



Item No: 2
Meeting Date: May 28, 2013

To: Planning Commission

Date: May 28, 2013

Authorized By: Ron Munekawa
Chief of Planning

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Subject: PA13-014 Hillsdale Shopping Center North Block Reconfiguration
Pre-Application; Sixty 31st Avenue, APN: 039-490-170

RECOMMENDATION

That the Planning Commission review the proposed Hillsdale Shopping Center North Block project on a preliminary basis and provide input to the applicant and staff.

SITE DESCRIPTION

The proposed project includes the entire 12.5 acre North Block of the Hillsdale Shopping Center (HSCNB), located immediately north of 31st Avenue and west of El Camino Real. The site is generally bounded by 31st Avenue and the shopping center on the south, commercial uses along El Camino Real on the east, residential uses on the west, and residential and commercial uses on the north. Public transportation is served by SamTrans buses along El Camino Real and Caltrain at the Hillsdale Caltrain Station located on the east side of El Camino Real. The Hillsdale Caltrain Station is planned to be relocated closer to the North Block between 28th and 31st Avenues with improved connectivity via grade separated railway crossings at 28th and 31st Avenues. These grade separations will also improve connectivity from the project site to the new 83-acre Bay Meadows Transit Village, which is currently under construction.

BACKGROUND

The City's General Plan, as well as other long range area and master plans support the renovation of the HSCNB and the creation of a more pedestrian-friendly regional shopping center. These plans include the El Camino Real Master Plan (2001), San Mateo Rail Corridor Transit-Oriented Development Plan (2005) and the Hillsdale Station Area Plan (2011). These plans all recognize this site as a regional shopping center that is located near a Caltrain station and along a major bus line on El Camino Real. The plans encourage the evolution of the HSC to be more pedestrian-friendly with pedestrian scale buildings lining major streets, new entries to retail uses that open onto the sidewalk where possible, and the elimination of blank walls facing

streets and parking lots. The General Plan designates the site as a minor focal point for commercial, hotel, residential and office uses and allows flexibility in its development. The City acknowledges that the HSCNB is currently auto-oriented and a valuable asset for the community in San Mateo and throughout the Peninsula.

PROJECT DESCRIPTION

The overall intent and vision for the Project is to reconfigure, remodel, and update the North Block area of Hillsdale Shopping Center. The proposed renovation of the North Block is part of ongoing improvements that will refresh the mix of tenants, invigorate public spaces, and work towards fulfilling City goals to connect Hillsdale Shopping Center to surrounding streets, transit and emerging districts such as 31st Avenue, El Camino Real, Caltrain and Bay Meadows.

Project Design of Commercial Space

170,885 square feet of the existing Sears Store will be reconfigured and remodeled to accommodate a new Target Store with new facades featuring the addition of glass displays and a transparent two-story entrance. The two-story entry will be highly visible from the east side and will offer views to new development and improvements to development east of El Camino Real including Bay Meadows. This Target will not be a super Target and will have less than 10% of the floor area occupied by food retail.

The existing Sears store also will be transformed along 31st Avenue with the addition of street level storefront tenants and an upper level glass enclosed children's play area with associated family seating in the food court and dining terrace. Capping the corner will be an open leaf-like grille casting dappled shadows inside during the day and glowing in silhouette from within the building at night.

The existing food court located on the ground level between Sears and Cost Plus will be moved to the upper pedestrian bridge over 31st Avenue. The blank facades of the bridge will be transformed by opening it up with the addition of an outdoor dining terrace connecting the interior of the mall to its surroundings and amenable climate. The new interior food court will be less cafeteria-style and more restaurant-like with individualized seating areas, abundant skylights and glass walls connecting it to the dining terrace.

The existing Cost Plus and ground level food court will be replaced by Cinépolis, a luxury movie cinema that will feature a restaurant with in-cinema food and beverage service, including alcoholic beverages. The cinema will close before midnight on Monday through Thursday and 1:30 a.m. to 2:00 a.m. on weekends. The cinema lobby will be directly integrated with its surroundings, with entries at the north parking area, on 31st Avenue, and to the mall interior and food court. A portion of the existing Cost Plus store on the west side and part of the upper parking deck will be demolished to provide a pedestrian friendly drop-off area and lobby entrance.

