



CITY COUNCIL STAFF REPORT

MEETING DATE: September 25, 2023

ITEM TITLE: Discuss and Provide Direction on the Northeast Area Specific Plan Draft Concepts and Land Use Options.

RECOMMENDATION:

Staff recommends that the City Council:

- Receive a presentation on the proposed concepts and three land use options for the Northeast Area;
- Provide feedback on the land use options and proposed concepts, including the proposed transportation network and infrastructure to address flooding and support environmental resilience in the district; and
- Provide feedback to City staff on the preferred option – which could be a combination of the three options.

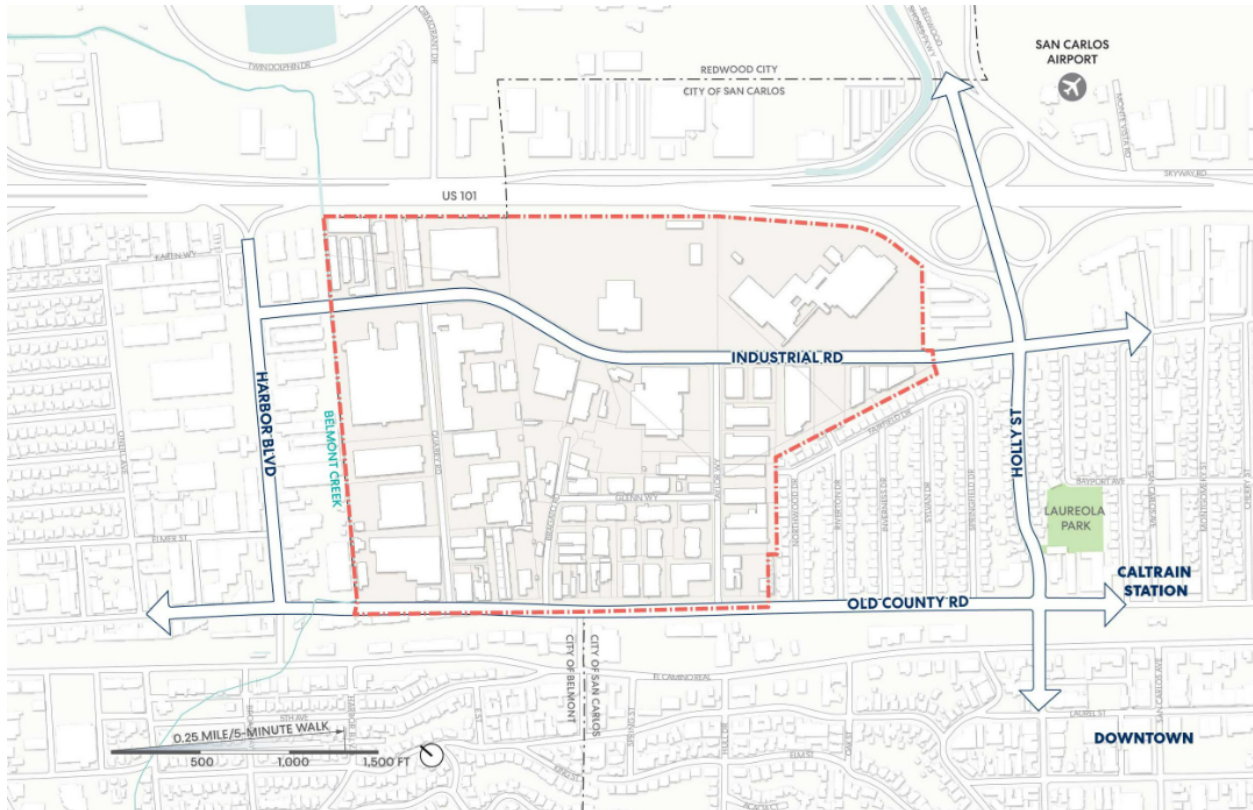
BACKGROUND:

The Northeast Area, which has historically been referred to as the Harbor Industrial Area, was mostly developed in the 1950s and is predominately industrial. The Northeast Area was annexed into the City of San Carlos city limits in 1997, and there have been very few changes to the area since then. The Northeast Area is home to many businesses, including manufacturing and service businesses. The unique nature of the area, specifically smaller lots and affordable rents per square foot, allow a variety of businesses to locate in the area. The existing businesses in the Northeast Area and in the East Side Innovation District provide the majority of the City's tax revenue from property and sales taxes.

The Northeast Area is defined as the area north of Holly Street, to the San Carlos city limits at Belmont Creek, and between Highway 101 and Old County Road (see Figure 1).

Over the last several years, the east side of San Carlos, including the Northeast Area, has received much interest from developers, mostly from the life sciences sector. Because the area is likely to change within the next few years, as a part of the City of San Carlos Strategic Plan, the City Council directed staff to create a vision plan for the East Side Innovation District and a specific plan to thoughtfully plan for, manage, and direct change in the Northeast Area. The City Council further directed staff to explore the possibility of introducing housing to the Northeast Area. Residential uses are currently prohibited in this area by the San Carlos 2030 General Plan.

