

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

**DRAFT**

**Wednesday, September 23, 2015**

**CALL TO ORDER**

The Planning Commission Meeting of September 23, 2015, was called to order at 7:00 p.m. by Chair Allen.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chair Allen.

**1. ROLL CALL**

Staff Members Present: Gerry Beaudin, Director of Community Development; Adam Weinstein, Planning Manager; Julie Harryman, Assistant City Attorney; Mike Tassano, City Traffic Engineer; 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, Gina Piper, and Herb Ritter

Commissioners Absent: None

**2. APPROVAL OF MINUTES**

a. August 26, 2015

Commissioner Nagler referred to the bottom of page 5 and indicated that it was Commissioner Balch and not he who asked the questions on the road options. He requested that the correction be made.

Commissioner Piper referred to the first sentence of the second full paragraph on page 23 and stated that she had indicated that her position has not changed. She requested that the sentence be modified to reflect that.

Commissioner Piper moved to approve the Minutes of the August 26, 2015 Meeting, as amended.  
Commissioner Balch seconded the motion.

**ROLL CALL VOTE:**

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

The Minutes of the August 26, 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**

There were no members of the audience wishing to address the Commission.

**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. PUD-81-30-64D-4M/Roche Molecular Diagnostics**  
Application for Planned Unit Development (PUD) Design Review approval to construct an approximately 70,700-square-foot, three-story office building and related site improvements at 4300 Hacienda Drive. Zoning for the property is PUD-I/C-O (Planned Unit Development – Industrial/Commercial and Offices) and PUD-MU (Planned Unit Development - Mixed Use) Districts.

Commissioner O'Connor moved to approve Case PUD-81-30-64D-4M, subject to the Conditions of Approval listed in Exhibit A of the staff report.  
Commissioner Balch seconded the motion.

## **ROLL CALL VOTE:**

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

Resolution No. PC-2015-30 approving Case PUD-81-30-64D was entered and adopted as motioned.

## **6. PUBLIC HEARING AND OTHER MATTERS**

- a. PUD-105 and P14-0852, City of Pleasanton**  
**Public hearing to receive public and Planning Commission comments on the Draft Supplemental Environmental Impact Report for the Johnson Drive Economic Development Zone, including 12 parcels for Planned Unit Development rezoning at 7106 through 7315 Johnson Drive and 7035 and 7080 Commerce Circle. Zoning for the 12 parcels is PUD-G&LI (Planned Unit Development-General and Light Industrial), PUD-I/C-O (Planned Unit Development-Industrial/Commercial-Office) and I-G-40,000 (General Industrial) Districts**

Commissioner Balch recused himself due to a conflict of interest, and Commission Nagler took his place on the dais.

Eric Luchini presented the staff report and described the scope and key elements of the Johnson Drive Economic Development Zone (EDZ) and its Draft Supplemental Environmental Impact Report (EIR).

### **THE PUBLIC HEARING WAS OPENED.**

Bill Wheeler, Black Tie Transportation, stated that he has been doing business in Pleasanton for 30 years at his building on the corner of Johnson and Commerce Drives, which is affected by this project. He requested that the Draft Supplemental Environmental Impact Report (EIR) takes into consideration the traffic that is already going on at Johnson Drive and Stoneridge Drive. He indicated that currently, the traffic is now backing up even worse than normal because of the current drought, which has all these trucks and water equipment picking up reclaimed water. He added that he can already see this effect backing up on the freeway.

Mr. Wheeler stated that his business has 150 employees and runs about 100 vehicles out through the two little exits, and the current traffic is costing him between five and eight minutes a day on their trips. He explained that the delays are already starting to accumulate and have been causing problems. He noted that when Clorox was still there, its employees came in and left at the same time; however, the uses that are being considered for this complex appear to be all-day/all-night businesses. He further noted that a club store could be operating for 12-14 hours a day with traffic.

Mr. Wheeler stated that the impacts of his business just from a financial piece, even if he takes down the 150 trips a day he does with his equipment and not including his employees, is an additional three- to six-minute delay, which amounts to 15 hours in total payroll a day just for their equipment. He added that environmentally, this is about 528 hours of idle time sitting at those intersections while waiting for those lights to turn, with additional traffic if it stays the way it is now, will create about 50,000 pounds of carbon dioxide in that corner, just from his own equipment, and the economics of about \$100,000 a year in payroll that he will pay his drivers to sit at lights.

Mr. Wheeler expressed concern regarding the impacts of a large club retail store in this corridor, what it will do to all the Club Sport people traveling to and from that location and the many service businesses in Commerce Circle that have been around for a long time and also have a lot of equipment, cars, and vehicles. He indicated that he is all for economic development but wants to make sure it is controlled and planned, and that it takes into account the entire environment of the City of Pleasanton and the people who live and do business in the area.