The corner of 31st Avenue and El Camino Real, designated as a theme intersection to be reinforced with buildings, is slated for the addition of an 11,000 square foot free standing commercial building, the SPAR planning application for which will be submitted separately in conjunction with a specific tenant.

New landscaping, pedestrian improvements and building materials are compatible with and expand upon the recent renovation of the former Mervyn's building and the new Paul Martin's American Grill at the former Crate and Barrel. Stone, stainless steel, glass and high quality metal panels will be featured, along with the addition of the new iconographic leaf pattern that appears in architectural grilles and will become a HSC branding feature.

Of the 1,258,714 existing Gross Floor Area (GFA) at Hillsdale Shopping Center, 281,230 GFA is within the project area. Based on preliminary calculations, the project includes the demolition of 6,380 sf, the reconfiguration of 68,535 sf, and the addition of 28,655 sf resulting in a net addition of approximately 22,085 sf. This represents an addition of approximately eight percent to the North Block and less than two percent to the overall GFA of the Hillsdale Shopping Center.

Table 1: Gross Floor Area of North Block

	Existing GFA	Proposed GFA
Area Demolished	6,380 sf	
Area Added		28,655 sf
Area Reconfigured	68,535 sf	68,535 sf
Area Unchanged	206,315 sf	206,315 sf
Total Area	281,230 sf	303,315 sf

Table 2: Program Gross Floor Area of North Block

Space	Proposed GFA
Department Store	170,885 sf
Mall Retail & Food Tenants	27,941 sf
Office	8,300 sf
Storage	22,000 sf
Cinema	40,012 sf
Common Area Circulation	34,367 sf
Total Area	303, 505 sf

Based on preliminary calculations, the overall parking supply at the Shopping Center will be reduced by 153 spaces, from 5,456 to 5,303, a reduction of less than three percent. Regional shopping centers require 3.5 spaces for each 1,000 square feet of gross floor area for all buildings and/or uses in the center. The overall gross square area of HSC is 1,280,989, thus requiring a total of 4,484 parking spaces. The total number of existing and proposed parking exceeds the zoning code requirement.

Table 3: Existing and Proposed Parking Spaces

	Existing Parking	Proposed Parking
North Block	1,727 spaces	1,574 spaces
Central Block	2,800 spaces	2,800 spaces
South Block	721 spaces	721 spaces
East Block	208 spaces	208 spaces
Total Parking Spaces	5,456 spaces	5,303 spaces

Project plans are included as Attachment 1. A data form has been prepared that shows how these preliminary plans meet the development standards for the project (Attachment 2). Additional details related to the HSC North Block Reconfiguration will be provided with the formal planning application submittal.

The General Plan designation for the site is Regional/Community Commercial. The zoning classification is C2-2/Q5 (Regional Community Commercial/Sub-Area A of the Qualified Overlay District 5). Retail and restaurant uses are permitted uses in the C2-2 District, and theaters are subject to approval of a Special Use Permit. The project will require approval of a Site Plan and Architectural Review (SPAR) Planning Application which would be reviewed by the Planning Commission. Special additional SPAR findings for approval are required under Zoning Code Section 27.60.180 "QUALIFIED (Q) OVERLAY ZONING DISTRICTS" because the project site is within the Qualified Overlay District 5. The SPAR findings for approval, special Qualified Overlay District 5 SPAR findings for approval, and SUP findings for approval are included as Attachment 3.

CODE AND POLICY COMPLIANCE

General Plan: The General Plan Land Use Diagram designates the project site as Regional Community Commercial. The proposed project is consistent with this land use designation. The project site is located within the "Hillsdale" planning area which contains a policy supporting the expansion and redevelopment of the HSC with commercial retail uses. The Floor Area Ratio for this area is 2.0. The maximum height ranges depending on the location on the site from 35 to 60

feet. General Plan policies that apply to this project address a variety of topics, including land use, urban design, and noise.