Figure 1. Map of the Northeast Area and Study Area Boundaries

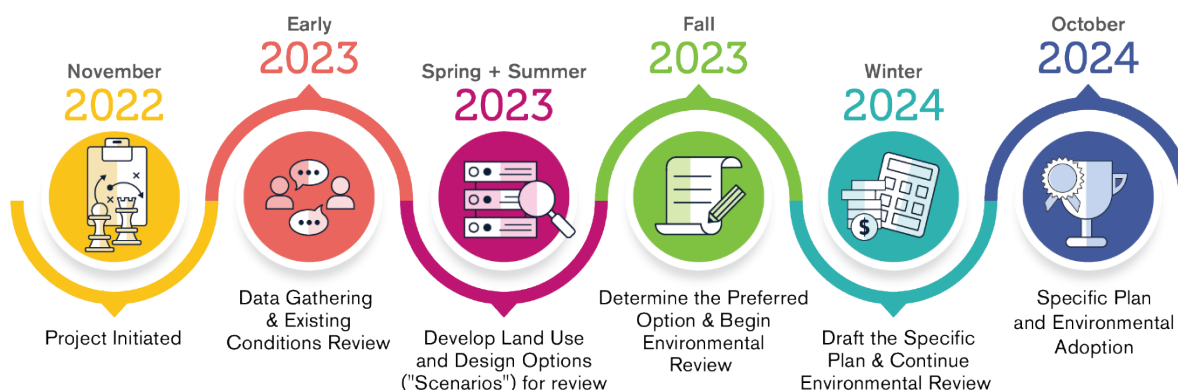


City staff released a request for proposals in June 2022 for consultant support to develop the Northeast Area Specific Plan (“Specific Plan”). The City selected a consulting team led by Perkins&Will, an urban design firm.¹ The team also includes Plan to Place (community outreach), Nelson\Nygaard (transportation planning), BKF (civil engineering), Strategic Economics (economic planning), David J. Powers (environmental planning), and Aaron Welch Planning (zoning and General Plan text update).

The City kicked off the planning process in November 2022, and the process will take about two years to complete, wrapping up in October 2024. Figure 2 illustrates the project schedule.

¹ A team led by Perkins&Will also created the East Side Innovation District Vision Plan.

Figure 2. Project Schedule



The Northeast Area Specific Plan will be a comprehensive policy document which guides change and growth in the Northeast Area for the next 20 years. See *Attachment 1: Northeast Area Specific Plan Outline* for an overview of the elements that will be included in the Northeast Area Specific Plan.

PHASE 1: PROJECT INITIATION, DATA GATHERING, EXISTING CONDITIONS, & COMMUNITY ENGAGEMENT

November 2022 – Early 2023

City staff and the consultant team began the planning process by conducting an existing conditions review to better understand what the area is like today. This included community and stakeholder engagement, data gathering and analysis, and site visits.

The City held the first round of community engagement in the spring of 2023 to gather input from the community, stakeholders, and policymakers on what they appreciate about the Northeast Area and what they would like to see in the Northeast Area in the future. The engagement included:

- A virtual Community Workshop on March 15, 2023 with over 60 participants²;
- Stakeholder group meetings with property owners and commercial real estate brokers, business owners, and developers throughout February and March 2023;
- A presentation to and engagement with the Harbor Industrial Association on April 6, 2023;
- A study session with the Economic Development Advisory Commission on March 22, 2023;
- A meeting and coordination with the City of Belmont which is currently developing a specific plan for the Harbor Industrial Area, the area directly north of the Northeast Area;
- A meeting with OneShoreline, the San Mateo County Flood and Sea Level Rise Resiliency District;
- A presentation to Chamber San Mateo County's Economic Development Committee on April 4, 2023;
- An online survey which was open from March 15 through April 30, 2023, and had 110 respondents; and
- Emails received from community members.

² A summary of the input received from the March 15, 2023 Community Workshop and the online survey can be found on the project website here: www.sancarlosnortheastplan.com/event/community-workshop. This webpage also has the presentation and recording from the March 15, 2023 Community Workshop.

The City has also been sharing information about the project through:

- The project website which can be found at www.sancarlosnortheastplan.com;
- A City of San Carlos *Spotlight Newsletter* which was mailed to every resident and business in San Carlos in March 2023;
- Regular updates in the City's *Good Living Newsletter* which is mailed to every resident and business in San Carlos;
- Regular updates in the *City Council Newsletter*;
- Sharing updates during the monthly Harbor Industrial Association meetings;
- Two mailings sent to all property owners and business owners within the Northeast Area to invite them to the stakeholder group meetings (held in February/March 2023) and the Community Workshops (held in March 2023 and August 2023);
- Two mailings sent to all residents and businesses within the Greater East San Carlos neighborhood to invite them the Community Workshops (held in March 2023 and August 2023);
- Social media posts on the City's accounts;
- Emails to the Northeast Area Specific Plan distribution list with updates and invites to upcoming community engagement events; and
- Emails to City Commissions.

