AGENDA: June 27, 2000

CATEGORY: Public Hearing

DEPT.: City Council

TITLE: Amendment of North Bayshore Precise Plan and Shoreline / Vista Slope Land Use Master Plan

RECOMMENDATION

1. Adopt A RESOLUTION AMENDING THE NORTH BAYSHORE PRECISE PLAN (Precise Plan) to allow Hotel and Conference Center land use, adopt development standards for the Hotel and Conference Center use and update various document references, including any changes to height or floor area / land area allocations adopted by the Council, and the proposed Negative Declaration of environmental impact;

2. Adopt motion amending the Shoreline / Vista Slope Land Use Master Plan (Master Plan) to delete reference to a "potential future conference center"; and

3. Direct staff to revise the Master Plan document to reflect the previously adopted "Trails, Pathways and Parking" subelement and to schedule for future consideration a work program to incorporate the Crittenden site into the Master Plan.

FISCAL IMPACT

Approval of the recommendations will involve minor costs to revise and reprint the two Plan documents. The proposed amendment of the Precise Plan will enable marketing the Charleston East site to potential hotel and conference center developers which could generate significant revenues to both the North Bayshore Community District and to the City General Fund. The marketing effort will require funding to be separately budgeted as part of future Council approval of marketing work program. The future work program to amend the Master Plan to incorporate the Crittenden site may involve costs for staff resources as well as outside consultant assistance, depending on the work program. The work program and any associated resources and budget would be subject to future Council approval.

BACKGROUND AND ANALYSIS

The City Council initiated consideration of amendment of the Precise Plan and the Master Plan as one of the long-range planning studies for Fiscal Year 1999-2000. The subject sites are shown on the attached map, consisting of the Charleston East site at Charleston Road and North Shoreline Boulevard and Master Plan conference center site north of the Kite Flying Area. This action was taken in recognition of the numerous changes in the North Bayshore

area since 1994, when the Precise Plan was adopted. These changes include relocation of Amphitheatre parking off of Charleston East, selection of Moffett Field as the preferred location for the California Air and Space Center and amendment of the Shoreline West Precise Plan which allowed corporate headquarters development rather than a hotel at the corner of Charleston Road and Amphitheatre Parkway.

Various studies were conducted in conjunction with this project, specifically a market feasibility study by the Sedway Group and an environmental analysis by Jones & Stokes Associates. These studies have been summarized in previous reports, including a report to the Environmental Planning Commission, dated March 15, 2000, and to the City Council for their May 22, 2000 Study Session (copy attached). The essential conclusions of the marketing study are that there is a very high level of demand for a hotel of about 300 rooms and conference / meeting center, and that such a facility would be a particularly feasible development on the Charleston East site. The marketing study specifically reviewed the potential demand for conference / meeting space. The estimated demand is for 25,000 to 35,000 square feet of meeting space. The report does not find that the demand would justify a full conference center such as the McEnery Center in San Jose or the Monterey Conference Center (58,000 square feet). The consultants did find strong demand for a good-sized space for gatherings of up to several hundred attendees. Examples of major hotels with similar meeting space facilities include the Hotel Sofitel in Redwood City with 13,000 square feet of meeting space, the Santa Clara Marriott with 23,000 square feet, the Westin Hotel Santa Clara with 40,000 square feet, Hayes Mansion meeting center in San Jose with 35,000 square feet and the Doubletree in Monterey with 21,000 square feet of meeting facilities. This study also indicated that the revenue to the City, both to the General Fund and to the North Bayshore Community Fund, from such development would be significant.

The environmental study found that there would be no new significant environmental impacts from development of a hotel and conference center facility, although impacts on congested segments of U.S. 101 and to the ratio of jobs and housing previously identified for any development of this site would also apply to hotel development.

ANALYSIS

Master Plan. No adverse impacts were identified with the potential deletion of a conference center from Shoreline at Mountain View. Indeed a positive impact would likely result from the designation of the potential Shoreline conference center site for permanent Upland Habitat and Open Space, as recommended. The Parks and Recreation Commission (PRC) considered the potential amendment to the Master Plan on May 10, 2000 and recommended unanimously (one member absent) to recommend in favor of deleting the Possible Future Conference Center designation from the Master Plan. It is recommended that the Master Plan be amended as recommended.

