

Memorandum

CITY OF SAN BRUNO

DATE: October 30, 2018

TO: Honorable Mayor, Members of the City Council, and Planning Commissioners

FROM: Jovan D. Grogan, City Manager
Elaine Costello, Bayhill Specific Plan Project Manager – Management Partners

SUBJECT: Conduct Study Session to Discuss the Bayhill Specific Plan

BACKGROUND:

As the City Council and Planning Commission are aware, the City is leading preparation of a Specific Plan for the Bayhill Office Park and nearby areas. The Bayhill Specific Plan will guide anticipated development within the Plan Area over the next 20-years (see Attachment 1: Proposed Bayhill Specific Plan Area Map). The Planning area is approximately 98 acres in total area and is bounded by Interstates 280 to the west and 380 to the north, El Camino Real to the east, and San Bruno Avenue West to the south. Preparation of the Specific Plan will allow consideration of appropriate uses of land (land uses), and land use intensities/densities (commercial square footage/number of units) for all properties, along with a full range of transportation, utility, financing and other considerations. An Environmental Impact Report (EIR) will be necessary to fully analyze all potential environmental impacts associated with the anticipated development/redevelopment of the Bayhill Office Park area presented in the plan.

The need for the Specific Plan is the result of a request by YouTube for the City to consider the firm's proposed plans to accommodate its anticipated growth within the Bayhill Office Park. YouTube has been a tenant within the Bayhill Office Park for approximately 10 years and initially occupied the 901 Cherry Avenue property which YouTube leases. Over the past several years, YouTube has conducted several tenant improvements at the 901 Cherry Avenue property to enhance the work space environment and food service operations for the needs of its employees. YouTube plans to further expand its workforce in San Bruno and recently purchased six additional properties in the Bayhill Office Park. YouTube now owns eight parcels within the Office Park, which amounts to approximately 900,000 square feet in total office space. YouTube has completed comprehensive tenant improvements at 900 and 1000 Cherry Avenue, and 999-1001 Bayhill Drive to accommodate their expanding workforce. The Bayhill Specific Plan area currently contains a total of about 1.6 million square feet of office space.

YouTube representatives contacted the City in late 2016 to share a long-term plan to fulfill some of the firm's future employment needs over a 20-year period within the Bayhill Office Park. To accommodate this anticipated long-term employment growth, YouTube is interested in presenting a plan for phased redevelopment of some of its properties within the Bayhill Office Park to add office space and create a campus environment. Staff informed YouTube representatives that other community and property owners' interests would need to be considered in the context of the firm's proposed expansion within the Bayhill Office Park. Accordingly, the City required the preparation of a comprehensive plan for the future

development and redevelopment of the entire Bayhill Office Park Area. This plan is referred to as the Bayhill Specific Plan. On May 23, 2017, the City Council adopted a Resolution authorizing the City Manager to execute a contract with Dyett and Bhatia for preparation of the Bayhill Specific Plan and the associated Environmental Impact Report.

Completed Work to Date

Key Steps in the Bayhill Specific Plan process completed to date include:

- **Initial Community Visioning and Outreach, Summer/Early Fall 2017.** The first round of Community Outreach was completed in August and September of 2017, and consisted of a Property Owner Forum, a Joint Study Session of the City Council and Planning Commission, a Community Workshop, and Stakeholder Interviews. The input received during this phase served as the foundation for the Bayhill Specific Plan Vision Statement and Guiding Principles Document.
- **Existing Conditions Analysis, Fall 2017.** Background research on existing conditions, issues, and opportunities was conducted, and is summarized in an Existing Conditions Report that was completed in Fall 2017. The report includes information on a variety of topics, including land use, existing plans, infrastructure, transportation, environmental constraints, etc.
- **Alternatives Development and Analysis, Winter/Spring/Summer 2018.** Based on the results of the initial outreach, the resulting Vision Statement and Project Guiding Principles, as well as information received from YouTube, four concept Alternatives for the Bayhill Specific Plan were developed. The Alternatives explore different ways in which office uses, retail, housing, and public/civic spaces could be distributed within the Bayhill area, framing possible future development patterns. Preliminary street design concepts were also developed to illustrate potential improvements to roadways and intersections within the Specific Plan and surrounding area to enhance pedestrian experience and safety, increase multimodal connectivity, and improve corridor identities. An Alternatives Report released in July 2018 provides a summary of the Alternatives and their transportation and fiscal (impacts to the City's General Fund) impacts, as well as streetscape improvement options.
- **Alternatives Outreach, Summer 2018.** The Alternatives and corresponding analysis were presented at a second Property Owner Forum and the second Community Workshop. Additionally, an Online Survey was conducted, which recently closed on August 12, 2018. The results of this outreach are summarized in the attached document and will be presented at the Joint Study Session of the City Council and Planning Commission.

