



CITY OF SAN MATEO

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Agenda Report

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TO: Planning Commission
FROM: Christina Horrisberger
PREPARED BY: Community Development Department
MEETING DATE: September 14, 2021

SUBJECT:

Pre-Application Review for a Proposed Five-Story Mixed-Use Building at 222 E. 4th Avenue (Draeger's Grocery)

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. Site Plan Design – the configuration of the site, including the proposed street loading zone for the grocery store and separated bike lane along B Street.
2. Building Design – the architectural design, building materials, and compatibility with the Downtown Retail Core.

BACKGROUND:

The project applicant, Lane Partners, has submitted a pre-application (PA-2020-025) to request the demolition of an existing two-story building, Draeger's Grocery Store, and to construct a 153,047 square-foot, five-story mixed-use building. The proposed project includes retail for a grocery store on the ground floor; offices on the second, third, and fourth floors; and ten below-market-rate residential units on the fifth floor. The proposed project also includes 239 parking spaces located on the ground floor and in two levels below grade. This report will describe the project's location, building program, and the applicable codes and policies. This report will also discuss three project elements in particular on which staff requests Planning Commission input.

PROJECT DESCRIPTION:

Project Site

The project site is bounded by E. 4th Avenue to the north, S. B Street to the east, E. 5th Avenue to the south, and S. Ellsworth Avenue to the west. The project site consists of four parcels totaling approximately 49,478 square-feet or 1.135 acre. A grocery store use with both at-grade and below-grade parking currently occupies the site. The San Mateo Downtown Caltrain Station is located approximately one-quarter of a mile north of the project site.

The project site is zoned CBD/R (Central Business District/Residential Mixed-Use Overlay) and is designated as Downtown Retail Core in the General Plan Land Use Plan. The project site is also located in the Downtown Retail Core Sub-Area, and the E. 4th Avenue, S. B Street, and S. Ellsworth Avenue frontages are located within the Required Retail Frontage Zones. The northern half of the project site is located within the Central Parking Improvement District (CPID) Limited Parking Zone (LPZ). A location map showing the project site's vicinity is included as Attachment 3.

Building Program and Site Plan

The proposed building consists of 17,658 square feet of retail uses, 104,755 square feet of office uses, and ten residential units all of which would be designated as below market rate at the low-income level. The proposed building would also include a grocery store use with a pedestrian entrance along E. 4th Avenue. The office entrance and residential entrance are proposed along S. Ellsworth Avenue and S. B Street respectively. The entrance to the parking garage, which serves the

retail and office uses, is proposed along E. 5th Avenue. The project is not proposing any off-street parking for the residential uses. The project also proposes two outdoor terraces on the third floor, two terraces on the fourth floor, and a roof deck for the residences. An outdoor seating plaza is proposed at the corner of Ellsworth Avenue and E. 4th Avenue as well.

The building design incorporates traditional building elements such as brick siding and fabric awnings. The building design also includes building materials typically associated with contemporary design such as wood and metal window systems; metal, wood or glass canopies; glass guardrails; as well as living and aluminum paneled walls. The project plans showing the proposed site plan, architectural design and other improvements are included as [Attachment 1](#).

Applicable Code and Policy Review

General Plan

The General Plan Land Use Plan designates the project site as Downtown Retail Core. The General Plan's Land Use Element includes a policy that encourages optimizing the development potential of property within the Downtown Retail Core. The General Plan also sets forth standards for building heights, intensities, and land uses. The project's maximum building height is 55 feet to 75 feet, based on provisions of community contributions and outstanding building design. The project proposes a building height of 72 feet. This height increase above the 55 foot base height without community contributions is permitted because AB 1763 allows a height increase of up to 3 additional stories or 33 feet for projects that dedicate 100% of the residential units to households at the low income level and if it is located within a half-mile of a major transit stop; which this project complies with. A preliminary list of applicable General Plan policies is provided in [Attachment 4](#).

Zoning Code

The project site is zoned CBD/R (Central Business District/Residential Mixed-Use Overlay), which provides development standards such as floor area ratio, required retail frontages, and loading zone requirements. Further discussion of the loading zone requirements is provided below in the *Parking and Loading* section of this report.

The maximum allowable floor area ratio is 3.0 and the project proposes a slightly larger floor area ratio of 3.1. The larger floor area ratio may be permitted as a density bonus waiver as requested by the applicant. The minimum required open space is 1,477 square feet, and the project proposes a larger open space of 2,070 square feet. The minimum amount of common usable open space for residents is 1,200 square feet, and the project proposes a larger residential open space on the roof deck of 1,515 square feet. For a mixed-use project of this size, a minimum of 15 short-term bicycle parking spaces and 21 long-term bicycle parking spaces are required, which the project will provide.

