



REGULAR MEETING MINUTES

Date: 2/26/2018
Time: 7:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair Drew Combs called the meeting to order at 7:00 p.m.

B. Roll Call

Present: Andrew Barnes, Drew Combs (Chair), Larry Kahle (Vice Chair), John Onken, Henry Riggs, Katherine Strehl

Absent: Susan Goodhue

Staff: Deanna Chow, Principal Planner; Kaitie Meador, Associate Planner; Michele Morris, Assistant Planner; Kyle Perata, Senior Planner

Chair Combs said item F1, Use Permit/David Crouch/1049 Almanor Avenue, was continued to a future meeting.

Chair Combs said he would be recused for item H1 study session for Facebook, and that part of the meeting would be chaired by Vice Chair Larry Kahle.

C. Reports and Announcements

Principal Planner Deanna Chow said the City Council at its March 13, 2018 meeting would consider the Facebook East Campus development agreement revision and conditional development permit revision that the Planning Commission reviewed at its February 5, 2018 meeting. She said at the same meeting, the Council would consider the Below Market Rate Housing (BMR) ordinance and guidelines revisions that were reviewed by the Planning Commission at its February 5 meeting. She said the City Council on March 13 would also have a policy discussion on the community amenities affordable housing requirement that was adopted as part of ConnectMenlo.

Replying to Commissioner Katherine Strehl, Principal Planner Chow said that if the policy discussion on the community amenities affordable housing requirement led to any proposed revisions in the future that the revised matter would have Planning Commission review. She said item F1 was continued to notice more fully regarding the abandonment of a public utility easement.

D. Public Comment

There was none.

E. Consent Calendar

- E1. Approval of minutes from the February 5, 2018, Planning Commission meeting. ([Attachment](#))

ACTION: Motion and second (Kahle/Strehl) to approve the consent calendar; passes 6-0 with Commissioner Goodhue absent.

F. Public Hearing

- F1. Use Permit/David Crouch/1049 Almanor Avenue:
Request for use permit to demolish an existing two-story, single-family residence and detached garage and construct a new two-story single-family residence and an attached garage on a substandard lot with regard to lot width in the R-1-U (Single-Family Urban) zoning district. As part of the proposed project, three heritage trees would be removed. ([Staff Report #18-017-PC](#))

Item continued to a future meeting.

G. Regular Business

- G1. Architectural Control and Below Market Rate Housing Agreement/Derek Hunter, Jr./
1540 El Camino Real:
Architectural control for the demolition of an existing commercial building and the construction of a new two-story non-medical office building and a three-story residential building with 27 residential units with a two level underground parking garage serving both buildings in the SP-ECR/D (El Camino Real Downtown/Specific Plan) zoning district. The proposal includes a Below Market Rate (BMR) housing agreement for compliance with the City's BMR program. As part of the proposed project, eight heritage trees would be removed. ([Staff Report #18-018-PC](#))

Staff Comment: Associate Planner Kaitie Meador said the applicant was proposing a materials change to the office building, and that the material on the top of the material sample board at the dais was the proposed material.

Questions of Staff: Commissioner Strehl said she thought this project would have benefited from a study session discussion noting that all projects thus far within the Specific Plan area had come as study sessions first.

Applicant Presentation: Deke Hunter said he was a Menlo Park native and had presented a number of projects to the Planning Commission over the years, including most recently the former Roger Reynolds site development on Encinal Avenue. He said this project had been under application process for 20 months. He said the proposed office was about 40,000 square feet and there would be 27 apartment units. He said they took advantage of an easement on the west side and arranged the driveway to access the garage similarly. He said they did not ask for bonus density. He said they had two community meetings with neighbors to the subject property and those had been positive. He said they were providing 15% BMR housing on the residential combined with the BMR requirement of the commercial project, which equated to about 18.5%

BMR. He said they had unanimous consent from the Housing Commission for their project except for one abstention. He said the terracotta they originally intended to use came to seem too orange and they were now proposing a more muted tonality as shown on the sample materials board for the office use.