All the reports and documents from this completed work are available online at https://www.sanbruno.ca.gov/gov/city_departments/commdev/planning_division/long_range_planning/bayhill_specific_plan.htm. A binder was sent to each Councilmember and Planning Commissioner which contains:

- The July 2018 Alternatives Report
- The October 2018 Alternatives Workshop Summary Report
- The October 2018 Alternatives Survey Summary Report
- The July 2018 Property Owner Summaries

- The October 2017 Vision Statement and Guiding Principles.

October 30 Joint Study Session

At this Joint Study Session, the City Council and Planning Commission will be provided an overview of the four concept Alternatives that have been developed, as well as a summary of the community feedback received during the second round of community engagement (Property Owner Forum, the second Community Workshop, and the Online Survey). The areas of consensus that emerged from this community engagement and the items requiring discussion by the Planning Commission and the City Council at the October 30 Study Session are identified in the attached Background for the Planning Commission/City Council Joint Meeting Report. This meeting will also be an opportunity for the Planning Commission and the Council to ask questions, confirm items where a consensus has emerged and discuss the key decisions that need to be made to proceed to the next step, preparation of the EIR Preferred Alternative.

Before the Specific Plan EIR can be prepared, an EIR Preferred Alternative must be defined. The EIR Preferred Alternative will be studied in the Environmental Impact Report, but will not necessarily be the Alternative that is included within the Specific Plan. The EIR preferred alternative can reflect a bigger development “envelope” (such as higher level of office development) than the City may ultimately chose to adopt as part of the Specific Plan. While the City Council can choose to adopt a smaller envelope than the one evaluated in the EIR in the Specific Plan, the City Council generally cannot choose to adopt a larger envelope than evaluated in the EIR without revisions to the EIR. The analysis of the EIR Preferred Alternative will provide valuable information that will help the Planning Commission and the City Council decide on the Specific Plan level of development. For example, the EIR will describe the traffic impacts and potential mitigations of those impacts.

City staff, consultants, and property owner representatives will be present on October 30 to respond to questions and provide additional analysis or follow-up information. There may be a need to host an additional Joint Study Session of the City Council and Planning Commission in November 2018. If so, City staff has identified November 7, 2018 or November 14, 2018 as a potential date.

Next Steps

Using the input from the Planning Commission at this study session, and any future study session, City staff anticipates that the City Council will identify a Preferred Alternative to be studied in the EIR on December 4, 2018. The project team will then have the ability to begin the preparation of the Draft EIR and Draft Specific Plan. Near the end of the preparation of the draft Specific Plan and EIR, staff plans to schedule a Joint Study Session of the Planning Commission and the City Council to discuss some key issues before the Specific Plan is finalized for public review. This meeting is anticipated to take place in May, 2018. The public review draft of the Specific Plan may be revised to address the feedback received from the Planning Commission and City Council. Staff estimates that a public review draft of the Specific Plan will be released in June 2019.