Precise Plan. The Environmental Planning Commission (EPC) considered the hotel analysis information at a March 15 Study Session and at two public hearings, on April 5 and April 26. The EPC concluded by a vote of 4-2 to recommend in favor of the proposed Precise Plan amendments, adding a restriction that the hotel and conference center could occupy a maximum of 12.4 acres on this 18.6-acre site. The EPC also recommended that the City continue to seek ways of reducing the traffic impacts of large-scale events, including Amphitheatre events, especially on the residents of the Santiago Villa Mobile Home Park.

The City Council considered the background information and the recommendations from the two Commissions at a study session on May 22, 2000. No issues or questions were raised regarding the amendment of the Shoreline Master Plan. The questions regarding the Precise Plan amendment appeared to focus on two general categories: the potential height and the amount of space in land area or floor area devoted to the three primary uses—hotel, conference / meeting space and cultural / educational space.

Height. The draft Precise Plan amendment retains the existing four-story height limit, but clarifies this standard by specifying that the measurement begins at the flood plain level. The reason for this clarification is that the first occupied floor level must be elevated to be above flood plain level, about 10' above street grade at this site. Parking can occur within the flood plain, but not occupiable building space. The existing Precise Plan does not use height limits expressed in number of feet, only in number of stories. Some Councilmembers expressed concern that this type of height limit did not provide adequate control on the actual building height since floor heights can vary widely. Other Councilmembers expressed concern that an absolute height limit could prove to be too restrictive and result in less of a hotel than might be desired. The market analysis development pro forma prepared by the Sedway Group found that an optimal type of development for this site would be about 300 high-quality hotel rooms, accessory commercial spaces such as restaurants and about 35,000 square feet of conference / meeting space. This development could be most feasibly be built in a relatively low-rise development of 3 to 4 stories on 9 to 14 acres of this 18.6-acre site. The 3- to 4-story height would avoid several expensive construction features associated with a taller building. Since the pro forma development could be accommodated on as little as 9 acres of this 18.6-acre site, providing for a taller structure did not appear necessary. However, it is noted that there can be considerable variation in the height of a given floor and, therefore, the height of a building, which suggests measurements in both height and number of stories, would be useful.

The environmental analysis noted that a four-story building at an assumed 50' of height could begin to have a visual impact by blocking views from adjacent developments of the surrounding hills. The SGI headquarters campus has several different roof heights with major sections at 52', 62' and the tallest at 82', all in basically a "two-story" building. (All heights are measured from sea level as a common reference point.) The Alza Corporation headquarters has a more uniform roof height at 82' and four stories. The top of Vista Slope is currently 107' and

is expected to drop to about 80' over the next 15 to 20 years. The development on Stierlin Court across North Shoreline Boulevard is two stories, 36' in height. For comparison, the Hilton Garden Inn is 4 stories and 45' (equivalent to 55' on this site). The current draft Precise Plan measures floors rather than number of feet. The current draft also allows architectural projections to exceed this height limit provided that they are sensitive to view corridors, surrounding development and natural features, which provides some flexibility to distinguish the hotel from the surrounding industrial/office buildings.

Staff felt it would be valuable to allow some flexibility in the building height measured in feet to provide architectural features for a high-quality hotel, such as a high, grand lobby area, which would be allowed in Alternatives 2 or 3 below. Alternatives to the existing draft Precise Plan text (Section I.E, Page 6) include:

1. Specifying both number of stories and number of feet; for example, "Maximum building height is four stories beginning at the first occupiable floor level above flood level or 60' above mean sea level, whichever is less."

2. Retaining the four-story height limit but allowing greater building height; for example, "Maximum building height is four stories and no more than 82', measured from mean sea level, provided the building is designed with sensitivity to view corridors, surrounding development and natural features."

3. Allow a greater number of stories or feet, but only for a limited portion of the building, essentially expanding the provision for architectural projections to include a portion of the main building. For example, "Architectural features, including occupiable floor area, may exceed height limit for a portion of the foot print of the main building up to a maximum of 82', provided that they are sensitive to view corridors, surrounding development and natural features."

