



CITY OF SAN MATEO

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Agenda Report

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TO: Planning Commission
FROM: Zachary Dahl, Interim Director
PREPARED BY: Community Development Department
MEETING DATE: January 23, 2024

SUBJECT:

2 W. 3rd Avenue - Pre-Application Review for a New Office Building (PA-2023-054)

RECOMMENDATION:

Review the proposed project on a preliminary basis, receive public comments, and provide input to the applicant and staff pertaining to the following project elements:

1. Building Design – Overall architectural style, corner treatment, and transition to adjacent buildings; and,
2. Other project aspects that should be considered during the formal Planning Application.

BACKGROUND:

Arc Tec, Inc. (Applicant) has submitted a Pre-Application, PA-2023-054 (Project) to develop the existing vacant parcel at 2 W. 3rd Avenue with a new three-story, 19,989 square-foot office building. As proposed, the project would require a Site Plan and Architectural Review (SPAR) and Site Development Planning Application (SDPA) for construction of a new commercial building and tree removal.

The site's prior use was a gas station, which was demolished in 2014. The Planning Commission has previously considered two applications for this site, including approving a Planning Application (PA-2015-058) on July 25, 2017 for a four-story mixed-use office and residential project, and a Pre-Application (PA-2019-012) on November 12, 2019 with a similar project design without on-site parking. The formal Planning Application was never filed following the Study Session where comments focused on the lack of parking. The project is now eligible for Assembly Bill (AB) 2097 which precludes the City from requiring off-street parking for projects within one-half mile of a major transit stop (Downtown Caltrain Station).

The applicant held a formal Pre-Application neighborhood meeting on November 16, 2023 in which three members of the public attended. The comments expressed at the meeting included opposition to the lack of off-street parking and suggestion for other land uses (public park or retail) instead of office uses. These topics are further discussed in the *Items for Planning Commission Discussion* section of this report. For this Study Session, the Planning Commission should focus its review on the project's building design, and other aspects that should be considered during the formal Planning Application stage, consistent with State law and Zoning Code requirements.

PROJECT DESCRIPTION:

Project Site

The project site is located at the northwest corner of W. 3rd Avenue and S. El Camino Real and has a parcel area of 11,464 square-feet. A gas station formerly occupied the site, which was demolished in 2014. The site was issued a closure letter from San Mateo County Health in 2020 confirming that corrective action on former underground storage tanks was taken. The site has since been maintained as a vacant lot. The site is designated Executive Office/High Density Multi-Family and is zoned E2-2/R5 (Executive Offices, Residential Overlay District – Mixed Use). The site is also located within the Downtown

Area Plan and is approximately one-half mile from the Downtown Caltrain Station.

The project site has three frontages and is adjacent to the following uses:

- North (Arroyo Court): 6-story multi-family residential building (Casa Baywood) zoned R5;
- South (W. 3rd Avenue): Commercial and institutional uses (Bank of America, San Mateo Main Library) zoned E2-2/R5;
- East (S. El Camino Real): Commercial uses zoned CBD (Central Business District); and,
- West: 12-story multi-family residential building zoned R5

A location map showing the project site, its vicinity, and adjacent zoning designations is included as [Attachment 1](#).

Building Design and Site Plan

The proposed project is a three-story office building with a floor area of 19,989 square-feet and total building height of 44 feet, six inches when measured from existing grade to the highest plateline. The architectural style is best characterized as transitional in its use of contemporary building forms, glass corner feature, and aluminum materials. The design also employs traditional elements and materials such as brick veneer, recessed windows, and pilasters. The building design is discussed in greater detail in the *Items for Planning Commission Discussion* section of this report.

