

**UNAPPROVED EXCERPTS FROM THE
SAN LEANDRO PLANNING COMMISSION
REGULAR MEETING**

City Council Chambers, First Floor
835 East 14th Street
San Leandro, California 94577

7:00 p.m. Regular Meeting

February 20, 2014

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: None.

Staff: Cynthia Battenberg, Community Development Director; Sally Barros, Principal Planner; Elmer Penaranda, Senior Planner; Keith Cooke, Principal Engineer; Tom Liao, Secretary to the Planning Commission and Deputy Community Development Director; Richard Pio Roda, City Attorney; Larry Ornellas, Facilities Coordinator.

Item 4: Correspondence

Secretary Liao said Planner Penaranda would cover comments related to Item 7B when he discusses the CEQA Mitigated Negative Declaration (MND).

Item 7B: Public Hearings

PLN2013-00045, Rezone, Planned Development, Development Agreement, and Site Plan Review; to develop an Office/Technology Campus with up to a maximum of 500,000 square feet of office and other related uses located in multiple buildings on the 7.3-acre project site that encompasses four separate parcels, identified as 1333 Martinez Street. The development will occur in three phases which includes five- to six-story technology-focused office buildings and related site improvements such as on-site and off-site landscaping, bike path, pedestrian path and utilities; surface parking for the development of Phase 1 while future phases will require the construction of a multi-level parking structure. Assessor's Parcel Numbers 75-47-2, 75-47-7, 75-47-3-2, and 75-42-2-1; Westlake Development Partners, LLC (applicant); Chang Income Property Partnership, LP (property owner). (Penaranda)

Actions: Recommend:

- A) Adoption of the Mitigated Negative Declaration;
- B) Approval to Rezone the subject site from DA-5(S) Downtown Area, Special Overlay District and PS Public and Semipublic, Special Overlay District to DA-5(S)(PD) Downtown Area, Special Overlay, Planned District Overlay District and PS(S)(PD) Public and Semipublic, Special Overlay, Planned Development Overlay District;
- C) Approval of Planned Development and Site Plan Review, PLN2013-00045, subject to the recommended conditions of approval; and
- D) Approval of the Development Agreement

Planner Penaranda presented his staff report via PowerPoint presentation to update the Planning Commission on this three-phase, mixed-use San Leandro Crossings project, which the Commission last addressed during an August 2013 work session.

The property includes rights-of-way (ROW) on portions of West Estudillo Avenue and Martinez Street that would be vacated. The area is zoned DA(S) Special Overlay, Planner Penaranda said, explaining that the Special Overlay codifies and prescribes potential development of and uses for properties with that designation. The area is adjacent to the OSIssoft property to the north; Thornton Street borders it on the south edge, Alvarado Street on the west, and Martinez Street and the BART station on the east. The site's advantages include its proximity to BART and downtown, access to Lit San Leandro and high visibility to BART passengers.

Phase 1, Planner Penaranda said, would include a 131,000-square-foot, six-story office building, the paseo connection between Alvarado Street and BART, the north-south connection with a bike lane and pedestrian walkway on the vacated Martinez Street ROW on the eastern edge, 492 at-grade parking spaces, landscaping and a recreational area for bocce ball and sand volleyball.

The Development Agreement stipulates a minimum six-story, 120,000-square-foot building just north of the paseo for Phase 2, plus the start of a 71,000-square foot, parking structure accommodating 3.0 spaces per 1,000 square feet (versus a 3.6:1000 parking ratio in Phase 1) and completion of any railroad ROW improvements.

Phase 3 calls for a third building with at least five stories and 100,000 square feet, Planner Penaranda said, but the hope is for a six-story structure encompassing 114,000 square feet. Parking structure construction also will continue into Phase 3, with as many as five levels and any extra parking "unbundled" as a reservoir that's available to users outside the development.

In terms of architecture, Planner Penaranda said the first building's north elevation will consist of steel and glass construction, with stone or brick articulation on the other three sides. Rising about 90 feet to the top parapet, with a penthouse for mechanical equipment going up to 102 feet, the building will have a landmark appearance, Planner Penaranda said.