Barbara Benda stated that she lives in the area and expressed concerns about the noise impact this proposal would have on the neighborhood, in addition to the noise as well as the congestion from smog and from cars that are already there from I-580 and Stoneridge Drive. She inquired if the traffic and smog testing done for the EIR were adequate and considered that there is a neighborhood across the street from this proposal. She expressed further concern about having a big store and complex at this entrance to Pleasanton, and the decrease in value of their properties that this would cause.

John Bauer thanked the Commissioners for their public service to the community. He stated that he would like to see Costco come to Pleasanton, and most of the people he talked to feel the same way. He added, however, that he would like to see Costco do a better job with parking than at its locations in Danville, Oakland, San Jose, and Mountain View.

Mr. Bauer stated that he has a problem with the 1,000-foot radius notification given to the homeowners. He noted that, as presented by the City, the Johnson Drive EDZ is a benefit to all of Pleasanton, yet the notification included only about 20 homes in the Val Vista area and the rentals across from Stoneridge Drive. He indicated that there will not be many homeowners expressing their opinions, although he believes it is the City's desire to get input from homeowners and residents of the City. He added that the last thing the City needs is another East Pleasanton Specific Plan at this location. He stated that in spite of the three neighborhood meetings on the East Pleasanton Specific Plan, the residents felt they were ambushed and were taken by surprise. He indicated that he would hope the City would extend its outreach for this project beyond the 1,000-foot radius and engage the residents of Pleasanton and get their input.

Dan Rosenbaum, Principal with the land owner within the Johnson Drive EDZ, stated that they are actually the real estate investor that purchased the 407,000-square-foot Clorox campus in June of 2013, as Clorox had come to the end of its economic and useful life and relocated about one mile to the east, providing hundreds of very-high-quality jobs in the City.

Mr. Rosenbaum stated that the area definitely needed a reinvestment, which is essentially the purpose behind this specific plan for this area, which was caught between the General Plans. He indicated that they very much welcome the effort and the time staff has put into getting the process to this point, and look forward to working with everyone as this process continues.

Doug Giffin, Chamberlin Associates, stated that they are a local commercial developer, owner, and active members of the Pleasanton community. He indicated that they own the Federal Express facility on Johnson Drive, as well as Arbor complex on West Las Positas Boulevard. He added that he is also a Pleasanton resident.

Mr. Giffin stated that the FedEx property is included in the EDZ. He added that the facility was built 17 years ago, and they are proud of the quality of the building and the design they came up with in collaboration with the City of Pleasanton. He noted that FedEx likes to say that it is the Taj Mahal of their buildings. He indicated that its location at the intersection of I-580 and I-680 provides a critical facility as well as a great late-night shipping options for the residents of Pleasanton and local businesses.

Mr. Giffin stated that they support the EDZ with two primary conditions: first, that the currently permitted industrial uses be left as permitted uses; and second, that traffic on Johnson Drive and at the intersection of Stoneridge and Johnson Drives does not deteriorate to a point where it impacts FedEx operations. He indicated that they have shared these use concerns with City staff on multiple occasions, including an owner's meeting prior to the issuance of the Notice of Preparation (NOP) for the EIR, and at that time they were told that allowing industrial uses to remain permitted is workable. He noted, however, that the project removes industrial uses and would leave FedEx as a non-conforming use which is not acceptable. He requested that the industrial uses remain permitted and that this be addressed in the Draft Supplemental EIR. He indicated that they provided a written comment letter to the NOP during the comment period, but it was not included in the Draft Supplemental EIR or the staff report.

Mr. Giffin stated that he forwarded the Draft Supplemental EIR to their attorney for review, and they had a number of significant concerns about the study:

1. By excluding industrial uses from the list of permitted uses, the project is inconsistent with the General Plan's requirement to limit the conversion of sparse industrial space to non-industrial uses.
2. The Draft Supplemental EIR fails to evaluate the project's potential to cause urban decay. The project's industrial uses are non-conforming and thus unable to grow or evolve. The addition of significant traffic would impair the viability of existing industrial uses, making them likely to relocate the two buildings. Market conditions could easily not support redevelopment at that point or for quite some time. These impacts on ongoing industrial uses must be analyzed in the Draft Supplemental EIR.

3. The Draft Supplemental EIR fails to examine realistic existing zoning and no project alternatives. These alternatives assume site development for primarily office uses. However, the zoning allows mostly industrial R&D uses that would cause less traffic than the proposed project. The Draft Supplemental EIR fails to examine the full environmental consequences of changing the zoning to allow club retail without further discretionary approval and, therefore, without further environmental review.
4. The document fails to properly evaluate the noise impact on existing uses and the increased traffic. The analysis assumes statistics of 100 feet from traffic sources. The FedEx building is actually 35 feet from the sources, and the noise analysis must consider that potential impact.