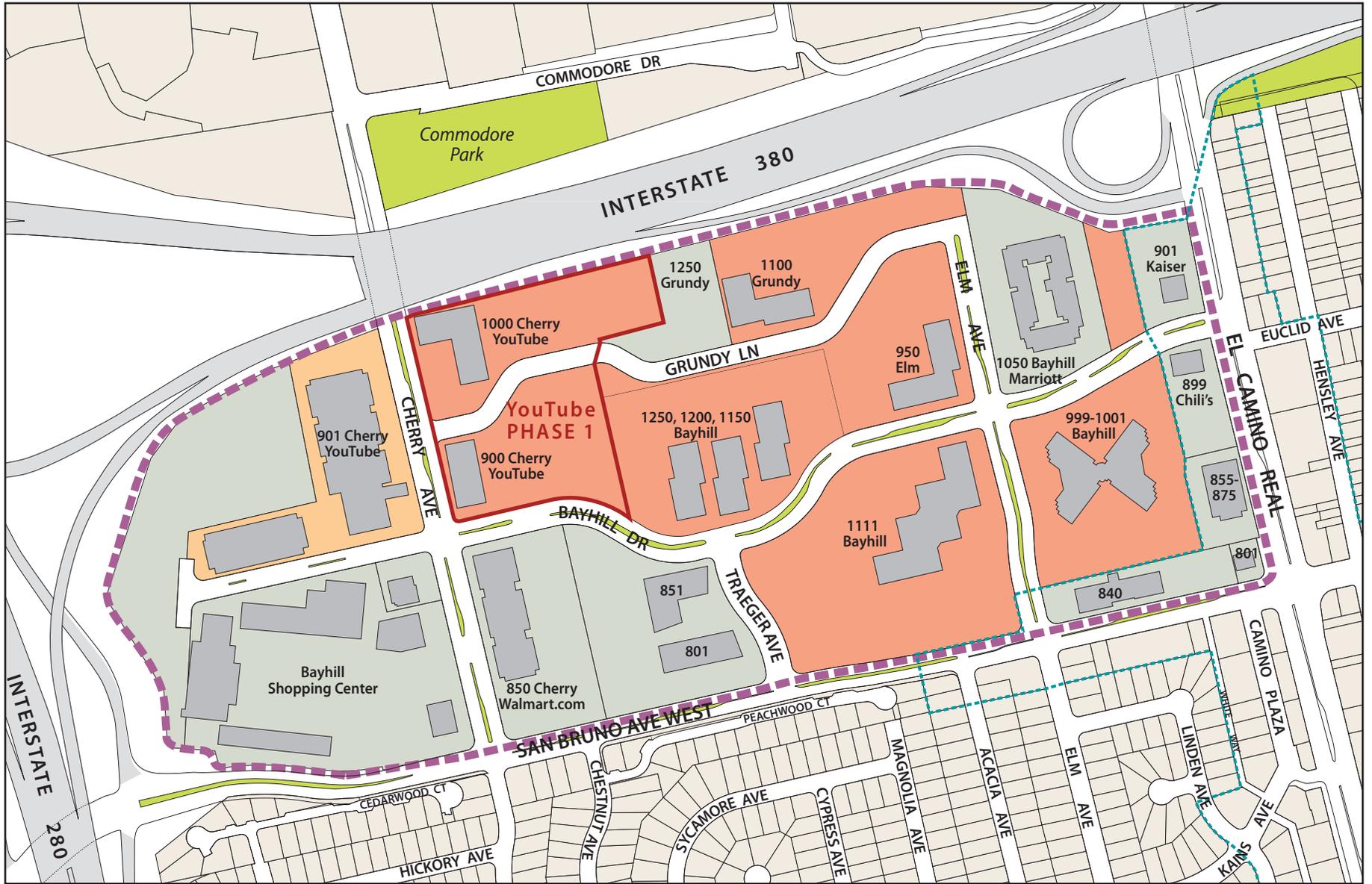
Meetings on the Draft Specific Plan and Draft Environmental Impact Report will be held by the Planning Commission. These documents will be adopted/certified by the City Council. Staff anticipates that multiple meetings of the Planning Commission and City Council will be required throughout the Summer and Fall of 2019.

Attachments:

Attachment 1: Proposed Bayhill Specific Plan Area Map

Attachment 2: Background for Planning Commission/ City Council Joint Study Session

PROPOSED BAYHILL SPECIFIC PLAN AREA

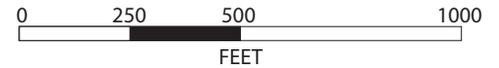


YouTube Owned

YouTube Leased

Planning Area

Transit Corridors Specific Plan





Background for the Planning Commission/City Council Joint Study Session

Following development and assessment of alternatives for the Bayhill Specific Plan and their review by the community, the consultant/staff planning team is ready to undertake the next steps in the Specific Plan planning process. The purpose of the October 30 joint Planning Commission/ City Council Study Session is to review the alternatives and results of the community outreach on these, confirm items on which there may be emerging consensus, and initiate a dialogue on key decisions that must be made to proceed with the next steps. It is anticipated that the Council will provide direction on the Preferred Alternative for the EIR Project description at a subsequent December meeting to enable environmental analysis to proceed.

