has lived in Pleasanton since 1991 and runs a business here and in Livermore. He indicated that he has actually done business in Pleasanton since 1977. He stated that he heard about this EIR down on Johnson Drive and attended the neighborhood meeting last Thursday night at Hart Middle School. He noted that he has done business in cities all over the state, 26 cities at one time, and he is very familiar with traffic patterns. He added that he is very pro-business, but he is concerned about this one mainly because he has spent a lot of time getting on the Stoneridge Drive on-ramp going up to San Ramon and Walnut Creek. He further added that he fights that traffic when he gets on at Stoneridge Drive, going over three lanes to get on I-680 north; and from what he understood the other night in looking at the EIR of what the plans are, it looks like the plan is to put a fourth lane in, so that now there will be four lanes to cross over in order to get on I-680 north.

Mr. Schwab stated that he wants to detail some of the things, just like the plan they are currently dealing with up at Tahoe City that is a monstrosity of a plan. He indicated that he has never seen such a concrete jungle like what the City has planned of putting in six more lanes on Johnson Drive. He noted that the \$15 million to put that freeway ramp on tells him that it is going to cost \$20 million. He added that he knows how the sales tax plans work because he has generated those plans for other cities, and he is

certain that the City has to do a plan for Costco that will give it back one percent of the City's sales tax revenue until the City gets some kind of a plan back. He noted that the City will get its money back for years, and it will take away a lot of money from its sales tax revenue from small businesses that are in Pleasanton right now. He added that he knows many businesses that have lost money when other large businesses come to a city. He asked the Commission to make sure the City plans accordingly.

Jerry Sandbrink stated that he too wants to voice his concern over the redevelopment plan or the rezoning plan for Johnson Drive for two major reasons: (1) The traffic is going to be absolutely horrendous and will affect more on- and off-ramps than just the one on Stoneridge Drive; it will go down Bernal Avenue and around the corner. (2) If a big store like Costco comes in, there will be adverse effects to the small businesses in the neighborhood. She pointed out that it is not just the "plus" that a Costco store would generate; there are a lot of "minuses" for all the small businesses that will go out of business. She noted that big-box stores do not spend their money in Pleasanton; they ship them off to corporate wherever that happens to be. He added that, on the contrary, small businesses spend their money here, they get involved in community affairs and schools, and they are acutely aware of their businesses and how they affect the community.

Don Maday, owner of a small consulting firm based here in Pleasanton, stated that he also attended the neighborhood meeting last week on the Johnson Drive Economic Development Zone and would like to share a few observations with the Commission. He indicated that because this project will impact traffic Citywide and has a substantial impact on local businesses, the City's notices and communications regarding the project should be sent to all residents and businesses in Pleasanton. He noted that most residents she has talked to so far do not know anything about the project, and when they do learn about the magnitude of the project, they get very upset over the fact that they have not been informed because they also want to have their say on how the project impacts their community.

Mr. Maday stated that the EIR needs to be amended to include the impacts that big stores like Costco, as proposed in the project, will have on existing Pleasanton small businesses, and added that input from local business owners should be sought out and included. She pointed out that while the project will certainly generate tax dollars, a large portion of those tax dollars will come at the expense of existing local businesses.

Mr. Maday stated that increased traffic is by far the biggest concern raised in the EIR, and it is very troubling that Caltrans is being relied on as much to provide most of the traffic mitigation, yet Caltrans had given no commitment and there is no implementation timeline that has been agreed to at this point. He stated that the City should not move ahead with any phase of this project without having traffic mitigations already in place, as adding 10,000 to 12,000 cars a day to City streets and highway entrances without having that mitigation in place is just dangerous.

Bill Wheeler, owner and operator of Black Tie Transportation on the corner of Commerce Drive and Johnson Drive right in the middle of the proposed Johnson Drive Economic Development Zone project, stated that he has owned his building for 15 years and has been doing business in Pleasanton since 1988. He indicated that he has

150 employees, mostly from the Tri-Valley area, many of whom live in Pleasanton and whose children attend Pleasanton schools. He stated that he is a 15-year Pleasanton Partners in Education Board member; a past president of the Pleasanton North Rotary, once the greatest club in the world; a current Board member of Visit Tri-Valley, which is the Pleasanton Convention and Visitors Bureau. He added that he also participates in just about every charity in Pleasanton through in-kind fundraising for many great causes.

Mr. Wheeler stated that he is here tonight to voice his concerns about the SEIR, and he wants to be sure that the City and Planning Commission understand the impact this will have on the daily lives of Pleasanton residents, the businesses in this corridor, and Downtown businesses as well. He indicated that besides the obvious problems at Johnson Drive and Stoneridge Drive, it does not appear that consideration was taken for the other side of Johnson Drive at Owens Drive and Hopyard Road, which would be the obvious route of someone coming from the east. He noted that the I-580 westbound exit at Hopyard Road that goes over the overpass to turn right onto Owens Drive is already a bottleneck, and his equipment sometimes waits two cycles at Owens Drive to turn left onto Hopyard Road. He indicated that he is very familiar with congestion in this corridor, and his company has been purchasing 500 to 600 gallons of gasoline every day from Carl Cox Shell for over 20 years.

Mr. Wheeler stated that another area that is already heavily travelled is the I-680 northbound and southbound feeding into Stoneridge Drive. He indicated that this could be horrendous with the addition of a Costco on Johnson Drive and will have a huge impact on the local residents during operation hours of 10:00 a.m. to 10:00 p.m., seven days a week, with a total of a maximum of 12,000 cars per day. He stated that it has been mentioned that part of this economic development is to diminish the amount of light industrial in this area, to beautify a gateway for Pleasanton. He indicated that if a Costco or WalMart is allowed to locate in this area, they will most likely have a tire facility in addition to the already proposed gas station, as is the case in all of their other stores. He pointed out that this will bring an additional 3,000 cars for fuel, and this fuel station will directly impact Carl Cox and Safeway, two local partners who have been serving this community for many years, who also sell fuel in this corridor. He added that to mitigate traffic, three stop lights will be added to Johnson Drive: one at the In-N-Out Burger, and the other two less than 150 feet apart, one at the corner of Commerce Drive and Johnson Drive in front of his building, and the other in front of Costco. He indicated that this would completely box-in his company, and he has no idea how he would depart from that property.

Mr. Wheeler stated that his employees sit at lights, many for overtime, and this equates to tens of thousands of dollars each month on payroll alone. He stated that this will force him to move his employees, who spend their hard earned paychecks in this valley, to Hayward or Castro Valley, and this could be catastrophic for his family employees. He stated that this is an important point for the Commission to think about.

Carrie Cox stated that she attended the City Council meeting last night and addressed the Mayor and the City Council, and she is here tonight to address the Planning Commission. She noted that her parents started their family business, Cox Family Stores, in 1976, began retail in Pleasanton 33 years ago in 1982, and moved their office

to Pleasanton in 1984. She indicated that they employ 40 people in the City of Pleasanton and that her brother, daughter, and son all work together in the business.

Ms. Cox stated that they recently became aware of the City's activity to develop the Johnson Drive Economic Development Zone. She indicated that changing the zoning to allow big-box retail such as a Costco would be devastating to their family business and too many other small businesses in Pleasanton. She urged the Planning Commission to consider this effect, as small businesses have always been important in Pleasanton. She pointed out that much of the tax revenue and job creation to be gained from this project will likely be offset by a loss in revenue and jobs at existing Pleasanton businesses owned by hard-working loyal retailers who have provided goods and services to the community for many years. She noted that they found out about this project only the past week, and only because another business owner called them. She added that they never heard directly from the City and requested that wider communication about this project be provided to the residents and businesses of Pleasanton. She pointed out that a project of this magnitude will impact everyone and urged the citizens of Pleasanton to get involved and attend meetings to voice their opinions. She asked the Commission to protect small businesses in Pleasanton.

Robin Barnes stated that she owned a business on Main Street for 30 years and has been on the Pleasanton Downtown Association Board of Directors. She indicated that this project is a terrible idea and opposed developing this property for a big-box store. She noted that she attended a Pleasanton Chamber of Commerce event a few weeks ago, and a Costco representative said that Costco already owned the property. She pointed out that an additional 12,000 cars in that area would turn Johnson Drive that area into a nightmare. She asked what the change in response time is for emergency vehicles to get into the housing areas in that area, and if it is five seconds longer, it is unacceptable as it may kill somebody.

Ms. Barnes stated that as earlier mentioned by others, a new \$2.6 million in tax money that the City might get will hurt many her store and many other stores. She asked what concessions the City is going to give Costco. She echoed an earlier speaker's statement that the City is not going to see money for a long time and that Costco will take all that money and run; it will not be spent in Pleasanton.