Mr. Giffin stated that they do not see a path forward other than revising and re-circulating the Draft Supplemental EIR. He requested a meeting with City staff and decision-makers, prior to submitting their final written comments, to discuss the design review standards along with the impact fees that were presented in the Draft Supplemental EIR.

Pat O'Brien, Chief Financial Officer of Leisure Sports, the owner of Club Sports at 7090 Johnson Drive, complimented the City on a very creative approach to looking at the redevelopment and economic development in North Pleasanton. He stated that he believed this is good for everyone, and applauded staff and the various consultants for the lengthy Draft Supplemental EIR document.

Mr. O'Brien expressed concern that improvements to Johnson Drive are limited to just the very early 700 feet off of Stoneridge Drive and a couple of left-turn lanes, and he would like to ensure that this is addressed consistently as various alternatives are looked at. He indicated that the reality is that there will be a lot of re-directed traffic once the potential development happens, such that Johnson Drive will start to have a higher volume of traffic coming from the Home Depot area and around past the hotel, past Club Sport, and past Commerce Circle.

Ann Pfaff-Doss stated that in the past few years, the City of Pleasanton created a beautiful park in the Val Vista Community Park, which will be impacted by increased traffic. She indicated that this is a well-used community park that was partially funded by the soccer leagues and which is very heavily used by them. She noted that the bottleneck that will be created by the proposed development will be a nightmare for a lot of people: not only the people who live in the area, not only the people who have businesses in the area, but also people who come to Pleasanton for soccer and programs, and the Pleasanton residents around town who are involved with it.

#### **THE PUBLIC HEARING WAS CLOSED.**

Chair Allen advised that the primary goal of the Commission's discussion tonight is to identify areas of the Draft Supplemental EIR where it would like to see additional information in the Final EIR. She added that the Commissioners may also provide their perspective on the merits of any one of the alternatives at this stage.

Commissioner O'Connor noted that the Commission will not be answering questions raised by the audience tonight and that those questions will be answered in a Response to Comments document.

Chair Allen added that the City is required to provide responses to the questions as well as relevant information regarding the Draft Supplemental EIR in the Final EIR document.

Commissioner O'Connor noted that over the last couple of months, there has been some activity out in this area and asked staff to comment on it.

Mr. Luchini replied that roughly a year ago, staff issued a demolition permit for the Clorox buildings that Mr. Rosenbaum referenced in his presentation, and the construction activity in the area is related to that. He added that Mr. Rosenbaum could provide more details if the Commission desired.

Commissioner O'Connor inquired if those piles that look like dirt are actually the debris from the demolition.

Mr. Luchini said yes.

Commissioner Ritter stated that a comment was made about the industrial use changing with the development and asked staff to elaborate on that.

Mr. Luchini stated that Appendix B of the Draft Supplemental EIR is the proposed list of permitted and conditionally permitted uses. He indicated that it does make reference to existing uses being able to remain operating as they currently do today...

Commissioner O'Connor noted, for clarification, that existing uses can remain but as non-conforming uses, and that those uses will not be allowed in the future.

Mr. Weinstein said yes. He explained that FedEx, as well as any of the other uses on the site, can remain and operate as long as they want to; however, FedEx cannot expand, and if FedEx goes away, no other industrial use will be allowed to relocate on its site. He noted that this is one of the nuances of permitted and conditionally permitted on this site that can be looked at as part of the Response to Comments document.

Commissioner O'Connor noted that those existing businesses will not be able to expand and inquired if the Draft Supplemental EIR looks at that from an economic viewpoint.

Mr. Weinstein explained that the fiscal analysis primarily looks at the fiscal impacts of different development scenarios on this site, including existing additions as well as the different variations of the proposed project. He stated that the focus is mainly on how much it will cost the City and how much revenue the City will get from additional uses that could be developed on the site. He added that the replacement of industrial uses of FedEx with a retail use or big box retail use would generally have a net positive effect on City revenue.

Commissioner O'Connor inquired if those concerns would most likely be discussed at the point when the Commission gets to what it would like to propose as permitted or conditionally permitted uses.

Mr. Weinstein said yes. He added that it would be a question that could be discussed when the Commission looks at the project itself.

Commissioner Ritter noted that all of this development is still based on Caltrans' approval, if these exit on-ramps are set right. He inquired how difficult that process is and what that takes.

Commissioner O'Connor inquired if staff expects any assistance from Caltrans to give the development funding improvements.

Mr. Weinstein replied that the issue here is that the mitigation measures for many of the traffic improvements in the Draft Supplemental EIR are not under the control of the City but under Caltrans'. He indicated that because they are under the control of a different agency, the City cannot guarantee them, and that is the reason why a lot of the traffic impacts are significant and unavoidable. He noted that the City has a good working relationship with Caltrans, and staff is planning to leverage that relationship to allow these improvements if the project were approved to be implemented in a timely manner. He added that the City has had success with working with Caltrans in the past and is confident that staff can work with Caltrans on the future on these improvements.

