

Community Development

**STAFF REPORT****Environmental Quality Commission****Meeting Date:** 6/22/2016**Staff Report Number:** 16-005-EQC

Regular Business: **Overview of the Facebook Campus Expansion Project, the Draft Environmental Impact Report (EIR), and Consideration of a Recommendation to the Planning Commission and City Council on a Request to Remove 274 Heritage Trees at 301-309 Constitution Drive**

Recommendation

Staff recommends that the Environmental Quality Commission review and discuss the Draft EIR and the proposed project, and review and provide a recommendation to the Planning Commission and City Council on the requested heritage trees removals associated with the Facebook Campus Expansion Project at 301-309 Constitution Drive. This meeting is intended to provide the Commission with an overview of the Draft EIR and the project and to respond to questions. Therefore, no action is required by the Commission on the Draft EIR or the project, with the exception of a recommendation to the Planning Commission and City Council on the requested up to 274 heritage tree removals. If the Commission provides a recommendation on the project or specific aspects thereof (other than the heritage tree removals), staff will provide those recommendations to the Planning Commission and City Council to consider. Comments made by individual Commissioners on the Draft EIR will not be recorded or responded to as part of the Final EIR, nor will those comments be shared with other commissions and the Council. Individual Commissioners who would like to provide comments on the Draft EIR should provide written comments by 5:30 p.m. on Monday, July 11, 2016.

Policy Issues

The proposed project will require the City Council to ultimately consider the requested land use entitlements, such as the merits of the proposed Zoning Ordinance Text Amendment, rezoning, conditional development permit (CDP), heritage tree removals, and below market rate (BMR) housing agreement, along with the public benefits associated with the Development Agreement. In addition, the Council will need to consider the potentially significant and unavoidable impacts and the accompanying statement of overriding considerations. As part of that process, the City is providing individual Commissions with the opportunity to review and discuss the Draft EIR and the overall project. With regard to the Environmental Quality Commission's specific review, the Commission will also need to review and provide a recommendation to the Planning Commission and City Council on the requested approximately 274 heritage tree removals, the proposed heritage tree replacement planting plan, and the replacement ratio for the project.

Background

On March 31, 2015, Hibiscus Properties, LLC, a wholly owned subsidiary of Facebook, Inc., submitted an application for the proposed redevelopment of the former TE Connectivity Campus. The campus is located at 300-309 Constitution Drive, along Bayfront Expressway, between Chilco Street and Building 23 (formerly identified as 300 Constitution Drive) and the recently completed Building 20 (formerly identified as the Facebook West Campus). The project site is more specifically defined as 301-309 Constitution Drive, since Building 23 (300 Constitution Drive) is on the property, but not part of the project. The TE Connectivity campus was originally developed for Raychem with a Master Site Plan. Following the Master Site Plan approval, two Conditional Development Permits (X districts) were established for two areas of the campus to permit the heights of specific buildings to exceed the M-2 zoning district height limit of 35 feet. The campus was originally approximately 80 acres in area, but in 2006 General Motors purchased 22 acres of the site, which now contains the recently completed Facebook Building 20.

Previously, in December 2014, Facebook received Planning Commission approval of a use permit to convert an existing approximately 180,000 square foot warehouse and distribution building to offices and ancillary employee amenities, located at 300 Constitution Drive (now Building 23), near the Constitution Drive entrance to the site, along Chilco Street. Construction is almost complete and the building has received temporary occupancy from the City. As a separate project, Facebook has been working with the City to install new pedestrian pathways and bike lanes along Chilco Street to create a pedestrian connection between the Belle Haven Neighborhood and the San Francisco Bay Trail and Bedwell Bayfront Park.