Ms. Barnes stated that at last night's City Council meeting, the City Council proclaimed that Saturday, the 28th of this month, would be Small Business Saturday, and while urging residents to support the local businesses that make Pleasanton what it is today, the City was stabbing them in the back with this project. She asked the Commission to do the right thing and not allow this to happen, to help Pleasanton remain the unique and quaint City that it is.

Susan Vierra-Cousins stated that the bottom line for her in all this is that it all comes down to quality of life. She indicated that she moved to Pleasanton in 2007 from San Jose, a very busy, very large, and very congested place. She stated that she loved the fact that Pleasanton is a small, quaint town, that the forefathers had the foresight to plan and plant a gazillion trees and have parks, and that families want to live here because the School District has schools where parents want to send their children. She pointed out that Costco is not going to help her one bit; it will not make her life any better and

will impact her quality of life. She indicated that she lives close to the area and loves the fact that she can look at the foothills every day. She noted that people come up and talk about water, air quality, and traffic; it all boils down to quality of life and priorities. She stated that she became a teacher and taught for 32 years because it was her passion and not because she was going to make a lot of money. She stated that Pleasanton does not need a Costco or any other big-box store; the City should consider what its forefathers did, make better priorities, and keep Pleasanton a small town.

Kevin Goebel, General Manager of the Doubletree Hotel on Johnson Drive, stated that he is a small business, single owner, owning only this one hotel. He expressed concern about the traffic from his hotel towards Hopyard Road and Owens Drive with 6,000 vehicles going in each direction. He stated that development is good, but it has to be smart. He noted that one of the things he tells his sales team all the time is that every piece of business is a good piece of business, but it has to be the right piece of business; and in the same fashion, every piece of development is a good piece of development, but it has to be the right piece of development. He pointed out that a citizens committee should be put together to discuss what does fit in this area, what the City really needs here.

Mr. Goebel stated that only 12 of the 36 properties in the area were considered to be part of this program. He indicated that they have an adjacent empty lot right next to the hotel that they would like to develop, but it is not included in the project. He noted that they actually had three studies done in the last five years, which told them that a convention center would work there but they had to build a \$12 to \$15 million parking garage, which made it infeasible. He further noted that they are now looking at a 100- to 150-room hotel which would not have a parking issue and which the existing hotel market would sustain; but he questioned whether that market would sustain a hotel on their property and a hotel down the street. He stated that the City should look at everything from the FedEx building to their vacant lot and see how this whole area would be developed as a whole, rather than developing only 12 properties now, then look at the next 12 properties, and then at the last 12 properties. He pointed out that what usually happens is that a road is placed in the middle of some place the owners want to develop. He stated that Costco does not help his business at all, but the additional traffic will kill it because his guests are already complaining about how long it takes to get in and out of the hotel and how dangerous it is to go out the main drive and make a left-hand turn or even a right-hand turn. He asked the City to slow it down and look at what is really best for the City.

Chair Allen expressed her appreciation for everyone's comments. She indicated that they will all be on the record and will be part of the public testimony that would be addressed in the EIR. She asked staff what the timetable is for additional public input.

Mr. Weinstein replied that public involvement is a really critical part of the EIR and thanked the folks who have shown up to this meeting tonight. He indicated that there is still a pretty long public involvement process ahead, and the City has extended the public review period from 45 days to a total of 67 days to make sure that the public have adequate time to provide comments. He added that the last date to submit comments on the Draft SEIR is November 23, 2015, and that comments can be submitted to Eric

Luchini, Associate Planner, whose email address is on the Planning Division webpage of the City's website.

Mr. Weinstein stated that the next public meeting on the project will likely be a joint City Council/Planning Commission Workshop, which will be held some time in January or early February of 2016, followed by Planning Commission and City Council meetings. He noted there these meetings will provide additional opportunities for public feedback on the project.

Commissioner O'Connor asked Mr. Weinstein to expand on the outreach that has been done so far so the public knows how the City has tried to bring people into the process.

Mr. Weinstein replied that the City has held two neighborhood community meetings to date: one in October and one last week. He indicated that all property owners and residents within a 1,000-foot radius of the Johnson Drive Economic Development Zone were noticed, as well as all the residential neighborhoods in the vicinity of the Johnson Drive Economic Development Zone, essentially all the way down West Las Positas Boulevard, west of Foothill Road, east to Hopyard Road, and north beyond Stoneridge Drive. He added that the City has also utilized as many ways as possible to get the message out to the community: notices of the meetings were posted on the City's Twitter and Facebook pages; they were posted on the City's web page as well as in multiple locations around the City; they were published in newspapers as display ads; press releases were done; and there is an FAQ sheet on the City's web page as well. He indicated that the City is open to getting the message out in different ways, so staff would be happy to address any ideas the public might have about noticing the meetings and getting the word out.

Chair Allen thanked the audience for their participation tonight.

4. REVISIONS TO THE AGENDA

Adam Weinstein advised that there were no revisions to the Agenda.

5. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from the Planning Commission or a member of the public by submitting a speaker card for that item.

a. P15-0223, Pick 6 Enterprises LLC

Application for a Conditional Use Permit to operate a bar/lounge within an existing, approximately 10,746-square-foot tenant space located at 4825 Hopyard Road, Suites 4-10, in the Gateway Square Shopping Center.

Commissioner Nagler moved to make the required Conditional Use Permit findings as described in the staff report and approve Case P15-0223, subject to the Conditions of Approval as listed in Exhibit A of the staff report.

Commissioner Balch seconded the motion.

ROLL CALL VOTE:

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

Resolution No. PC-2015-36 approving Case P15-0223 was entered and adopted as motioned.

6. PUBLIC HEARING AND OTHER MATTERS

- a. **P14-1024 (General Plan Amendment), P14-1025 (Specific Plan Amendment), and PUD-107 (Rezoning and Development Plan), Fireside Investors, LLC**
Applications at 377 St. Mary Street for: (1) a General Plan Amendment to change the land use designation from Retail/Highway/Service Commercial; Business and Professional Offices to Retail/Highway/Service Commercial; Business and Professional Offices and High Density Residential; (2) a Downtown Specific Plan Amendment to change the land use designation from Office to Downtown Commercial and High Density Residential; and (3) a Planned Unit Development (PUD) Rezoning and Development Plan to rezone the site from the C-C (Central Commercial), Downtown Revitalization, Core Area Overlay District to a PUD-HDR/C-C District, to convert the existing single-family residence into a commercial use building including site and exterior building modifications, and to construct three new, 2,400-square-foot, three-story detached single-family residences.

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

Commissioner O'Connor asked staff to clarify what was being required of the applicant with respect to in-lieu parking fees.

Mr. Luchini replied that the current recommendation from staff is to pay in-lieu fees for the removal of three on-street parking spaces on Peters Avenue; the fourth space affected will be relocated rather than removed.

Commissioner Nagler asked staff to confirm that an in-lieu fee was not required for the space in front of the garage.

Mr. Luchini confirmed that was correct.

Commissioner O'Connor inquired if staff looked at the measurements on the street for how many spaces could be put back in place. He stated that staff indicated that one

space could be relocated; however, when he visited the site and marked off the spaces, it looked like two spaces could actually be relocated. He noted that the parking spaces there on that street are not uniform but of different sizes.

Mr. Luchini replied that staff did an analysis as the project went through various iterations, and the Traffic Engineering Division made comments about trying to relocate or maintain the on-street parking as much as possible. He indicated that it was his understanding, based on the current drawings and the City's standard for parking space dimensions, that only one space could be accommodated based upon where the curb cuts for the driveways are being proposed.

Commissioner O'Connor inquired where that one space would be relocated.

Mr. Luchini replied that it would be relocated between Lots 2 and 3.

Commissioner O'Connor commented that he did not have the exact measurements of where the driveways would hit the curb, but that he thought one space could also be relocated between Lot 1 and the existing parking.

Mr. Weinstein stated that staff is fairly cautious in terms of mapping out potential parking spaces, and like everyone else, staff wants to maintain as much on-street parking as possible. He indicated that staff can further explore this, and if there is a way that another space could be added, staff will certainly do it.

Commissioner O'Connor requested confirmation that staff had mentioned earlier that the Municipal Code does not require an applicant to replace lost on-street parking space.