Commissioner Henry Riggs said he was expecting a gray terracotta and the sample provided was a sand-colored, precast concrete. Mr. Hunter said it was a true terracotta tile and had a gray sandstone appearance. He said he could get a larger sample to staff if desired.

Commissioner Strehl asked the approximate number of employees for the office space use. Mr. Hunter said if there were four employees per 1,000 square feet that roughly 160 to 180 employees might be expected. Commissioner Strehl asked about a transportation demand management (TDM) program. Mr. Hunter said the commercial would be parked about 4 spaces per 1,000 square feet. He said they were proposing a TDM for the residential project as it would share some overflow parking after hours. Associate Planner Meador said there was a preliminary TDM memo as a condition of approval. Commissioner Strehl confirmed with Ms. Meador that the TDM would not return to the Planning Commission for consideration.

Commissioner Andrew Barnes referred to Attachment C, the data table, showing the proposed project side left setback of 40-feet where zoning designated the side setback at a minimum 10-feet and maximum 20-feet. He asked if the setback was measured from the modified access agreement. Associate Planner Meador said the setback on that side was measured from the easement.

Commissioner Barnes asked the applicant did not seek the bonus level density. Mr. Hunter said they began their proposal at bonus level but after a year they felt some uncertainty about doing so they decided to not pursue bonus density. He said at that time cities up and down the peninsula were struggling to set BMR guidelines. He said with the absence of BMR guidelines they thought they could pursue BMR percentages as a way to qualify for bonus density. He said the property owners were at a decision point of keeping the building as it was and leasing it, or to redevelop it. He said they ultimately decided to pursue development at the base level. Commissioner Barnes asked if the concern was the question of the BMR units or what would constitute public benefit for the bonus density level. Mr. Hunter said it was the latter and their concern was they might miss the window to develop the property and opted for the more conservative project application.

Commissioner Barnes read from the staff report stated: *However, there is not a pedestrian path allowing office employees/visitors to access San Antonio Street without walking in the vehicular driveway. The Planning Commission may wish to consider a condition requiring the connection of the walkways on the west sides of the buildings to create a full pedestrian path through the site.* He asked the applicant to address. Mr. Hunter said the 40-foot easement was between the properties owned by Beltramo family individuals. He said they thought that sidewalk would provide more than enough access to San Antonio Street and the train station.

Commissioner John Onken asked about the sun shading noting it was shown on the upper floor of the El Camino Real south west side but he did not see any for the southeast side nor for any of the lower levels of the project. Mr. Hunter said the sun shading was 75% articulation and 25% to reach Title 24 standards. He asked another team member to address.

Ted Korth, KSH Architects, said the elements were for sun shading and to add detail to the

buildings. He said even clear glass now performed really well without sun shades attached to it. He said they added sun shades along El Camino Real, to the sides and center, to add detail and character to the building.

Commissioner Kahle said the mechanical screen was set fairly far back yet seemed rather tall. Mr. Korth said the screening was set 10-feet six-inches higher than the building for the HVAC equipment, elevator overrun and the staircase.

Commissioner Kahle said the residential windows were vinyl clad and he assumed the office windows were aluminum storefront. Mr. Hunter said that was correct. Commissioner Kahle said the coping and some of the aluminum on the residential were painted and asked whether those would match the storefront system. He said he was concerned with the painted application rather than something more permanent. Mr. Hunter said the painted application was easy to upgrade over time and was used on the townhouses next door they had built. Commissioner Kahle asked why the terra cotta finish was only in the front and back and did not wrap around the sides. Mr. Hunter said they thought it would make the building feel too heavy. He said it was a special material and they wanted it to stand out. Commissioner Kahle asked if they had decided on the lighter gray color or were looking for feedback. Mr. Hunter said he would like feedback and preferred the more conservative color than the orange he originally proposed.