Highlighting key points in the Development Agreement, Planner Penaranda said that it:

- Covers 10 years, with an automatic five-year extension at the completion of Phase 1
- Stipulates project milestones and development requirements
- Provides for onsite public art
- Includes bicycle parking in each phase

The Initial Study and MND were prepared and sent to the California Office of Planning and Research (OPR) for review and further distributed to several other State agencies, Planner Penaranda said. Staff is recommending including as mitigation measures the comments from letters submitted by the East Bay Municipal Utility District (EBMUD), the California Public Utilities Commission (PUC) and the California Department of Transportation (Caltrans). The 30-day review period for the Initial Study and MND ended on February 19, 2014.

Commissioner Rennie noted that Phases 2 and 3 in the Development Agreement refer to residential use as a possibility, which he considers a totally different type of project about which no analysis has been presented. Secretary Liao said that the City's negotiations with the developer covered the idea of mixed use development, including commercial and residential, under the San Leandro's Transit-Oriented District (TOD) Strategy. For that reason, the developer wanted to include that language to have the flexibility in case a residential opportunity presents itself, but the focus has been primarily on commercial development.

Commissioner Rennie recalled that when the traffic study was done, the Davis/Alvarado intersection went down to a level of service "E," but he did not remember whether that study took a residential use into account. Planner Penaranda said he'd defer to James Daisa, Senior Project Manager at Kimley-Horn and Associates, to address that issue.

Referring to the paseo (to be completed in Phase 1) and the railroad ROW work (to be completed in Phase 2), **Commissioner Rennie** asked how people would get from the BART station onto the project site during Phase 1, and what specific railroad ROW improvements are anticipated. Planner Penaranda said the timing and the details must still be worked out with the PUC and the railroad. The railroad improvement would include an at-grade pedestrian crossing.

Commissioner Rennie, having noticed a decorative element in the transaxis coming through the site as it borders on OSIssoft, asked whether OSIssoft would be participating in this development. Planner Penaranda said he would defer that question to Westlake.

Because no impact fee associated with the production of housing appears in the development Agreement, **Commissioner Rennie** asked about what's the City's current policy on inclusionary housing as it relates to nonresidential projects. Secretary Liao said San Leandro has a City-wide inclusionary zoning ordinance, but it applies only to new residential development. He added that the developer can elaborate more, because this project originally was envisioned as an affordable housing site for BRIDGE Housing and the developer worked with BRIDGE early on to develop a master plan. In fact, Westlake has contributed to affordable housing by transferring its entitlements on the BART parking lot site on San Leandro Boulevard for a 200-unit housing development to BRIDGE.

Commissioner Rennie pointed out that developers ask for Development Agreements to ensure vested rights to build their project, but he sees no performance standards in the agreement or anything that accrues to the City's benefit. Secretary Liao enumerated several benefits to the City:

- Vacation of the Martinez Street ROW, providing a public-access pathway for both bicyclists and pedestrians and tying in to the adjacent greenbelt the City has envisioned
- A public art component requiring each phase of the Office/Technology Campus development to commit about 1% of the construction budget to public art
- Provision of bicycle shelters and bicycle parking
- Furthering the TOD Strategy vision, bringing forth high-density commercial density with jobs that also increases transit ridership and revitalizes the downtown core by bringing in more people

In addition, Secretary Liao said this would be a signature development that showcases a prominent and exciting new urban design for the City, including both the structures and public outdoor space integrated into the downtown area.

Commissioner Rennie said he remains uncomfortable about the lack of performance standards.

Commissioner Fitzsimons said he noted that the art-in-lieu fee is 50% of the amount required if it's onsite; he asked about the rationale for the discount if the art is not put onsite. Director Battenberg said the goal of that program is to provide funding to the City to identify downtown locations where art would make a difference and encourage more art placement throughout the downtown area. She said that either onsite or offsite placement of art would be acceptable to the City.

In terms of parking, **Commissioner Fitzsimons** pointed out that the requirements shown for the Office/Technology Campus development are noticeably higher than those called for at the time of the August 2013 work session. He asked the reason for the change, and also comparative data for the Creekside Plaza. Planner Penaranda said the parking now proposed for the Office/Technology Campus is to encourage the development by creating a parking reservoir prescribed by the TOD Strategy and building in assurance that the project will be completed. The parking ratio at Creekside is 3.2 spaces per 1,000 square feet, he said.

Director Battenberg added that the Creekside complex uses all of its spaces, and many of its tenants probably wish they had more parking. She explained that allowing additional parking on the proposed Office/Technology Campus site, which would go higher rather than spreading out to make up a bigger footprint, illustrates the City's understanding of the economics of the development, recognizes the difficulty of leasing space if parking is insufficient and maintains the density of the office development.