Zoning Code: The project site is zoned C2-2/Q5 (Regional Community Commercial/Sub-Area A of the Qualified Overlay District 5). The proposed retail and restaurant uses are permitted. The movie theatre requires approval of a Special Use Permit. The formal planning application will document compliance with all applicable Zoning Code requirements. Generally the project appears to comply with these requirements.

The limitations and conditions of the Q5 Overlay Zone require specific finding based upon the determination if the project involves *less* than 75% or *more* than 75% demolition and/or expansion and/or redevelopment of structures (including parking structures) in Sub-Area A. This project involves re-tenanting and reconfiguration of space rather than redevelopment. Preliminary calculations indicate demolition of 11,403 sf and an addition of 26,744 sf for a total of 38,147 sf GFA which is approximately 12% of the existing 328,923 sf of building space in Sub-Area A. The parking structure involves demolition of 6,065 sf and an addition of 864 sf for a total of 6,929 sf which is approximately 3% of the parking structure in Sub-Area A.

Table 3: Structural Square Footage (not GFA)

Structure	Existing Area	Demolished Area	Added Area	% of Total Area
Tenant/Common	328,923 sf	11,403 sf	26,744 sf	11.60%
Parking Structure	250,288 sf	6,065 sf	864 sf	2.77%

Green Building Ordinance: The City’s Green Building Ordinance requires achievement of a LEED Silver level for new commercial construction over 10,000 square feet. Retail tenant improvements do not require any green building threshold under the Ordinance (Attachment 4). However, the cinema is not considered retail and will be required to meet LEED Silver level for both the existing (reconfigured/remodeled) and added floor area.

Relevant Area and Master Plans: A summary of the relevant area and master plans and the major policies related to the Hillsdale Shopping Center North Block Reconfiguration planning application are included in Attachment 5. Key plans that are pertinent to the project are summarized below.

El Camino Real Master Plan

In 2001, the City Council adopted the El Camino Real Master Plan which provides a vision for enhancements to El Camino Real from State Route 92 to the Belmont City Limits border. The Master Plan provides infrastructure and guidelines to create a vibrant mixed-use community with enhanced opportunities for public transit and a safe pedestrian environment. The Master Plan includes a streetscape plan for public improvements such as landscaping medians, creating theme intersections with landscaping and street furniture, and recommendations for parking enhancements. Design guidelines address the character of private development along the El

Camino Real corridor. Topics such as building facades, setbacks, building form, location of parking, and signage are discussed in the guidelines. The land use vision for the project supports increased development density around transit nodes and by encouraging opportunities for aesthetically pleasing, high-quality buildings with a mix of uses along the corridor.

The plan designates five “theme intersections” along El Camino Real, including 31st Avenue. Improvements to this intersection and El Camino Real from 28th Avenue to 31st Avenue are currently underway including the installation of new directional curb ramps, enhanced paving treatment in crosswalks, street trees, new streetlamps with pedestrian level fixtures, median landscaping, and pedestrian refuge islands, with project completion estimated in summer 2013.

San Mateo Rail Corridor Transit-Oriented Development Plan

The San Mateo Rail Corridor Transit-Oriented Development Plan that was adopted in 2005 includes transit supportive policies, land uses, development densities, height standards, and design guidelines. These policies include the establishment of two TOD zones located within the larger plan area in the vicinity of the Hayward Park and Hillsdale Stations. The Hillsdale Shopping Center was not designed as a TOD zone in this plan but since it is within the Corridor “Plan Area,” there are many design and transportation policies that apply to the shopping center site.

Hillsdale Station Area Plan

The Hillsdale Station Area Plan that was adopted in 2011 is a comprehensive, long range (20-year) advanced planning document for the area to the west of the existing CalTrain station. The Hillsdale Station Area Plan is built on the principles founded by years of planning by City officials, designers, and local citizens to make San Mateo a better place to live and work. Taking its cue from local planning efforts such as the General Plan, San Mateo Rail Corridor Transit-Oriented Development Plan, and regional planning frameworks provided by ABAG and MTC, this Plan provides the regulatory framework for compact and sustainable development in the area surrounding the Hillsdale Caltrain Station. The Station Area Plan integrates a planned transportation hub into existing urban and circulation systems, and develops strong connections to Bay Meadows Phase II and surrounding neighborhoods, while maintaining the fabric of existing neighborhoods.