A list of proposed and required Zoning Code standards are detailed in the Project Data Sheet included in [Attachment 5](#). A complete list of density bonus incentive and waiver requests are found in [Attachment 6](#). The applicant is expected to provide more detail upon filing of the formal planning application, which will subsequently be reviewed for conformance with applicable Zoning Code requirements.

State Density Bonus Law

California Government Code Section 65915 outlines density bonus standards for residential and mixed-use projects that include certain percentages of below-market-rate housing units. Of the 10 residential units, the applicant proposes to designate all 10 of the residential units (100%) as affordable at the low-income level (80% area median income), which would exceed the City's Below Market Rate (BMR) Inclusionary requirements (SMMC 27.15.020), which are 15% to the lower income category for rental units. The provision of 100% of the units at the low-income level and location within a half-mile of public transit makes the project eligible for a density bonus request, reduced parking standards, waivers, as well as four incentives or concessions. In addition, the project is eligible for a height increase of 33 feet or 3 stories, as noted above.

At this time, the applicant has requested two incentives and four waivers as outlined in the project's density bonus request letter, included as [Attachment 6](#). The first incentive request is a reduction in the minimum required retail frontage. A minimum of 75% retail frontage is required along E. 4th Avenue, S. B Street, and S. Ellsworth Avenue each. While E. 4th

Avenue exceeds the minimum 75% retail requirement due to the proposed grocery store, S. B Street and S. Ellsworth Avenue would each provide only 47% retail frontage. The remainder of S. B Street would consist of the grade level of the parking garage, the residential lobby entrance, and other shared entrances to the building including the parking garage. The remainder of S. Ellsworth Avenue would consist of the office lobby entrance and associated accessory rooms for bike storage, trash, and transformer. In the density bonus request letter, the applicant has noted this incentive would result in project cost reductions that would help offset the costs of providing affordable housing units.

The second incentive request is to reduce the quantity of street trees along S. B Street. Street trees are required to be planted along public streets typically at a maximum spacing of 30 feet. The project proposes to remove all 39 street trees, to be replaced with 45 new trees. However, street trees are not proposed along S. B Street, due to the proposed street loading zone and separated bicycle lane configuration. In the density bonus request letter, the applicant has noted that this development standard would physically preclude construction of the project.

The first waiver request is to exceed the building bulk standards, which for portions of the building above 55 feet height is a maximum of 150 lineal feet and a maximum diagonal dimension of 170 lineal feet. The proposed building's fourth floor exceeds 55 feet in height and would have 197'-6" lineal feet along S. B Street and S. Ellsworth Avenue and a diagonal dimension of 256'-7". The second waiver request is a reduction in the minimum 75% build-to line requirement along S. Ellsworth Avenue. 70% of the building frontage would be built to the property line to provide a larger public plaza in this area. The third waiver request is a reduction in the sidewalk width dimensions along S. B Street, and the fourth waiver request is a reduction in street trees along S. B Street. Further discussion of the waiver request for the reduction in sidewalk width and reduction in street trees is provided below in the *Pedestrian Master Plan* section of this report.

Upon filing of the formal planning application, the project and its density bonus request letter will be evaluated in greater detail. Further discussion of this request is provided below in the *Items for Planning Commission Discussion* section of this report.

Parking & Loading

The project requires three on-site loading zones of 10' x 25' each based on the proposed uses. The applicant is requesting a density bonus waiver to be exempt from the on-site loading requirement and instead proposes to locate the loading zone in the City's right-of-way on the S. B Street frontage. While the request to eliminate on-site loading may be granted through a density bonus waiver, the request for the street loading zone in the public right-of-way may be permitted if Planning Commission approves the Site Plan and Architectural Review (SPAR) during the formal application stage.

The proposed site plan and street improvements would result in the loss of 14 publicly available metered parking spaces along the street. The applicant is expected to provide more information on its site plan including the total number of metered parking spaces during the formal application stage.

The Zoning Code allows new projects located within the CPID to fund a project-specific parking demand study to determine the amount of off-street parking spaces required, as an alternative to meeting the parking ratios provided in the Zoning Code. The applicant has requested a parking demand study, which will be commissioned during the formal application stage. The applicant has also indicated the intent to request valet parking, which, per the Zoning Code, is permitted with a SUP for up to a maximum of 50% of the required spaces. The applicant is expected to provide more information on its proposed valet parking system during the formal application stage once the parking demand study findings have been confirmed.

The project does not provide parking spaces for the 10 residential units, as residential parking spaces are not required for projects which provide 100% affordable units that are located within a half-mile of a major transit stop in accordance to AB 2345.

Bicycle Master Plan

Adopted in April of 2020, 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 bicycle network of various

bicycle lanes, paths, and routes.