Secretary Liao, elaborating on the TOD Strategy envisioning parking structures in and around the downtown core, said the unbundled extra parking at the new development would be de facto public parking. Since the TOD Strategy took effect, he added, the rebuilt Downtown Parking Garage, which opened in November 2012, has been the only public parking facility built.

Commissioner Fitzsimons asked if the 19 BART parking spaces included in the proposed Office/Technology Campus to offset the off-street parking spaces lost on Martinez Street would be free. Planner Penaranda said

that would be possible, since they represent an excess of the 3.6:1000 parking ratio. Secretary Liao added that under terms of the Development Agreement, the developer would have the prerogative of charging for those spaces.

Noting that the Development Agreement requires the developer to provide at least a large sculpture and fountain, **Commissioner Fitzsimons** asked what prompts the requirement for a fountain. Secretary Liao said the intent is to ensure something prominent, physical, separate and distinctive. Commissioner Fitzsimons said perhaps it's a matter of semantics that he read a fountain as a requirement.

Commissioner Fitzsimons pointed out that the size of the project site in the Initial Study and MND shows as 7.6 acres and should be updated.

Commissioner Leichner had questions about how the deal was structured.

- Did the City receive any financial consideration for vacating the 1.8 acres of right-of-way land? Director Battenberg added that in exchange for that vacation, Westlake will be constructing and maintaining the first portion of the City's greenway, a landscaped 20-foot-wide bicycle-pedestrian path that will run from Davis Street through to Parrott Street.
- Is the City requiring Westlake to assemble the parcels? Planner Penaranda said yes; a map will go to the City Council, and Westlake will be the master developer.

Commissioner Leichner questioned the ground-floor retail being optional because the area is a "services desert." Director Battenberg said the City intended to limit the retail in that area to avoid making it an island and instead making it integral to the downtown area. The paseo in Phase 1 and improvements on San Leandro Boulevard and West Estudillo Avenue are all intended to shorten the perceived distance between the BART station and downtown, she said. She added, the new Community Benefit District for the downtown includes the project site. Commissioner Leichner estimated that it's more than half a mile to any kind of retail services from the project site. Ms. Battenberg said it's about three blocks.

Commissioner Hernandez inquired about how the public agency comments made in response to the Initial Study and MND are being addressed. Planner Penaranda said EBMUD and the PUC recommendations would be added to the MND as mitigation measures. As for the Caltrans comments, he said he'd defer to the developer, who has been in discussions with the City's engineering staff.

Commissioner Hernandez asked whether efficiencies such as Smart Parking or energy-consumption offsets would come into play in the Development Agreement. Secretary Liao said some of these alternatives may be considered, an issue the developer can address.

Because the developer wouldn't bear the cost of the land if deciding to put public art in an offsite location, **Commissioner Hernandez** suggested the contribution to the public art fund should be greater than 1 percent of the construction budget, such as 2 percent instead of 0.5 percent.

Commissioner Collier objected strongly to the plan's designation of California Sycamore trees. Although Planner Penaranda pointed out that sycamores provide nice canopies, she stated that sycamores have made her neighborhood look horrible.

Commissioner Hernandez asked how the bike path would connect to other parcels and other areas. Planner Penaranda said the City does not yet have specific plans for the bike path other than taking it from Davis Street to Parrott Street. Director Battenberg said the bike path is envisioned to run south from Oakland through Hayward.

Commissioner Rennie said it was odd for the bike path to dead end into the parking lot just short of Thornton Street. Planner Penaranda said they discussed connecting the bike path to Thornton with the developer, adding that the intent is to land-bank this for the future. Although there's no master plan for the bike path at this point, he said, the path will curl along the railroad ROW. Another reason is the requirement for a vehicle turnaround coming into Thornton, which would have conflicted with taking the bike path into Thornton, he said.

When **Commissioner Rennie** asked whether having the bike path closer to the railroad tracks would require an easement, Principal Engineer Cooke said the East Bay Greenway is an ambitious project that would require acquisition of the entire Union Pacific Railroad Oakland Subdivision. Those following the Alameda County

Transportation Commission's actions will see that development of the East Bay Greenway is in the [County's] Transportation Expenditure Plan. Although the portion to which Commissioner Rennie referred is small, Mr. Cooke said, it would continue along the alignment of the ROW. Alameda County would make the purchase, with funding dependent on the passage of the Measure B sales tax.