The primary lobby entrance is along the project's W. 3rd Avenue/S. El Camino Real corner. Service rooms such as an electrical room, fire control room, and trash room are placed along the project's Arroyo Court frontage. Due to Arroyo Court's width and parking constraints, Public Works and San Mateo Consolidated (SMC) Fire staff have recommended changes to the project site plan to relocate these service rooms to the west property line for direct access from W. 3rd Avenue. SMC Fire indicated that Arroyo Court does not meet current Fire Code standards for use as an Emergency Vehicle Access roadway and would inhibit fire truck access.

Seven protected trees exist on the project site along the western property line. The applicant proposes to remove three of the seven trees, which would require tree replacement, a landscape in-lieu fee, or a combination of both. The project proposes a total of seven new street trees along all three project frontages. Other public realm improvements include a bulb-out at the project's S. El Camino Real and W. 3rd Avenue corner and widened sidewalks along all three frontages achieved through building setbacks and ground-level open space. The western portion of the project site would be gated and includes a walkway with access to other building amenities such as long-term bicycle parking and a rear building entrance. Open space includes a private 1,490 square-foot terrace at the third floor along the west property line. Additional landscaping includes shrubs as well as stormwater treatment areas within the gated area and along W. 3rd Avenue.

The building design and site plan are further discussed in the *Items for Planning Commission Discussion* section of this report. Project plans showing the proposed site plan, floor plans, and exterior elevations are included as [Attachment 2](#).

APPLICABLE CODE AND POLICY REVIEW:

General Plan

The General Plan Land Use Map designates the project site as Executive Offices/High Density Multi-Family. The Executive Office land use category is intended to provide a concentration of medical or professional offices with accessory uses such as restaurants or personal service uses. In addition, the High Density Multi-Family land use category allows high density housing (up to 50 units per acre) along the City's transportation corridors and major streets.

As an all-office project, the project would be consistent with Land Use Element policies LU 1.10 *Commercial Development* and LU 2.10 *Optimize Development Opportunities* by creating an office development at a high intensity in the Downtown and along S. El Camino Real, which are major commercial areas. A preliminary list of General Plan policies applicable to the proposed project is included in [Attachment 3](#).

Zoning Code

The project site is zoned E2-2/R5, which implements the goals of the General Plan by allowing office uses as a permitted

use, while also encouraging residential development as part of a mixed-use development. The E2 (Executive Offices) Zoning District is subject to development standards in Chapter 27.48 of the Municipal Code, including floor area, setbacks, and open space. The /R5 overlay also provides residential density standards in Chapter 27.29 of the Municipal Code. The project site is also within the limits of the Central Parking Improvement District (CPID), which functions as the downtown's parking district. State law, under AB 2097, precludes the City from imposing any off-street parking requirements on projects within one-half mile of a major public transit stop. Since the project is located approximately one-half mile from the Downtown Caltrain Station, it is not required to provide any off-street vehicle parking or pay any parking in-lieu fees.

A project data sheet listing the applicable Zoning Code standards is included in [Attachment 4](#). Staff has evaluated the project plans and finds that the project would substantially comply with all applicable Zoning Code standards, including maximum floor area, maximum building height, and setbacks. As proposed, the total proposed floor area is 19,989 square-feet, which is below the maximum of 22,928 square-feet. In addition, the total building height is 44 feet, six inches, which is less than the maximum 55-foot height limit. Staff provided the applicant a comment letter ([Attachment 5](#)) requesting the project plans be revised for a more comprehensive Zoning Code review in the formal Planning Application, and to incorporate other site plan and design revisions to better meet Fire standards and applicable General Plan policies.

Downtown Area Plan

The project site is located within the City's Downtown Area Plan. The Downtown Plan establishes goals and policies to implement the overall vision of the downtown area. The project site is specifically located in the West El Camino sub-area along the western edge of the Downtown Area Plan's study area. This sub-area provides a transition between residential neighborhoods to the west and the Downtown core to the east. A policy in this sub-area is to enhance pedestrian connections west of El Camino Real to the Downtown, which could be achieved through the project's public realm improvements. Additional discussion on the project's consistency with certain Downtown Plan policies is included in the *Items for Planning Commission Discussion* section of this report.