Commissioner Kahle said an area in the basement was shown as additional parking space if needed to meet minimum parking requirements. Associate Planner Meador said planning and building staff reviewed, and the purpose of it was to accommodate potential structural changes with the development of structural drawings as that might shift parking spaces slightly. She said it would not in any case reduce the overall parking supply. Commissioner Kahle confirmed with the applicant that the solar panels shown were representation only and not a specified amount.

Chair Combs opened the public hearing.

Public Comment:

- Michael Behr, Menlo Park, said the redwood tree located at the western corner of the property was a very distinctive landmark, and his concern was it might be removed. He said he had general concerns about too many heritage trees being removed and replaced with small trees.

Chair Combs closed the public hearing.

Commission Comment: Commissioner Riggs said the proposed material change was the color but the rendering indicated the finish would be variegated. He said the material sample provided did not seem the type to have variegation. Mr. Korth said the company that produced the material had a palette within that color range of three to four varieties of color tones very close to one another. He said the slight variegation shown in the rendering was the intention. He said it was a clay product, terracotta, with a glazed finish. He said that finish had a slight variety from piece to piece giving it an interesting character. Commissioner Riggs said the sample they were given had an aggregate. Mr. Korth said the sample was from the Boston Valley Terracotta company and he agreed that from the side it did not look like terracotta. He said they could provide larger samples of the material. Commissioner Riggs confirmed with the architect that there were three to four tones included in the product choice. Mr. Korth said that the material was not pre-cast. Commissioner Riggs said a series of plan drawings starting with C-A8.1 showed stucco with a

variation as though it might be integral color or even Venetian but the sample provided was standard painted, sand finished stucco. Mr. Korth said they had not really selected whether it would be color integral stucco or painted stucco but the color would be compatible with the terracotta. He said the stucco was not intended to have the same variegation as the terracotta tile but would have a more consistent finish on the two side walls.

Commissioner Riggs noted a similarity with the project office design and others in the Specific Plan area seen by the Commission recently. He said that the Specific Plan would be reviewed and was curious whether the Plan design guidelines were driving this design similarity. Mr. Korth said the Specific Plan offered a range of design objectives that could be pursued and they did not feel they were trying to match descriptions in the Plan.

Commissioner Riggs asked about the mechanical screening on the ground level shown on sheet L7. Mr. Hunter said the screening was for the transformer. He said regarding the Plan that once an architectural style was selected there was some rigidity in the Plan creating a right or a wrong. He said that might be why the Commission was seeing some of those forms. He said the Specific Plan was good for property owners and developers but guidelines could become too strict.

Chair Combs asked about the redwood tree. Associate Planner Meador said the redwood tree at the corner of El Camino Real and the subject property would be removed with the arborist's report indicating that it was near or within the footprint of the proposed underground garage.

Commissioner Strehl confirmed with the applicant that the residential units would be rental, the subdivision would create three parcels with one parcel associated each with the office building, the residential building, and the underground garage, and that the office and residential uses would share the underground parking.

Commissioner Riggs asked the applicant to speak to the context of San Antonio Road partnering with the proposed project. Mr. Hunter said the north side of San Antonio Road was predominately stacked flats similar to the project proposal as well as to the nearby project they had completed along Encinal Avenue. He said to the east was townhouse product. He said as their project moved toward those townhomes their units were less affordable. Commissioner Riggs asked if their proposal matched the architectural character of the townhomes across the street. Mr. Hunter said the townhome product across the street was over 50 years old and built at different times with different owners. He said there was a range of architecture and the property owners they met with living across the street were very enthusiastic with what their project would do.