Commissioner Hernandez asked whether staff had any thoughts about the kind of public art they'd like to see and whether the public would have an opportunity to provide input. Secretary Liao said the Development Agreement would allow the developer to come up with a process, and the developer could address that topic, including the question of public input.

Sunny Tong, Managing Partner of Westlake Development, approached the microphone at Chair Abero's invitation to begin the applicant presentation. He began by acknowledging and thanking staff for all the hard work over the past six months, as well as OSIssoft CEO and majority owner Patrick Kennedy, whose diligent help was invaluable in finalizing the agreement to bring OSIssoft to Phase 1 of the Office/Technology Campus project.

Russ Nichols, Principal with RMW Architecture & Interiors, who presented a fly-through visual presentation, said that one of the challenges of working through this phased project is to ensure that each phase stands alone successfully. While Phases 2 and 3 await development, those areas will provide good outdoor space, he said. He said that structured parking is always a challenge, both in terms of scale and how it's built. They're trying to find ways to keep it flexible for the parking structure to be built in Phase 1, going up to five levels to support the first phase and potentially the second, and then expand the structure horizontally.

Mr. Nichols stressed that the buildings are simple in form, which facilitates fitting everything onto the site comfortably. The layout inside also creates tenant flexibility. The design approach, which aims to create great interest, also takes advantage of the exposures. The north side allows the entrance of a lot of light into the space, and while the southern elevations are quite glassy, glare can be problematic on the east and west elevations. Because those sides are more opaque, he said they create a great opportunity for a dynamic, innovative and unpredictable look to those façades, which are visible from the BART tracks as well as Alvarado Street. He mentioned use of brick or stone to recall the cannery days and celebrate the site's heritage. In terms of energy efficiency, Mr. Nichols said they're working toward LEED silver and potentially gold.

Considerable attention has been paid to ground-level design, too, Mr. Nichols said, noting the emphasis on activating the outdoor space, providing plenty of areas for seating and gathering as well as some sports activities, and perhaps bringing in a restaurant or brewpub that's visible from Davis Street.

As for the question about expediting the permitting process, he said the intent is to work with the City to develop a way to break the project down into manageable packages, one stage at a time – grading, foundation, systems, etc.

Commissioner Fitzsimons, noting that the floor height of 14 feet, 6 inches would preclude biotech uses, asked if that was intentional. **Mr. Nichols** said the floor height specified would allow a finished ceiling height of 10 feet, which provides the ability for good indirect lighting deep into the site from the perimeter, but biotech operations with deep mechanical systems, filters, etc. were not envisioned. He said those operations require a different building type as well as differences in floor-loading capacity. The primary uses anticipated are R&D activities and offices, as well as desk labs, bench labs and electronic labs but not high-intensity development labs. Mr. Nichols pointed out that the ground floor height is 15 feet, 6 inches, to help with some of the special-use spaces.

Commissioner Fitzsimons asked whether the parking structure design could mirror that being used on the office buildings. **Mr. Nichols** said parking structures are always a challenge, and sometimes putting on a skin to disguise a garage is worse than having a garage appear to be what it is. He said pre-cast parking structures are larger and bulkier in mass, vertical scale and beam structure than the cast-in-place structure this development envisions. He said they are taking a lot of time with the design, which would incorporate pedestrian towers and vertical circulation as architectural elements, but they aren't trying to hide it.

Commissioner Fitzsimons said he did not see anything related to the design being bird-friendly, such as visual barriers on windows and certain light requirements. **Mr. Nichols** said he hasn't yet specifically looked at bird-

friendly guidelines, but most high-performance glazing has a reflective quality, and the overall project design will take into account the glazing material and color.

Commissioner Fitzsimons asked whether the traffic study took into account the comments that Caltrans submitted in response to the Initial Study and MND. Caltrans stated that the I-880 intersection with Davis Street was not included, which seems to be a major exclusion. **Jim Daisa**, with Kimley-Horn Associates said his firm prepared the traffic study. They received the Caltrans letter today and sent a response to Mr. Cooke, who has reviewed it. Mr. Daisa said the TOD Strategy provided an umbrella Environmental Impact Report (EIR) for the entire downtown area, so they looked at this project's relationship to what was assumed in the TOD Strategy EIR. That evaluation revealed that this project would not exceed the trip generation of what the TOD Strategy assumed, so that strategy still covers the traffic generation of this site. However, because driveway access points differ, he said Kimley-Horn also studied a few closer-in intersections near the project to see how the micro-distribution of traffic would change.