Along the project's E. 5th Avenue frontage, the Bicycle Master Plan proposes a buffered bicycle lane (Class II) along 5th Avenue, which the project plans are consistent with. The Bicycle Master Plan also includes a separated bicycle lane (Class IV) along the project's S. B Street frontage, which generally includes a physical buffer to reduce conflict between bicycles and motorized vehicles. The Bicycle Master Plan shows the Class IV bicycle facility separated bicycle lane extending between the Downtown Caltrain Station to the north and the intersection of S. B Street and E. 5th Avenue to the south. The facility would transition from a separated bicycle lane to a Class II buffered bicycle lane south of the project site.

The applicant has provided a conceptual design for two blocks along S. B Street from 3rd Avenue to E. 5th Avenue to illustrate the physically separated bicycle lane located between the proposed street loading zone and sidewalk adjacent to the project site. The applicant has agreed to construct the Class IV facility on S. B Street from E. 4th Avenue to E. 5th Avenue in both the northbound and southbound directions. The northbound facility (east side of S. B Street) is proposed to be constructed as a temporary facility, while the southbound facility directly adjacent to the project frontage on the west side of S. B Street would be constructed using permanent materials. As proposed, delivery drivers who park in the street loading zone would be able to across the bicycle lane to access the grocery store and deliver goods. The conceptual design is included as [Attachment 2](#). Upon submittal of the formal application, staff will evaluate the proposed conceptual design to confirm that the appropriate safety requirements have been provided.

Pedestrian Master Plan

The Citywide Pedestrian Master Plan, adopted in 2012, contains recommendations to improve the pedestrian realm throughout the City. The project's street frontages are consistent with the Pedestrian Master Plan's sidewalk guidelines, with the exception of the S. B Street frontage. The Pedestrian Master Plan's *A.10 Sidewalk Standards – Mixed Use Type B* requires the S. B Street frontage to provide an overall sidewalk width between 16' to 26', inclusive of an 8' to 10' through zone, a 4' to 6' planter/furniture zone, a 6" curb, and flexibility for the frontage zone. The project proposes an overall sidewalk width of 9', which is narrower than the required 12'-6" width, with curb extensions located at both the E. 4th Avenue and E. 5th Avenue intersections. The applicant has requested the reduced sidewalk width primarily to accommodate the proposed street loading zone for the grocery store. As discussed above, street trees are also not included in the sidewalk design. The request of a reduction in sidewalk width may be permitted as a density bonus waiver as requested by the applicant.

Design Review

The City's design review consultant, Larry Cannon of Cannon Design Group, completed a preliminary design review of an initial submittal of the proposed design. Larry Cannon's design review letter is included as [Attachment 7](#). Since reviewing this letter, the applicant has modified the building design in response to the comments. The updated design will be reviewed by Larry Cannon during the formal application stage for consistency with the Downtown Retail Core Design Guidelines, Multi-Family Design Guidelines, General Plan Urban Design Element, and to address any Planning Commission comments.

ITEMS FOR PLANNING COMMISSION DISCUSSION:

Loading Zone for Grocery Store & Bicycle Lane

A 36,000 square foot grocery store currently exists on the project site, and would be replaced by a smaller, 17,658 square foot grocery store within the proposed building. Given that the existing grocery store is the only full-service grocery store of its scale in downtown, there is an interest in retaining a grocery store at the project site.

A grocery store use requires frequent daily deliveries and thus, adequate loading space to accommodate the delivery traffic. The Municipal Code requires that the loading spaces be provided on-site; for a grocery store use of this size, a total of three on-site loading spaces are required. The existing grocery store has two on-site loading spaces that are accessed from S. B Street, and it also utilizes existing on-street loading spaces that are on S. B Street. Based on the proposed design of the new building and the smaller grocery store size, the project is seeking to meet its loading space requirements by locating them on-street along S. B Street rather than provide them on-site.

Staff and the applicant have analyzed the advantages and disadvantages of placing the on-street loading spaces on all four frontages. However, the applicant has indicated that locating the loading spaces along S. B Street is their preferred, and possibly only feasible, option. The 2020 Bicycle Master Plan proposes a separated bicycle lane on B Street intended to provide bicyclists a higher level of protection through a physical separation from the vehicle travel lanes. With the applicant's proposed loading zone on S. B Street, the transport of goods and supplies would cross the bicycle lane in order to get to the grocery store. In response to staff's comments pertaining safety, the applicant has incorporated some modifications to the conceptual design and incorporated Federal Highway Administration (FHWA) recommendations for separated bike lane design. The design is not yet finalized, and staff continues to work with the applicant on this item.

