

**From:** Richard Draeger [REDACTED]  
**Sent:** Monday, November 14, 2022 4:51 PM  
**To:** Planning Commission <PlanningCommission@cityofsanmateo.org>  
**Subject:** Lane Project at 222 E. Fourth Ave

Dear City Council and Planning Commission Members,

The purpose of this letter is to provide support for Lane Partners' proposed mixed-use project on our existing Draeger's Market site in the Downtown. We have been working on the design and operational details of the retail area alongside the project team for the past 2 years. The layout will be able to accommodate a full-service grocer and is similar in size to our Los Altos location. It will be able to provide the quality offerings that the San Mateo community desires. In addition, we believe the community plaza area on the corner of 4th and Ellsworth will create an enjoyable experience and natural community gathering spot for customers, Downtown residents and visitors. While I recognize the concern expressed by some residents at the downsizing of the existing store, the size of the retail space within the proposed project is large enough to accommodate a practical grocery store and the design has been tailored specifically to achieve this outcome.

In conclusion, I fully support the proposed project and look forward to seeing it approved after all these years.

Regards,

*Richard A. Draeger*

Draeger's Super Markets, Inc.

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t [REDACTED]

**From:** Eric Sundstrom [REDACTED]  
**Sent:** Tuesday, November 15, 2022 4:00 PM  
**To:** Wendy Lao <wlao@cityofsanmateo.org>; Planning Commission <PlanningCommission@cityofsanmateo.org>; Marcus Gilmour <marcus@lane-partners.com>  
**Subject:** Re: Draeger's redevelopment public comment

Regarding restrictive covenants, here is an article describing a similar situation in Palo Alto:

<https://www.paloaltoonline.com/news/2020/11/09/family-owned-grocery-store-seeks-to-set-up-shop-at-college-terrace-centre>

In this case the JJ&F Market on El Camino Real was redeveloped, with the covenant ensuring a grocery store remains in the space despite multiple changes in tenancy. For the Draeger's development the location is already a prime location for a grocer with ample parking and foot traffic, so there should be minimal risk to the developer in adopting such a covenant.

Regards,

Eric

On Tue, Nov 15, 2022 at 3:44 PM Eric Sundstrom [REDACTED] wrote:  
To the San Mateo Planning Commission,

I am writing in regards to the proposed redevelopment of the Draeger's Market at 222 E. 4th Avenue.

This project will reduce retail square footage from 59k to 17k square feet for a site at the heart of the downtown retail core. In addition, the applicant is requesting a variance to reduce required retail frontage from 75% to 47% on B Street, 4th Avenue, and Ellsworth. As a result, the B Street frontage - San Mateo's signature shopping street - consists primarily of a blank wall fronting the parking garage. The continual elimination of retail space across downtown will only serve to drive up retail rents on balance, driving out the independent small businesses we cherish.

In exchange, the applicant offers a public plaza and 10 units of affordable housing. These 10 units are a drop in the bucket for a project that will likely employ 300-500 people in 100k square feet of office space. Directly across the street, the developers of 445 South B Street are proposing full retail frontage along B, alongside 60 units of affordable housing. Overall, the benefits provided here do not match the impact on our jobs / housing imbalance, alongside the impacts of 3 years of construction during which downtown will have no full service grocery store.

While not every project can balance jobs and housing, this project should only be approved if the developer provides a meaningful contribution to the vibrancy of our downtown retail core. This could potentially include contributions towards the B Street pedestrian mall conversion, an enhanced retail environment on the B Street frontage, and/or a restrictive covenant to ensure the grocery space remains a full-service grocery in perpetuity.

Regards,

Eric Sundstrom

San Mateo, CA

**From:** Lisa Taner [REDACTED]  
**Sent:** Wednesday, November 16, 2022 11:12 AM  
**To:** Christina Horrisberger <[chorrisberger@cityofsanmateo.org](mailto:chorrisberger@cityofsanmateo.org)>  
**Cc:** Laurie Hietter [REDACTED]; Drew Corbett <[dcorbett@cityofsanmateo.org](mailto:dcorbett@cityofsanmateo.org)>; Prasanna Rasiah <[prasiah@cityofsanmateo.org](mailto:prasiah@cityofsanmateo.org)>  
**Subject:** Re: Please Postpone Draeger's Meeting

Hi Christina,

I concur with Ms. Hietter that the Thursday special meeting should be postponed. Aside from having access to a second San Mateo grocery store removed (possibly forever or a very long while - placing MORE residents in vehicles to obtain foodstuffs,,) which should be discussed in great detail with residents, there is the matter of Planning Commissioner Nugent presiding over *anything* at the moment due to the current investigation of his misdemeanor case by the District Attorney's office.

