

**EXCERPTS FROM THE  
SAN LEANDRO PLANNING COMMISSION  
WORK SESSION**

Sisters Cities Gallery Room, First Floor  
835 East 14th Street  
San Leandro, California 94577

**7:00 p.m. Work Session**

**August 15, 2013**

**Item 1: Roll Call**

**Present:** Planning Commissioners Esther Collier (District 6); Tom Fitzsimons (District 5); Kevin Leichner (District 1); Kai Leung (District 4); Scott Rennie (At Large); Vice Chair Ed Hernandez (District 2); Chair Denise Abero (District 3).

**Absent:**

**Staff:** Tom Liao, Secretary to the Planning Commission and Planning & Housing Manager; Elmer Penaranda, Senior Planner; Jennifer Faught, Assistant City Attorney.

**Item 6A: Work Session**

PRE2013-00001; Work Session on a proposed Planned Development to construct a Downtown Technology Campus to be located west of the BART station at 1333 Martinez Street. The applicant is seeking approval of a multi-phased project of up to 400,000 square feet in three or more six-story buildings, including off-street parking and landscaping. Assessor's Parcel Numbers 75-41-2-1, 75-47-2, 75-47-3-2 and 75-47-7; Applicant: Sunny Tong, Westlake Development Partners, LLC; Property Owner: Chang Income Project Partnership LP. (Penaranda)

**Planner Penaranda** said the plan for the project, which encompasses about 300,000 square feet on a 6.9-acre site west of the downtown BART station, is at a conceptual stage. In describing the property, Planner Penaranda also showed PowerPoint slides indicating the Downtown TOD area as well as the notification radius for this meeting and a neighborhood outreach meeting held at the San Leandro Library on July 23, 2013. He said 25 people attended the outreach meeting.

Planner Penaranda also pointed out the nearby OSIssoft headquarters north of the site, the proximity to Interstate 880 and the likely locations of the major part of the proposed development as well as a parking structure. He explained that three phases are envisioned for the project for the Planned Development:

- Phase 1 would incorporate a building of at least six stories and 120,000 square feet at the northern edge of the site, plus improvements including a connection to the paseo for an east-west connection from Alvarado Street to the BART station, with landscaping and a parallel (north-south) bike lane on Martinez Street toward Davis Street.
- Phase 2 would build another structure of at least 120,000 square feet and six stories south of the Phase 1 building.
- Phase 3 would incorporate a building of at least five stories and 100,000 square feet, located between the Phase 1 and Phase 2 buildings.

Planner Penaranda said the idea is to reduce parking requirements incrementally as the project moves forward, so Phases 1, 2 and 3 would include 3, 2.5 and 2 parking spaces per 1,000 square feet of office area, respectively.

**Commissioner Rennie**, drawing attention to the bike lane from Davis Street from the Martinez Street right-of-way (ROW), asked about the property status of the portion going past OSIsoft, because it seems to be a critical part of the bike lane. **Commissioner Fitzsimons** said it appeared that the City would abandon the ROW on Martinez. **Planner Penaranda** said he'd make note of the question for the City's traffic engineer.

**Commissioner Rennie** also requested elaboration on the TOD Strategy parking policies. Planner Penaranda said the maximum cited in the TOD plan was 2 spaces per 1,000 square feet, but it went into the Zoning Code as a minimum. Planning & Housing Manager Liao said the TOD plan also anticipated a potential transition or phasing period to a lower requirement with implementation of shared parking and traffic demand management (TDM) measures.

In reply to a further question from **Commissioner Rennie**, Planner Penaranda said all of the Phase 1 parking would be at-grade and the parking structure, included in Phase 2, would be a raised deck over at-grade parking. In response to Commissioner Rennie's remarks about the visibility of the parking area from the BART tracks, Planner Penaranda said he expected architectural treatment around the courtyard structure.

In response to **Commissioner Fitzsimons**, Planner Penaranda clarified that the parking ratios planned are 3 spaces per 1,000 square feet for the Phase 1 building, 2.5 for Phase 2 and 2 for Phase 3.

**Commissioner Fitzsimons** asked for elaboration about the bike path destinations in connection with this project and other developments in the area. Planning & Housing Manager Liao said Principal Engineer Keith Cooke would be prepared to provide clarity about how this project dovetails with the Master Bicycle & Pedestrian Plan before the item comes back to the Planning Commission.

**Commissioner Rennie** asked whether the paseo would be a public amenity or on private property. Planner Penaranda said it's private property.