During this phase, the consultant team also conducted an existing conditions analysis to better understand the history of the area and what the area is like today. This included an initial environmental analysis, economic and housing analysis, and a transportation analysis, including conducting traffic counts in and near the project study area.

During this phase, the planning team also identified a list of key project goals. These goals will guide the development of the Specific Plan recommendations and are based on input heard from the community, stakeholders, and policymakers. See Figure 3 for a visual of the key project goals.

Figure 3. Key Project Goals



PHASE 2: DEVELOP LAND USE AND DESIGN OPTIONS (“SCENARIOS”) FOR REVIEW

Spring + Summer 2023

Over the spring and summer of this year, City staff and the consultant team developed draft “scenarios,” or options for resiliency, flooding, transportation, and parking with different approaches to land use, including housing. The options are based on:

- Input received during the Phase 1 community engagement from the community, stakeholders, and policymakers;

- The existing conditions review and observations during the site visits; and
- An understanding of what changes may happen in the next few years and how to best plan for these changes.

The planning team drafted three options for community review and input. Consistent throughout the three options are concepts and approaches to address flooding and resilience and transportation and parking. Ideas for land use and placemaking vary among the three options.

To provide the City Council with a full picture of the proposed concepts and three draft land use options, City staff elected to include the presentation slides from the September 18, 2023 Planning and Transportation Commission meeting as an attachment to this staff report. Please see *Attachment 2: Planning and Transportation Commission Presentation* for the proposed concepts and the three draft options. In Attachment 2, please reference:

- Slides 12-19 for the proposed concepts for flooding and resilience
- Slides 20-27 for the proposed concepts for transportation and parking
- Slides 28-47 for the three draft options for land use and placemaking

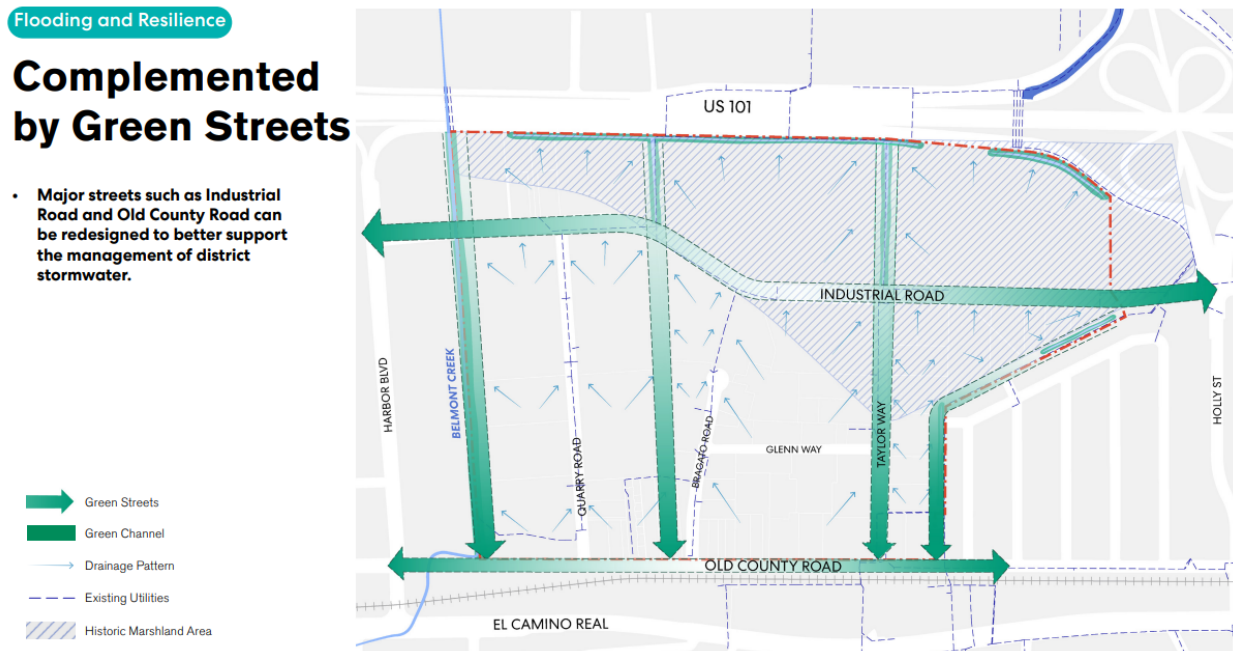
Additional details about the proposed concepts and draft land use options are provided below.

Concept 1: Flooding and Resilience

Addressing environmental resilience and planning for future flood events is a primary focus of the Northeast Area Specific Plan. The planning team has drafted proposed recommendations to increase environmental resiliency throughout the district. These recommendations address the key project goals of *Champion District Resiliency* and *Address Flooding Issues and Other Environmental Issues*.