As Mr. Daisa explained, their response to Caltrans states that the ramp intersections at I-880, as well as East 14th Street and Davis Street, have been examined under a scenario that had more traffic generated from the site than this project would generate. He confirmed Commissioner Fitzsimons' understanding that the TOD encompassed 720,000 square feet, and the Office/Technology Campus would max out at 500,000 square feet.

Commissioner Fitzsimons asked what the developer's trigger is for development of each of the phases – would they be built on spec or lease-up.? **Mr. Tong** said there's no spec and they're working diligently with Dr. Kennedy on a commitment to take OSIssoft into Phase 1. They have not started marketing the project at all to date, he said, but with a positive outcome from today's meeting, they'll have more confidence to start marketing. He said at this time, he'd say that Phases 2 and 3 are market-driven, but they are prepared to go ahead with Phase 1 with less than 100 percent leasing.

Due to the nature of the site and how significantly different a residential project might be, **Commissioner Rennie** asked for an explanation for having the residential option open in the Development Agreement at this time. He said that if a residential opportunity comes into play to be pursued instead of office development, it would be best to amend the Development Agreement. **Mr. Tong** said he's been working on this project for nearly seven years, and history has proven him wrong more than once. In 2007, early after the adoption of the TOD Strategy, the only thing that was viable was residential; now commercial makes more sense. The residential market has not quite caught up in the East Bay, he said, and it's also driven by the need for more jobs. He said that it is hoped they reach a tipping point where we can encourage more employment in San Leandro, which in turn would increase spending downtown. He said the International Council of Shopping Centers (ICSC) estimates an average daytime population employed in an office buildings spend more than \$100 weekly; multiplying that by the ultimate density means millions of dollars of weekday spending.

Commissioner Rennie said that's why office space is important. While he said he understands that the market changes, it seems premature to include residential in the Development Agreement at this time.

Mr. Tong said there's also a desire for corporate housing to consider. He said Dr. Kennedy has talked about people coming in from around the world to OSIssoft headquarters, visiting, training or collaborating, and the company finds itself constantly renting apartments and filling hotel rooms. Mr. Tong said that's another reason for the flexibility they're seeking in the Development Agreement. Commissioner Rennie said that might be a good idea, but his concern is that he's seen nothing to get an idea how that would work.

Secretary Liao said the proposal as presented is a commercial development. If either Phase 2 or Phase 3 were to focus on residential, the designs shown probably wouldn't reflect that use. Under the Development Agreement, that would be considered a substantial amendment to the Planned Development and therefore could come back for review. **Commissioner Rennie** said it's troublesome contemplating where the threshold shifts from primarily office to primarily residential. A development timetable that may span 15 years makes for a big window in the City's planning efforts, because a lot may change in that time, he said, adding that we aren't keeping control of our planning by agreeing to something that's presented in such a loose fashion.

Commissioner Hernandez asked what earthquake safety measures the project would incorporate. **Mr. Nichols** said that standard building codes are pretty strict in this area. The buildings will be steel-framed, with internal brace frames around the built elements. In addition, Mr. Nichols said, while the design uses brace frames

internally, some of the external members are monoframe, seismically designed connections with no cross braces but a combination of moment frames.

Commissioner Hernandez also inquired about examples of energy efficiencies that are planned into the design. **Mr. Nichols** said the major component is high-performance skin to control the amount of heat that comes into the building. In addition to knowing that the northern elevations are great for bringing in natural light, they plan a series of studies and modeling of the best places for shade and shadow. The southern elevations, while still using a significant amount of glass, may also use some solid spandrel panels.

Mr. Nichols said, too, that glazing technology has progressed dramatically over the past 10 years, so in addition to dual-insulated panels, the glass is manufactured with high-performance films and layers. Although they must address potential noise issues, he added that, fresh air will enter the buildings through natural ventilation through operable windows. They are still looking at how the mechanical systems will develop, but even the commercially available standard systems have become more efficient, **Mr. Nichols** stated. For the rooftops as well as the parking structure, they are exploring the use of photovoltaic (PV) systems.