Mr. Weinstein replied that was correct. He indicated that there are two issues here:

1. Does an in-lieu fee or replacement parking need to be provided for on-street parking spaces that are being removed? There is no provision in the Code that specifically requires that. But there has been an immense amount of discussion regarding Downtown parking, and in the context of that, staff feels it is warranted to require the applicant to pay in-lieu fees for all of the on-street parking that's being removed.
2. There are two regulations in Section 18.88 of the Pleasanton Municipal Code that relate to the removal of off-street parking, and there are two spaces on-site that are being removed. The regulations are a little bit ambiguous, and they could be interpreted as there is no requirement for the payment of in-lieu fees for the removal of on-site parking; or they could also be interpreted the other way as well that payment of in-lieu fees is required for removal of on-site parking. The interpretation could go either way and would be up to the Commission's discretion.

Chair Allen asked staff if there have been some precedent and comments where an in-lieu parking fee has been required for the removal of on-street parking.

Mr. Weinstein said yes; in-lieu parking fees have been paid for the removal of on-street parking.

Chair Allen noted that it was required for the independent, small houses right across from the Chamber of Commerce building.

THE PUBLIC HEARING WAS OPENED

Bryan Bowers, Applicant, commended Mr. Luchini for a very good staff report. He started that he is one of three partners involved in the proposed St. Mary's Street project, which they are very excited about as it will add vitality to the Downtown. He noted that all three partners have a background in commercial and residential real estate; they all live in Pleasanton and love Pleasanton and the Downtown. He indicated that they purchased the property at 377 St. Mary's Street about two years ago because they believed it had the opportunity for an infill redevelopment project. He noted that it is essentially a vacant lot sitting in the Downtown core that is begging to have something done with it.

Mr. Bowers stated that when they purchased the property, they met with City staff and talked about what they could do with the property when its zoning is "C-C" and "O." He stated that staff indicated they could add onto the existing house, create additional square footage, put a pool in the backyard, and make a bigger house; or they could build an office building similar to the Chamber of Commerce building next door; or do a mixed-use project which would be office on the first floor and residential on the second floor. He indicated that they were not excited about those options and wanted to do a project that just brought more vitality to the Downtown.

Mr. Bower stated that their proposal is a mixed-use project: residential in the back and retail in the front with a plaza. He added that the house can be repurposed and the plaza added on the approximately 2,700 square feet up front, which could provide seating for about 60 people and be a nice amenity for the community.

Mr. Bower stated that they looked at all the policy documents, the General Plan, the Downtown Specific Plan, and the Downtown Design Guidelines to see what kind of project those guidelines call for, and they found at least a good 50 policy program line items that perfectly match their proposed project. Those policies and program include the following:

- General Plan Land Use Element Policy 12: "Preserve the character of the Downtown while improving its retail and residential viability...."
- General Plan Land Use Element Program 12.3: "In the Downtown, implement mixed-use development which incorporates higher density and affordable residential units consistent with the Downtown Specific Plan, where feasible."
- General Plan Land Use Element, Program 12.4: "...allow mixed-use development in the Downtown where residences are located behind commercial uses."
- General Plan Land Use Element, Program 15.3: "...Encourage the designation of land as mixed-use...."

- General Plan Land Use Element, Policy 16: “Encourage mixed-use development which encompasses a combination of commercial development and housing units,....”
- General Plan Land Use Element, Program 12.5: “Consider drafting an ordinance that protects the rights of businesses to operate in the Downtown commercial area.”
- Downtown Specific Plan Land Use Objectives, No. 2: “To encourage and pro-actively coordinate the rebuilding of selected non-historical commercial areas of limited use and physical value.”
- Downtown Specific Plan Design and Beautification Objectives, No. 2: “To enhance the streetscapes of the Downtown commercial streets beyond Main Street, and to create a system of mini-plazas along Main Street and on other commercial streets where appropriate.”
- Downtown Specific Plan Mini-Plaza Design Criteria, No. 51: Mini-plazas should typically be lighted and contain decorative paving....”
- Downtown Specific Plan Land Use Policies and Programs, Commercial Use, No. 1; B; C: “...three-story buildings may be allowed on a case-by-case basis. ...The building must be designed to minimize its three-story appearance.... The building must conform with the Municipal Code height limits.”
- Downtown Specific Plan, various sections: “...recognize that Downtown is growing and that constructing new buildings on vacant and undeveloped sites keeps the area vital and desirable.” “Such new development is to be encouraged provided that it fits with the established pattern and reflects one of the various architectural styles.” “New homes should face the street.” “To ensure that a significant amount of parking required to serve new development is provided on- site by private property owners.”

Mr. Bower then made a brief presentation of the project’s configuration. He stated that they were aware that the building height of the units was going to be the big concern; therefore, the three units were set back 20 feet from the street to try and minimize that height, noting that these units would seem bigger if they were up on the front of the street. He added that if they had located these units up on the street and done rear parking, they would have had to put a driveway through and would have had to shave off part of the existing house, which would have made the house even smaller and less functional than its 1,169 square feet, and would also have taken away about one-third of the plaza area. He further added that the bioswale would also have had to be relocated to the front, and there would only be two-car parking for each spot. He then presented a short video of a fly-by 3-D animation of the project.

Commissioner O’Connor stated that he saw the brown fences as he went by the project site and inquired if they were doing a wood fence and if there was the possibility of doing an open, wrought iron fencing.

Mr. Bowers replied that there would be a wood fence on the perimeter and between the units in the backyard, and a wrought iron fence up on the front.

Eric Pestana stated that he lives across from the project site and that the empty lot has become somewhat of an eyesore and has been used for all sorts of different things. He indicated that putting a project like this would add beauty to the Downtown, with the

front use of the house changing from rental to retail and the addition of a nice plaza. He added that it would beautify that end of town and that he and his wife support the project.

Emil Oxsen stated that he also lives across the street from the project site. He indicated that he has no problem with the lot being developed, but his main concern is the height and he disagrees with the three stories. He noted that he had to fight to build his house: he had to construct a one story, and it had to be 1,200 square feet. He added that he did not take away any off-street or on-street parking because his driveway was already there. He inquired why the garages are not placed in the back like the houses next door. He noted that there are three or four houses right next to him that are just like that, except they are not three stories and are not 40 feet tall. He added that they are putting a residential project in a commercial zoning, which would start a precedent and create a problem going forward.

Michael Knuppe stated that he owns Kimberly Commons, the houses directly across the street and the duplex on the corner. He indicated that he is also the owner and developer of the Angela row houses at the other end of the street. He stated that he knows the Peters Avenue corridor very well and thinks the proposed project would fit in and be a great adjunct to that particular corner. He added that it is a great mixed-use project and has merit; the architecture and the design are excellent.

Mr. Knuppe stated that his only minor concern is the three ugly garage doors facing Peters Avenue. He indicated that there are no other garage doors facing anywhere on Peters Avenue and proposed that the developer consider leaving the garages open so that people do not put their stuff in the garages or park their cars out in the driveway. He noted that when he first brought his project to the City and asked to put in garage doors, he was told that garage doors were specifically denied on Peters Avenue.

Mike Carey stated that he has been a Pleasanton resident since 1973 and have lived Downtown with his wife and three kids. He indicated that he lives, works, and own property within a few doors of this project, so what is built on this site would personally affect his family, his neighbors, and the Downtown community. He stated that they worked really hard and closely with staff for over two years to create a project that they are excited about and believe adds to the vibrancy and beauty of the Downtown. He added that throughout the process, they have strictly followed the set of rules established by the General Plan, the Downtown Specific Plan, the Downtown Design Guidelines, and the zoning district.

Mr. Carey stated that the final product is consistent with surrounding properties. He referred to a City map that he earlier handed to the Commissioners and noted the six yellow highlights of approved and built high-density PUD's on Peters Avenue, and the blue highlights of existing commercial/residential mixed-use sites. He referred to a one of the blue highlights, Valley Plumbing, which is a long-time existing business and has nine to eleven residential units behind it which have also been there for a long time.

Mr. Carey stated that the final project does not use the PUD process as a variance tool to build more than what is currently acceptable. He indicated that it is far below the height limit allowed, noting that in March 2015, the Planning Commission approved the

project next door at 31 feet, 8 inches and three feet from their property line. He noted that they have larger rear yard setbacks than required; it is less dense than the prior approved surrounding properties with five total units at 225 Angela Street, six units at Kimberly Commons across the street, and eight units for the Peters Street Condo Complex diagonally across from the project site. He further noted that their project is approximately the same-sized lot with four units, has four off-street parking spaces when only two are required for the residences, and has a lower floor area ratio (FAR) than what is allowed on the lot.