The Plan Area encompasses 150 acres (roughly .25 miles by 1.25 miles) of land in the city. The area stretches from the CalTrain right-of-way west to Flores Street and from 25th Avenue south to 36th Avenue. It includes El Camino Real, the Hillsdale Shopping Center, and the 25th Avenue business district. The Plan included detailed urban design guidelines and streetscape standards for the Hillsdale Shopping Center.

Project Design Review: This project will require design review by the City’s design review consultant. The consultant’s review will focus on conformance with the Urban Design Element and relevant area and master plan design guidelines and policies as applicable.

Environmental Review and Traffic Analysis: A Project Environmental Impact Report (EIR) will be prepared for the project. Staff has prepared and distributed a Request for Proposal (RFP) for the EIR that has been sent to environmental planning consultants. The RFP proposals are due on May 31, 2013. A scoping meeting for the EIR will be held.

Hexagon Transportation Consultants has been retained to prepare a traffic analysis and report. Hexagon will also prepare a Trip Reduction and Parking Management Program (TR & PMP) as required pursuant to the Hillsdale Station Area Plan. Since the project is located in the HSAP area, a TR & PMP are required for only the new uses (the 11,000 s.f. retail/restaurant pad and the movie theatre). Per the HSAP Policy TRA-4.1, it is noted that the Hillsdale Shopping Center “shall complete such a program, but may make implementation optional for employers that are tenants of the Shopping Center.” Additionally, HSAP Policy Tra-4.2 stipulates that the HSC’s participation in the TMA will consist of optional measures, but it will not be subject to the TMA’s trip reduction goals.

The EIR Consultant will prepare a Socio-Economic Analysis to determine the extent to which the Project will impact existing retailers and movie theater centers within the City (specifically Downtown, 25th Avenue and other key areas as determined by the Consultant) to determine potential impacts associated with urban decay or deterioration. The Socio-Economic analysis will be based on an economic impact study that shall include an annual sales estimate, primary market area definition, competitive store and movie theater reconnaissance, and an analysis of sales leakage. The study will also assess the proposed Project’s impact on existing primary market area stores and theaters, address cumulative impacts, provide a determination regarding urban decay or deterioration, and project fiscal revenues.

Additional environmental factors potentially affected include:

- Aesthetics
- Air Quality
- Cultural/Historic
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use
- Noise
- Public Services and Utilities

ISSUES

Site/Vehicle/Pedestrian Circulation

Circulation issues primarily involve the mix of vehicular traffic ingress and egress movements to parking areas and pedestrian crossings along 31st Avenue. Currently there are two entrances into parking areas along the north side of 31st Avenue between El Camino Real and Edison Street. The west end of this section of 31st Avenue has a parking deck entrance and an adjacent intersection of Edison Street on the south side of 31st Avenue and the parking entrance directly

across the street on the north side of 31st Avenue. There are six pedestrian crossings along 31st Avenue between El Camino Real and the north side of Edison Street; one at El Camino Real, two within close proximity at the east corner of Sears, one under the pedestrian bridge, one at the west corner of Outback Steak House and another within close proximity on the north side of Edison Street.

Additionally, there is one entrance to the parking lot on southbound El Camino Real. However, this entrance is not well marked and easily missed. There is one entrance on the north end of the parking area from Edison Street and one entrance to the upper parking deck from 30th Avenue.