Thank you,

Lisa Taner

On Wed, Nov 16, 2022 at 8:36 AM Laurie Hietter [REDACTED] wrote:  
Dear Ms. Horrisberger,

The staff report for the Draeger's project was posted at 7 pm on Monday, exactly 72 hours before the Thursday special Planning Commission meeting. I was dismayed to see that the packet contains 1,204 pages, including the CEQA document for the project.

My concern is that the Planning Commission will not have time to read and absorb all of the documents prior to making a decision to approve the subject documents. It is also an unreasonable burden on the public to have so little time to review and formulate comments on the documents.

I request that you postpone the meeting.

I am also concerned about Adam Nugent sitting on the Planning Commission when he has displayed such appalling bad judgment by removing Rob Newsom campaign signs, remaining silent about it for a week, and then making a series of excuses for his illegal behavior. We, and many other city residents, have requested that the City Council remove Adam Nugent from the Planning Commission.

I respectfully request your response.

Sincerely,

Laurie Hietter

**From:** Laurie Hietter [REDACTED]  
**Sent:** Thursday, November 17, 2022 3:38 PM  
**To:** Christina Horrisberger <chorrisberger@cityofsanmateo.org>; Planning Commission <PlanningCommission@cityofsanmateo.org>  
**Subject:** Comments on the 222 E. 4th Ave. Draeger's Market Project

Hi,

Please see my comments on the proposed project at 222E. 4th Ave. (Draeger's Market). I have also enclosed my summary of the cumulative projects gleaned from the city's website, upon which I base many of my comments. Please do revise it if I have numbers in error (I know some have changed a little bit).

Please forward these comments to your planner. The city website seems to be stuck so I can't look it up.

Also, I hope that the Planning Commission will follow the City Council's approach of asking for Zoom participants to raise their hands at the beginning so we don't have the last-minute out-of-town callers trying to even out the numbers.

Thank you.

Best,

Laurie

## COMMENTS ON 222 E. 4<sup>TH</sup> AVENUE (DRAEGER'S MARKET)

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Key comments on the proposed project:

1. **Jobs/Housing Imbalance.** The project adds to a jobs/housing imbalance and should include more housing.
2. **Loss of Downtown Grocery.** The loss of Draeger's Market would be a substantial hardship to seniors and others who rely on the only downtown market. Even the loss of Draeger's for the ~2 year construction period would be a hardship for downtown.
3. **Too Much Office Space.** There is over 132,000 square feet of available office space downtown, not counting the 260,000 square feet of approved office space for the Trag's site, 180 E. 3<sup>rd</sup>, and 500 E. 3<sup>rd</sup>. There is another about 600,000 square feet pending.
4. **Inadequate Cumulative Impact Analysis.** The CEQA Addendum and supporting documents do not adequately identify the cumulative impact scenarios and compare them to the General Plan and the Downtown Plan.
5. **Design.** The design of the project is not compatible.
6. **The CEQA Addendum is Inadequate.** The assumptions for population are overstated given the 10 units are studio and one bedroom. The estimate of employees per 1,000 square feet of office space is high. Most tech firms now use 150-200 square feet, which means the number of employees, traffic trips and parking needs are undercounted. The Addendum does not provide assumptions for cumulative projects, which underestimates the impacts related to Air Quality, Noise, Traffic and Parking.
7. **The Short Review Period is Inadequate.** Three days to review the staff report of over 1,200 pages is inadequate for the public. Please provide the environmental document links on the "What's Happening in Development" page.

## OFFICE VS. HOUSING

This project has a substantial jobs/housing imbalance. The building should include additional housing.

In 2021, the planning commissioners were quoted in the Daily Journal (September 17, 2021):

"I don't want to necessarily say no to office development per se, but again the jobs-housing imbalance is the elephant in the room when we are looking at this proposal," Commissioner Adam Nugent said at a Sept. 14 meeting to discuss the proposed development.

"We did not get into this housing crisis from one developer building 10 million square feet of office space. We got into this crisis by a thousand paper cuts. Repeated decisions to approve office projects without a plan for how we were going to provide the full amount of accompanied residential space that would be needed to serve those workers," Patel said.