Alternative 1 is a minor restatement of the existing proposed Precise Plan text. Alternative 2 retains the number of floors of the proposed Precise Plan, adds a specific height limit and adds the environmental control of sensitivity to views, development and natural features, to be evaluated in the design review process. Alternative 3 is more of a transition alternative—maintaining most of the building at a lower height but allowing portions to be as tall as adjacent development. Although Alternatives 2 and 3 do allow taller building portions than listed in the draft Negative Declaration, staff feels with the specified limits and added design controls, the resulting development will still have no significant impact. Staff recommends Alternative 2.

The second main issue raised during the Council study session concerns the provisions dealing with land area or building area limits on the hotel, conference/meeting space and cultural/educational space. The EPC felt it was important to ensure that some significant

space was retained for cultural / educational use. The staff draft of the Precise Plan specifically acknowledged the cultural / educational use but built in a level of flexibility in the allocation of floor space. The staff draft (Section III.A.2.d & e, Page 13) allowed a total of 345,000 square feet of building area consisting of:

> Hotel and conference center of approximately 285,000 square feet, including significant meeting / conference / event space of 25,000 to 35,000 square feet on approximately 12.4 acres of the site;
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> Cultural / educational use of approximately 60,000 square feet on approximately 4.2 acres of the site; and
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> The square footage mix of these uses may be varied upon City Council approval based on the proportional land area occupied by the uses.
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> In addition, the staff draft Precise Plan included a possible bonus floor area of up to 50,000 square feet for exceptional hotel projects that provided specified community amenities.

It is noted that the acreage provisions retain an undesignated two acres which provides additional flexibility to include other uses, accommodate the bonus floor area or allow another use such as a fire station. The EPC recommended changing the first part of this Precise Plan text to read "…on ~~approximately~~ <u>a maximum</u> of 12.4 acres of the site;"

The hotel and conference center floor area was based on the Sedway Group pro forma, which was in turn based on their market demand survey and interviews with hotel developers regarding the space needs of a first quality hotel development. After subtracting out the meeting room space, this allowed floor area would result in a gross building floor area (including public areas) of approximately 833 square feet per room. Using this same ratio, the 50,000 square foot bonus could allow an additional 60 or so rooms.

At the May 22 Study Session, some Councilmembers expressed concern that the EPC recommendation for a rigid maximum land area for the hotel and conference / meeting center could be too limiting. Although the Commission did confirm with the consultant and others in the audience during the public hearing that a 300-room hotel would fit comfortably on a 12.4-acre site, there could be some instances where that rigid limit would constrain the design or amount of potential development. Other Councilmembers expressed concern that some sort of specific provision for the cultural / educational facility was necessary to prevent losing the public use cultural / educational concept entirely. They felt that there have been changes in the area that justify reducing the amount of area reserved for this use, but that some minimum area should be retained. Alternatives to the EPC Precise Plan text include:

Retain the concept of a rigid maximum allocation for the hotel but increase from the 12.4-acre limit recommended by the EPC to 14 acres (or some other total), which was the maximum area indicated as needed in the Sedway Group analysis.

Eliminate any specific allocation numbers and rewrite Section III.A.2.d to read "345,000 square feet of total building area for a combination of hotel, meeting space and cultural/educational use."

Provide a floor area limit for the hotel and conference facility but not for the cultural/educational use since it could be an open space use with little or no building area. Include a minimum acreage provision for the cultural/educational use.

Return to the text originally recommended by staff which explicitly retains the concept of the cultural/educational use with a firm reference floor area allocation and provides flexibility to respond to specific design proposals.

Staff recommends the last alternative since it provides for both a firm reference area for cultural/educational use and the flexibility to respond to specific design proposals which could increase either the hotel space or the cultural/educational space.

ALTERNATIVES

Adopt amendments to the North Bayshore Precise Plan incorporating amendments to building height and floor space/land area allocation as noted above.

Adopt the amendments to the Shoreline/Vista Slope Land Use Master Plan but defer action on initiating a new work item to incorporate the Crittenden site, for example, to the next budget cycle.

PUBLIC NOTICING

Notification was provided through newspaper advertising and the standard agenda posting. In addition, special notice has been mailed to the approximately 130 people on the North Bayshore Precise Plan mailing list, including former members of the North Bayshore Ad Hoc Advisory Committee.

