



Norman E. Matteoni

Peggy M. O'Laughlin

Bradley M. Matteoni

Barton G. Hechtman

Gerry Houlihan

January 7, 2025

Via Email and U.S. Mail

Hon. Mayor and Members of the City Council
City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025

**Re: Downtown Parking Lots Surplus Land Study,
January 14, 2025**

Dear Mayor and Members of the Council,

I am writing to provide my input regarding the Downtown Parking Lots Surplus Land Study Session that will be discussed during the upcoming City Council meeting on January 14, 2025. Thank you for your consideration as you deliberate on this important issue.

Very truly yours,

A handwritten signature in blue ink that reads 'Norman E. Matteoni'. The signature is fluid and cursive, with 'Norman' and 'E.' on the first line and 'Matteoni' on the second line.

NORMAN E. MATTEONI

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**Re: Downtown Parking Lots Surplus Land Study,
January 14, 2025**

Dear Mayor and Members of the Council,

I represent the owners of the mixed-use retail and office building at 1149 Chestnut Avenue, served by Parking Plaza 2.

The owners recognize the city must address additional housing, but it must also maintain and enhance the viability of its downtown commercial area, which is vital to the residents of Menlo Park. As stated in the General Plan:

Downtown and the El Camino Real corridor represent a key concentration of commercial uses in Menlo Park, serving both nearby neighborhoods and regional customers. In addition to being an important thoroughfare in downtown, Santa Cruz Avenue serves as Menlo Park's primary shopping and dining destination.

GOAL LU-5 Strengthen Downtown and the El Camino Real Corridor as a vital, competitive shopping area and center for community gathering, while encouraging preservation and enhancement of Downtown's atmosphere and character as well.

I. Impacts

Parking is vital to downtown businesses. Recognize as well that downtown vitality took a major setback during the pandemic. To now remove parking serving downtown commerce would divert business to adjacent cities and diminish sales tax revenues. It will harm small businesses and rentals in the Santa Cruz Avenue downtown. While there are many statements about parking in the downtown area, this one relates to maintaining the vitality of businesses in the area:

Menlo Park's downtown includes relatively few historic buildings but retains its historic fabric of small parcels and local-serving, independent street-front retail businesses. Surface parking lots behind Santa Cruz Avenue, downtown's main street, provide convenient parking for downtown visitors and employees. Extensive streetscape and sidewalk improvements on Santa Cruz Avenue, constructed in the 1970's, with additional improvements in later decades, lend a distinct character and pleasant tree cover to the street.

Once the vitality of a downtown is allowed to deteriorate, the character of the overall community is diminished. Years ago, California sought to address this situation with the Community Development Law ("Redevelopment"), a costly process taking years to accomplish and not always successful.

II. Background

More specifically as to this property and Parking Plaza 2, the office building at 1149 Chestnut Avenue was constructed based on meeting the City's parking requirement by participating in the assessment district that constructed the adjacent parking lot. Then, in 2016, the building went through a major upgrade, including designing and constructing the entry and orientation of the building to the parking lot at a cost of \$7 million. This substantial investment downtown would not have happened without the benefit of the adjacent parking at Plaza 2. The owners directly relied on the existence of adjacent parking established by the parking district, funded by owners of downtown properties, including this property. Moreover, if the lot is converted from parking to another use backing onto this building, the entrance to the office building will sustain a loss of identity.

The owners are aware that the City considered and rejected similar conversion of downtown parking lots in 2010. Borrowing from one of the downtown businesses' lawyer's review of the issue at that time, I remind the City of Government Code sections 504909-50516, regulating local government's lease or use property that was acquired for a particular purpose with assessment district funds. Government Code sections 50491-92 states that local government shall not "lease the property or use it except for the purposes for which it is acquired," unless a petition is signed by the owners of at least 51% of the property within the district "who have paid or are paying special assessment taxes. . ."

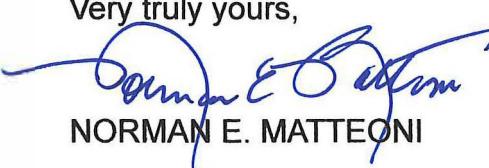
Here owners of property that have paid special assessments for the parking lots identified are opposed to conversion removing those spaces. Note that section 50490 (b) provides this qualification to converting the use from parking: "It appears to the legislative body that it is advantageous to the owners of property in the local agency or assessment district to use the property for purposes other than the original purpose."

Based on investigation of the background for the formation of parking assessment districts for the central downtown businesses of Menlo Park in the 1950s and early 1960s, the City initiated the process to serve a critical need and assure commercial viability of the downtown. Thus, city-initiation is an important distinction made by the United States Ninth Circuit Court of Appeals in *Furey v City of Sacramento* (9th Cir 1986) 780 F2d 1448, where the assessment district was initiated by petition of the property owners for sewer service. The court stated: "An essential factor in our conclusion that the assessment in this case amounted to a voluntary private investment is the fact that every landowner in the district either signed a petition requesting formation of the district or personally requested that his property be included in the district." This is not the case here. Rather, the principle established by the California Supreme Court previously decided in *Furey v City of Sacramento* (1979) 24 C3d 862, that a city may not create a sewer assessment district, assess fees, and then deny benefits from that improvement under an amendment to the general plan, controls. [Note: the California case was a pleading case and the court noted in a footnote that there may be a different outcome if the assessment district was initiated by the property owners.] Second, following the other key points of distinction in the federal decision, the Menlo Park parking assessment district was formed for the public benefit of the downtown "as a whole," not simply an individual owner. The downtown's economic vitality was essential to the City then, as it is now. Finally, the design of the improvement of parking lots was under the control of the City.

III. Conclusion

The parking assessment districts and the construction of downtown parking lots was initiated by the City for the benefit of the community as a whole. The development of 1149 Chestnut Avenue was dependent on meeting parking requirements that were fulfilled by the district. Then in 2016, the owners of the property, continuing to rely on the available parking to create a more attractive design by integrating its development to Parking Plaza 2, remodeled the building at substantial cost. The building's primary entrance is now oriented to the parking lot.. The owner acted in good faith reliance on the continued existence of adjacent parking for which it was assessed.

Very truly yours,



NORMAN E. MATTEONI

Cc: John Filice

Kevin Cunningham