This report provides a brief overview of the community outreach results and the key decisions regarding the EIR Preferred Alternative that represent the critical path moving forward. Summary reports pertaining to the Alternatives, Community Workshop and Online Survey are included as attachments to this report and are also available online at https://www.sanbruno.ca.gov/gov/city_departments/commdev/planning_division/long_range_planning/bayhill_specific_plan.htm.

ALTERNATIVES

Four alternative land use possibilities, with a horizon to year 2040, were prepared to explore different ways in which office uses, retail, housing, and public and civic spaces could be distributed among the Bayhill district, framing the area's development. These alternatives are summarized on pages 8- 10 of the October 2018 Alternatives Report which can be found in the white binders distributed to the City Council and Planning Commission. This report can also be found on the City's Bayhill Specific Plan website.

The alternatives were developed using the vision statement and guiding principles, the existing conditions work completed in the fall 2017, as well as input from property owners. The alternatives were designed to bracket a range of choices that would allow for an evaluation of the impacts associated with different land use allocations. Alternatives were then analyzed for their impacts on traffic and the City's fiscal conditions or "balance sheet".

COMMUNITY OUTREACH ON ALTERNATIVES: WHAT WE HEARD

No single alternative was overwhelmingly favored by either survey or workshop participants. Property owners within the Bayhill Specific Plan area generally favor Alternative 4. Themes emerging from the outreach activities, including items of consensus, disagreement and concern, from the outreach conducted on the Alternatives, are summarized below.

Items of Consensus

- J **Cherry Avenue and Grundy Lane.** Community members overwhelmingly want to see Cherry Avenue remain open to vehicular traffic rather than incorporating a pedestrian plaza (as in Alternative 3: Cherry Plaza Alternative), because of resulting limitations on circulation within Bayhill as well as potential traffic impacts on surrounding neighborhoods. There is also general agreement on straightening out Grundy Lane among property owners; this was not opposed by community members.
- J **Bayhill Shopping Center.** A desire to maintain the Bayhill Shopping Center in its current retail configuration, rather than introducing other uses such as housing, was overwhelmingly expressed.
- J **Uses Along El Camino Real.** There was general support for maintaining existing land use designations/height limits along El Camino Real, as designated in the Transit Corridors Plan. There was also a desire to potentially incorporate a small plaza as part of redevelopment of sites along the corridor. While property owners along El Camino Real are not in disagreement with the current mixed-use designation, they indicated that most buildings are under long-term commercial leases, and thus unlikely to be redeveloped in the near future.
- J **Streetscape Concepts/Enhanced Pedestrian Realm.** Comments from the community workshop and survey indicated a desire to see an enhanced pedestrian realm within and around Bayhill, with support for improved sidewalks/pedestrian paths along streets within Bayhill, and enhanced pedestrian crossings along San Bruno Avenue and El Camino Real. Continuous street trees and pedestrian-oriented lighting were rated in the survey as popular streetscape features. Community members supported a bike lane along Cherry Avenue (which is part of the City's 2016 Walk 'n Bike Master Plan), and improved bicycle connectivity to the Caltrain Station, especially along San Bruno Avenue.
- J **Open Space/ Civic Uses.** The majority of community outreach participants were in favor of a public open space and civic use being considered as a part of the Specific Plan process;

however, input did not always indicate a preference for these spaces to be incorporated within the Bayhill district itself. Community members suggested a range of civic uses, including a library, a community center, a park, a plaza/ event space, and a facility focused on the arts.

- J **Hotels.** Comments regarding a new or expanded hotel use in Bayhill tended to favor this idea for its potential source of revenue for the City. It should be noted that expanded hotel use, as shown in Alternative 3, is a permitted use under current zoning for most of the area east of Elm Street within the Specific Plan Area.