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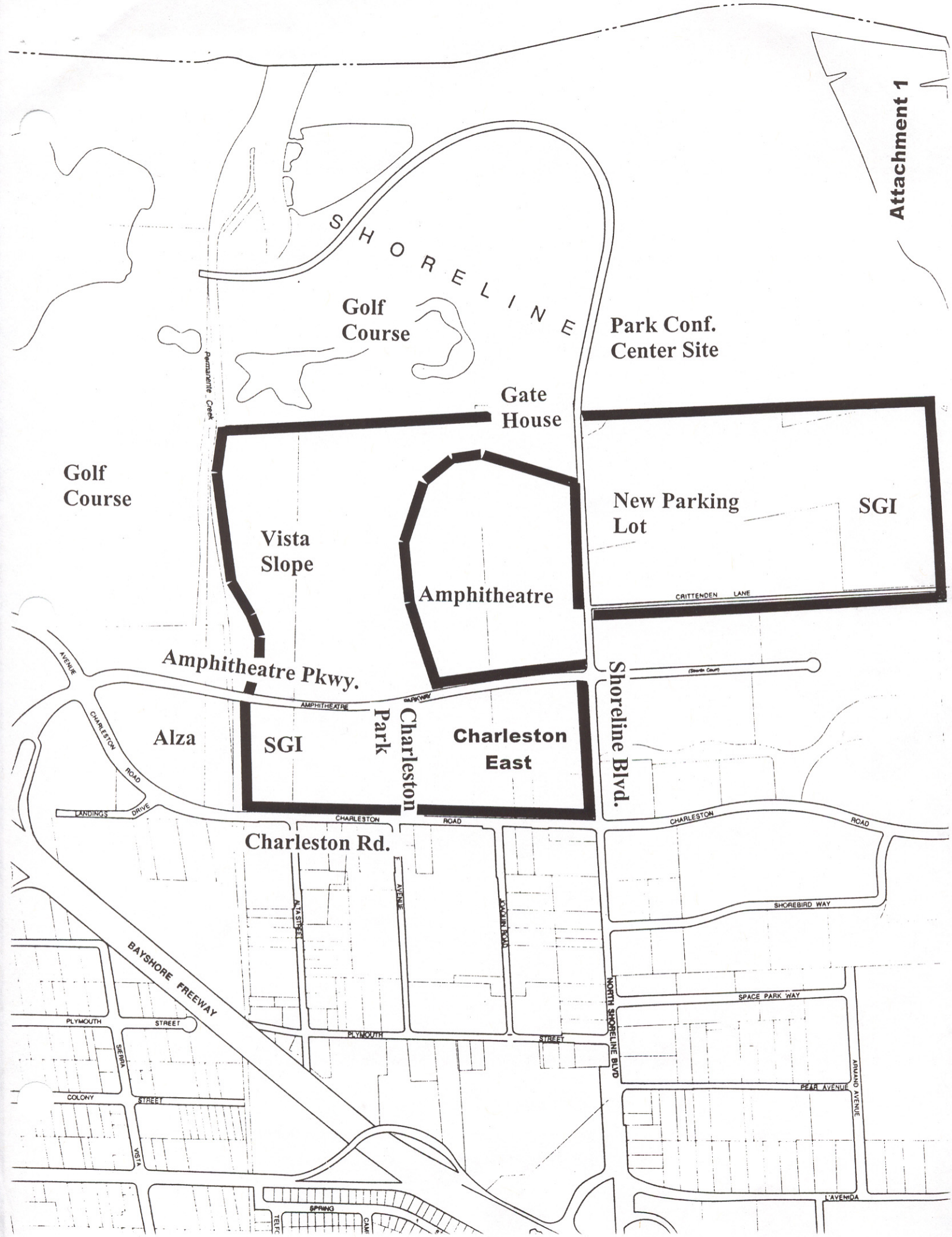
Attachments:

1. Area Map
2. Draft Initial Study and Negative Declaration
3. Resolution Amending North Bayshore Precise Plan
4. Revised Shoreline/Vista Slope Land Use Master Plan
5. Staff Report for May 22, 2000 Council Study Session

Attachment 1