Mr. Carey stated that they worked to create not only what is in the Guidelines but also significantly under the limits in all aspects. He noted that with respect to the pre-existing commercial site, they felt it had a great look and used it as their inspiration for the residences. He added that they created a mini-plaza that will enhance the building and benefit the Downtown, Downtown residents, and the community as a whole, and make it a destination for people to gather. He indicated that they have worked well with staff and accommodated all their concerns and recommendations, with the exception of their proposed removal of the residential use for the front site. He noted that while it is their preference to use this space as commercial, they do not want to remove the existing allowed use enjoyed by the surrounding parcels. He explained that, depending on the economy, this gives them the flexibility to put a short-term residential tenant there, which they have right now, while they work on the perfect tenant to create vitality.

Tony Adams stated that he has been in Downtown Pleasanton for 44 years, has 150 full-time employees, and owns the property east of the proposed project, which he thinks would be an absolutely fantastic project. He indicated that he backs up to the project, and as earlier mentioned by Mr. Carey, they are within 36 inches of the project and within 18 inches of its height. He added that he has no issues whatsoever with the proposed project.

Charles Huff stated that he has been viewing this site with an empty lot for many years and wondered many, many times how this could be developed. He noted then that it was going to take somebody with vision in order to incorporate the house on the corner with this empty lot, and there is just no way to develop it due to the current zoning there. He indicated that he thinks the proposed project is a rare opportunity to consider how the developers have looked at this lot and address mixed-use residential and commercial opportunities. He noted that the Spanish Colonial architecture of the front lot actually ties in quite well with the residential use and is seen in many buildings in the Downtown, including the Veterans Hall.

Mr. Huff stated that it is a rare opportunity to develop this infill site to address the need for quality residential units while creating a retail plaza that will bring much needed vitality to this part of town. He noted that at nighttime, a retail use at the corner lot of this part of Downtown would not be a place that people would flock to, whether it be a coffee shop or a restaurant; but a public plaza would be a good addition that would encourage people to come and gather.

Andrew Shaper stated that he has lived Downtown for 33 years within a couple of hundred feet of this proposed site. He indicated that there is no question that the empty

lot will ultimately be developed, and he does not have a problem with most of what has been proposed. He noted, however, that he has a couple of issues:

1. The height, at three stories. The houses down on the other side did it with two stories, and that makes a lot more sense. The actual mass of the row houses down on Peters Avenue is urban, compared to the old house that was preserved or the existing house farther down Angela Street. It is not Downtown Pleasanton; it is not small town Pleasanton; it is not historical Pleasanton. The 88 historical houses got major restrictions and need all kinds of permission if the owners want to do anything. So this is not like the green fields; it is not like other parts of Pleasanton that are just being developed. The use of the old house is fine.
2. The mini-plaza. A lot of work went into the Downtown Hospitality Plan – many people, a lot of public comments, a lot of meetings – and the idea was to have a buffer between the main commercial zone on Main Street and the residential area which really starts on the other side of Peters Avenue, and that is why it is an office. Outdoor entertainment in residential areas needs a buffer; it should be conditioned with no outside music on that plaza because it is directly across from residences. If this were totally in compliance with all the ideas and work that went into planning the Downtown area before, it would not need a change in land use or amendment to the Downtown Specific Plan.

Mr. Shaper stated that in-lieu parking fees may help the City, but it does not do anything for the parking problems that are key in the Downtown. He pointed out that it does not consider the quality of life and what people are going to be living with forever. He added that this is not a very satisfactory solution for those who live in the middle of all of this.

Mr. Shaper stated that with respect to procedures, he did not hear about this project until he got the yellow notice card last week as a resident within 1,000 feet of the project site. He noted that clearly, a great deal of time, effort, and money have gone into working on this, and by the time public input is requested, the project is a done deal. He noted that everybody is financially timed and emotionally attached to all the work that has been done with Planning. He requested that the community and the neighborhood be informed and involved early in the process where there really is the potential for meaningful input and exchange.

Mr. Bowers stated that he would like to address the issue of parking and that they do not have on-site parking for their commercial project. He indicated that at a recent workshop, the City Council talked about parking, and the City has responded in great fashion to try and alleviate some of those conditions by having additional striping on First Street, enforcing the three-hours parking on Main Street, and paving the DeMolay lot for an additional 46 parking spaces about a block away from this project site. These would alleviate the parking issues and would be very beneficial for the businesses on this side of town.

Commissioner Ritter referred to the commercial zoning of the main house and asked Mr. Bower if they were asking that it also have the option of being residential.

Mr. Bowers replied that they would love to see that be retail, a restaurant, a wine bar, or a coffee shop, but when the economy goes south, a residential use would give them the flexibility and the option to get a short-term tenant in there for six months to a year. He noted that the tenants they have been leasing to have been divorced single moms who are transitional or people looking for temporary places in which to live while their home in Ruby Hill is being remodeled. He added that putting an office user there could be a three- to five-year deal, as opposed to the residential user, which would have the vitality back there in nine months or a year.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Ritter asked staff for more information on the building that is being remodeled right next door to this project.

Mr. Weinstein replied that the building is a 1960's- or 1970's-era building that does not relate well to the street and does not promote pedestrian vitality. He indicated that the building is being renovated to be a little more pedestrian-centric to open up a little more to the street. He noted that it is being designed to be more amenable to an actual retail use as opposed to just an office use.

Commissioner Nagler asked staff to describe what is going on behind it.

Mr. Weinstein replied that it is a single-family house.

Commissioner Balch asked what the height of the buildings are.

Mr. Weinstein replied that the front-facing was an existing commercial/medical type of building that needed some work done with parking, and the back was a long, 32-foot high house located on the west side of the property.

Commissioner O'Connor commented that if nothing was built on this vacant lot, it would basically show through the front of the lot from Peters Avenue.

Commissioner Balch noted that on the other side of the big tall house is a big long driveway with a fence between it and the commercial in the front.

Commissioner O'Connor asked staff if the current C-C zoning allows both residential and commercial.

Mr. Luchini replied that it does to a degree, but the C-C zoning usually refers to multi-family residential and not necessarily single-family.

Commissioner O'Connor inquired if that could be something like the row of condos or apartments.

Mr. Weinstein replied that typically in the C-C district, it would be a ground-level commercial space and then second-floor residential space.

Commissioner O'Connor inquired if that creates a grandfathering.

Mr. Weinstein replied that members of the applicant team talked about the juxtaposition of zoning and Specific Plan designations here. He explained that the existing zoning is C-C, but it is designated for office uses in the Downtown Specific Plan, so there is this disconnect between what is in the Specific Plan and what the site is zoned for. He added that staff is looking at a slightly different interpretation for a similar site on Spring Street, but because this site is entirely street-facing either on St. Mary Street or Peters Avenue, staff is expecting all ground-floor commercial space and no ground-level residential space.

Chair Allen inquired if this is in terms of the City's current standard.

Mr. Weinstein said yes, in terms of the current land use policy on this site.

Commissioner Balch recommended that the Commission look at the residential use versus the commercial use in relation to the applicant's request for this residential element in a commercial building left-over. He noted that it is discussed on page 15 of the staff report, and it appears that staff is accordingly recommending a revised list of uses as it currently prohibits residential use. He stated that he typically tries to link back the condition with the staff report, and asked if this is just that it is excluded from the list of uses and not that it is a prohibited use per se.

Mr. Luchini replied that is correct.

Commissioner Balch inquired if staff has an opinion about the applicant's request on the residential element on the front commercial.

Mr. Luchini replied that staff spoke to the applicant about that in the last couple of weeks, but staff feels that this is a mixed-use project which requires a whole lot of legislative actions. He indicated that staff is of the opinion that it is a mixed-use project and would like it to remain a mixed-use project that is more consistent with what the Downtown Specific Plan is looking for in that area; hence, staff is less inclined to be supportive of residential on that corner spot.

Commissioner O'Connor referred to the noise issue that was brought up by a couple of speakers. He noted that the City has a noise ordinance that addresses noise on Peters Avenue, which is at a lower standard than the rest of the Downtown because it overflows to the residential area, such that if there were any outside music of any kind on Peters Avenue, it would be way toned down or not amplified.

Commissioner Balch noted that this is obviously not a request for a use per se; the allowed use is in here, but if someone wanted to come in and have amplified music, the applicant would have to come in for some type of permit or business license.

Mr. Luchini replied that was correct and would be a fair statement. He explained that most of the uses that are anticipated to want live entertainment are most likely conditionally permitted uses, so these would go through the permit process at that time and be subject to requirements.

Commissioner O'Connor inquired if the uses that are listed have actually modified what is the standard uses in the district.

Mr. Luchini said yes.

Commissioner O'Connor inquired why staff did it this way; if there were uses staff could not have favored, why they were not prohibited in the entire district; and why they would be singled out.