Commissioner Kahle said the project was approvable and attractive. He said he also wondered about the H-shape design of recent projects in the Plan area recently seen by the Planning Commission as noted by Commissioner Riggs. He thanked staff for details such as the location of the transformer station and backflow prevention devices. He said staff had a question about whether the Planning Commission wanted to underground the transformer. He said he did not see the need for that as the transformer was screened. He said however the metal accent fence could have its pickets located closer to one another. He said he was a big fan of the original terra cotta and while he understood the concern about its orange-ness, he thought it would fit better with the street as he thought the grayer color would mute out and make a very handsome building boring looking. He said he was not a big fan of the future parking notation. He said for another project the applicant wanted the flexibility to add another foot to the building which the Commission denied. He said he did not think they wanted to make it a policy of approving projects with flexibility. He said

what they were requesting here made sense. He said the mechanical screening height worked on this project as it was set far back from the building edges but on another project the extra 10 feet in height might be overwhelming. He said the residential component was attractive if a little boxy looking. He said the materials were great but suggested that just one too many were being used. He said if anything could be changed he would recommend getting rid of the wood material noting there were several tones of it. He suggested losing the one that was supposed to look like wood. He said there was vertical siding material was really dark, which he felt was overwhelming.

Commissioner Onken noted the neighboring office building's terracotta and thought that the original color for this project would work and would be calmed by the neighboring project's color. He said gray commercial buildings or muted colored office buildings seemed to lack vitality.

Chair Combs said he appreciated why the bonus level density had not been sought. He suggested being mindful that even the base level of the Specific Plan was up-zoned from what it had been and to keep that in mind as they saw projects within the Specific Plan area. He said the project was finely designed and conceived. He said he would have preferred the project to have come first as a study session. He said his concern with this agenda was that it tasked the public and Commission with a lot of information to review for this project and other agenda items in a short period of time.

Commissioner Barnes said he liked the architectural style, the materials selection, and how the office building was stepped down toward the residential building. He recalled that the Commission had seen four successive projects in the Specific Plan area that had chosen not to pursue bonus level density. He said he would like to have that looked at during the Specific Plan review and whether that was a function of uncertainty or whether so much was given at the base level there was no incentive to go for bonus level.

Commissioner Riggs said overall it was an attractive project and supportable. He said he had some suggestions as they moved forward with their design: 1) make the stairs going to the garage as attractive as possible, which was predominately done through color choices and floor finish; 2) consider using variegated integral stucco; and 3) confirm terracotta tile has the variation shown in the rendering. He agreed with Commissioners Kahle and Onken that the classic terracotta color was more attractive and the City did not need another sand colored building. He moved to approve the project with confirmation that the terracotta would be as close to the classic color with the variation as rendered.

Commissioner Strehl said she would second the motion. She said a TDM program should be part of the final approval of the project. Associate Planner Meador said that was a condition of approval and noted the Mitigation and Monitoring Reporting Program (MMRP) document indicating the TDM was required. She said the condition of approval referenced the MMRP.

Commissioner Barnes asked if the TDM would be prescriptive as stipulated in the conditions of approval. Associate Planner Meador said that the TDM to be implemented had different credits that would reduce their total trip demand and Transportation Division staff would review that to determine if enough credits were being provided to reduce daily trips. She said that was addressed on page M14 of the staff report. Commissioner Barnes said under the Specific Plan review he suggested looking at the TSP / TDM measure to be uniform across the City.

ACTION: Motion and second (Riggs/Strehl) to approve the architectural control and BMR agreement as recommended in the staff report with confirmation that the proposed terracotta would

be as close to the classic color with the variation as rendered; passes 6-0 with Commissioner Goodhue absent.

1. Make findings with regard to the California Environmental Quality Act (CEQA) that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR, which was certified on June 5, 2012. Specifically, make findings that:
 - a. A checklist has been prepared detailing that no new effects could occur and no new mitigation measures would be required (Attachment L).
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment M), which is approved as part of this finding.
 - c. Upon completion of project improvements, the Specific Plan Maximum Allowable Development will be adjusted by 27 residential units and 17,223 square feet of non-residential uses, accounting for the project's net share of the Plan's overall projected development and associated impacts.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan, as verified in detail in the Standards and Guidelines Compliance Worksheet (Attachment F).
3. Approve the Below Market Rate Housing Agreement (Attachment J) in accordance with the City's Below Market Rate Housing Program, subject to final review and approval by the City Attorney.
4. Approve the architectural control and BMR agreement subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by KSH Architects and KTG Architecture, consisting of 91 plan sheets, dated received on January 22, 2018, approved by the Planning Commission on February 26, 2018, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.