Site location

The project site is located at 301-309 Constitution Drive, which extends from the corner of Chilco Street and Bayfront Expressway east toward Building 20 near Willow Road. Currently the sole external access point to the subject property (or the TE Connectivity Campus) is located along Chilco Street at the intersection of Constitution Drive; however, the applicant is proposing to install a signalized access along Bayfront Expressway. In addition to the main entrance along Chilco Street, there is currently an emergency vehicle access point between the eastern end of the site and the Building 20 property. Chilco Street wraps around the western side and a portion of the southern side of the property. There is an electric substation solely servicing this site located near the curve in Chilco Street. The campus is adjacent to Bayfront Expressway across from the former salt ponds that are subject of a forthcoming restoration project, adjacent to Chilco Street, across from commercial and industrial uses within the M-2 (General Industrial) zoning district, and next to Facebook Building 20, located at the corner of Willow Road and Bayfront Expressway. To the south, across the Dumbarton Rail Corridor and Chilco Street, are the Onetta Harris Community Center and Menlo Park Senior Center, Beechwood School, Menlo Park Fire Protection District Station 77, single-family residences (R-1-U zoning district), and single-family residences in the Hamilton Park housing development (R-3-X zoning district). A location map is included as Attachment A.

Analysis

Project Description

The proposed project would redevelop the approximately 58-acre TE Connectivity campus, which currently consists of multiple buildings that include manufacturing, warehousing, office, and research and development uses. The existing site contains approximately 1.02 million square feet of gross floor area

(GFA) for an FAR of 40 percent, inclusive of Building 23 (300 Constitution Drive). The proposed project would comply with the existing floor area ratio (FAR) of the existing M-2 zoning district, but the project would require some modifications to the existing zoning requirements in order to exceed the maximum building height and to accommodate a potential hotel use. The City’s current General Plan promotes hotel uses within the commercial and industrial zoning districts through Policy I-E-2, which states that hotel uses may be considered in suitable locations within the commercial and industrial zoning districts of the city. Therefore, the project does not require a General Plan amendment. The project plans for the current proposal are included as Attachment B. The proposed project consists of two new office buildings and a hotel. The table below summarizes the proposed GFA and FAR at the site.

Proposed Project Components	Gross Floor Area (GFA)	Floor Area Ratio (FAR)
Building 21 (Demolish Buildings 307-309)	512,900 sf	n/a
Building 22 (Demolish Buildings 301-306)	449,500 sf	n/a
Building 23 (Converted Building 300)	180,100 sf	n/a
<i>Total Proposed Office Area</i>	<i>1,142,500 sf</i>	<i>45%</i>
Hotel	174,800 sf	n/a
<i>Total Proposed GFA</i>	<i>1,317,300 sf</i>	<i>52%</i>

The proposed project consists of the two office buildings and a hotel, along with public open space. The publicly accessible open space would be situated between the two office buildings. The applicant is continuing to refine the design of the open space, but it is anticipated to contain a plaza and green space and connect to a proposed bicycle and pedestrian bridge over Bayfront Expressway. The proposed bridge would be publicly accessible and would provide a more direct link from the Belle Haven neighborhood to the San Francisco Bay Trail and subsequently Bedwell Bayfront Park. Building 21, located to the east of the open space, would include space for Facebook-related events that could accommodate around 2,000 people. The office buildings would be oriented in an east-west direction, parallel with Bayfront Expressway. Both buildings would be located on a podium over surface parking. The office buildings would consist of one main level, a smaller mezzanine level, and a roof deck. The proposed office buildings would be approximately 75 feet in height. The potential hotel is proposed for the northwest corner of the site and would also extend to a maximum height of 75 feet. The design of Building 21 is more advanced as it would be constructed in the first phase and its design would be acted upon by the City Council as part of the current entitlements.

Parking

The project would provide 3,533 parking spaces for both the office buildings and hotel. The office uses would have 3,288 spaces, which is a ratio of one space for every 348 square feet of gross floor area. The proposed parking ratio would deviate from the Zoning Ordinance standard of one space for every 300 square feet of gross floor area, which can be permitted through the conditional development permit for the Project. The hotel would have approximately 245 spaces, which according to the applicant represents one space per each room and employee. The parking ratio for the hotel would exceed the Planning Division’s recommended use based guidelines, which is 1.1 spaces per hotel room. The parking would be located in surface parking lots, and the proposed new office buildings would be located over the surface parking, consistent with the Building 20 design.