Site improvements to the North Block focus on creating a pedestrian friendly streetscape along 31st Avenue and El Camino Real and improving vehicular circulation. The formal application design will be evaluated for compliance with the Hillsdale Station Area Plan and Pedestrian Master Plan. The preliminary design includes:

1. 31st Avenue improvements between East Sailer Drive and West Sailer Drive
 - Narrowing both west bound vehicle lanes on 31st Avenue from 13' to 11' to slow vehicle speeds and improve pedestrian safety.
 - Raise the sidewalks to be level with the new small shops lining the north side of 31st Avenue.
 - New landscaping along the north 31st Avenue sidewalk to create an enhanced pedestrian environment.
 - Active storefronts and sidewalk seating to create more “eyes on the street”, thus increasing pedestrian safety.
 - Improved lighting under the bridge to increase visibility for both motorists and pedestrians.
 - A raised crosswalk with flashing pedestrian lights under the bridge to ease pedestrian access across 31st Avenue.
 - Narrow the access for the North parking garage at Outback Steakhouse to improve pedestrian crossing and simplify vehicle movements.

2. 31st Avenue improvements between El Camino Real and East Sailer Drive
 - Widen the sidewalks on the north side of 31st Avenue from 6' to 10' in compliance with City specified street-scape standards.
 - Improve the geometry of the crosswalks across 31st Avenue at East Sailer Drive to enhance pedestrian safety at the crossings.
 - Provide ADA accessible ramps.
 - The location of the main Target entrance at the north end of the building provides a longer entry drive from 31st Avenue for vehicles entering East Sailer Drive.
 - New stairs, escalators and an elevator will be added at the corner of East Sailer Drive and 31st Avenue to improve access from 31st Avenue to the food court.

3. Improvements along El Camino Real north of 31st Avenue

- Widen the sidewalks from 5' to 10' per the El Camino Real Street-scape standards.
- Provide new landscaping along El Camino Real to enhance the pedestrian experience.
- Provide a new pedestrian path from Target's entry to connect to El Camino Real across the parking lot.
- Improve the vehicle entry near the Wells Fargo Bank to relieve congestion in and out of the parking lot.
- Provide new way-finding signage to encourage use of the El Camino Real driveway entrance.

NEIGHBORHOOD INPUT

The applicant conducted a neighborhood meeting on May 9, 2013 at Hillsdale High School. A total of forty seven persons plus applicant and City representatives attended the meeting. While residents noted that Hillsdale Shopping Center has been a good neighbor, they raised questions related to additional traffic resulting from the food sales at Target and the late hour operations of the cinemas and potential impacts to the residential neighborhood located directly west of the project. There was also concern about traffic circulation along 31st Avenue and ingress/egress at the driveways and intersection at Edison.

A summary of the neighborhood meeting comments is included as Attachment 6.

PUBLIC OUTREACH/COMMENTS:

In accordance with the City's Municipal Code noticing requirements, this hearing was noticed to the following parties ten days in advance:

- Property owners, residential tenants and business tenants within 1,000 feet of the project site;
- Project Interested Parties list; and,
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects.

All public comments received to date are included with Attachment 7.

SUMMARY AND NEXT STEPS

At this time, staff is seeking Planning Commission comments and input on the following issues:

- Preliminary Design – Architectural style, building materials, massing and building form.
- Environmental Topics to Evaluate in EIR – Recommended topics to identify and examine in the EIR.
- Circulation and Site Access - Traffic circulation on site and location of cinema entrance relative to the driveway and passenger loading area.

Following this study session, the applicant will revise the plans as necessary to respond to comments from staff and the Planning Commission and submit a formal planning application. The EIR Scoping meeting will also be scheduled once the EIR process commences.

ATTACHMENTS

1. Preliminary Project Plans
2. Commercial Data Form
3. SPAR, Q5 Overlay and Special Use Permit Findings for Approval
4. Green Building Program Compliance Matrix
5. Area and Master Plan Policies
6. Neighborhood Meeting Summary
7. Public Comments

CC (AR and attachments (hardcopy) via USPS First Class Mail)

Robert Webster, Bohannon Development Company
Mike Jepson, Bohannon Development Company
Larry Ivich, Bohannon Development Company
Jamie Ruskin, ELS Architecture and Urban Design
Ryan Call, ELS Architecture and Urban Design
John Dewes, Target
Matthew Heyman, Cinopolis
Sgt. David Norris, Police Department
Darcy Forsell, Associate Planner

CC (Website link to AR and attachments via Email)

Interested Parties and Neighborhood Meeting Attendees (if email address was provided)