Commissioner John Ebner suggested more units in the proposal to address growing housing needs in San Mateo and to meet the city's downtown plan calling for higher density.

Vice Chair Margaret Williams appreciated Draeger's filling the needs for San Mateo residents and wanted to see it stay. She also was concerned about the job to housing imbalance and wanted to see about another floor of housing.

What happened? Did the applicant revise the project to reflect the comments of the Planning Commission?

The addition of 10 below market rate housing units is a benefit to downtown San Mateo. The project would include 104,550 square feet of office space and 17,000 square feet of retail, with 9,000 square feet of housing. The proposed project, however, would add to the jobs/housing imbalance in downtown San Mateo. This project is one of nine downtown projects with a significant jobs/housing imbalance. There are 13 proposed and approved downtown projects with over 850,000 square feet of office space proposed and only 737 housing units. The parking imbalance is significant.

The project should provide more housing and less office space because there is substantial unleased office space downtown.

**Unleased Existing Office Space Downtown as of November 2022**

520 S. El Camino Real    34,705 square feet

16 E. 3<sup>rd</sup> Ave                      7,204

60 E. 3<sup>rd</sup> Ave.                      46,524

180 E. 3<sup>rd</sup>/300 S. Ellsworth    26,495

401-403 E. 3<sup>rd</sup> Ave.                11,968

195 E. 4<sup>th</sup> Ave.                      9,532

343-345 S. B Street                29,402

201 S. B St.                          12,320

132,483 square feet available

The city is tasked with meeting our Regional Housing Needs Allocation. Adding excess office space does not help San Mateo meet the RHNA requirements.

The project will greatly exacerbate the parking problem downtown. It is disappointing that Ellsworth and B Street will not have any retail.

## **LOSS OF DRAEGER'S**

The loss of Draeger's would be huge. Is this the right place for a project?

The project means that the city will be without a full grocery store, after losing Trag's, for the 20+ month construction period. Who knows how long the construction will last in this economic environment? This is a hardship for local residents and the entire community who rely on Draeger's.

Draeger's is also a tourist attraction with busloads of visitors. Has the city considered the loss of this attraction?

Please consider providing a temporary location for the aspects of Draeger's that are not available downtown, such as the meat and fish, bakery, hot food, wine department, cookware and gifts, etc.

## **NEED FOR CUMULATIVE IMPACT ANALYSIS OF DOWNTOWN PROJECTS**

The City has approved seven substantial projects downtown, with nine additional projects that are coming up. Please provide the community with an estimated timeline for the construction of all of these projects and prepare an accompanying cumulative impact analysis, especially related to traffic, air quality, noise, and parking.

Downtown will be a construction nightmare of noise, traffic, dust, and toxic air contaminants.

## **COMMENTS ON DESIGN**

We agree with the comments of the Cannon Design Group and request that their recommendations be followed. The building style and articulation does not blend well with existing buildings. The box on box style is not compatible with downtown.

Did Cannon have access to and/or review the other approved and proposed downtown projects. We suggest that they review and comment on those projects as well.

## **COMMENTS ON EIR ADDENDUM**

### **Project Description**

p. 10, para. 1: What will the diesel generator supply? Is it for the retail, office or residential uses, or all of the uses? Will diesel be stored on site? Where and how much? How often will the unit be tested and have emissions? How will the emissions be vented from the garage?

### Site Access and Parking

p. 10, para. 3: The parking is inadequate and the removal of 22 on-street parking spaces further compounds the downtown parking problem. The office uses alone will bring 600 people to the site, not counting retail employees and residents, and provide only 226 parking spaces. There is no parking allocated for residents. The project should provide more parking.

p. 10, para. 4: The 38 bicycle spaces are inadequate for the 700 office workers and 10 residential units, especially with the inadequate parking.

### Construction

p. 20, last para.: The Addendum says construction will last 20 months but the ECORP greenhouse gas emissions analysis states that construction will take place over 3 years. Please clarify and resolve. Revised affected analyses if the construction would last more than 20 months.

p. 29, **Impact AES-3**: Please reference that the height of 75 feet allowed by AB1763 is not consistent with the community supported Measure Y, which limits mixed-use building height to 55 feet.