Items Lacking Consensus or Requiring Further Discussion

- J **Housing.** The location and amount of housing to be incorporated within the Specific Plan area has garnered the most varied and passionate viewpoints. Some community members wanted to see housing maximized or at least accommodated within the Bayhill district, while others, especially surrounding neighbors, do not want to see more housing (other than what is already permitted along El Camino Real) on the site. Property owners would like the flexibility for potential development of housing in the future without a mandate to build it, for instance through a housing “overlay” on the land use diagram. Several property owners also expressed concern that height limits outside of the Transit Corridor Plan area (especially the three-story maximum limitation) make development of housing financially infeasible.
- J **Additional Streets or Pedestrian Connections within Bayhill.** Promoting multimodal connectivity to and through Bayhill is a Guiding Principle for the Specific Plan, and an idea widely endorsed by stakeholders. The two concepts with greatest support are “Central Spine” (Alternative 1), which expands the street grid to create new links between Bayhill Drive and Grundy Lane and provide access to a plaza on El Camino Real, and pedestrian connections from Bayhill Drive to San Bruno Avenue and El Camino Real; and “Greenway Connection”, favored by property owners, which does not expand the existing street network, but provides an enhanced pedestrian realm along existing streets.

Items of Concern

- J **Parking and Traffic Impacts.** Parking and traffic impacts, especially on surrounding neighborhoods, was a recurring and major concern, regardless of the land use program. The increase in traffic in the Bayhill district is directly proportional to the amount of projected office development.

NEXT STEPS

The principal products resulting from the planning process would include the Specific Plan and a corresponding Environmental Impact Report (EIR), which will need to be reviewed by the Planning Commission and adopted/certified by the City Council:

- J **Specific Plan.** The Specific Plan will require agreement on land use and other issues that reconciles as much as possible the community input on a variety of topics.
- J **EIR.** The EIR will analyze the probable reasonable impacts of the “Project” on the environment, as called for under the California Environmental Quality Act. The Specific Plan, including proposed land uses and all of its policies, will form the Project. Many of the key impacts (such as traffic and air quality) will result from the level of anticipated development. The EIR Preferred Alternative can reflect a bigger development “envelope” (such as higher level of office development) than the City may ultimately chose to adopt as part of the Specific Plan. This approach creates the greatest number of options for the Planning Commission and the City Council to consider when developing the Specific Plan. While the City Council can ultimately choose to adopt a smaller envelope in the Specific Plan than the one evaluated in the EIR, the City Council cannot generally choose to adopt a larger envelope than what was evaluated in the EIR without revisions to the EIR. The closer the program analyzed in the EIR is to what the Specific Plan is likely to include, however, the less likely it is that the EIR will overstate the impacts of the project or outline mitigation measures that may not be needed.

After the Council gives direction on the EIR Preferred Alternative in December, consultants will start preparation of the Specific Plan and the EIR. It should be feasible to adjust the Draft Specific Plan following EIR preparation, as long as the EIR covers the impacts of the adopted Specific Plan.

WHAT TO EXPECT AT THE JOINT STUDY SESSION/ KEY DECISIONS

The planning team’s goal for this meeting is to identify concerns and reach agreement on as many items as feasible, with the goal of establishing the EIR preferred alternative development envelope at the December meeting so that work on environmental analysis can be initiated. Thus, in order to enable the planning process to continue moving forward, the planning team would like the City Council and the Planning Commission to:

- J Ask questions so that issues, concerns and preferences are identified, and the planning team can respond before the Council acts on the EIR Preferred Alternative in December. If additional information/analysis is needed to weigh choices or select between, say, two different competing options, provide clear direction to the planning team so that this information/analysis can be undertaken and presented to the Council at their December meeting.
- J Provide as much direction as they are comfortable at this stage to define the EIR Preferred Alternative and initiate development of the Specific Plan.
- J Decide if they need an additional study session prior to the Council’s December meeting for the Planning Commission to provide input to the Council.

Meeting Structure

At meeting start, City staff and the consulting team will deliver a short presentation summarizing the Specific Plan process, the alternatives and their key impacts, and the community input on the alternatives. The planning team will outline the direction/decisions needed, to enable the discussion to be structured around decisions that are key to defining the EIR Preferred Alternative and to commencing the environmental review process. Parameters for the EIR Preferred Alternative and environmental analysis will be established using the direction that the City Council and the Planning Commission are able to provide on the key topics described below at this joint study session. Once the EIR Preferred Alternative is established, there will be further dialogue and final decisions regarding the level of development allowable in the Specific Plan once more analysis has been completed in the EIR.