See Figure 4 for a high-level visual of the flooding and resilience recommendations. For additional details, see *Attachment 2: Planning and Transportation Commission Presentation, Slides 12-19*.

Figure 4. Flooding and Resilience Recommendations



Proposed recommendations include:

- Enhance and extend the existing stormwater channels (also referred to as drainage ditches) to create “green channels” throughout the district. These green channels will help manage stormwater and encourage the growth of ecological habitats.
- Incorporate “Green Streets”, or green stormwater infrastructure, along major arterials such as Industrial Road and Old County Road. This could include bioswales, rain gardens, and other investments to promote clean air, reduce extreme heat conditions, support safe and active streets, and provide more opportunities for public spaces.
- Restore Belmont Creek through a proposed setback of 50 feet from top of bank to widen the creek channel and restore a naturalized creek bank. It is envisioned that this space would also host a pedestrian and bicycle path.

Concept 2: Transportation and Parking

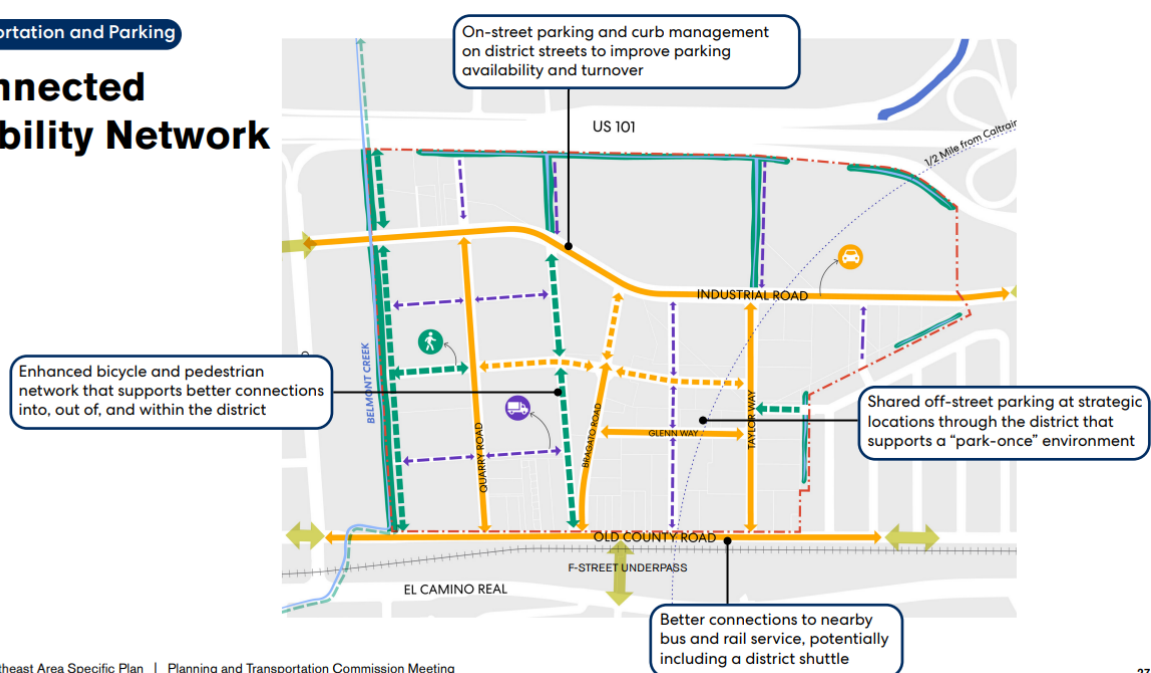
Another critical theme for the Northeast Area Specific Plan is allocation of street space to support people who walk, bicycle, take transit, and drive to the district; and also freight and vehicle movement to support the businesses. The planning team has drafted proposed concepts to address transportation and parking management throughout the district. These recommendations address the key project goals of *Improve Access for All Modes of Transportation* and *Develop District Parking Strategies*.

See Figure 5 for a high-level visual of the transportation and mobility recommendations. For additional details, see *Attachment 2: Planning and Transportation Commission Presentation, Slides 20-27*.

Figure 5. Transportation and Parking Recommendations

Transportation and Parking

Connected Mobility Network



Proposed recommendations include:

- Extend and/or add new streets to increase connectivity throughout the district. Proposed new streets include:
 - Extending Bragato Road from the current dead-end to Industrial Road, and
 - Creating a new north-south street that is parallel to Glenn Way.
- Provide safer and more visible pedestrian facilities by improving sidewalk connectivity, intersection crossings, and other improvements.
- Build a connected bicycle network throughout the district that provides direct access to the San Carlos Caltrain Station.
- Coordinate with the City of Belmont to provide multimodal options (walking, bicycling, and transit) that connect to the Harbor Industrial Area and the Belmont Caltrain Station.
- Build productive alleyways within private development to add greater connectivity to the street network, provide service and parking access, and extend public space.
- Create pedestrian paseos (publicly accessible, yet on private property) throughout the district to increase pedestrian and bicycle connectivity, add green stormwater infrastructure, and to improve access for maintenance and operation.
- Develop a parking management program to better manage the on-street and off-street parking throughout the district.
- Consider additional mobility strategies such as a creating publicly accessible shuttle service, establishing a transportation management association, and installing wayfinding and signage to enhance districtwide mobility.