Site Access and Circulation

The site is currently accessed via Constitution Drive at the intersection with Chilco Street. As part of the project, the applicant intends to construct a second access point along Bayfront Expressway, which would be located to the east of the publicly accessible open space and pedestrian bridge. Since Bayfront Expressway (Highway 84) is under Caltrans jurisdiction, Facebook has been working with Caltrans on the placement of the new signalized intersection. Within the project site, the applicant has identified vehicle, pedestrian, and bicycle circulation, along with emergency vehicle access routes that would link with Building 20 and ultimately Buildings 10-19, allowing employees and vehicles to easily circulate within the overall campus. The applicant is considering two emergency vehicle access points along Chilco Street between Building 23 and the bend in the road near the railroad tracks. As a separate project, Facebook has been working with the City to install new pedestrian pathways and bike lanes along Chilco Street to create a pedestrian connection between the Belle Haven Neighborhood and the San Francisco Bay Trail and Bedwell Bayfront Park. The project includes a limit on the number of daily or peak period vehicle trips to and from the site, consistent with the entitlements for Buildings 10-19 (East Campus) and Building 20 (West Campus). The applicant would continue to implement its Transportation Demand Management (TDM) program as part of the proposed project. The applicant's TDM program includes measures such as Caltrain Go-Passes and Caltrain station shuttles, employee commuter shuttle bus service/intern shuttles, campus bike share program, bicycle amenities, vanpools, educational and promotional events to encourage alternate modes of travel, and rideshare program.

Landscaping and Heritage Trees

The applicant submitted an arborist report for the project site as part of the environmental review process for the Facebook Campus Expansion Project. The arborist report, included as Attachment C, details the species, size, and conditions of all trees on site. The arborist report identified a total of 770 trees, 274 of which are identified as heritage trees. As is described in the arborist report and shown on the Tree Disposition Plan, the majority of the heritage trees (149 trees total) on the project site are in fair-to-good health. The remainder of the trees are in fair-poor and poor-dead health. Under the proposed site plan, all trees would be removed. The applicant is proposing to remove the trees due to conflicts with the proposed building footprints, site circulation and other improvements, health of the trees, and/or suitability for retention.

The City's consulting arborist (Fujiitrees Consulting) reviewed the requested tree removals, specifically the requested heritage tree removals. The consulting arborist agreed with the project arborist's assessment that the existing trees on site were victims of many years of neglect, drought, pest, and disease, as well as the use of species poorly adapted to the site. Accordingly, the consulting arborist determined that many of the trees are in lower overall condition than identified by the project arborist. The consulting arborist identified three trees that could be considered for relocation: a coast live oak (Tree #248) in fair condition, and two olives (Tree #533 and 538) in fair-to-good condition. The Commission may wish to consider the viability of relocating these three trees; however, the site is being comprehensively landscaped as part of the proposed project with trees more suitable to this location. The City's consulting arborist recommends that the City approve the heritage tree removal request based on the following criteria established in the Heritage Tree Ordinance:

- (1) The condition of the tree or trees with respect to disease, danger of falling, proximity to existing or

- proposed structures and interferences with utility services;
- The subject trees were observed to be in overall general disrepair in terms of poor structure and low vigor.
- (2) The necessity to remove the tree or tree in order to construct proposed improvement to the property;
- A design change would be necessary if a subject tree was observed to be so remarkable that an accommodating design is warranted. No such tree was observed within the prescribed area of disturbance.
- (4) The long-term value of the species under consideration, particularly lifespan and growth rate;
- The pines in particular exhibited symptoms of severe decline. Site conditions with regard to neglect, drought, pest and disease have diminished the normal and useful life of the subject trees.