Mr. Nichols said light-emitting diode (LED) technology is outstanding and is proposed for all the outdoor lighting. It's top-quality lighting, energy efficient and controllable via a management system, with capability for dimming, sensors for automatic operation.

Commissioner Hernandez urged the Office/Technology Campus team to reach out to a consultant such as the one who worked with the Zero Net Energy (ZNE) Center on Catalina Street to help coordinate, model, perform cost-benefit analysis on energy-efficient ideas and develop a solid plan.

Returning to **Mr. Nichols'** earlier reference to the cannery that once occupied the site, **Commissioner Hernandez** asked whether the project could incorporate other reflections on the past. **Mr. Nichols** said they want to recognize and respect San Leandro's long, strong industrial and manufacturing roots while also being sensitive to the City's desire to be attractive to high-tech companies. While they don't want a development that appears "overly techie," they are aiming for an innovative, unique project with a strong design but a warmth of materials. As well as recalling the cannery history, he said, using brick for some of the skin would add such warmth.

Commissioner Hernandez also requested elaboration on the public art process, **Mr. Nichols'** earlier Smart Parking reference and plans for Phases 2 and 3 sites until they are developed. In response, **Mr. Nichols** said:

- Discussions about creative parking solutions are underway, and strategies – ranging from valet systems to stacked parking – are being explored to respond to the fact that parking is both a big need and cost
- The team's intention is to keep the art on the project site, and they're quite excited not only about bringing in individual pieces of art that people will experience on the site but also building art into the architecture
- Some of the future development property may be used for parking – although the expense of the infrastructure for surfacing, drainage, lighting, etc. is an important consideration – and some will be activated with landscaping and outdoor activities; he said they certainly don't want those areas to be a wasteland

Commissioner Leung, noting that this project can help San Leandro fortify its position among tech cities in the East Bay, asked whether the developer is prepared to consider taller buildings. From a design standpoint, **Mr. Nichols** said, the challenge lies in achieving the balance among high density, good outdoor amenity space, parking and economics. He said that in taking those issues into account, six stories would be about as high as what the site can accommodate. On the cost side, he pointed out that going up to seven stories would trigger costly life-safety highrise requirements.

Commissioner Rennie said the site is unusual in its length, and the length of the proposed parking garage creates a substantial architectural element, particularly as it faces the BART station. Although a skin that attempts to disguise the structure may be inappropriate, he said it needs something. He suggested the long horizontal element lends itself to a more dramatic landscape statement than what the plans show; it offers an opportunity to mark this property as a place. He said he didn't count the trees along the walkway, but because

the walkway has so much potential to benefit both the property and the City, how that planting occurs and the type of trees planted could help establish that sense of place as well as possibly draw attention from the parking garage. He suggested possibly flowering cherry trees could really unify the site, add color and interest, and make the walkway a real asset. He noted, too, that, a dramatic statement may well be the first impression the site leaves with many people, particularly those on the BART platform and in passing trains.

Mr. Tong said they'd go back and discuss this with the landscape architect, who could not make the meeting tonight. **Mr. Nichols** said he agrees completely with Commissioner Rennie, and said that the trees are intended to provide a full canopy, which would not only be highly visible from the BART perspective but also screen most of the surface parking.

Referring to Mr. Cooke's comment that trip generation for the project is within the magnitude of development foreseen by TOD Strategy, **Commissioner Rennie** asked whether that same traffic analysis would also address any possible residential development as opposed to a strictly commercial site. Mr. Cooke replied that high-density residential would result in lower trip-generation estimates because it would be transit-oriented, but the idea of corporate housing adds a layer of complication because people using that housing probably wouldn't be driving at all. A project including thousands of housing units would create considerable traffic, he added, but in this case we wouldn't be talking about anything nearly that extensive. In response to a further question, Mr. Cooke said that weekday morning and afternoon traffic for housing and office are approximately the same, but on weekends the office traffic would fall off drastically whereas residential traffic would increase.

Chair Abero invited public comments.

Deborah Cox, Bridge Road, said Westlake and OSISOFT are great community partners, and as president of the San Leandro Education Foundation (SLED), which formed in 2008, she applauded both of them for stepping up to the plate and making significant commitments to San Leandro. She said both Westlake and OSISOFT see beyond the Office/Technology Campus project; they believe in the community and the schools. She said that bringing in new businesses and people can only help strengthen the entire community as well as jobs for students when they graduate.