Pedestrian Master Plan

The City's Pedestrian Master Plan contains recommendations to improve the pedestrian realm throughout the City. Appendix A of the Pedestrian Master Plan provides guidelines for sidewalk designs and types specific to a project's land use and street parking configuration. The applicable sidewalk standard along the project's W. 3rd Avenue and Arroyo Court frontages is A.9 *Retail/Commercial Type C New Development* which recommends an overall sidewalk width of 14-feet minimum. The applicant will be required to demonstrate consistency with the Pedestrian Master Plan in the formal Planning Application stage with more detailed sidewalk sections and plans.

Bicycle Master Plan

The City's Bicycle Master Plan provides policies and recommendations to implement citywide infrastructure improvements to support bicycle use. The Bicycle Master Plan also lays out a proposed bicycle network of various bicycle lanes, paths, and routes. Specific to this project site, the Bicycle Master Plan calls for a separated (Class II) bicycle lane along W. 3rd Avenue. The applicant is not required to design or construct the bicycle lane. Rather, the applicant will be required to demonstrate that the proposed project will not prohibit future installation of the bicycle lane in the formal Planning Application stage.

ITEMS FOR PLANNING COMMISSION DISCUSSION:

Proposed Land Use

As discussed in prior sections of this report, the subject Pre-Application consists solely of office uses, which is a permitted use in the E2 Zoning District. Creation of new office uses is consistent with the purpose of the E2 zone (Municipal Code Section 27.48.010), which is intended to create and maintain professional office uses and allow other accessory uses including restaurant uses and personal services. Additional permitted uses in the E2 zone are listed in Section 27.48.020 of the Municipal Code, which allows the same uses as the E1 District, including health facilities, research laboratories (where no manufacturing occurs), restaurants, and schools. The site also has a residential overlay of /R5 that permits up to 50 units per acre, which would allow for a maximum of 13 units as a base density on this site. The applicant has not incorporated housing or other permitted commercial uses in this current proposal.

At the neighborhood meeting, some community members commented on the proposed office use. For example, one attendee raised concerns regarding the amount of new office space being built in the City and the increasing office vacancy rates. Other attendees also suggested that the site could be used for public open space. Separate from the neighborhood meeting, two written public comments were submitted where one commentor suggested the site be used for housing.

Building Design and Site Plan

As discussed in prior sections of this report, the overall architectural style is transitional in that the design includes both contemporary and traditional elements. The primary façade elements include pilasters, recessed windows, a glass-corner feature, and aluminum canopies at each floor. The primary building materials include stucco at the first level, brick veneer at the upper levels, and aluminum framed windows. The design is mostly continuous in height with the exception of a 25-foot third-floor setback along the west property line. The design incorporates variation in exterior wall materials and textures, and includes an overall neutral color palette consistent with the palette in the surrounding vicinity. The building is articulated vertically primarily through continuous pilasters and two to three-story height windows. To break up the design horizontally, the design incorporates a change in material (stucco to brick veneer) from the base to the upper floors. In addition, wide aluminum canopies are used at the base of the building and uppermost level to break the vertical proportions of the building. The pedestrian level is articulated through recessed windows, canopies, and landscaping. The glass corner feature is stepped-back at the ground level but does not appear to define an entry plaza.

In the Pre-Application comment letter, staff made recommendations to further refine the design and cited various City policies. First, staff recommended that the treatment of the W. 3rd Avenue/S. El Camino Real corner be refined by incorporating a more detailed entry feature and plaza consistent with General Plan Policy UD 1.3 *Gateways* and Downtown Area Plan Policy I.3 *Entryways*. These policies identify the intersection of 3rd Avenue/S. El Camino Real as an opportunity for identifiable entry features to define the gateways to the Downtown. Also, staff recommended the applicant consider integrating the architectural character of existing, adjacent structures consistent with Downtown Area Plan Policy IV.4 *Downtown Historic Character*. While this site is outside of the Downtown Historic District, adjacent buildings including Casa Baywood have a distinct revival character. Other adjacent buildings, including the adjacent multi-family building and City's Main Library, have more contemporary character. Lastly, two recently developed mixed-use buildings (retail and office uses) across S. El Camino Real also have a transitional character.