### Air Quality

p. 47-49, Cumulative Community Health Risk Impacts: The cumulative health risk analysis should include the construction of the multiple other downtown buildings approved and proposed office and mixed-use projects, such as Block 21, Block 20, 435 E. 3<sup>rd</sup> Ave., 445 S. B Street, and 616 S. B Street.

The City has approved seven projects that are in or nearing construction downtown with nine more under review. This is unprecedented development occurring in a very small area downtown. The cumulative impacts must be thoroughly addressed for air quality, traffic, and noise. Only when there is a complete picture of what is construction is occurring downtown in the next few years can we really understand the cumulative impacts. Please conduct this analysis.

AIR QUALITY, bullet 1: *All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.*

This measure is specified by the BAAQMD but may not be appropriate in this case. The measure is general and should be tied to the moisture conditions and wind speeds at the site. It may not be necessary to water two times per day if there has been a recent rain event. Please revise to be more instructive (e.g., water if the soil is dry and there is a visible dust plume).

### Cultural Resources

p. 61, para. 1, last sentence: Cultural resources include resources listed in, or determined to be eligible for listing in, the National Register



## Energy

p. 70 and 71: It seem odd that Draeger's uses 2.4 million kilowatt-hours (kWh) of electricity per year and 2.4 million kilo-Btu of natural gas per year. Are these numbers correct?

p. 73, para 1: The project will increase electric use by 143 billion net new kilowatt-hours of electricity per year. That seems like a significant use of energy. Is it really billion?

Will there be cooking facilities at the new grocery store or restaurant? Will natural gas stoves be allowed? If not, will this building then preclude a restaurant at the ground floor because natural gas is not available for cooking?

The ECORP greenhouse gas analysis state that there would be a net reduction in GHGs, yet says that the energy use will increase by 143 billion new kilowatt hours. Please reconcile this apparent discrepancy.

## Noise

Condition of Approval NOI-4.13.3-1 should adequately reduce the noise in the proposed units.

The cumulative noise during construction does not seem to be adequately addressed. Please provide assumptions for the cumulative noise analysis.

## Population and Housing

p. 140, last para.: The estimate of 2.59 persons per household may not be appropriate for the 20 units that are studio and one bedroom. Similarly, 300 square feet per employee or job is high for technology jobs and therefore understate the number of people, traffic trips, and necessary parking.

## Public Services

p. 143, City of San Mateo Parkland Dedication/Fees: Please provide the appropriate information from the cited Chapter 26.64. In Section 13.05.070 of the Municipal Code.

The City is once again "kicking the can down the road" by allowing the developer to pay a park impact fee (SMMC Section 13.05.070) or a fee in lieu of dedication of lands for park and recreation purposes (park in-lieu fee) (SMMC Chapter 26.64). This practice is now amounting to illegal deferred mitigation because the city is deficient in park and open space and has allowed multiple downtown buildings to pay the in-lieu fee.

What is the city's plan for increasing the park land to meet the city goal?

## Traffic

Thank you for including LOS as a non-CEQA topic.

General Plan Policy C 2.1 says:

Maintain a Level of Service no worse than mid LOS D, average delay of 45.0 seconds, as the acceptable Level of Service for all intersections within the City.

p. 158:

“New developments within the boundaries of the Downtown Specific Planning Area are recommended to prepare a TDM plan that encourages a 25 percent trip reduction below project trip generation numbers for the site proposed for development. Additionally, proposed developments in the Downtown Area would be recommended to participate in the Transportation Management Association (TMA) for the Downtown Area if established in the future, as well as submitting a trip reduction and parking management plan, and preparing an annual monitoring plan.”

This discussion of the Traffic Demand Management Plan seems to be all hypothetical. This Plan should be included in the environmental document to understand the actual impacts of the project.

Did the General Plan and Downtown IS/MND actually consider nine projects under construction at once?

The Traffic section and the Transportation Impact Analysis do not provide the assumptions used for considering the traffic impacts. How many additional downtown projects were considered for the different scenarios. It is hard to believe that will an additional 5,000+ people downtown (assuming all projects are built and not including all new residents), the traffic analysis truly represents the cumulative scenario (see attached spreadsheet for downtown development, based on the city's What's Happening in Development webpage.

Please provide the assumptions for the number of people and the number of cars the new projects will generate, and then revise the traffic and parking analyses.