Staff and the applicant have also analyzed the advantages and disadvantages of the other streets. Below is a brief summary of the advantages and disadvantages of locating the loading spaces on the other three street frontages:

- *E. 4th Avenue*: While a loading zone along E. 4th Avenue would provide direct access to the grocery store's entrance, the applicant has indicated that this location may conflict with pedestrian travel and access to the grocery store's front doors.
- *E. 5th Avenue*: The applicant indicated that the distance between E. 5th Avenue to the rear of the grocery store is too great, which is a potential health/safety concern for large deliveries, and many residential neighbors at 555 Laurel Avenue have expressed concerns about truck noise.
- *S. Ellsworth Avenue*: The applicant indicated that the ideal location for the proposed outdoor seating area is the corner of S. Ellsworth and E. 5th Avenue due to the amount of sunlight so a loading zone on this frontage may conflict with that use.

In addition, the applicant expressed concern regarding truck turning movements to access at multiple street frontages.

In order for the applicant to request that their required loading spaces be located in the public right-of-way (on-street), a SPAR application, per SMMC 27.64.390, must be approved, with the finding that safety is provided and there is adequate on-street parking and loading located nearby. Staff is also seeking the Planning Commission's input on the location of a loading zone next to a separated bicycle lane in the S. B Avenue right-of-way.

Building Design

The Downtown Design Guidelines, applicable to all projects within the Downtown Retail Core, contain design objectives pertaining to massing, exterior material selection, and façade articulation. The proposed building is five stories in height. Given the project's adjacency to one-story commercial buildings to the north, east, and west, the Downtown Design Guidelines suggest stepping back upper floors and incorporating architectural elements for smoother transition in building height changes. The proposed building does incorporate upper floor step-backs along the north, east, and west where one-story buildings are located across the street. The building is not stepped-back to the south where a five-story multi-family residential building is located across the street.

As noted previously, the initial design was reviewed by Larry Cannon. The design review letter recommended more variety in building materials and/or color to break up the large scale of the structure. The proposed exterior material is still primarily red brick on the lower four floors with aluminum panels on the residential fifth floor. There are also small amounts of wood, metal, and glass elements throughout the building. The building design, however, may be enhanced with a larger amount of a secondary material on the lower floors.

Larry Cannon's review letter also suggests defining the entry to the residential and office lobbies. The primary exterior material is red brick, and there are wood storefront window systems on the lower two floors. The revised plans show a change in the storefront window system to gray metal headers and jambs that extend two stories for the grocery, office, and residential entry lobbies. The entrances, however, may still benefit from further refinement. For example, the entrances may be enhanced with a taller roofline, stronger articulation, and/or awnings that are larger in size or different in material or color.

The design review letter also suggests breaking up the horizontal lines across each floor level as well as the uniformity of the ground floor storefronts. Most of San Mateo's commercial buildings have the appearance of individual, unique

storefronts. While the applicant has revised the plans to provide variation between either a fabric or metal awning for each bay, each floor level still seems to have a strong horizontal appearance. The strong horizontal appearance may be softened by incorporating arched windows or providing more variation in the second floor roofline.

Staff is seeking the Planning Commission's evaluation of the proposed design and whether the design is compatible within the Downtown Retail Core.

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood on July 29, 2021. Approximately 27 community members attended the meeting. The comments generally pertained to the proposed grocery store, bike lane and loading zone along S. B Street, and overall parking. A written summary of the neighborhood meeting is included in [Attachment 8](#). Public comments submitted to City Staff are included in [Attachment 9](#). Any additional public comments received following the publishing of this report will be provided separately to the Planning Commission on the date of the Study Session.

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 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 will have the opportunity to revise the project based on public and Planning Commission input. Revised plans will then be presented to the Commission at a subsequent public hearing for review and approval. As proposed, the project is anticipated to potentially require the following approvals:

- Site Plan and Architectural Review (SPAR) for the demolition of the existing on-site building and construction of new retail, office, and residential mixed-use building, and for the request of an on-street loading zone;
- Site Development Planning Application (SDPA) for the removal of major vegetation;
- Special Use Permit (SUP) for a valet parking system.

Sample Findings of Approval for the above planning application type are included in [Attachment 10](#).

NOTICE PROVIDED

In accordance with the Government Code Section 65091 and the City's Municipal Code noticing requirements, this Study Session was noticed to the following parties more than ten days in advance of the neighborhood and Planning Commission meetings:

- 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 – Project Plans
Att 2 – S. B Street Bike Lane and Loading Zone Conceptual Design
Att 3 – Location Map
Att 4 – Applicable General Plan Elements and Policies
Att 5 – Factual Data Sheet
Att 6 – Density Bonus Request Letter
Att 7 – Preliminary Design Review Report
Att 8 – Neighborhood Meeting Summary
Att 9 – Public Comments
Att 10 – Sample Findings for Approval

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