Mr. Luchini explained that staff is trying to respect sensitivity of some of the surrounding uses, particularly the residential uses to the west. He added that staff felt there were some uses that were potentially allowed in the C-C District but would not necessarily be appropriate considering those adjacent uses, because of noise or odor or something along those lines.

Commissioner O'Connor referred to odors, noting that a bakery would not be removed. He inquired if staff is going to start judging which odors are okay.

Mr. Weinstein replied that odors is probably not the best example, but there are some uses that generate odors that are offensive to people. He explained that staff was thinking of things like motorcycle dealerships, for example, which might be appropriate in a more central location in a commercial district but not appropriate on the edge of a commercial district next to residential uses. He added that there are other uses like Christmas Tree lots that usually require bigger sites and generate a lot of traffic during certain times of the year. He noted that this just seemed appropriate for this kind of small site on the edge of a commercial or central commercial district.

Commissioner O'Connor commented that a Christmas Tree lot would not be appropriate anywhere in the Downtown.

Mr. Weinstein replied that it is an unlikely use. He indicated that what staff tried to do is go through the uses, working closely with the applicant, to come up with a reasonable list that would give them a decent amount of flexibility to get tenants into their commercial space without having any sort of substantial adverse impacts on adjacent residential uses.

Commissioner Balch commented that the residential use is the only one element that seems in question.

Mr. Weinstein said yes. He pointed out that this project is being marketed as a mixed-use project, and that is an essential principle that allows staff to support the project as staff would not be in support of a solely residential project at this location. He explained that staff is trying to retain and enhance the commercial character of Downtown, and this cannot be achieved with an all-residential project in this location, although staff is very sensitive to comments from the applicant's team that buildings need to be occupied and that a vacant building does not enhance the Downtown. He added that one of the costs essentially of this project is, as Mr. Luchini mentioned, requiring a lot of legislative changes to policy documents.

Commissioner O'Connor inquired how this building could be re-occupied as a residence if it lost its tenant; if the owner would have to come in and get a Conditional Use Permit (CUP).

Mr. Weinstein said no; it would require a PUD modification, which is a pretty big step.

Commissioner O'Connor noted that there are a lot of offices down there that are vacant right now, or when they go vacant, they stay vacant for quite a long time.

Commissioner Balch commented that the neighboring adjacent property is being remodeled.

Chair Allen stated that in the business world, if there is a vacant retail space and it is a slow economy, the rent drops and a hair salon or one that is sort of transitional that just wants a temporary place is brought in.

Chair Allen stated that she would like to itemize the following issues for discussion by the Commission: commercial versus residential in relation to the front house; parking; building height; and the garage in front.

Parking

Chair Allen stated that she thinks there are five spaces, at a minimum, for which she would like to require in-lieu parking fees, and she could even argue for seven: the applicant is actually proposing to demolish two spaces; there are two existing on-site, the existing garage and the space associated with the little white house; and the net of three on-street parking spaces that are being lost. She stated that the project needs a PUD and the project needs five spaces. She asked staff to confirm what the parking demand need for the commercial space is, just using the standard methodology for saying the commercial is "X" amount of square feet and it would expect to have four cars.

Mr. Luchini replied that it would be four spaces for the approximately 1,200 square feet, based on the standard of one parking space for every 300 square feet.

Chair Allen stated that one question asked when considering any commercial building is how many people are going to visit, and based on the square footage of that property, how many spots would be expected to be required; staff indicated that would be four parking spots, and added to the three on-street parking spots lost to making space for the driveways, would make seven parking spaces.

Commissioner Nagler inquired how many parking spaces currently exist on the street, contiguous to this lot, that are unaffected by this construction and could be used for commercial purpose.

Commissioner Ritter stated that this is getting too complicated and asked what currently exists and what is being proposed. He requested confirmation that the applicants are asking to reduce two spaces less than what they currently have and, therefore, are paying in-lieu parking fee for the two spaces they are giving up on their lot space.

Mr. Weinstein replied that the applicants initially were not proposing any payment of in-lieu fees, and what they are doing is getting rid of two on-site spaces and three on-street spaces. He reiterated that the Code requirements for payment of in-lieu fees for on-site spaces are unclear, but that is an interpretation that could be made; and there are no Code requirements for the payment of in-lieu fees for the removal of on-street parking spaces. He indicated that what staff is proposing as part of the Conditions of Approval is payment of in-lieu parking fees just for the three spaces on the street. He added, however, that it would be a valid and reasonable interpretation of the policy should the Commission decide that in-lieu parking fees should also be paid for the two on-site spaces as well.

Commissioner Ritter inquired how many more spaces are being lost because of this development.

Chair Allen said there are two spaces. She added that in addition to the five, that would be a total of seven.

Mr. Weinstein corrected that only two on-site and three on-street parking spaces are being removed.

Mr. Nagler stated that this is what he was trying to drive at because he thinks Chair Allen is double-counting spaces. He indicated that in the end, it appears to him that there are five parking spaces that are at issue.

Commissioner Ritter agreed.

Chair Allen stated that she is comfortable going with five spaces but that she still came up with seven spaces. She noted that in looking at the model for a commercial building or coffee shop that goes in there, the model will say there will be four cars that would need to be parked somewhere on the street or in the area to visit the coffee shop, which means that there are four spots that are going to go away on the street, and another three spots will also be lost for residential for the driveways, which gives a total of seven parking spaces.

Commissioner Nagler stated that Chair Allen does not seem to be considering the spaces that are there and unaffected by this development.

Commissioner Balch stated that his problem with this is that this is not applied consistently to any Downtown business. He noted that when the Commission considered the plaza area at the former Pastime Pool property and the double-story restaurant at the former Union Jack site, the Commission did not look at how many users there would be for those restaurants or how many parking would be needed for those patrons.

Chair Allen replied that Commissioner Balch was correct on not being consistent, but this is also a PUD, and a PUD has a different threshold. She indicated that given that the concerns about parking is becoming more prominent, she is trying to protect the parking spots and is looking at what parking the project eats up factually, based on

some parameters; and that is how she came up with seven spaces that the project loses.

Commissioner Balch asked how many spaces the applicants are allocated as their pro rata share compared with all the other businesses in the area, because if there is parking available on the street, then one or two get to park on the street because they are, in fact, Downtown.

Chair Allen noted that the study shows that the parking is almost at capacity. She stated that she was Downtown twice earlier, and the street was filled up; there was only one spot available. She indicated that she wants at least five spaces.

Commissioner Balch stated that he agrees that parking is an issue.

Mr. Weinstein stated that staff is absolutely and definitely as cognizant as the Commission is of the parking issues Downtown; it is a serious issue and the City is undertaking a parking study to hopefully resolve some of the parking issues that people have raised Downtown. He added that staff is definitely aware as well that this is a PUD and gives a little more flexibility in terms of prescribing the development regulations on the site for this project. He indicated that staff is not comfortable with going beyond the five spaces primarily because the Code as currently written is pretty clear in dictating that changes in use in existing commercial buildings that are older than five years cannot be taken into account. He pointed out that looking at in-lieu parking fees for five spaces is already going quite a bit beyond Code requirements for at least some of those, because there is no explicit regulation in the Code that allows payment of in-lieu fees for on-street or removal of on-street parking spaces. He added that staff can see the argument for asking for in-lieu fees for the on-site parking spaces, but because of the relatively clear direction in the Code related to the change in uses that occurs in these older buildings and the provision of parking for those uses, staff would not be comfortable recommending going forward for in-lieu fees for more than the five spaces.

Commissioner O'Connor requested clarification of staff's statement that the current Code requires that the applicants have to pay in-lieu fees for two spaces.

Mr. Weinstein replied that is a reasonable interpretation. He reiterated that the Code is a little bit unclear and ambiguous, but staff feels that Section 18.88 of the Municipal Code would lead to that conclusion.

Ms. Harryman stated that she comes from a little different perspective than Mr. Weinstein but to the same conclusion of five spaces as being the maximum. She indicated that she does not see the seven spaces; that three spaces are being lost on the street due to the driveways is pretty clear to her, so in-lieu fees for those are fine. She further indicated that two spaces being removed because of the garage being removed is a little less clear to her, and her read of the Section 18.88.080 of the Municipal Code would probably require in-lieu fees on that as well: *"No on-site parking facility shall be reduced in capacity or in area without sufficient additional capacity or additional area being provided to comply with the regulations of this chapter."* She stated that it is a little easier than thinking off-street, and she sees that as being the two parking spaces in the property as being made up for by in-lieu fees.

Commissioner O'Connor inquired what section of the Municipal Code refers to the other three spaces.