With respect to the terms of the funding variable and who funds what, Mr. Weinstein stated that that is not a huge factor in Caltrans' approval or non-approval of the improvements. He added that the main concern is whether Caltrans has sufficient money to actually do the improvements.

Commissioner O'Connor inquired if some of the funding would come from the development or it would only be State money that would go into those improvements since it is under Caltrans' purview.

Mr. Weinstein replied that there will probably be a mix of funding sources with some coming from the property owners within the Johnson Drive EDZ and some from the City. He added that the composition of contributions to the improvements is still being worked out.

Chair Allen requested clarification, that none of the economics presented assume any City contributions at this stage.

Mr. Beaudin replied that the idea of creating multiple funding sources for the project is still being discussed; the City could participate but it would be a decision that would come with the application. He noted that it would ultimately be a City Council decision.

Chair Allen requested further clarification that it is not built into the fiscal analysis.

Mr. Beaudin replied that was correct. He explained that the fiscal analysis for this project is separate from the mitigation costs and how they are going to be funded.



Commissioner Ritter inquired if the project can be approved pending Caltrans' approval to put in two extra lanes.

Mr. Beaudin replied that the City would not like to have an approval that is contingent on another agency's decision; the preference is to take action and make it stand alone. He added that the Draft Supplemental EIR is set up that way for legal reasons.

Commissioner Nager noted that traffic is obviously a big item here and inquired how the City would potentially approve a project to move forward, knowing that traffic has a very significant environmental impact without any indication that it can be, in fact, mitigated. He pointed out that this is an ambitious project with a lot of moving parts and inquired how the City would approach this, since one cannot ask for a decision if one does not know if it is implementable.

Mr. Beaudin replied that that is the reason the impact is significant and unavoidable. He indicated that there is a technical solution; it is just a third party process the City has to get through to undertake the improvement.

Mike Tassano stated that the General Plan right now includes an improvement at that location that is actually two lanes to get onto the northbound direction and three lanes over the top. He explained that what the General Plan states is that only projects that do not drop the level of service below LOS D can be approved, and new projects cannot be considered for approval even if they are zoned for it. He noted, however, that there is a more recent condition that states that at the City's gateway intersections, lower levels of service can be accepted, which is actually an exemption from the LOS D standard; hence, this project can be approved because it is impacting a gateway intersection. He indicated that that is not the normal way the City wants to go about approving projects and dealing with its traffic, but as earlier mentioned by Mr. Weinstein, the City has a good working relationship with Caltrans. He stated that the City has sent Caltrans this project with some of the design alternatives, and staff has already received feedback from them. He noted that Caltrans does have some concerns about having freeway volume, even though it will drop down to a single lane, and Caltrans recognizes that this project does bring more traffic to the area but understands development in general. He indicated that the City has a good leg to stand on, which is the fact that the improvements to this interchange are already in the General Plan, and these are improvements Caltrans has already seen and approved. He reiterated that this would be that type of leverage and working relationship that the City would use.

Commissioner Nagler commented that Caltrans' staff level or technical level approval is obviously different than whether the funds exist to actually do the construction, so, again, it speaks to whether or not the intersection improvements or freeway on-ramp improvements would occur. He inquired how the City has a sense of where in the world of transportation funding this project might fall.

Mr. Tassano stated that Caltrans does not pay for any local interchange improvements; Caltrans did not pay for the interchanges at Bernal Avenue Foothill Road or Sunol Boulevard. He explained that the City will have to come up with a way, and as Mr. Beaudin has stated earlier, the funding mechanism has not been established with

the exception of the fact that Caltrans is not part of that funding solution. He added that there are regional plans available, and this project was included in the City's most recent submittal in July for regional potential funding, along with a number of other projects, and this can get the City some regional funding, Measure B funding or Measure BB funding.

Commissioner Nagler commented that the answer is that the City tried to put it on the list but it does not really know whether funding is available.

Commissioner O'Connor stated that Matt Sullivan also sent a letter that questioned the possibility of resuscitating the West Las Positas Boulevard interchange. He inquired if there is any contemplation that this might come back at all.

Mr. Tassano replied that he thinks the West Las Positas Boulevard interchange would relieve traffic on the Stoneridge Drive interchange. He indicated that he mentioned, when the West Las Positas Boulevard interchange was taken out of the General Plan, that if that interchange is not built, a lot of traffic has to go to either Stoneridge Drive or Bernal Avenue. He noted that there has been an increase in traffic volume on Stoneridge Drive. He indicated that at this point, he does not intend on bringing back the West Las Positas Boulevard interchange, although it would be a benefit, unless directed to do so.

Commissioner O'Connor inquired if this project is spurring that discussion.

Mr. Tassano replied that it is not included in any of staff's recommendations.

Chair Allen inquired what the order of magnitude of the cost would be for the freeway interchange work.