Mike Pretto, Bridge Road, a supporter of the project, said he's watched OSISOFT grow from a company of one to approximately 1,000 employees, all under the guidance of Dr. Kennedy. He said it's a remarkable story, a remarkable achievement. And OSISOFT is headquartered here, he said. This is where the development happens and this is where the exploding demand can be met. He said the Office/Technology Campus is important because it's the vehicle for that expansion. Having this project at this scale is not only entirely appropriate, Mr. Pretto concluded, but mandatory to expand the City's reach.

Motion to close public hearing

Collier/Hernandez: 7 Aye, 0 No

Commissioner Hernandez asked for information about signage in the project. Planner Penaranda said at this time, signage is shown only conceptually, but if the Phase 1 building were to bear OSISOFT's name, where it appears in the plans is where it would be located.

Commissioner Hernandez also asked for staff's thoughts about including corporate housing. Secretary Liao said the TOD Strategy is broad in terms of mixed use, combining residential, commercial and some retail. He said, too, that with the next General Plan's Housing Element update about to get underway, its content in regard to corporate housing may well be expanded.

Commissioner Rennie said he doesn't oppose the idea of onsite corporate housing, but he'd want to see a detailed proposal before recommending adoption of a Development Agreement that gives 15-year rights for the developer to do some kind of housing at some point. He said he understands from the developer's perspective that it's impossible to predict the market and any residential development would have to make economic sense, but if the developer wants to come back with a housing proposal at some point he said the City should retain the right to reopen the deal. Particularly if a proposal for residential development comes in later rather than sooner, Commissioner Rennie stated, it's possible that City policy would change and other events occur in the interim that would have a bearing.

Chair Abero, recalling when the Planning Commission reviewed Westlake's original proposal for the site, said she has related concerns. In the original project, low- to medium-income condominiums in The Crossings were envisioned as a component, with other, higher-income units nearby. She said she does not favor standalone low-income housing developments, but this proposal had some appeal. She does not like that we're now looking at a Crossings project that segregates the low- and medium-income residences in a standalone development. Including a blank check in the Development Agreement to move back into residential would be a mistake, she suggested, because no one knows what the nature of that residential development would be.

Commissioner Fitzsimons said he believes the site is ideal for office and not residential, because putting residential so close to a BART station would not work. No one would want to live there. He said he just attended an event in San Jose where a representative of Colliers International, a leading commercial real estate provider for office, industrial, retail, R&D and investment properties, said the annual salary for a computer programmer in Silicon Valley starts at an astounding \$168,000. Not everyone who works in the Office/Technology Campus complex will be making that much, he acknowledged, but jobs at that level generate other jobs that pay \$45,000, \$80,000 and \$100,000 jobs, plus minimum-wage jobs in the neighborhood. Commissioner Fitzsimons said he's seen estimates that 65 percent of all tech company development in the next five years will be built on the premise of 100 employees per square foot, almost unprecedented density. Extrapolating from that figure means this site may have 5,000 employees, which would provide quite a benefit to San Leandro, he said, and he favors it.

Commissioner Fitzsimons says he likes everything about the proposed Office/Technology Campus design except for the garage. From a distance, he said it's reminiscent of the punch cards that were common in the computer industry until the mid-1980s.

Commissioner Fitzsimons said the row of parking immediately in front of the Phase 2 building on the BART side should be eliminated in favor of public open space or a plaza for employees. Doing away with these parking spaces would have minimal impact on the completed project's parking ratio, he stated, but judging from the flyover that Mr. Nichols showed, it would add substantially to the visual appeal from the BART station and the bike path. Importantly, Commissioner Fitzsimons added, it would be a tremendous benefit for the people working there, who would want a real campus-like environment rather than a suburban business park complex. When Planner Penaranda said he thought the Fire Department was expecting to have that area for emergency access, Commissioner Fitzsimons said it could be covered with impervious pavers instead of grass so it would still be readily accessible in an emergency.

Commissioner Fitzsimons had several additional comments:

- MND: Should be changed to read 7.3 acres.
- Transportation Demand Management (TDM) in the conditions of approval: Requires the developer to work with the City and project occupants to reduce car trips by doing at least "one or more of several measures listed. That sets an exceptionally low bar; it should require at least "two or more of the measures..
- Development Agreement: Revise the language so as to allow but not require a fountain.
- Parking Structure: Improve architectural treatment, particularly from the perspective of the view corridors – the east elevation from BART and the south elevation, especially the upper levels.