KEY ITEMS TO DISCUSS

Direction on the EIR Preferred Alternative will be derived from the following key decisions:

Items of Consensus

Confirm or provide alternative direction on the following items:

- A. Cherry Avenue/Grundy Lane.** Keep Cherry Avenue open to vehicular traffic and straighten Grundy Lane.
- B. Bayhill Shopping Center.** Retain the shopping center as retail.
- C. Hotels.** Allow hotels to be a continued use east of Elm Avenue and ensure that the EIR Preferred Alternative development program reflects hotel capacity expansion.
- D. Uses along El Camino Real.** Maintain the currently-permitted land use designations/building heights (in accordance with the Transit Corridors Plan) along El Camino Real.

Items Requiring Discussion

- E. Housing.** How much housing outside the El Camino Real corridor is appropriate/where should it be located (onsite/ offsite) and should it be a required or an optional use in the Plan area? Should housing be permitted through the use of an overlay, and if so, where? The alternatives currently show between 290 and 460 housing units along El Camino Real and San Bruno Avenue on sites already designated for mixed-use in the Transit Corridors Plan, and between 110 and 690 units elsewhere in the Planning Area. Property owners within the current office park have indicated that they are not interested in building housing at this time. They want to use their land to build office. Things could change over time and housing could become more desirable. One option is to show housing as a potential future land use by including a housing overlay for the sites within the current office park that are along San Bruno Avenue West, closest to the existing residential development. This housing overlay would

permit, but not require, housing on these sites. Based on community input, housing would not be included at Bayhill Shopping Center. Alternatively, housing could be shown as an overlay at Bayhill Shopping Center as well.

- F. Office Development.** How much office development should be considered as part of the development program to be studied in the EIR? The increase in office use at Bayhill has the greatest traffic and housing impacts. The alternatives show a range of office development potential, from 1,085,800 to 2,300,900 square feet of net new office development at buildout; the high end of the range is based on YouTube's proposal. The General Plan assumed 683,200 square feet of new office development at buildout in 2025. This additional office space does not yet include new office development on the 801/851 Traeger site; that property owner has recently indicated that they are not eager to build housing at this time, and are interested in additional office space.
- G. Civic Use.** Is a civic use appropriate on the site or is this better located elsewhere in San Bruno? While a library or a community center has been mentioned as a possibility at Bayhill, a civic use could also be located elsewhere in San Bruno with contributions toward that by the developer.
- H. Open Space.** Is a public open space/park appropriate on the site, or elsewhere in San Bruno?
- I. Additional Street and Pedestrian Connections.** Are additional street and pedestrian connections within Bayhill desirable to facilitate multi-modal mobility and break up the large block sizes as larger sites are redeveloped and informal pathways through parking lots are closed off? Is there a street/pedestrian pathways layout from the alternatives that is preferred by the Planning Commission and the City Council?
- J. Community Benefits.** Decisions on community benefits—including items such as the amount of contribution toward a library or affordable housing—are not needed at this stage, unless these beneficial uses are desired on site. However, Commission/Council is welcome to indicate elements they would like to see included in a draft community package that will be developed and presented at a later date.

The Planning Commission and the City Council will have additional opportunities to weigh in on these questions for the purposes of the development of the Specific Plan. At this point, the planning team asks that you focus on what should be included in the Preferred Alternative to be studied in the EIR that will inform the Planning Commission and the City Council as they work on the Specific Plan.

HOW TO PREPARE FOR THE MEETING

As described above, the objective of the meeting is to receive feedback from the City Council and the Planning Commission, with a view to discussing the key decisions that must be made in order

for environmental analysis on the Preferred Plan to proceed. To prepare for a productive discussion, please:

1. Review this report, paying particular attention to the sections titled "Community Outreach on Alternatives: What we Heard," "Next Steps," and "What to Expect at Joint Study Session."
2. Review the Alternatives Report, Alternatives Survey Report, and Alternatives Workshop Report (Attachments A-C). Hard copies of these reports will be provided to the Planning Commission and the City Council. These reports are available online at https://www.sanbruno.ca.gov/gov/city_departments/commdev/planning_division/long_range_planning/bayhill_specific_plan.htm