Mr. Tassano replied that what he has seen of transportation improvements all together amount to around \$15 million.

Commissioner O'Connor inquired if that would include the turn lanes, the widening of Johnson Drive, and all the other items.

Mr. Tassano replied that the widening of Johnson Drive all the way along the project frontage would cost around \$1 million and is included in the cost.

Commissioner Ritter stated that one of the speakers brought up the issue of recycled water traffic and that he has seen traffic backing up on Fridays at the Stoneridge Drive off-ramps. He noted that this would have to be accounted for if the drought continues, in addition to this new development coming in. He added one other topic that the Commission and staff have always talked about was stat times and carbon dioxide emissions while waiting to make the turn. He inquired about counting relative to the recycled water plant and how that time is adjusted to reduce carbon dioxide emissions.

Mr. Tassano replied that staff has had to adjust the signal timing for all the people that are out at the recycled water plant. He indicated that there will be an adjustment in the volumes and delays, but he cannot say whether or not there will be a significant

difference in the amount of time. He noted that they get 20 seconds now and will probably get 15 to 18 seconds in the future, so they will not see a significant difference, although they will feel like it is longer because the light will take a little bit longer. He indicated that one interesting modification that occurs is that with increased volume on the north side of the intersection, he did not believe that the current operation where the north side and the south side go at the same time would continue. He noted that there is the odd occasion that when someone leaving the Val Vista area and makes the left turn to go over the freeway, someone else going to get water or go into the park go straight through; or someone actually leaving Val Vista and someone going to Club Sport actually goes straight through to the southbound traffic. He stated that the intent is to slip through that traffic so they do not all go at the same time.

Commissioner O'Connor referred to Mr. Tassano's statement that they will not see a significant difference and asked if the congestion will remain.

Mr. Tassano replied that there will be more traffic, but the amount of time they get will not change significantly because their volume does not change significantly. He explained that if they now get 20 seconds for every single cycle, they will continue to get 20 seconds, but it may go 20 seconds at a 130-second interval instead of a 120-second interval.

Commissioner Nagler referred to an earlier comment Mr. Tassano made suggesting appropriately that when the time comes, this project will have a stand-alone set of decisions and that the traffic improvements, to the extent that they are out of the City's control, will occur or not. With a view of looking for direction on what to bring back at a subsequent conversation, he inquired if it would be possible to provide more detail on what the transportation alternatives are and what those funding sources may be, and to the extent that one could find out the likelihood or even the potential timing of the funding of those transportation improvements. He indicated that while it may be that the City wants to consider this project as a stand-alone project, the timing of those transportation improvements in fact being made could impact the Council's ultimate decision about the timing of approval of the project.

Mr. Beaudin said yes.

Commissioner O'Connor noted that with regard to the noise analysis, people from the neighborhood have commented tonight that they do not know if the Draft EIR took into account that there was actually a residential community nearby. He asked staff if that was taken into consideration.

Mr. Weinstein said yes. He indicated that the noise analysis looks extensively at areas around the project site, including nearby residential neighborhoods, and identifies sensitive receptors, the uses that are most sensitive to increased noise levels that includes residential uses near the project site. He noted that the Draft EIR also looks at noise generated on the site, for instance, from loading and unloading vehicles, as well as potential noise increases generated by project-related traffic on roads that extend outside the project site.

Commissioner O'Connor inquired if it went a great enough distance into the Val Vista and Inglewood neighborhoods.

Mr. Weinstein said yes, noting that the noise analysis essentially extends out as far as it needs to in order to identify the point at which noise generated by the project becomes less than significant.

Commissioner O'Connor noted that with respect to the outreach, there have been issues in the past where people did not think they were properly notified. He inquired if the notification area covered only a 1,000-foot radius from the project site.

Mr. Weinstein replied that per City standard practice, notices are sent only to property owners and resident within a 1,000-foot radius around the project site. He added that notice of this meeting and other meetings are also published in the newspaper and have been announced on the City's website and through social media. He indicated that this is something staff could revisit for future meetings, but staff felt appropriate noticing was done for this project in light of other ways the word gets out for projects like this.

Commissioner O'Connor stated that from all the people he has talked to about this project, the only comment he is getting is that Costco is coming; nobody seemed to know that with the rezoning, some uses go away and others come in. He added that it might be more appropriate to use a newspaper ad or try to do something a little more intense for projects of this size that will be creating this kind of traffic, whether potentially unmitigated or mitigated, or paid for or not, rather than have folks coming up at the Planning Commission and City Council meetings.

Commissioner Piper stated that was her biggest concern. She indicated that the outreach seemed very limited, considering that 1,000 feet only covered a small number of homes in Val Vista. She noted that the outreach needs to be a lot bigger for significant projects such as this; the whole northern half of Val Vista should be notified, as well as apartments and potentially the northwestern corner of the Stonedale neighborhood, because they would all be impacted. She added that it seemed odd that the outreach for a little tiny project is 1,000 feet, and it is still 1,000 feet for such a significant project.