**Vice Chair Hernandez** asked about the process involved in abandonment of the street for Westlake Development Partners ("Westlake"). **Ms. Faught** said there's a procedure in the Streets & Highways Code whereby the City may sell the property if it owns it in fee, but if it just has easements there it can abandon the property and reserve the utility easements if necessary. Planning & Housing Manager Liao said Mr. Cooke has been involved with this project from the start, so this procedure would be covered in the development agreement (DA) and included with information available when the item comes back to the Planning Commission.

**Commissioner Rennie** said a question to explore will be whether the public ROW would still be needed for pedestrian and bicycle access. Ms. Faught said the public ROW certainly could be reserved for such purposes.

**Chair Abero** invited applicant representatives to introduce themselves. **Gaye Quinn**, a consultant to Westlake on this project, said the team is excited to be getting to the starting gate with the project. She emphasized that the drawings presented are very preliminary. She also introduced Westlake Development Partners' Managing Director Sunny Tong, RMW Architects' President Russ Nichols, and Kimley-Horn and Associates Senior Transportation Project Manager Jim Daisa. Kimley-Horn, which is working with Westlake on this project, also provided transportation engineering services to the City on the TOD Strategy.

Ms. Quinn explained that when Westlake first brought this project to the Planning Commission and City Council in 2007, before the economic collapse and the end of redevelopment funding, it differed considerably from the current proposal. It included 700 housing units total, of which 500 would have been on the site being discussed tonight. Of the 500, 100 would have been affordable housing units built by BRIDGE Housing, one of Westlake's development partners at the time, while three phases now proposed would have had two 400,000-square-foot buildings.

Two primary factors drove Westlake in the direction of the Downtown Technology Campus idea, Ms. Quinn said. One was OSIsoft's need for more space, and two, OSIsoft founder and CEO Patrick Kennedy spearheaded the Lit San Leandro initiative. She described Lit San Leandro as a game-changer in terms of how San Leandro is presenting itself as a potential tech employment center. Westlake is currently negotiating with Mr. Kennedy as a potential development partner and likely lessee for the Phase 1 building, Ms. Quinn said, and depending on the outcome of those negotiations, she said groundbreaking could occur as early as spring of 2014.

She indicated that brokers have been upbeat about the potential for Class A office buildings to draw employers to San Leandro, and the Westlake team anticipates the creation of 1,600 new jobs, which would be a tremendous

benefit to the City. Adding to that total the 2,500 Kaiser employees who will be in San Leandro soon creates “a whole new narrative” for the City, she said. Specifically, she said this project would leverage the value of the Lit San Leandro cyberlink by bringing in companies that require top-level broadband access. It would bring new customers to purchase goods and services in the downtown area, generate significant new revenue for the City, and put property that has been vacant for at least 20 years to productive, high-visibility use.

She noted that the project would increase BART ridership, one of the TOD Strategy objectives, as well as create additional demand for more housing and provide energy efficiencies with buildings designed to a minimum LEED silver rating. She said that Westlake envisions a project that not only brings a lot of activity to the area, but provides ample open spaces for those who work there to enjoy.

Ms. Quinn pointed out that the Phase 1 building would be as close as possible to the current OSISO headquarters for a closer link and to keep the southern portion of the property as open for as long as possible to give the market time to mature and pave the way for higher density future development. She explained that Westlake considers the 3 parking spaces per 1,000 square feet for Phase 1 a way of land-banking to help keep options open and would engineer the parking structure in Phase 2 flexibly enough to allow more than one deck above the ground-level parking.

Ms. Quinn expressed concerns about interpretation of the TOD Strategy based on how the environment has changed since the strategy was adopted. She explained that tech companies tend to have greater employment densities than other employers and therefore it’s appropriate to take a fresh look at parking requirements. Additionally, the phased-in approach to make the project viable in an untested market suggests the need to revisit the idea of imposing a maximum ratio on parking spaces. This would be a first in San Leandro’s history; in the past the City has always required a minimum. She said that Westlake is concerned about placing hurdles in the way of the market being able to bring dynamic tech companies the project hopes to attract to the City. Although the project would be privately funded, Ms. Quinn said policy issues such as the minimum-versus-maximum parking requirements need to be addressed.

Further to the issue of workplace densities for tech companies, Ms. Quinn later distributed a handout indicating that the amount of space per office worker has decreased from 225 square feet in 2010 to 150 square feet or less, according to a recent CoreNet Global survey.

Having worked on this site for seven years, **Sunny Tong** said he’s grateful and excited to be at this meeting with a viable and doable proposal. He said Westlake and Dr. Kennedy are making progress in their discussions, and have already signed some legal documents although the process is incomplete. He said they’re looking forward to a joint DA, and hopes that when they come back with a more formal presentation, there will be clarity on bike path connections and other details.