The applicant is proposing to re-landscape the site with a comprehensive planting palette that is anticipated to be comparable to the landscaping at Building 20. The standard heritage tree replacement ratio for commercial projects is 2:1. However, the applicant is proposing a modified replacement ratio with 24-inch box minimum replacement trees, which exceeds the minimum 15-gallon size replacement trees. Heritage trees that are in good health (as determined by a certified arborist) would be replaced at a ratio of 2:1; heritage trees with fair or poor health, or dead heritage trees, would be replaced at a ratio of 1:1. The Project Sponsor is proposing to replace the 274 heritage trees that would be removed by planting a minimum of 423 trees throughout the project site, which meets the Project Sponsor's proposed heritage tree replacement ratio requirement. The proposed heritage tree replacements would be located at grade. While additional trees and landscaping would be located on the mezzanine/terrace and roof deck levels, those trees would not be included in the calculation for heritage tree replacements. This replacement ratio is consistent with the replacement ratio used for the West Campus (Building 20), for Building 23, and for the Chilco Street frontage improvements. Staff is working with the applicant to determine the appropriate replacement species; however, all replacements would be a minimum of 24-inch box size. Staff believes that the proposed replacement ratio is appropriate since the applicant is proposing to plant a minimum of 24-inch box size trees, which exceeds the minimum 15 gallon replacement size requirement. The EQC may wish to provide recommendations to staff and the applicant on the appropriate replacement species for the project. The City's consulting arborist recommends that the EQC recommend approval to the Planning Commission and City Council of the proposed heritage tree removals, the proposed replacement ratio, and minimum box size of the replacement trees.

Draft EIR

The Draft EIR assesses potentially significant environmental impacts that could result from the Project. A potentially significant effect is a potentially substantial, adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. Potential impacts under CEQA are physical, not social or economic.

As stated in the State CEQA Guidelines, an EIR is an "informational document" that is intended to inform public agency decision-makers and the public of the potentially significant environmental effects of a project, identify possible ways to avoid or substantially lessen the significant effects, and describe reasonable

alternatives to the project. The purpose of this Draft EIR is to provide the City, responsible and trustee agencies, other public agencies, and the public with detailed information about the environmental effects that could result from implementing the Project, examine and institute methods of mitigating any adverse environmental impacts should the Project be approved, and consider feasible alternatives to the Project, including the required No Project Alternative.

The Draft EIR identifies potential impacts as “potentially significant,” “less than significant,” and “no impact.” For “potentially significant” impacts, the Draft EIR provides mitigation measures to reduce the potential impact to “less than significant.” Where mitigation measures do not diminish the effect to “less than significant,” or are not feasible, the impact would be considered potentially “significant and unavoidable.”

The Draft EIR for the Facebook Campus Expansion Project analyzed the following topic areas: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazardous Materials, Land Use, Noise, Population and Housing, Public Services, Transportation, Utilities and Service Systems, and Hydrology and Water Quality. The analysis determined that the project would result in potentially significant and unavoidable impacts with regard to Greenhouse Gas Emissions and Transportation impacts.

The Draft EIR for the Facebook Campus Expansion Project was publicly released on May 26, 2016. The Draft EIR is required by the California Environmental Quality Act (CEQA) and is available for review at the City Administration building (701 Laurel Street), the main Library (800 Alma Street), the Belle Haven Branch Library (413 Ivy Drive), and online at the following location:

<http://menlopark.org/1012/Environmental-Impact-Report>

The air quality, biological resources, and greenhouse gas emissions (GHG) analyses are discussed below because those sections are likely of interest to the EQC.

Air Quality

The environmental analysis analyzed potential impacts to air quality from construction and operations, including the potential exposure of sensitive receptors to substantial pollutant concentrations during both construction and the ongoing operations at the site. The Draft EIR determined that impacts on air quality would be less than significant or potentially significant, but potentially significant impacts could be reduced to less than significant with mitigation. The mitigations include implementing Bay Area Air Quality Management District’s basic construction mitigation measures to control dust and off set NOx emissions above the daily threshold through funding emission reduction projects. Therefore, the resulting potential impacts to air quality are considered less than significant with mitigation.

Biological Resources

With regard to biological resources, potential impacts were based on an analysis of special-status species with the potential to occur in the Project vicinity (i.e., review of CNDDDB, CNPS, and USFWS databases) and their habitat requirements; existing habitat conditions on the Project site, as observed during the August 17, 2015, site visit; comments received on the NOP; and a review of the Project description to identify any actions that could result in significant impacts on biological resources, as defined by the CEQA thresholds of significance. As required by the City’s Municipal Code, tree surveys were conducted

by an ISA certified arborist. The analysis determined that impacts related to biological resources would be less than significant or could be potentially significant; however, with mitigations the potentially significant impacts would be reduced to less than significant. Mitigation measures for biological impacts include identifying and protecting roosting and breeding bats on the project site through surveys and limiting tree removal to specific times of the year, the installation of bird perching deterrents on all new buildings and elevated structures, conducting pre-construction surveys for nesting migratory birds, and implementing bird safe design standards. The implementation of these mitigation measures would reduce potential impacts to less than significant.