Concept 3: Land Use and Placemaking – *Three Draft Land Use Options*

And lastly, a critical component of the Specific Plan is to identify the appropriate land uses for the Northeast Area. This Plan must find the right balance among:

- Maintaining and supporting land uses that are working well today, such as light industrial spaces;
- Anticipating future desired uses, such as commercial and office spaces; and
- Planning for future community needs, such as residential spaces.

The planning team has drafted three options for the community's consideration. These draft options address the key project goals of *Celebrate the Area's Industrial Legacy* and *Calibrate the Right Mix of Uses*.

Land Use Option 1: All Employment

Under Option 1, the Northeast Area would remain a "jobs-focused" area (see Figure 6). The primary uses in the district would include:

- Light industrial, and
- Medium- and high-intensity commercial which would allow uses such as light industrial, life sciences, and office.

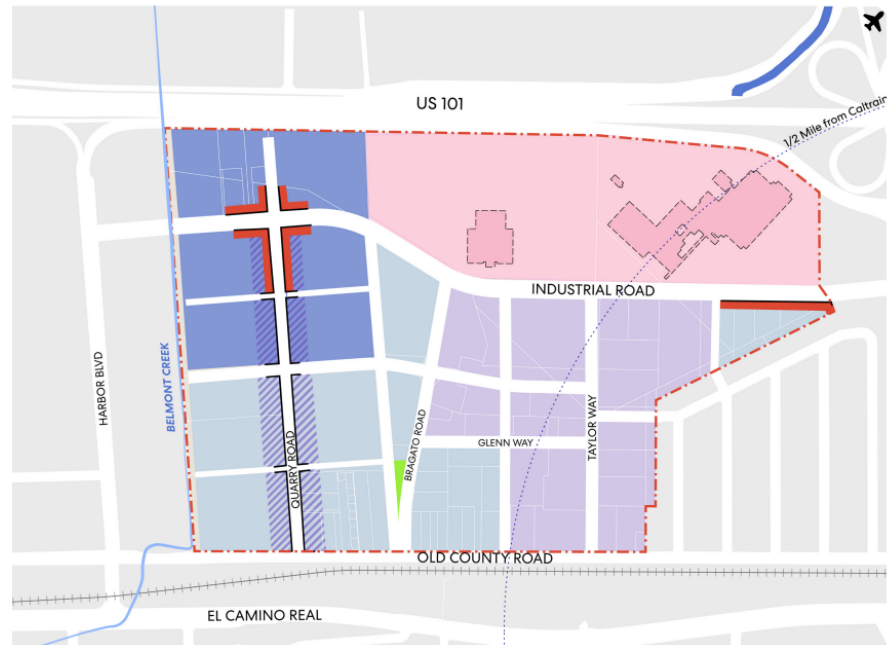
This option also proposes Production, Distribution, and Repair uses, which are small maker-spaces, similar to light industrial, on the ground-floor of buildings along Quarry Road. No residential uses are proposed in this option.

For additional details on Option 1, see *Attachment 2: Planning and Transportation Commission Presentation, Slides 34-37*.

Figure 6. Option 1: All Employment

Land Use and Placemaking

Option 1
All Employment



Land Use Option 2A: Employment + Housing

Under Option 2A, the Northeast Area would have a mix of employment-focused areas and housing (see Figure 7). The primary uses in the district would include:

- Residential mixed-use which would allow retail, office, and service uses on the ground floor (not light industrial), and
- Medium-intensity commercial which would allow uses such as light industrial, life sciences, and office.

Option 2A also proposes:

- A main street along the new north-south street which would have active ground uses, and
- A park space and community amenity (specific community amenity yet to be determined).