Commissioner Rennie noted that if the developer goes the route of incorporating residential development, it should focus on low- and moderate-income housing. He said he doesn't have a handle on where the City stands on post-Redevelopment Agency inclusionary housing and how it could be funded. With this particular project, he said he's comfortable with strictly commercial development for this project, but if it were a different project, he'd object. He said he would be unsure about the amount of vacation we're giving up and with as much latitude as the developer is getting; he would like to see more performance parameters in the Development Agreement so we don't have to wait for years to see a project come around and be unable to do anything about it.

Mr. Pio Roda confirmed Commissioner Rennie's understanding that an approved Development Agreement runs with the land, so if the developer sells the project for some reason, the buyer would be able to pick up the

entitlements. Director Battenberg concurred, adding that Development Agreement Article 7 gives the developer the right to sell, assign or transfer the agreement.

Chair Abero said she considers the project very well-done, much better than the original residential proposal for that site, and something that would bring something of value to the community. She likes the way it looks and stressed that she'd like the developer to proceed with the project as is. However, she said she had some other concerns:

- More landscaping elements should be drought-tolerant
- Understanding that the Phase 3 area will provide open space that gives the project a campus feel until it is developed, it's important to know what the developer would do to replace the open area at that time to retain that friendly feeling

Commissioner Hernandez, said he looks forward to its development.

Inasmuch as the Planning Commission is being asked to make recommendations on several entitlements, **Commissioner Rennie** suggested voting on each of them individually.

Motion to vote separately on each entitlement

Rennie/Fitzsimons: 7 Aye, 0 No

Motion to forward recommendation for approval of the Development Agreement to the City Council with the following amendments:

- A) Remove the residential option from Phase 2 and Phase 3***
- B) Strike the fountain as a required freestanding art object***
- C) Remove a row of 21 parking spaces from the Phase 2 plan in favor of active space, subject to Fire Marshal approval***
- D) If locating public art offsite, increase the developer contribution to at least 2 percent of the construction budget (from 0.5 percent)***
- E) Correct the Impact Fee exhibit designation to Exhibit E (in Article 2)***

Rennie/Collier: 7 Aye, 0 No

Motion to forward recommendation for approval of the Mitigated Negative Declaration to the City Council, amended to:

- A) Reflect Planning Commissioner comments***
- B) Show the project with 7.3 acres***

Fitzsimons/Collier: 7 Aye, 0 No

Motion to forward recommendation to the City Council to approve rezoning the subject site from DA-5(S) Downtown Area, Special Overlay District and PS Public and Semipublic, Special Overlay District to DA-5(S)(PD) Downtown Area, Special Overlay,

***Planned District Overlay District and PS(S)(PD) Public and Semipublic,
Special Overlay, Planned Development Overlay District***

Fitzsimons/Collier: 7 Aye, 0 No

***Motion to forward recommendation to the City Council to approve
the Planned Development and Site Plan Review, subject to the recommended Conditions of
Approval, as amended to:***

***A) Make Condition VI-H consistent with Development Agreement
Section 2.6.3-A, requiring Development Fee for Street Improvements (DFSI)
fee due and payable upon certificate of occupancy
rather than prior to issuance of building permit***

***B) Change Condition III-F to increase the required number of
Transportation Demand Management (TMD) items to
two or more of those listed,***

***And to direct staff to work with the developer to produce a landscaping plan and
plantings(Condition III-C) that create a striking sense of place
and strong identity for the elements of the site that face the BART station***

Fitzsimons/Collier: 7 Aye, 0 No

Item 8A: Miscellaneous

General Plan Conformance Finding concerning the disposition of City-owned rights-of-way contiguous to 1333 Martinez Street; Westlake Development Partners, LLC (applicant). (Penaranda)

Planner Penaranda said the proposed disposition, which is in accordance with the Downtown Plan, would contribute to creating a pedestrian-friendly environment and revitalize the BART station area.

***Motion to find disposition of the specified rights-of-way in conformance
with the San Leandro General Plan and to forward recommendation
to the City Council to approve the disposition thereof***

Collier/Fitzsimons: 7 Aye, 0 No

END OF EXCERPTS