Commissioner O'Connor added that noticing could also go to homeowner associations so they can distribute to their homeowners and have less of an impact on that.

Chair Allen stated that she felt that way too. She indicated that this is not as big as the East Pleasanton project, but it probably is the second biggest; there should be neighborhood meetings and outreach and discussion of options so people really understand, and really seek input about variations there to get the best quality of thinking. She noted that the benefit here is \$1 to \$2 million in City revenue, assuming no issues of traffic costs that the City has to bear, traded off against traffic delays for the businesses and residents in the area as well as people who use Stoneridge Drive to come home to the east side, and the potential risk of the pollutants which can pose a risk for folks with lung disease and even healthy individuals. She added that there is also the desire for many to shop at Costco and at some retailers such as Pottery Barn and Crate and Barrel, which is another benefit to the residents.

Commissioner O'Connor stated that he did not know how fast staff can do this within this comment period, but if it would be beneficial to have some community meetings for at least those two or three neighborhoods that are so close to this project to hear what they have to say and to make sure that they all understand what could be coming.

Commissioner Ritter agreed. He stated that the Planning Commission always gets into the nuts and bolts of the zoning and layout of a project, but there are other committees and commissions, such as the Economic Vitality Committee, that work on promoting all the things the City needs to make it one of the top cities in the world. He added that staff also needs to start utilizing some of the other volunteers that are working with the City to help promote that, whether it be social media, newspaper ads, or community meetings, to make sure that people are educated; for example, for issues such as the stall time for that stop light, this would take the heat off of the fact that people have to wait 10 extra seconds at that stop light.

Mr. Weinstein stated that the point is well-taken and that staff will sit down and strategize the different ways to outreach to folks.

Commissioner Nagler referred to the industrial use question and stated that the proposal clearly skews towards retail consumer groups and hotel and office use and inquired if that is because that is what the landowner is proposing or what the City considers to be the best, highest use of this land.

Commissioner O'Connor also inquired if that is the retail that is proposed, if the thinking is mostly big-box, larger retailers, as opposed to a strip mall, to be most compatible with the current uses that are there.

Mr. Weinstein replied that it is all of the above. He explained that this is not a project; it is a program, so no specific uses, no specific buildings, and no parking facilities are proposed at this point. He indicated that staff worked with the property owners and City consultants and looked at the list of conditionally permitted and permitted uses in conjunction with the proposed rezoning for the site, and considered what reasonable development scenario could happen with the new land use regulations that are being put in place as part of this economic development zone, and that is how they came up with the square footage and composition of uses that are analyzed in the EIR. He noted that uses that are less intensive than that could happen, and uses that are more intensive than that could probably also happen, but the likelihood of that is not very good. He added that they wanted to make sure that the uses they identified here, which include big-box retail as well as other types of retail and commercial, represent a reasonable worst-case scenario that does not under-estimate the noise, traffic, and air quality impacts that would be generated from the project, but the specific types of uses, whether lower-scale retail, big-box retail, or more office space has not been determined at this point.

Commissioner O'Connor referred to the analysis of the reasonable worst-case scenario and inquired if the economic analysis took into account the impact that a couple of big-box stores might have on the existing smaller stores in the City that would sell similar products.

Mr. Weinstein replied that the analysis does take into account the concept of leakage as well as the reverse scenario of leakage: what the effects might be if people go to the big-box retailer on the project site and buy their shampoo and supplies there instead of at the local Lucky's or Raley's; or if they spend their dollars in the big-box retailer in Pleasanton instead of traveling to the big-box retailer in San Ramon or Livermore. He indicated that the overall belief in the firm that authored the fiscal analysis, which was then reviewed by the City's Finance Department, was that leakage would not be significant, that there would not be substantial impacts to local businesses from big-box retailer within this project.

Chair Allen stated that the real answer to this concept of leakage is not clear in the Appendices and requested that the Final EIR include a little section that talks in English about the leakage analysis because this is really important. She noted that she was involved ten years ago in considering a second Home Depot going into the City, and the initial report looked at leakage in a very minimal way; and in the end, leakage ended up being a huge issue with a potential impact of 20- to 25-percent.

Commissioner Nagler brought up the following scenario for staff clarification: If one of the existing industrial users, for example, FedEx, decides to move out of that site five years from now because it does not have enough room, as it is envisioned or as the construct has been made to exclude the future expansion of industrial uses, and as currently proposed, FedEx would not be able to sell that property to another industrial user; so the market would then be limited to someone who wanted to come in and put up a building or re-use the building for retail or hotel or something similar.

Mr. Beaudin explained that there are non-conforming use regulations that would provide an opportunity to re-use the building or the space with a substantially similar use if that were to occur within a reasonable amount of time. He indicated that if that did not happen, the legal non-conforming status would then go away, and it would have to conform to the current zoning.