To guide the project's design before the formal Planning Application submittal, staff is seeking Planning Commission input on the overall style, corner treatment, and transition to adjacent buildings. The Commission can also identify other design revisions to improve the overall design and how the building fits into the larger Downtown context. When evaluating the proposed building design, staff recommends that the Planning Commission consider the following questions:

1. Is the proposed architectural style appropriate for the surrounding vicinity? Should a different architectural style and/or other elements be considered?
2. What design treatments should the applicant consider to improve the design of the building's W. 3rd Avenue/S. El Camino Real corner? This could include, but is not limited to, changes in building height, massing, and/or materials.

PUBLIC COMMENTS:

The applicant held a formal Pre-Application neighborhood meeting on November 16, 2023. The applicant's summary of the neighborhood meeting is included as [Attachment 6](#). The comments expressed during the meeting included opposition to the proposed office use, recommendation to use the site as a public park or retail uses, and concern about the lack of off-street parking.

Public comments submitted to staff during the Pre-Application review are included in [Attachment 7](#). A total of two written public comments have been submitted to-date, which encourage provision of housing instead of office uses and express a concern about the lack of off-street parking. Any public comments received after publication of this report will be forwarded to the Planning Commission for consideration at the study session and posted to this item on [the City's Agendas & Minutes Public Meeting Portal](#) as "Post Packet Public Comments."

BUDGET IMPACT:

This project would be subject to several impact and in-lieu fees, which are generally assessed and collected prior to the issuance of building permits or occupancy:

- Commercial Linkage Fee
- Child Care Development Fee
- Transportation Improvement Fee
- Wastewater Treatment Plant Phase II Impact Fee
- South Trunk Area Sewer Improvement Fee
- School Impact Fees
- Landscape Unit In-Lieu Fee

Additional information about these impact fees and the amount that this project would be assessed for each one will be provided in the agenda report for the project's when it is scheduled for formal review by the Planning Commission.

ENVIRONMENTAL DETERMINATION:

In accordance with Public Resources Code Section 21065, the review of a pre-application is not a project under the California Environmental Quality Act (CEQA) because the Planning Commission is not taking any action at this time. An environmental review will be conducted as part of the formal planning application in conformance with CEQA.

NEXT STEPS:

Following this Study Session, the applicant may further refine the project based on the comments and input provided by staff, the public, and the Planning Commission. Once a formal application is submitted, it would be subject to Planning Commission approval for the following entitlements through a public hearing process:

1. Site Plan and Architectural Review (SPAR) for the construction of a new commercial building; and
2. Site Development Planning Application (SDPA) for the removal of trees greater than six inches in diameter.

Sample Findings of Approval for the above Planning Application types are included in [Attachment 8](#). Any action taken by the Planning Commission could be appealed to the City Council.

NOTICE PROVIDED:

In accordance with Government Code section 65091 and the City's Municipal Code public noticing requirements, this Study Session was noticed to the following parties at least ten (10) days in advance of the neighborhood meeting and Planning Commission meeting:

- Property owners, residential tenants, and business tenants within 1,000 feet of the project site;
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects;
- The City's Planning "Notify Me" email list; and,
- The interested parties list which includes interested individuals who contacted the City and requested to be added to the project notification list.

ATTACHMENTS

Att 1 – Location Map

Att 2 – Project Plans

Att 3 – Applicable General Plan Elements and Policies

Att 4 – Project Data Sheet

Att 5 – Pre-Application Comment Letter

Att 6 – Neighborhood Meeting Summary

Att 7 – Public Comments

Att 8 – Sample Findings of Approval

STAFF CONTACT

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