Ms. Harryman replied that the other section is Section 18.88.020. She stated that staff came about those two spaces as not being required because they were looking at that language. She continued that the basic thought of this, if it were not in Downtown, is that they are putting in three new homes, and they would have parking in the garage and in the driveway. She added that enlargement of the structure or change of use in the existing structure would also prompt additional parking. She noted, however, that Subsection D of Section 18.88.020 provides that *"For property zoned C-C or O and located within the Downtown Revitalization District ... the following requirements shall modify the basic requirements of Subsection A of this section: a change of use shall not constitute a 'major alteration' or 'enlargement' if the age of the building in which the use is located is greater than five years...."* She stated that, again, she and staff are in agreement that five spaces is the maximum, and the Commission has some discretion on those. She added that staff walked through that in the staff report.

Commissioner O'Connor pointed out that Subsection D and the subsequent section do not say that in the Downtown, no in-lieu fees would be charged for those three spaces as long as the building is older than five years.

Chair Allen stated that this point of interpretation is where she had some concern, and people are reading it in different ways. She noted that it is vague, and this would say that if the zoning were followed, no one would ever be charged between five and seven. She added that if the coffee shop has a demand for four spaces and currently has two, the traditional Code does not allow to add two more.

Mr. Beaudin stated that there are a lot of different pieces of the Code that go in different directions, and the Code is silent on some of the issues being addressed here today. He indicated that it is a unique circumstance to take a property that is zoned one way, peel off a piece and maintain that zoning, and then turn the entire site into a PUD. He explained how he reached the maximum of five: there are three spaces coming off the street; there are two on-site and the fact that there is language in the Zoning Code that a change of use shall not constitute a major alteration or enlargement, but this goes beyond a change of use because the property is being rezoned to a PUD. He added that he does not go all the way with the PUD to seven spaces because there is this language in here that does create a gray area.

Commissioner O'Connor stated that he hears this all the time about it being a PUD so the rules can be re-written; but if there is a need for extra parking or charging extra fees, it is in a rezoning so it is fine to ask for what is really needed. He indicated that the way he looks at this is that if a nice, big, two-story office building were built there instead of those three houses, the developer would have to supply a certain number of parking spaces; for example, if it were an insurance building, all of the agents would use a lot of their own parking. He noted that what is being done here is building three houses and supplying 12 parking spaces that would be used by the people in those three houses. He questioned if the developer is being penalized for filling that vacant lot, and he agrees in his own mind that if two parking spaces were being removed from the existing

commercial building, then those two spaces should be paid back; and if the City is increasing that to three because of on-street parking, he believes one more on-street parking space can be put back in. He emphasized that he is very concerned about parking and fights for parking all the time, but he wants to do the right thing for somebody who is improving not only the lot that is vacant today, but also give them credit for creating a plaza as the City has done for other people who have also created plazas. He added that the proposed project will extend vitality beyond Main Street, and the City has been looking for this for a long time, trying to get something going on the side streets where all that has been happening is usually office or some users who do not make it. He pointed out that creating a plaza will bring people down there and maybe help fill up the rest of the blocking between Main Street and Peters Avenue, which would be great, and so he does not want to penalize the developers for what they are offering. He stated that he does not know if the number should be two or three, but he does not want to go to five or seven. He added that he is also looking at a block away where the City is putting in 46 parking spaces.

Commissioner Balch stated that he thinks everyone agrees that in-lieu fees should be paid for the three spaces on Peters Avenue that are that are being removed to create the driveways for the residential units. He then referred to the two spaces on the commercial side that are currently a garage that will be removed, and indicated that he is not supportive of paying in-lieu fees on them to be consistent with the way the Commission has done for the two-story restaurant on the former Union Jack site, which had two on-site spots that were removed and for which the Commission gave the developers credit.

Chair Allen recalled that it was also a historic commitment.

Commissioner O'Connor clarified that he thought that was a bad deal because they took away two spaces and actually built on where those spaces were so it was part of the structure. He indicated, however, that these two projects should be considered separately, and he is looking at this project in total because he does not think the Code says that five spaces have to be replaced, however Sections 18.88.020 or 18.88.80 are interpreted.

Commissioner Nagler stated that whether or not an extra street space can be constructed is actually pretty important to this equation, and assuming like staff thinks, it would be three.

Commissioner O'Connor stated that he was on two but would go for three.

Commissioner Balch stated that he would support four.

Chair Allen noted that the Commissioners are looking at a total of two, three, or four, but not five.

Commissioner Nagler stated that he would support four unless a space could be built on the street, and then it would become three.

Chair Allen stated that the majority is for three spaces.

Building Height

Commissioner Ritter stated that he is fine with the building height.

Commissioner Nagler stated that he thinks the building height is perfectly acceptable because, first, just in context, he thinks everyone has indirectly said that this project is exactly the kind of thing the City wants to encourage off of Main Street but continuous to Main Street Downtown because a mixed-use project like this that is well designed and well-crafted fits with the architecture of the Downtown, blends the use of property, brings that kind of stability, good times, bad times, over time to the Downtown core. With respect to the height, he indicated that what matters to him is not only that this is an independent decision, but that there are other relevant decisions that this Commission and prior Commissions and this Council have made for the street and the neighborhood. He stated that most specifically, he is fine okay with the height because of what is behind it; and the fact is, one will not be able to see any difference at all on the height when they back up against one another, so he finds the massing and the height to be completely appropriate to the block.

Commissioner O'Connor agreed and added that the current zoning also says they can go up to 40 feet and can put an office building in there as well.

Commissioner Nagler stated that he is just trying to respond as a finding, relative to the neighbor saying that the buildings are too tall. He added that they are under the current zoning.

Commissioner O'Connor noted that if the buildings were not there, the house behind it would be visible, which is only one foot shorter.

Commissioner Ritter agreed.

Chair Allen stated that she struggled with this because even though this is not technically a precedent, other projects coming through this town will be using this and saying that the building height of this specific PUD on this specific site was approved. She noted that the reason she is fine with this is for the same reasons the other Commissioners brought up; the building behind it will be almost the same height. She added that the work that staff and the applicant did on the design just makes it feel a lot smaller and makes it feel not as overpowering, such as the Angela row homes across from Bank of America, which are a little bit taller, just tower over that little historic home, and do not fit the character of the Downtown. She indicated that she did not want the same thing to happen to this site because of the Chamber of Commerce building next door and the house behind it. She noted that if she supports this project, it would be because this is absolutely not a precedent, and in order for her to feel good about a property, it has to totally line up with the next door adjacent neighbors and has to architecturally fit with this neighborhood, which is a commercial neighborhood with a lot of high buildings and is very different from side streets that might be on other streets around other areas of the Downtown.

Commissioner O'Connor stated that one other misconception that is heard a lot is that people talk about three-story versus two-story. He pointed out that there are a lot of homes that are two-story that are very close in height and some are even higher than some three-story homes. He stated that the roofs of this project on profile look very low, and there are a lot of two-story homes, his included, that are very close to this height. He noted that the Commission should look at heights and not be too concerned with three-story versus two-story.

Chair Allen expressed concern that if too many 35-foot tall townhouses are built in areas like the Angela row houses that tower over small historical homes in single-family, single-story kind of buildings, they do not fit the character and the principles around the Downtown guidelines. She also clarified that while it is fine to go up to 40 feet high, she did not think that is necessarily what the principles say for residential. She noted that because this is very confusing and has a chance of creating inconsistencies, she would like staff to clarify that in terms of the policy that exists today and the Downtown specific guidelines that say an amendment should be done for residential districts, which this will be; and that 30 feet is the maximum height and what that really means.

Ms. Harryman stated that Land Use Policy 15 of the Downtown Specific Plan contemplates the City Council initiating an amendment to limit building height in all residential zoning districts in the Downtown, including future Planned Unit Development Districts, to not more than two stories and not more than 30 feet. She pointed out that this is something that is contemplated to come back and look at. She noted that as has already been discussed tonight, there are at least two projects that were mentioned at over 30 feet high: the building in the adjacent parcel at 31 feet, 8 inches tall, and the Angela row houses at 34 feet, 6 inches tall. She added that even if a ceiling of 30 feet were set, there would probably be some kind of exception language to look at on a case-by-case basis for a location like this, but with the principle of probably not three stories and not higher than 30 feet.

Chair Allen noted that the Commission has not yet executed the amendment, and the amendment does not mean that this point should be ignored. She asked Ms. Harryman to clarify that her reading is that this is the principle and the intent of residential Downtown, and it is in the policy in the Downtown Specific Plan as an important baseline assumption going in.