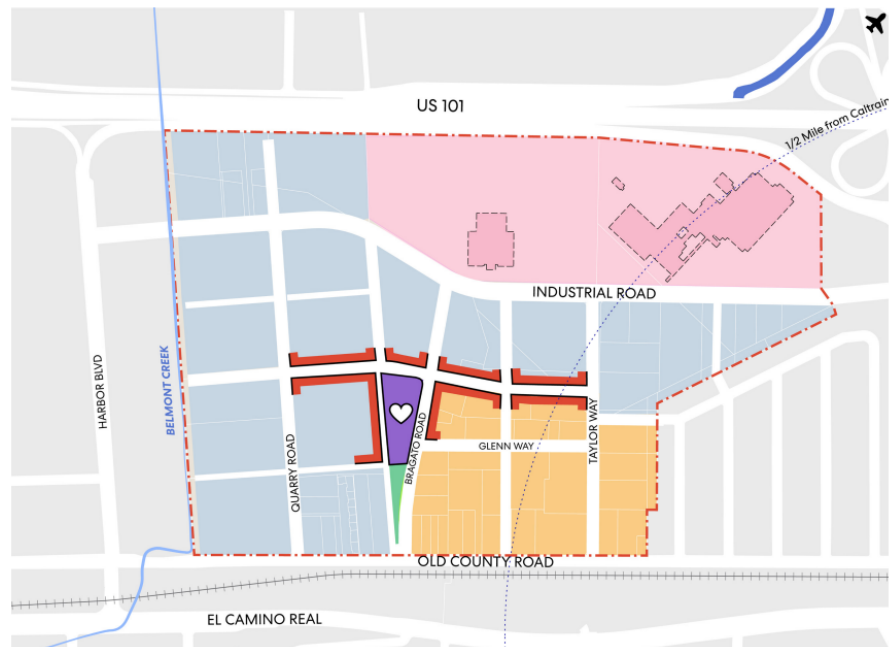
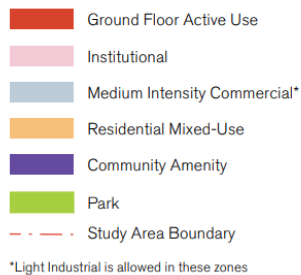
For additional details on Option 2A, see *Attachment 2: Planning and Transportation Commission Presentation, Slides 38-41*.

Figure 7. Option 2A: Employment + Housing

Land Use and Placemaking

Option 2a

Employment + Housing



Land Use Option 2B: Employment + More Housing

Under Option 2B, the Northeast Area would have a mix of employment-focused areas and housing (see Figure 8). Option 2B proposes more housing than Option 2A and reduces the amount of space allocated to medium-intensity commercial. Similar to Option 2A, the primary uses in the Option 2B district would include:

- Residential mixed-use which would allow retail, office, and service uses on the ground floor (not light industrial) and;
- Medium-intensity commercial which would allow uses such as light industrial, life sciences, and office.

Same as Option 2A, Option 2B proposes:

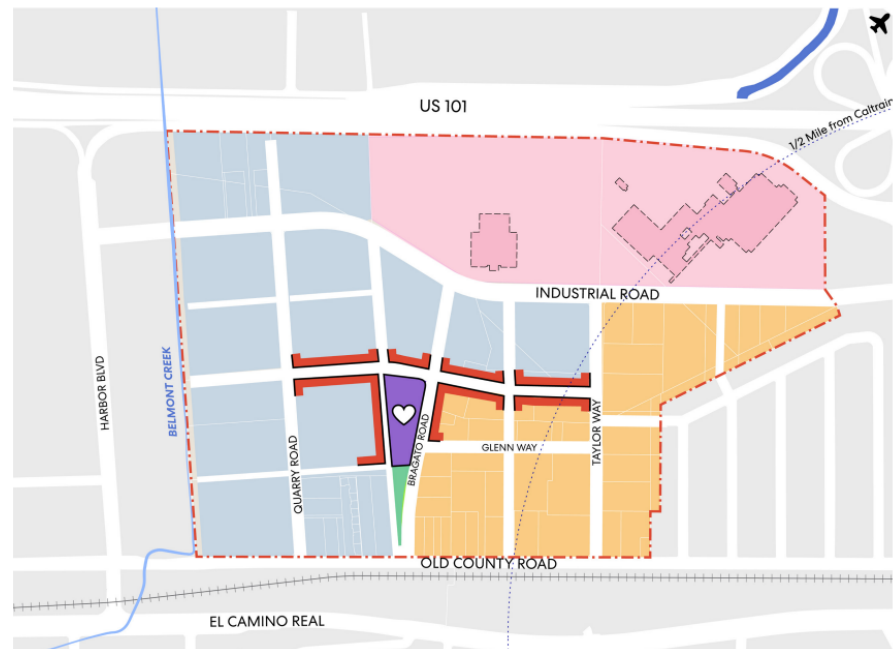
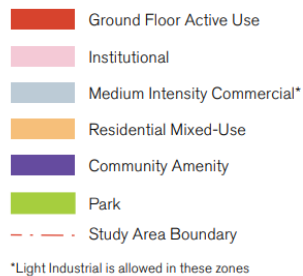
- A main street along the new north-south street which would have active ground uses and;
- A park space and community amenity (specific community amenity yet to be determined).

For additional details on Option 2B, see *Attachment 2: Planning and Transportation Commission Presentation, Slides 42-43*.