- b. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
- c. Prior to building permit issuance, the applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, California Water Company and utility companies' regulations that are directly applicable to the project.
- d. Prior to building permit issuance, the Applicant shall submit a finalized version of the Stormwater Control Plan, which shall provide stormwater treatment for the entire project site pursuant to the latest regulations specified in the San Mateo County C.3 Technical Guidance Manual. The Stormwater Control Plan shall include a written report identify existing and proposed project conditions, and all applicable source controls, and mitigation measures (i.e. bioretention areas, flow through planters, etc.) implemented to meet NPDES compliance.
- e. Prior to building permit issuance, the applicant shall submit a plan for: 1) construction safety fences around the periphery of the construction area, 2) dust control, 3) air pollution control, 4) erosion and sedimentation control, and 5) tree protection fencing. The plans shall be subject to review and approval by the Building, Engineering, and Planning Divisions prior to issuance of a building permit. The fences and erosion and sedimentation control measures shall be installed according to the approved plan prior to commencing construction.
- f. Prior to building permit issuance, the Applicant shall submit plans for construction parking management, construction staging, material storage, and Traffic Control Plans to be reviewed and approved by the City. The Applicant shall secure adequate parking for any and all construction trades, until the parking podium is available to facilitate such parking demands. The plans must delineate construction phasing and anticipated method of traffic handling for each phase. The existing parking spaces at all adjoining properties and businesses must be maintained to pre-project conditions during the course of construction. The Applicant shall provide an equivalent number of temporary parking spaces to ensure that overflow parking does not hinder surrounding businesses and establishments.
- g. Prior to building permit issuance, the Applicant shall submit a draft "Stormwater Treatment Measures Operations and Maintenance (O&M) Agreement" with the City subject to review and approval by the Engineering Division. The property owner will be responsible for the operation and maintenance of stormwater treatment measures for the project. The agreement shall be recorded and documentation shall be provided to the City prior to final occupancy.
- h. Prior to building permit issuance, the applicant shall submit a Grading and Drainage Plan for review and approval by the Engineering Division. Post-construction runoff into the storm drain shall not exceed pre-construction runoff levels. A Hydrology Report will be required to the satisfaction of the Engineering Division. Slopes for the first 10 feet perpendicular to the structure must be 5% minimum for pervious surfaces and 2% minimum for impervious surfaces, including roadways and parking areas, as required by CBC §1804.3. Discharges from the garage ramp and underground parking areas are not allowed into the storm drain system. Discharge must be treated with an oil/water separator and must connect to the sanitary sewer system. This will require a permit from

West Bay Sanitary District.

- i. Prior to building permit issuance, the Applicant shall submit all necessary improvement plans and documents required by Caltrans for work associated with projects under Caltrans' jurisdiction. The plans shall be subject to review and approval of the Public Works Department prior to submittal to Caltrans.
- j. Prior to building permit issuance, the Applicant shall submit complete off-site civil engineering plans detailing the full scope of frontage improvements, along the property frontage at El Camino Real and San Antonio Road, to the satisfaction of the City's Public Works Department. The defined scope shall include, but is not limited to, new sidewalk, curb, gutter, street lighting, street trees, landscaping, pavement restoration, and utility upgrades (water, storm, sewer connections) to facilitate the project. Furthermore, the plans shall include upgrading the existing 15" off-site storm connection along San Antonio Road to 24" pursuant to the City's Storm Drainage Study (dated May 6, 2003).