Ms. Harryman replied that the contemplated direction is to avoid three stories and avoid going over 30 feet high, and the Planning Commission tonight articulated why this particular site is different and why it seemed appropriate in this case to go above 30 feet and above two stories.

Garage in Front

Commissioner Ritter stated that he is fine with this as long as they are nice-looking garages.

Commissioner Nagler stated that this is tied to the mixed-use requirement and that he would very much support a condition of approval requiring that the existing structure forever be used as a commercial retail or whatever the allowed uses are for the

structure and that the applicant not have the flexibility over time to use it periodically for residential. He added that he also then thinks that implies that the plaza is important for this whole gestalt of the development, and if that is true, then losing one-third of the plaza to create parking in the back is a sacrifice that is not appropriate to the overall plan. He noted that the implication is that the parking would then be off of the street, and it then becomes a question of whether or not there should be a garage door or not. He stated that he thinks the design of the structure is really quite attractive, and staff has obviously considered this at some length and came down with the side of having garage doors that fit the architectural style of the building, so that is fine from his perspective.

Commissioner O'Connor stated that putting the garages in the back also takes away the guest parking out in the front, so now there will be more people parking on the street. He suggested that it might help the people across the street if the garage door be one of the fancier looking ones that have the handles that almost look like the old carriage house-type doors that will go with the Mission style. He added that it would contribute to the character in the Downtown.

Commissioner Ritter agreed.

Commissioner Balch stated that he is in line with everyone's comments. He indicated that he prefers this method of two-abreast parking and two-abreast in the driveway than tandem parking because that does not work very well in design and he has personally seen that go very bad. He added that he is supportive of this as it would allow for four, which would not be possible with tandem in any way, shape, or form.

Chair Allen stated that she is also supportive of this. She noted that she generally does not like garages in front on a pedestrian street, but it certainly is not a precedent that she would see approving in most developments.

Commissioner O'Connor commented that he is glad the garages are pushed back.

Chair Allen agreed. She stated that she supports it for the same reasons everyone else mentioned that first, she does not want the plaza to be cut out and half the white house; and second, the quality of the door makes a huge difference. She asked the applicant if the photo on the bottom left-hand corner of page A.13 of Exhibit B of the staff report is really a carriage-style garage like what Commissioner O'Connor was recommending.

Mr. Bowers said yes. He added that they want the garage doors to be real authentic Spanish style.

Commissioner Balch pointed out that there are some other notes in general that do not fit in with the four items for discussion, and he would like to bring them to this part while the Commission is talking about commercial buildings. He indicated that these are kind of standard things that typically come up, such as lighting or light spillage and amplified music.

Commercial Versus Residential in Relation to the Front House

Commissioner Balch stated that he is a mix on this. He noted that the intent of the plaza and how it was sold is very much a public space, but it is not a dedicated public space similar to basically the new Starbucks space that was done instead of paying the in-lieu fee. He indicated that one option might be to make the residential use a conditional use so it would have to come back instead of being a *carte-blanche* use. He pointed out that this is a public space, and it would be very awkward if someone went there for dinner one month, and the next month there is someone living in the house.

Commissioner Ritter stated that it is proposed as commercial and should be left as how staff recommended it in the staff report. He added that if the economy sinks, the Commission may want to consider supporting them and converting it at that time.

Commissioner Balch stated that he supports commercial only.

Commissioner O'Connor stated that it would be easier to come back to the Commission if it is a conditional use rather than a PUD modification.

Mr. Weinstein stated that there are two ways to do a PUD modification, and one is a lot more time-consuming and onerous than the other: a major PUD modification which goes all the way to the Planning Commission and the City Council; and a minor PUD modification that is processed at the staff level and is subject to appeal to the Planning Commission and City Council. He noted that the circumstances really need to be considered, and if there really was a problem getting a tenant, and staff agrees with the applicant team that it is important to have that space be occupied, staff will be able to work with the applicant at the staff level.

Commissioner Ritter agreed.

Commissioner Balch stated that it be left as commercial for now without allowing residential, as recommended by staff, and consider a PUD minor modification when the circumstances call for it.

Commissioner Nagler stated that he is comfortable with that so long as everyone is clear about what is being said.

Commissioner O'Connor commented that it has to be kept in mind that this was a restaurant and bringing a family back in to live in it would require a lot of improvements on the inside, which he is not sure the owners of the building would want to do for a six-month rental. He indicated that he was fine if it can be processed as a PUD minor modification as opposed to a PUD major modification.

Commissioner Ritter agreed.

Chair Allen stated that she supports staff's recommendation and echoes Commissioner Nagler's comments that the draw for this project and doing it now and bending on the height and bending on garage doors is the plaza. She indicated that that is the ticket for

her if this turned to residential, and she could not support this whole project if this was conditional or if residential was allowed.

Commissioner Balch stated that, again, it would be really awkward if they put a coffee shop or a frozen yogurt shop in, and one month someone is there sitting in the plaza and the next month it is someone's house.

Commissioner Ritter moved to make the PUD findings for the proposed Development Plan as listed in the staff report, and recommended approval of: (1) Case P14-0124, a General Plan Amendment to change the land use designation for an approximately 0.15-acre portion of the site from Retail/Highway/Service Commercial; Business and Professional Offices to High Density Residential; (2) Case P14-1025, a Downtown Specific Plan Amendment to change the land use designation from Office to Downtown Commercial and High Density Residential; and (3) PUD-107, Planned Unit Development (PUD) Rezoning and Development Plan to rezone the site from the C-C (Central Commercial), Downtown Revitalization, Core Area Overlay District to the PUD-HDR/C-C (Planned Unit Development – High Density Residential/Central Commercial) District, to convert the existing single-family residence into a commercial use building including site and exterior building modifications, and to construct three new 2,400-square-foot, three-story detached single-family residences, subject to the Conditions of Approval listed in Exhibit A of the staff report, with the addition of a condition that the garage doors be carriage-style, as shown on page A.13 of Exhibit B of the staff report.

Mr. Weinstein stated that those conditions can be added and suggested that another condition be added as well that would prohibit short term rentals at this location. He noted that it has been an issue at other relatively new residential projects that have been built in the City in the past, and staff has relied on conditions of approval to prohibit short-term rentals because the Code is a little ambiguous regarding short-term rentals.

Commissioner Ritter inquired what would be classified as short-term rentals.

Mr. Weinstein replied that this would be things like Airbnb or VRBO. He noted that it is not a pervasive problem in Pleasanton, and staff is trying to keep it that way.

Commissioner Balch commented that this is a perfect place for that; it is a residential house next to a vibrant Downtown.

Commissioner Ritter commented that it would be actually taking the rights away of someone who owns property.

Chair Allen noted that it is across the street from single-family residences.

Ms. Harryman stated that this came up at the Kimberly Commons project, and staff received a complaint that an owner was leasing them for very short-term rentals. She noted that the idea behind that project was affordability by design, and if the owner is renting them out at rates competing with the Rose Hotel and other hotels and not

putting residents in them, then they are not affordable by design. She indicated that they are very nice, housing prices were very high, and that was the idea when that project was approved; and the only way the City was able to prevent those from being weekly rentals or monthly rentals was to rely on conditions of approval rather than on the covenants. She stated that the Commission may not agree with it and does not need to include it; staff is just informing the Commission that that is what staff did at Kimberly Commons to avoid that issue.

Commissioner Ritter stated that if the owner of these units rent them out, it would be a lease.

Chair Allen commented that these would be subdivided.

Ms. Harryman stated that when she saw the project, she just assumed they were going to be sold, but that might not be the case after tonight.

Commissioner Ritter commented that they could be leased.

Commissioner Balch stated that the intent right now is to keep them; the point is, they could be used for executive housing or for any number of things.

Commissioner Ritter stated that he does not want to get into telling homeowners what they can and cannot do with their place.

Chair Allen stated that she does not know if there is support for this, but she agrees with the proposal of limiting that, for the reason that Ms. Harryman stated as well as because these are very tight, high-density residential homes that are sold independently. She added that if she lived in one of the homes in that tight of a corridor with just a few feet between the buildings, she would not want these renters coming in Airbnb because it would be just like a hotel next door to her.

Commissioner Nagler stated that he does not think it is appropriate to condition a particular project for a fear, realized or otherwise, about how the property might be utilized. He indicated that if this becomes an issue in the City, just like the people of San Francisco addressed it, the Council here in town may want to address it as a macro problem. He added that he is not sure it is appropriate to address it on an applicant-by-applicant basis.

Commissioner Ritter agreed.

Chair Allen inquired if there were any move afoot to bring this up, for instance, to the Council on new developments and have a discussion about this area.