Figure 8. Option 2B: Employment + More Housing

Land Use and Placemaking

Option 2b
Employment +
More Housing



Community Engagement and Input to Date

In late August, City staff and the consultant team began gathering input on the draft concepts and land use options. Community input opportunities included:

- A virtual community workshop on August 30, 2023 with over 40 participants³;
- An in-person pop-up event on August 31, 2023 at the entrance to the San Carlos Library during which staff spoke with over 35 people;
- An in-person pop-up event on September 8, 2023 at Auto Vino, 380 Industrial Road within the project study area, during which staff spoke with over 25 people;
- An online survey which was open from August 30 through September 13, 2023, and had over 260 respondents;
- A study session with the Economic Development Advisory Commission on August 22, 2023;
- A presentation to and engagement with Harbor Industrial Association on September 7, 2023;
- A meeting with PG&E staff on September 8, 2023;
- A meeting with GW Williams representatives on September 13, 2023;
- Presentation to the Planning and Transportation Commission on September 18, 2023; and,
- Emails received from the public (see Attachment 3).

³ The presentation and recording from the August 30, 2023 Community Workshop can be found on the project website: www.sancarlosnortheastplan.com/event/community-workshop-1

GW Williams – Comments

On September 13, 2023, City staff met with representatives from GW Williams to discuss the draft land use options. GW Williams owns multiple properties in the Northeast Area, including the GW Williams office park that is located within the blocks bounded by Old County Road, Taylor Way, and Glenn Way. They also own multiple properties south of Taylor Way. These properties are proposed to be residential in both Options 2A and 2B.

The initial feedback from GW Williams is that they are not interested in having the area rezoned residential. The office park is currently home to approximately 200 businesses, and they have concerns about each of these businesses becoming legal non-conforming uses if rezoned residential. GW Williams provided additional comments via email to the Planning and Transportation Commission prior to the September 18, 2023 Study Session (see *Attachment 3: Public Comments*).

PG&E – Comments

On September 8, 2023, City staff met with representatives from Pacific Gas & Electric (PG&E) to discuss the future vision for their site. In late 2021, PG&E submitted a planning application to the City to build a new logistics and storage warehouse and a new fleet building; this application is currently under review. PG&E indicated that is unlikely that the property will change uses and will likely remain a strategic hub for PG&E operations within the San Francisco Bay Area. Therefore, staff recommends removing the pathway shown on the PG&E site, as shown in the draft options presented at the August 30, 2023 Community Workshop.

Key Takeaways

From the community engagement conducted thus far, the planning team has heard the following comments, as shown in Table 1.

Table 1. Community Input on the Draft Concepts and Options

	Support for...	Concerns about...	Need for...
Flooding and Resilience	<p>Widening the setback along Belmont Creek for the purposes of restoration and access and creating a pedestrian/bicycle path, flood-able park, and public space along the creek.</p> <p>Capturing and recycling water to maintain green infrastructure and the street trees.</p> <p>Improving air quality and considering this an important aspect of district resilience.</p>	<p>Feasibility of a 50-foot setback from top of creek bank, and the impacts to properties.</p>	<p>Regional collaboration to address flooding issues – should not stop the planning / thinking about flooding at the boundaries of the study area.</p> <p>Importance of considering feasible projects to address short-term needs.</p>

	Support for...	Concerns about...	Need for...
Transportation and Parking	<p>Refining the scale of the street grid through pedestrian paseos and street extensions.</p> <p>Managing on-street parking.</p> <p>Pedestrian facilities (sidewalks and crossings) and bikeways.</p> <p>Green infrastructure.</p> <p>Extending the East Side Connect Project.</p> <p>Caltrain electrification to increase service which could be a big draw for employers.</p> <p>Creating a city-wide, and even regional, Transportation Management Agency and micromobility services.</p>	<p>Impacts of the proposed Bragato Road extension, the Community Main Street, and alleyway alignments on parcels and property values.</p> <p>Location of the proposed alleyways which may make siting buildings difficult, especially for passive heating and cooling.</p>	<p>From property owners: Clarity on property-owner liability for publicly-accessible pedestrian paseos located on private property.</p> <p>From residents: Ensuring the pedestrian paseos are publicly accessible.</p> <p>Clarity about what will be allowed on the paseos (walking, bicycling, driving?), especially if the paseos are connected to the neighborhood to the south.</p> <p>Improving the Holly Street and Old County Road intersection for pedestrians and bicyclists to provide access to the district, especially from the San Carlos Caltrain station.</p>
Land Use Option 1: All Employment	<p>Providing ample space for industrial businesses to continue and grow.</p> <p>Appreciation of the area today – a centralized location on the Peninsula for industrial businesses.</p> <p>Appreciation for the GW Williams office park on Old County Road, and the small, affordable spaces that it provides for industrial businesses.</p>	<p>Dwindling space for industrial businesses in San Carlos and along the Peninsula.</p> <p>Loss of small, affordable spaces for industrial businesses.</p> <p>Loss of businesses in the Northeast Area that support other businesses (including biotech firms) located throughout San Carlos, including the East Side and Laurel Street.</p>	<p>For both options: If area is rezoned, clarity around how businesses can expand if they become legal non-conforming uses.</p>
Land Use – Options 2A and 2B: Employment + Housing	<p>General support for housing, and the proposed locations for housing presented in Options 2A and 2B.</p> <p><i>Staff note: The community has not indicated a strong</i></p>	<p>If properties along Old County Road become residential, as shown in these options, would greatly reduce the number of small, affordable</p>	<p>Clarity on the transition between the existing neighborhood to the south and the possible new residential buildings in the district.</p>