For the paseo, Mr. Tong said what they’re proposing has evolved over a long time, stemming from a need to provide a safe path of travel to and from the BART fare gates. As for the question about whether it’s on private or public land, he said there would at least be an easement across the portion of the property that includes the paseo, or it might be on a public ROW.

He said that after considerable research, it was determined that the City owns only the ROW, but not the fee simple underneath it. He noted that the western half of the ROW would go to Westlake as the adjacent property owner, and the eastern half would go to multiple owners, including Union Pacific (UP) and possibly BART and PG&E. At this stage, he said that Westlake is looking at taking only the western portion, giving them a wider parcel to work with and simultaneously improving Martinez Street.

**Chair Abero** invited questions from the Commission.

**Commissioner Leung** asked whether the project would be subject to an Environmental Impact Report. Planner Penaranda said the EIR issue would be addressed once the City receives a formal application for the project. Mr. Tong said the housing and commercial components have been removed from this project since it was initially proposed, so the project would fit within the same envelope except for traffic impact portion. That’s why Westlake hired Kimley-Horn and Associates again, he said.

**Commissioner Lechner** asked whether Westlake is asking that no cap be imposed on the number of parking spaces. Ms. Quinn said their preference is for 3 parking spaces per 1,000 square foot of office space.

**Commissioner Rennie**, noting that the paseo is a critical safety component because the only other east-west passageways for bicyclists and pedestrians would be on Davis Street or Williams Street, asked whether the paseo would cross the UP tracks at grade. Mr. Tong said the idea would be to relocate the existing at-grade crossing.

In response to **Commissioner Fitzsimons**, Planner Penaranda said the BART tracks are elevated 35 to 40 feet, and a six-story building would rise about 100 feet – about the same height as the Creekside Plaza – and the OSISOft current headquarters building is three stories high.

Anticipating the demand for parking in the neighborhood would be greater than the proposal and BART combined could accommodate, **Commissioner Fitzsimons** asked about BART's plans for the parking area between the station and the Westlake Partners property, and whether the Westlake proposal would mesh with BART's plans for parking at the downtown station, even if BART's plans don't materialize for 15 years. Commissioner Fitzsimons said it might work if BART were to erect a structure the size of the MacArthur Boulevard BART station, approximately 45 to 60 feet high. Mr. Tong said his group has been working with BART for several years and would continue to do so. Planning & Housing Manager Liao added that Westlake assigned BRIDGE Housing the planning entitlements for the Cornerstone market rate housing project [at the current BART parking lot site], which would include about 75 percent replacement BART parking. In addition, he said that the San Leandro Boulevard improvements will add approximately 60 spaces of on-street parking.

In regard to traffic flow, **Commissioner Fitzsimons** pointed out that if an additional 4,000 people come to this site every day, the primary vehicular access by Phase 3 would be via Parrott Street off San Leandro Boulevard, and the surface parking currently off Alvarado Boulevard would go away. With San Leandro Boulevard traffic capacity reduced by making it two lanes in each direction, he said the planned traffic signal at the Parrott/San Leandro Boulevard intersection makes sense. It was explained that most traffic would come down Davis Street to the Downtown Technology Campus from Interstate 880, and that there's another entrance to the parking area from Alvarado Street near the paseo, which would mean less congestion at the Parrott Street access point.

**Commissioner Fitzsimons** also inquired about the maximum building size. Planner Penaranda said the DA-5 Zoning District has neither floor-area-ratio (FAR) nor height-limit restrictions. Because San Leandro has so few areas that could accommodate tall buildings and the view at the subject site is already affected by the elevated BART tracks, Commissioner Fitzsimons encouraged Westlake to think about structures higher than the six-story minimums being discussed and addressing the question of going up to eight or 10 stories when they come back to the Planning Commission. He suggested that if leasing demand looked strong after Phase 1, it might make sense to have Phase 2 and Phase 3 buildings taller than the first, and the development agreement would be the place to set some parameters or a [density] range. Mr. Tong added that the motivating factor for the project size will be economic. Planning & Housing Manager Liao pointed out that total cumulative office space projected in the TOD Strategy EIR was 720,000 square feet.

**Commissioner Leung** asked whether office space in the proposed development would be leased only to tech companies. Mr. Tong said tech companies are the target market, and the project is part of a larger effort to make San Leandro a viable option for tech companies, with downtown amenities, transit access and high-speed broadband connections. He said Westlake would lease to any company that made sense and is compatible with the planned use of the site.