Mr. Weinstein replied that it has come up in the past, but it has not become a problem to date, except for a couple of Code Enforcement calls here and there throughout the City for short-term rental properties that have become an issue. He noted that staff also sees benefits in short-term rentals and has talked with folks from the Tri-Valley Tourism Agency who actually support limited short-term rentals on the grounds that they introduce diversity to our lodging choices here in Pleasanton and elsewhere in the

Tri-Valley. He indicated that the hope is that if some sort of regulations were imposed on short-term rentals should they become a problem, they were done in a reasonable way that would allow at least some sort of permitted use of short-term rentals in the long run, obviously subject to approval by the City Council.

Chair Allen indicated that there is no support for limiting short-term rentals in this case.

Commissioner Ritter stated that his motion still stands, with the addition of conditions for in-lieu fees for three spaces and the design of the garage doors.

Commissioner O'Connor seconded the motion.

Mr. Weinstein advised that Condition No. 10 specifically talks about paying in-lieu fees for three parking spaces, so that is covered. He added that Condition No. 1 requires the project to conform substantially to the project narrative, the color palette, the arborist report, and the plans which show the carriage garage doors, so the applicant team is held pretty closely to what is out there right now.

Commissioner Balch stated that the carriage doors were such a vital design element more so than the rest of everything that was talked about, and he thinks a condition should be added specifically addressing that matter.

Commissioner Ritter agreed to add the condition even if it is redundant so the City Council can see that and know that that is important to the Commission.

Mr. Weinstein replied that staff would add that as a stand-alone condition.

ROLL CALL VOTE:

AYES: Commissioners Allen, Balch, Nagler, O'Connor, and Ritter

NOES: None

ABSTAIN: None

RECUSED: None

ABSENT: Commissioner Piper

Resolution No. PC-2015-37 approving Case P14-0124, a General Plan Amendment; Resolution No. PC-2015-38 approving Case P-14-0125, a Downtown Specific Plan Amendment; and Resolution No. PC-2015-39 approving Case PUD-107, a PUD Rezoning and Development Plan, were entered and adopted as motioned.

7. MATTERS INITIATED BY COMMISSION MEMBERS

No discussion was held or action taken.

8. MATTERS FOR COMMISSION'S REVIEW/ACTION/INFORMATION

a. Future Planning Calendar

P15-0577, W. Mark Lortz, for Inklings Coffee and Tea

Commissioner O'Connor stated that he had driven three times by 530 Main Street, the W. Mark Lortz, Inklings Coffee and Tea project site, and could not find the address. He inquired which building this was.

Mr. Weinstein replied that 530 Main Street is where Round Table Pizza used to be located. He stated that it is an application for a CUP that will come before the Commission at its December 9th meeting.

UP-77-13, Pleasanton Masonic Center

Commissioner Ritter inquired if the item on the Masonic Center is a Work Session.

Mr. Weinstein said yes. He stated that it was scheduled several months ago and has been rescheduled at least a couple of times. He indicated that it was scheduled to come before the Commission at its November 9th meeting as well, but the Masons requested that it be rescheduled to January, and the Millers were amenable to the postponement.

Commissioner O'Connor noted that this has been delayed for a little over a year now and inquired if there is any way to just make this the hearing and not have to go through a Work Session and a hearing. He was concerned that it would be going through the same exercise twice.

Commissioner Ritter inquired why it is a Work Session.

Commissioner Balch noted that the issue is certainly well-documented.

Commissioner O'Connor agreed and asked why a Work Session would be necessary.

Mr. Weinstein replied that this Commission has not had a discussion on the Millers and Masons, and because it is a very complex issue with a ton of history, staff would appreciate getting direction from the Commission on how to proceed with the CUP. He explained that there would be three options and while it will not be discussed tonight, staff can discuss internally whether it could be converted from a Work Session into something else, and it will be noticed accordingly.

Commissioner Balch indicated that he unfortunately has lost some of the documentation and requested that they be recirculated when the matter comes back.

Mr. Weinstein replied that the staff report will be updated and recirculated to the Commission.

Ms. Harryman stated that if it were a Work Session and the Planning Commission were to decide that the Masons are fine, then there is nothing more staff needs to do. She noted, however, that if the Commission decided that it wanted something, it will have to come back. She added that whether it goes once or twice to the Commission would depend on the Commission's preliminary assessment.

Commissioner Ritter inquired if the Masons are proposing a CUP.

Mr. Weinstein replied that they already have a CUP, and the question is whether to modify it or leave it as is.

Chair Allen stated that the Millers want it modified.

Commissioner Ritter stated that he is fine with Ms. Harryman's proposal.

Chair Allen indicated that it is fine with her as well.

Mr. Weinstein stated that staff would also appreciate having only one meeting instead of two or three or four for that project.

Mr. Weinstein then stated that there will be three CUPs on the December 9th Agenda's Consent Calendar: a relatively low-intensity warehouse use on Sonoma Drive off of Sunol Boulevard, a wine and art studio at the Bernal Corporate Park, and the coffee shop at 530 Main Street. He added that the big item for the night is the PUD at 273 Spring Street.

Johnson Drive Economic Development Zone (JDEDZ)

Commissioner Ritter stated that there have been a bunch of meetings on the Costco project and inquired if there are summary notes for those meetings that the Commission will see before they go out to the Final EIR.

Mr. Weinstein replied that staff is putting together summary notes and will post them on the website as well. He stated that staff will let the Commission know when those are posted.

Commissioner Balch recommended, in light of the public comment, that the City add a link to the JDEDZ web page right on the front page of the City's website.

Mr. Beaudin stated that there is a lot of great information on the City's Planning website about the project, including all the PowerPoint presentations, the City Council staff reports from 2014, and a FAQ list. He indicated that staff will make sure that people are notified well in advance of the Joint City Council/Planning Commission Workshop.

b. Actions of the City Council

Commissioner Ritter noted that the discussion on the Lunch Ranch project was continued after three-and-a-half hours of deliberation.

c. Actions of the Zoning Administrator

Commissioner O'Connor noted that an applicant was approved for a 68-square-foot detached accessory structure in the rear yard. He stated that he thought one could install up to 120 square feet of accessory structure without requiring an approval.

Mr. Weinstein replied that would be for a building permit only and not for Design Review.

Commissioner O'Connor inquired why a Design Review is necessary if the structure is under 120 square feet, and inquired if the structure is over 10 feet tall.

Mr. Weinstein said yes.

d. Matters for Commission's Information

Johnson Drive Economic Development Zone

Mr. Weinstein stated that the City held a Community Meeting on November 12th for the Johnson Drive EDZ, and staff has similar notes to report from the previous meeting in October. He noted that there was a much higher turnout than the October meeting, probably about 150 people, and similar comments were raised regarding retail, small business impacts, traffic, noise, and air pollution. He indicated that staff was able to take a lot of questions as well as hear people's comments and address the issues on a more technical basis probably than at the first meeting. He stated that staff is really working really hard on scoping the Supplemental Economic Study to address the retail leakage and small business impact issues that have been raised, and hope to get that study started really soon.

Chair Allen stated that she was at that meeting and thought that Mr. Weinstein, Mr. Luchini, Mr. Beaudin, and Mr. Tassano did an excellent job: as always, they were objective and credible, they really listened to the audience and were able to address everything at both a high level and a detail level and laid out a clear path forward.

Commissioner O'Connor inquired why there is so much noise, both at the Council and here, that people are not being made aware of what is going on.

Commissioner Nagler stated that there will always be the criticism and there is nothing anyone can do about it. He indicated that the default comment is always "I did not know about it." He stated that he knows the City is doing everything it can possibly think to do to notice these meetings, and that is all anybody can do.

Mr. Beaudin stated that staff got off to a little bit of a slow start, but staff is there now, and folks certainly know about this, both from the City's media outreach as well as from the folks opposed to the project promoting the topic in their own way with radio ads and trucks around the community. He indicated that the word is out and, as he mentioned earlier, staff will make sure notice will be well in advance of the meeting in 2016.

Commissioner O'Connor stated that Commissioner Nagler hit the nail on the head. He indicated that he has walked the street of this town too many times collecting signatures for various things, and when Mayor Hosterman was in office, he was amazed at the percentage of people who did not know that the Mayor was a woman. He pointed out that she was the first woman mayor of this town, she was in the newspaper all the time, and people did not even know her name. He indicated that staff does what they can, but it is still amazing that people come and complain that they do not know something.

9. ADJOURNMENT

Chair Allen adjourned the meeting at 9:40 p.m.

Respectfully submitted,

Adam Weinstein
Secretary

DRAFT