Commissioner Nagler inquired if the draft of the zone is open to alteration.

Mr. Beaudin replied that it will be. He explained that the use table that is designed currently to make these uses legal, non-conforming would be up for discussion through the public hearing process before this Commission as well as the City Council.

Commissioner Ritter stated that he liked the idea of having a hotel in there. He indicated that Pleasanton needs some hotels, based on his understanding from his colleagues coming to town.

Commissioner Piper agreed. She noted that this project will obviously bring in a lot of vitality, but she was concerned that it would take away some vitality as well from the current occupants in there, and everyone currently occupying, owning, or renting a business there would be immediately negatively impacted.

Chair Allen questioned if the operational cost assumptions for this project has been scrutinized. She noted that she just could not believe that with the amount of trucks and semi-trucks traffic, road maintenance was projected to cost somewhere between \$30,000 and \$40,000 a year on operational costs for the full buildout. She indicated that she felt the amount was really low for a program like this, and she was not sure how all the staff time required for planning and working with Caltrans and in every single one of the mitigations in the plan is captured in the costs. She asked staff to comment on the matter.

Mr. Weinstein replied that he is not certain about the answer to that specific question. He noted that there are lots of data in the fiscal analysis, including some analysis of staff costs, and that staff would look into that and come back with more detail.

Chair Allen inquired how many semi-trucks per day a big-box retailer such as Costco would have.

Mr. Weinstein replied that he did not have an answer to that readily available, but he is thinking that roughly, maybe two to three per day. He indicated that staff can get some hard data on that for the Response to Comments document.

Commissioner Nagler addressed a larger economic issue of a project like this and inquired, if the City of Pleasanton is trying to answer for itself a question about building a big-box center, how it would go about making a determination if the demand is here to make it a successful development, or if that question is left up to the applicant and the City just takes the applicant's word for that use of the land. He further inquired how the determination and the choices are made that the economic mix of this project is better served from a variety of factors, such as demand, impact on other businesses in town, and traffic flows, and that it is better served to be a larger retailer or a center with smaller retail like such as the Pacific Center.

Mr. Beaudin replied that this question comes down to land use. He stated that the City Council asked staff to look at this particular area of the City and gave direction based on some project objectives which included creating an array of land uses and opportunities for different kinds of uses to come into this area. He noted that the City also obviously has General Plan goals; it has an Economic Development staff that actually looks at what the opportunities are to diversify the land use mix in the community; and there is the fiscal impact analysis that supports that direction from a land use perspective. He added that the staff has likewise heard interest from a variety of types of businesses. He indicated that all those factors have come together and coalesced around a zoning change that will provide a wider range of uses in town.

Commissioner Nagler inquired if, by the time a specific proposal for consideration is arrived it, those analyses will have been conducted and conclusions will have reached a recommendation.

Mr. Beaudin replied that the rezoning will come before the Commission with the Final EIR. He stated that staff will be responsive to any additional questions and comments that come tonight and through the comment period. He noted that some of these things are choices to be made, for example, whether the warehouse use gets to be legal

non-conforming or becomes a permanent use in this area, and these are things that will be further evaluated based on the compatibility issues, the fiscal analysis, and the overall environmental analysis that is being done.

Commissioner O'Connor commented, for clarification, that the Commission will be looking at proposals going forward, including zoning for specific uses, but will not get to pick the tenant.

Commissioner Nagler clarified that the Commission gets to recommend approval or denial.

Mr. Beaudin replied that was correct. He referred to the use tables attached to the environmental document that include a wide range of uses and allow for permitted, conditionally permitted, or not permitted uses. He reiterated Mr. Weinstein's earlier statement that what is being considered with respect to the environmental analysis is a reasonable worst-case analysis for environmental review purposes.

Commissioner O'Connor commented that it would be nice if the approved category or zoning could state that the City would rather not have another such and such retailer in town.

Mr. Beaudin explained that there will be a series of findings that go with an application, and the Planning Commission's goal is to regulate the use and not the user. He stated that tonight's purpose is to receive comments on what would be a zoning change, and that would create a wide range of uses that could be permitted in this area, which would be a more straight-forward process; or conditionally permitted, which would be a process that would more likely involve a public hearing; or anything that required modifications or deviations from the plan would be on a different path as well.

Commissioner Ritter reiterated his original request that the Economic Vitality Committee provide some feedback and input and a recommendation to the Planning Commission regarding what the City needs, as opposed to just getting what the City ends up with.

Commissioner Nagler agreed. He added that he would also like to get more detail about the analysis that is going on in the background, as this project, however it ends up being rezoned, does potentially impact the mix across the community, the types of retailers, and the types of uses.