	Support for...	Concerns about...	Need for...
	<i>preference between Options 2A or 2B.</i>	spaces for industrial businesses. Conflicts between existing industrial uses and new residential uses – such as noise, light, working hours, truck movements, etc.	
Additional Comments		Understanding of how much the improvements are anticipated to cost.	

Planning and Transportation Commission Input

The Planning and Transportation Commission held a Study Session on the draft options and concepts for the Northeast Area at its September 18, 2023 meeting. City staff requested that the Commission provide their feedback on the draft concepts and options, and provide guidance on which land use option they preferred. Staff emphasized that the preferred option could be a combination of the three draft options.

Key Takeaways

The Commission considered the staff's presentation, public comments received during the Study Session, and written comments received prior to the Study Session. Commissioners provided the following comments, as shown in Table 2. The following are the key takeaways:

- There was Commission consensus that there should be some amount of housing in the plan area, but no consensus on how many units and the exact location.
- The Commission also had consensus on improvements for flooding, but there were shared concerns about the feasibility of the 50-foot setback for Belmont Creek from top-of-creek bank and the need for coordination with the City of Belmont to understand their approach to development setbacks on their side of the creek.
- Commissioners appreciated the proposed street and mobility network, but were concerned about the impact on specific properties and how the new mobility network would be implemented.
- Commissioners expressed a shared desire to respect the existing light industrial businesses and the economic ecosystem that is there today.
- Commissioners also recognized the need for a detailed implementation plan.

Table 2. Planning and Transportation Commission Comments

	Support for...	Questions or concerns about...	Recognizing...
Flooding and Resilience	Infrastructure improvements to address flooding and improve environmental resilience.		
Transportation and Parking		The specific location of the proposed north-south street, the alleyways, and the paseos and the impacts these may have on parcels and property values.	
Land Use Option 1: All Employment	Preserving the light industrial use and businesses that are in the area today. Enhancing the area for existing businesses.		
Land Use – Options 2A and 2B: Employment + Housing	General support for housing in the Northeast Area.	<p>The specific location of housing. Some Commissioners supported Option 2A, while others supported Option 2B. Another supported Option 1 with the addition of housing. Another proposed option was to limit housing to the area south of Taylor Way.</p> <p>How the area would transition from today's light industrial uses to the potential new residential uses.</p> <p>The transition between the existing single-family neighborhood and potential new multi-story housing in the Northeast Area.</p>	<p>The need to introduce housing to the area to meet the future housing needs of the San Carlos community and to address future Regional Housing Needs Assessment (RHNA) cycles.</p> <p>The need for housing close to transit.</p> <p>The importance of considering no area in San Carlos as “off-limits” for possible future housing locations.</p> <p>The need to provide housing to balance job growth.</p>
Additional Comments		<p>What the vision is for the area – preserving today's light industrial businesses or enticing more biotech development.</p> <p>What financial resources the City has to implement the plan.</p>	

Support for...		Questions or concerns about...	Recognizing...
		Can community benefit dollars from potential development in the area be spent within the Northeast Area to improve infrastructure and fund other community amenities.	

NEXT STEPS. PHASE 3: DETERMINE THE PREFERRED OPTION & BEGIN ENVIRONMENTAL REVIEW

Fall 2023

During tonight's Study Session, staff is requesting that the City Council provide direction on:

- The proposed concepts, including the proposed transportation network and infrastructure to address flooding and support environmental resilience in the district, and
- The preferred land use option, which may be a combination of the three draft options.

After the preferred option is determined, the planning team will draft the Specific Plan policy document and will begin the environmental analysis. The environmental analysis phase is anticipated to be completed by mid-2024.

City staff and the consultant team will present the draft Specific Plan to the Planning and Transportation Commission and then to the City Council, in the early fall of 2024.

PUBLIC NOTICE

A courtesy notice of this Study Session was published in the *San Mateo Daily Journal* newspaper on September 16, 2023. (See *Attachment 4: Courtesy Notice – Proof of Publication.*)

ALTERNATIVES:

Options available to the City Council include:

1. Provide direction to staff on the Northeast Area Specific Plan draft concepts and land use options; or
2. Provide an alternative recommendation.

Respectfully submitted by:

Al Savay, Community & Economic Development Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Northeast Area Specific Plan Outline
2. September 18, 2023 Planning and Transportation Commission Meeting Presentation –
Includes the proposed concepts and three draft options
3. Public Comments, as of September 18, 2023
4. Courtesy Notice – Proof of Publication