## **Mandatory Findings of Significance**

### **2. Cumulative Impacts**

The cumulative impacts analyses are not adequate because they do not include the proposed and approved projects that could occur at the same time as the proposed Draeger's project. Please provide an analysis of the projects likely to occur at the same time, the cumulative impacts related to air quality, traffic, public services, noise, and other appropriate sections.

Did the General Plan EIR and the Downtown Specific Plan consider the simultaneous construction of nine or more downtown projects? The impact is not the same as the approved project.

DOWNTOWN SAN MATEO DEVELOPMENT																
Hietter 11.17.22																
		Picture	Borders	Full Block?	Developer	Retail	Office	Office People	Housing Units		Stories	Parking*		Site (sq ft)	Style	
	Built								Total	sq ft	BMR		Commercial	Residential		
1	405 E. 4th Ave.	V	4th Ave. Caltrain, Claremont	Partial	Windy Hill		63,000	352				4	80		22,216	Modern Glass Brick Box
2	406 E. 3rd Ave.*		3rd Ave. Caltrain, Claremont	Partial	Windy Hill							4				
Under Construction																
3	303 Baldwin--Trag's	V	Baldwin, S. Ellsworth, B St.	Y	Prometheus	19,952	60,664	347	64			4 to 5	286		40,946	Modern Glass Box
4	480 E. 4th Kiku Crossing	V	4th, 5th, Claremont, RR	Y	MidPen Hous	0		0	225		225	7			50,587	
5	400 E. 5th 5th Ave Gara	V	5th, RR	N	City	0		0				5	526	164	54,471	
6	200 Fremont*		Fremont, 2nd, El Dorado	Partial	?	0										Mediterranean
8	180 E. 3rd Ave. Aaron B	V	3rd, Ellsworth	N	Lane Partners	3,380	19,608	112				3	0			Nod to history
Approved																
7	500 E. 3rd Ave. Block 2	V	E. 3rd Avenue, S. Delaware Street, E 4th Avenue, and S. Claremont Street	Y	Windy Hill		179,560	1026	111		12	6	402			Modern Glass Box
9	1 Hayward	V	Hayward, El Camino	N	One Hayward	0	5,453	31	18		2	4	22		12,632	Modern Glass Box
Under Review																
10	616 S. B St. TAP	V	B St, 6th, 7th	Partial	Nazareth		6,919	40	48		5	6	34	57		Modern Glass Concrete
11	477 9th/Claremont	V	S. Claremont, 9th	Partial	Martin Group		28,100	161	120		12	5	48	120		Modern Brick Glass
12	435 E. 3rd Ave.	V	3rd S. Claremont	Partial	Windy Hill		33,529	192	5		1	5	0	0	11,035	Modern Glass Box
13	222 E. 4th Ave. Draeger	V	4th, 5th, B St, Ellsworth	Y	Lane Partners	17,660	104,550	597		9000	10	5	75 f	221	0	49,478
14	445 S. B St. Talbots Ton	V	4th, 5th, B St, RR	Y	Bespoke		156,000	891	60		60	7 and 5	138	0		Modern Glass Box
15	222 Fremont*		Fremont, 3rd, Eldorado	Partial	Wall St. Prop				40	52,514		5			25,327	Mediterranean
Pre-Application																
16	500 E. 4th Ave. Block 2	V	E. 4th Avenue, S. Claremont Street, E. 5th Avenue, and S. Delaware Street	Y	Windy Hill	0	142,046	812	86		9	6	226	43	50,530	Contemporary traditional (arches, trim, eaves)
17	31-57 S. B St. Donut De	V	B St., 1st Ave.	Y	Harvest	7,185	29,662	169	0		0	4	0		16,117	Modern Glass Concrete
18	500 S. El Camino Real	V	El Camino at 5th	N	Westlake	0	27,241	156	0		0	3				
Totals						48,177	856,332	4,885	777		336		1,983	384		
													2,367	total		
		Borders	Full Block	Developer	Retail	Office	People	Housing	sq ft	Units	Stories	Parking		Site (sq ft)	Style	
										BMR		Commercial	Residential			
*Parking shown under commercial if not specified																
**IS/MND says 111 employees																
***https://news.theregistrysf.com/commercial-office-building-totaling-nearly-41800-sqft-planned-for-downtown-san-mateo-%EF%BF%BC/																
According to the California Department of Finance, the City of San Mateo had approximately 42,034 residential dwelling units as of January 1, 2021, the most recent data available.1																