**Commissioner Rennie** said he liked the idea of a public-access paseo, and the idea of engaging the current OSISOft property as well. He said that if this project really takes off, it would be important for the City to know that parking would be sufficient to support vehicles connected with the building use as well heavier BART ridership. He agreed with Commissioner Fitzsimons that such issues should be addressed in the development agreement.

**Vice Chair Hernandez** asked for elaboration about the rationale for having no FAR and building height restrictions in the Downtown Area (DA) zoning districts. Planner Penaranda said the purpose was to take advantage of the close proximity to BART and also leverage the public transit accessibility that's adjacent to the station. **Commissioner Collier** added that no views would be affected by greater height and density in that area. Planner Penaranda agreed, pointing out the elevated BART tracks on one side, the at-surface railroad tracks and the neighboring industrial uses. In terms of the parking ratio, Planner Penaranda said the plan is to build above-ground rather than create any subterranean parking. Mr. Tong pointed out that Westlake would lay a substantial foundation to accommodate layering additional decks for more parking if needed.

In response to **Chair Abero's** observation that the original plan for this area included a parking structure, Planning & Housing Manager Liao noted that at the time, BRIDGE Housing was anticipating State grant money that might have offset some of the costs involved. Ms. Quinn added that Westlake's no longer partnered with BRIDGE, and all the obligations for replacement parking went to BRIDGE.

Responding to Commissioner Fitzsimons' comments about the 60 parking places included in Phase 1, Planning & Housing Manager Liao noted that Martinez Street currently provides parking for approximately 90 vehicles, and the Phase 1 parking provisions are planned to help offset the loss of those spaces.

**Commissioner Hernandez** asked for more information about the trend toward higher-density office use among tech companies. Ms. Quinn distributed a CoreNet Global survey handout describing the phenomenon, noting that the trend is driving changes in office design, with fewer cubicles and walled offices and more open-space areas for group collaboration. She said the speed with which the space per worker is shrinking is part of what makes it so important to have the conversation about parking minimums and maximums in this project in order to respect market realities of today and tomorrow.

Kimley-Horn and Associates Senior Project Manager **Jim Daisa** said that if designing the project with 3 parking spaces per 1,000 square feet of office space proves to be more parking than needed, the additional space could be converted to retail uses that are exempt from parking requirements. He anticipates a need for a reservoir of parking. When the TOD Strategy was developed, he explained, Kimley-Horn was given the figure of 2 parking spaces per 1,000 square feet to study. He's not sure where the figure originated because at the time parking fluctuated in the neighborhood of 2.5 to 2.75 spaces per 1,000 square feet in the most dense urban TODs. Kimley-Horn studied six land-use scenarios, he said, including high- and low-density variations on three themes, one emphasizing intense retail activity, another focusing on residential development, another combining mixed-use residential and office space. A variation on the latter, he said, carried through into the EIR. Different demand factors for parking were assigned in the BART vicinity than in the downtown center, he explained, but even reducing parking volume by 35 to 40 percent, Kimley-Horn was unable to achieve a ratio lower than 2.86 parking spaces per 1,000 square feet.

At that time, Mr. Daisa continued, concern over the variation was minimal because the downtown snapshot of the future pictured a high-energy area with more activity, more downtown housing and jobs, bus rapid-transit (BRT) service in addition to BART, and other developments that might have led to a need for less parking. Furthermore, he said an additional structure with 600 parking spaces, funded through an assessment district, was among the proposals to help offset the deficits in parking availability.

Mr. Daisa said he doesn't have an issue with the San Leandro TOD eventually reaching the goal of 2 parking spaces per 1,000 square feet by taking a shared-parking strategic approach and adopting a transportation demand management system, but he's concerned about imposing that maximum over such a short timeframe for this project.

For purposes of context, **Commissioner Fitzsimons** said it would be helpful for him to know the parking ratio at the Creekside complex, plus a staff assessment about how that parking ratio is working out in practice, as this discussion goes forward.

**Chair Abero** said the fact that the proposed buildings are so close to BART should encourage people to get out of their vehicles, and the reduced parking requirements are part of the overall TOD Strategy. **Commissioner Collier** recalled the parking issue is what led her to vote no when the Planning Commission voted on the strategy in 2007.

**Mr. Daisa** said the lower parking ratio and paid parking can work as disincentives to driving, but the other services that should be in place downtown to complement those initiatives are not there yet. He cited implementation of transportation demand management services such as guaranteed employer-paid transportation home for emergencies as an example.

**Commissioner Hernandez** asked where the 600 parking spaces Mr. Daisa mentioned were to be located. Mr. Daisa said he thought it would be just south of the subject parcel, part of which would have been BART replacement parking.