Chair Allen stated that in view of one of the goals of this project to set a model for what an economic zone would look like, she would like to consider if there are other economic zones within the City that might be looked at over the next 20 or 30 years, because if there are others, the question then is whether there are certain uses that would make more sense in one economic-zoned area of the City versus other areas.

Commissioner O'Connor inquired if there were any other potential locations within the City that would be considered later as an economic development zone.



Mr. Weinstein replied that staff has not identified any specific economic development zones for the moment. He stated that land uses are dynamic in some respect, buildings change, they go away, or in certain areas, they are intensified over time. He indicated that the intent here is that the framework of this economic development zone could be applied or reproduced somewhere else, probably with a completely different mix of uses and probably a different size and different property owner characteristics.

Chair Allen inquired if nitrogen oxide is something one can see in the air and if it impacts visibility in any way, like smog.

Mr. Weinstein replied that it does contribute to smog and could be visible in high levels. He indicated that it is actually a significant impact for the project on a project level and as a contribution to other sources as well. He noted, however, that even with that significant impact and in terms of levels of pollutants, it would not be something that would be visible in and around Pleasanton. He added that these are levels of nitrogen oxide and also particulate matter that would flow up into the atmosphere and be spread around the region, similar to the recent impact that forest fires counties away have had in Pleasanton; but the actual volumes of pollutants that are expected to be generated by this project are not anywhere near those volumes and would not actually be visible in these quantities.

Chair Allen noted that she could not find the nitrogen oxide levels specific to Alternative One.

Commissioner O'Connor inquired if that is because the analysis is not done as closely to the other scenarios in the other Alternatives.

Mr. Weinstein replied that there is not as robust of an analysis of impacts for the Alternatives as there is for the primary project which comprises the bulk of the EIR, but staff can work with the consultant to provide the data and analysis as what was done for air pollution for the various Alternatives, and that is something that could be published as part of the Response to Comments document.

Chair Allen stated that the reason she is asking is because it sounded like part of the driver for nitrogen oxide was diesel, and assuming that certain uses drive diesel, and if there were not as much diesel, then maybe there would be significantly less nitrogen oxide issues. She suggested that a hotel would be better for the environment acre for acre than club retail, and that is why this is important to understand as choices about potential uses are made, especially since the air quality is a significant issue.

Mr. Beaudin asked Chair Allen if she is looking for the exact numbers or for general statements related to the amount of nitrogen oxide.

Chair Allen replied that she is really looking for something to help make a decision about land use options.

Commissioner Nagler stated that it is a general reference to the particular uses.

Commissioner O'Connor added that it would be something like if a reduced retail would reduce pollution by 25 percent.

Chair Allen referred to page 5-13 of the EIR on air quality which says that one option would still exceed the Bay Area threshold of 10 tons per year under one alternative, but it does not indicate the level of specificity or say that it will exceed it by 1 or 11 tons or 30 tons. She stated that she would like to look at that alternative per use.

Commissioner Nagler stated that actually using quantities per use may come up with a different mix.

Commissioner Ritter added that existing data also be included: FedEx, Club Sports, and Black Tie Transportation probably already know and have their numbers, and that would provide a baseline for that area.

Mr. Weinstein stated that staff can come up with a table that is similar to that for emissions for each alternative and provides tons per year for the various pollutants, similar to the what is in the bulk of the EIR for the project. He added that the land uses could also be dissected from that to determine the correlation between land uses and pollution as well. He clarified that this would also take into account existing uses as well, similar to what was done with the project.

Chair Allen asked staff if they wanted the Commissioners to share their perspective on the options at this time.

Mr. Beaudin replied that tonight's meeting was noticed to focus on the EIR so staff would like to limit the comments to the EIR itself. He added that future conversations would include the merits of the EDZ.

Chair Allen stated that she has a couple of things she would like to bring up as well:

1. There was some conversation about some incentives that might be considered in this economic development zone: what incentives are being fully considered and who is paying for them; and if they are incentives that are being borne by the City, that they be approved in economics in some way.
2. Include a small section on RHNA implications. The increased business intensity will generate additional employees, which is one of the factors that have historically driven the City's increased RHNA according to the formula. What the implications of each option are relative to RHNA: which ones might drive a higher RHNA requirement, which ones would be lower, and any directional order of magnitude based on history or benchmarks.

Chair Allen thanked everyone on behalf of the Commission, noting that the team and the economic development has brought forward a look at the best use for idle land not just for this site but across the City. She noted that the recent resident survey addressed forward planning, and this project is the right question for the City to consider in terms of both the benefits and the cost so the right decisions can be made long-term.

**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**

No discussion was held or action taken.

**b. Actions of the City Council**

No discussion was held or action taken.

**c. Actions of the Zoning Administrator**

No discussion was held or action taken.

**d. Matters for Commission's Information**

No discussion was held or action taken.

**9. ADJOURNMENT**

Chair Allen adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Adam Weinstein  
Secretary