Greenhouse Gas Emissions

The Draft EIR concludes that development of the proposed project would conflict with applicable plans and policies, or regulations adopted for the purposes of reducing the emissions of GHGs. Therefore, this impact is considered potentially significant and unavoidable. The proposed project would result in less than significant impacts with regard to consistency with the AB 32 Scoping Plan and the City's Climate Action Plan. However, the proposed project is not consistent with Executive Orders EO S-3-05 and EO B-30-15.

EO S-3-05 asserted that California is vulnerable to the effects of climate change. To combat this concern, the order established the following GHG emissions reduction targets:

- By 2010, reduce GHG emissions to 2000 levels
- By 2020, reduce GHG emissions to 1990 levels
- By 2050, reduce GHG emissions to 80 percent below 1990 levels

Executive Orders are legally binding only on state agencies. Accordingly, EO S-3-05 guides state agencies' efforts to control and regulate GHG emissions but has no direct binding effect on local government or private actions. The secretary of the California Environmental Protection Agency (CalEPA) is required to report to the governor and state legislature biannually regarding the impacts of global warming on California, mitigation and adaptation plans, and progress made toward reducing GHG emissions to meet the targets established in this EO.

EO B-30-15 established a medium-term goal for 2030 of reducing GHG emissions to 40 percent below 1990 levels. It also required the California Air Resources Board to update its current AB 32 Scoping Plan to identify measures to meet the 2030 target. The executive order supports EO S-3-05, described above, but currently is binding only on state agencies.

These executive orders establish long term goals for GHG reductions below 1990 levels by varying amounts and timeframes for reductions. The project is estimated to be consistent with the EO B-30-15's substantial progress target in 2030; however, it cannot be determined if the project is consistent with the long-term 2050 goal in EO S-3-05. Since there are no known feasible mitigations and systemic changes would require significant policy, technical, and economic changes to reach the reductions targets at both the state and federal level, the impact is conservatively assumed to be potentially significant and unavoidable.

Draft EIR Public Hearing

The Planning Commission will hold a public hearing to discuss the Draft EIR on June 20, 2016. Comments may be made verbally at the June 20 meeting or submitted via email (ktperata@menlopark.org), letter (Community Development Department, 701 Laurel Street, Menlo Park CA 94025), or fax (650-327-1653). Written comments must be submitted to the Community Development Department no later than 5:30 p.m., Monday, July 11, 2016.

City staff previously made presentations at the Bicycle, Transportation, and Planning Commission meetings and will be making a presentation to the Housing Commission on June 29, 2016. These presentations will occur during the Draft EIR 45-day review period and will provide an overview of CEQA and the Draft EIR, as well as an opportunity to answer questions about the project and associated review process. As stated previously, these sessions, aside from the Planning Commission meeting, will be informational in nature and comments will not be recorded; however, Commissioners and members of the public are welcome to submit individual correspondence and/or speak at the June 20, 2016 Planning Commission hearing.

Impact on City Resources

The project sponsor is required to pay for staff time, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. A fiscal impact analysis (FIA) was prepared for the project, which identifies the estimated revenues and expenditures to the City and special districts from the project. The FIA is available for review at the City offices and on the City-maintained project page.

Environmental Review

An EIR has been prepared for the project. Following the close of the comment period, staff and the consultant will compile the responses to comments document, and will consider and respond to comments received on the Draft EIR. Repeat comments may be addressed in Master Responses, and portions of the EIR may be revised in strikethrough (deleted text) and underline (new text) format. Once the responses and revisions are complete, the Final EIR will be released, consisting of the Responses to Comments plus the Draft EIR. The Final EIR will be considered by the Planning Commission and City Council concurrent with the final project actions.

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Location Map
- B. Project Plans
- C. Project Arborist Report by SBCA Tree Consulting, dated March 28, 2016
- D. City Consulting Arborist Review and Recommendations by Fujitrees Consulting, dated April 4, 2016

Staff Report #: 16-005-EQC

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