In response to Ms. Quinn, **Mr. Daisa** explained the assumptions about ridership and transportation used in the parking study. He took discounts for BART traffic and BART and BRT parking and used Institute of

Transportation Engineer suburban parking demand rates, which closely match San Leandro's current land uses. He adjusted those rates because they overestimated parking demand and took into account transit and mixed-use factors from both the downtown and BART areas. For offices in the BART area, he said, they ended up discounting the suburban rates 27 percent, although the mixed-used factor comes into play in the downtown area only, and reduced parking requirements from 3.44 parked vehicles per 1,000 square feet at the peak of the day to 2.86. Although it was a considerable drop, he said it was based on the assumption of a shared-parking environment. He said Kimley-Horn's recommendation was to phase in the lower parking ratio gradually as development levels increased.

**Commissioner Fitzsimons** said the development agreement could be written with various gates and milestones to be reached that could trigger different parking ratios for Phases 2 and 3.

**Mr. Daisa** noted that they're seeing evidence of changing office densities in every project they're involved with while still using prior baseline data [used to develop existing TOD parking ratios]. **Mr. Tong** added that tighter than necessary parking limits would be a disincentive for companies that would consider leasing in the project.

**Commissioner Fitzsimons** said we're all aware of those situations, and the key is to find a way to make it work for everyone involved. The development agreement can be designed with the flexibility to do just that.

In terms of architecture, **Commissioner Fitzsimons** said he doesn't necessarily favor a modern style, but he wants the architecture to be interesting and not concrete prefab.

**Commissioner Hernandez** said he understands there are discussions about adding an office structure on top of the parking garage, which would reduce the parking ratio there. Planning & Housing Manager Liao said that at this point there's no formal proposal. Commissioner Hernandez also asked whether solar power would be considered for the proposed Westlake development, and suggested art bike racks. He credited the team for their commitment, dedication and thoughtfulness about this project.

**Commissioner Leung** asked whether Westlake would be accountable to the City in terms of its marketing activities. According to Mr. Tong, Westlake will be marketing widely and working in conjunction with Debbie Acosta, the City's Chief Innovation Officer, to ensure assembling the best team possible and getting a cohesive marketing message out.

While he emphasized that he doesn't want to "throw the TOD concept out the window," **Commissioner Leichner** said he agreed with Mr. Daisa's comments. He said that he'd be able to accept more parking on the site than what was described if it was set at a price-point that serves as a disincentive to its use.

Mr. Tong said Westlake could explore traffic management strategies like shared cars (e.g., ZipCar or City CarShare) or employer paid public transit subsidies. Mr. Daisa pointed out that even if the TOD Strategy works perfectly as designed, the parking ratio as proposed would come up short, in part because retail uses would be exempted from the requirement. Accordingly, Mr. Daisa added that any excess parking would be part of a pool for either paid or reserved parking or unbundling, but don't build less in the expectation of getting more BART.

**Commissioner Rennie** said he agreed with Commissioner Leichner about starting off with a more generous parking ratio and ratcheting it down over time would enable this project to serve as a catalyst to get TOD development underway, and with Commissioner Fitzsimons about the importance of this project making an architectural statement. Commissioner Rennie also said that wherever the parking is ultimately located, this proposal represents an interesting opportunity to create parking that isn't located directly on San Leandro Boulevard, which could then be activated with housing and retail.

**Chair Abero** thanked the applicant team for the presentation, and invited public comments.

**Angus Ahanotu**, 1588 Magnolia Lane, indicated parking would be an issue but supported a need to discourage driving. Overall, he commended everyone for helping to uplift the City.

With no other speakers coming forward, **Chair Abero** said that both she and Commissioner Collier looked at the 2007 proposal. Chair Abero said that she had strong concerns about housing so close to the BART station, with all the associated train noise. She described the current proposal as a wonderful concept to move in the tech direction, and as someone who works in a tech environment and frequently telecommutes, she said when she goes to the

office, she plugs her laptop in and goes to work. The proposal described is exactly what she would look for in a tech environment, she said.

**Commissioner Collier** said she's happy to see this kind of project coming forward because she had so many reservations about the housing previously proposed. Like Chair Abero, she said she couldn't understand how residents there could sleep at night, even with triple-pane windows. Commissioner Collier said office use is compatible, and hopes some retail and service businesses also will be part of the proximate mix.

**Commissioner Fitzsimons** asked whether the name "San Leandro Crossings" is still being used. Mr. Tong said no.

**END OF EXCERPTS**