All frontage improvements must be designed and installed in accordance with the latest Menlo Park El Camino Real/Downtown Specific Plan, City Standard Details, and to the satisfaction of the Public Works Department. The Applicant shall obtain an Encroachment Permit, from the appropriate reviewing jurisdiction, prior to commencing any work within the public right of way or easement.

- k. Prior to building permit issuance, the Applicant shall submit joint trench drawings showing all applicable on-site lateral connections to overhead electric, fiber optic, and communication lines as undergrounded. The joint trench drawings shall be subject to review and approval of the Engineering Division.
- l. During the design phase of the construction drawings, all potential utility conflicts shall be potholed with actual depths and recorded on the improvement plans, submitted for Engineering Division review and approval.
- m. Prior to building permit issuance, the Applicant shall submit all applicable engineering plans for Engineering Division review and approval. The plans shall include, but is not limited to:
 - i. Existing Topography (NAVD 88')
 - ii. Demolition Plan
 - iii. Site Plan (including easement dedications)
 - iv. Construction Parking Plan
 - v. Grading and Drainage Plan
 - vi. Stormwater Control Plan
 - vii. Utility Plan
 - viii. Erosion Control Plan
 - ix. Planting and Irrigation Plan
 - x. Off-site Improvement Plan (including Tie-Backs design)
 - xi. Construction Details
 - xii. Joint Trench Plan (if applicable)

The Applicant shall agree to furnish any additional engineering services or plans as required by the Engineering Division not mentioned herein. Additional information is provided in the comments below.

- n. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering, and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
- o. If construction is not complete by the start of the wet season (October 1 through April 30), the applicant shall implement a winterization program to minimize the potential for erosion and sedimentation. As appropriate to the site and status of construction, winterization requirements shall include inspecting/maintaining/cleaning all soil erosion and sedimentation controls prior to, during, and immediately after each storm event; stabilizing disturbed soils through temporary or permanent seeding, mulching, matting, tarping or other physical means; rocking unpaved vehicle access to limit dispersion of much onto public right-of-way; and covering/tarping stored construction materials, fuels, and other chemicals. Plans to include proposed measures to prevent erosion and polluted runoff from all site conditions shall be submitted for review and approval of the Engineering Division prior to beginning construction.
- p. The Applicant shall retain a civil engineer to prepare "as-built" or "record" drawings of public improvements, and the drawings shall be submitted in AutoCAD and Adobe PDF formats to the Engineering Division, prior to Final Occupancy of the last building.
- q. Street trees and heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance and the recommendations of the arborist report prepared by Arborwell, dated October 13, 2017. Applicant shall submit a tree preservation plan, detailing the location of and methods for all tree protection measures as part of a complete building permit application and is subject to review and approval by the City prior to building permit issuance.
- r. Prior to building permit issuance, the applicant shall pay all Public Works fees. Refer to City of Menlo Park Master Fee Schedule.
- s. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a lighting plan, providing the location, architectural details and specifications for all exterior lighting subject to review and approval by the Planning Division.
- t. Simultaneous with the submittal of a complete building permit application, a design-level geotechnical investigation report shall be submitted to the Building Division for review and confirmation that the proposed development fully complies with the California Building Code. The report shall determine the project site's surface geotechnical conditions and address potential seismic hazards. The report shall identify building techniques appropriate to minimize seismic damage.

- u. Prior to building permit issuance, the Applicant shall submit a Geotechnical Report detailing on- and off-site soils conditions in preparation for the proposed tie-backs, subject to review and approval of the Building and Engineering Divisions.
- v. Prior to building permit issuance, the Applicant shall design and submit all required engineering plans demonstrating that the proposed shoring tie-back / soil nails system does not adversely affect any existing or future utilities and/or any other City infrastructure, to the satisfaction of the Engineering Division. I-beams and appurtenances associated with the shoring plan, other than tie-back cables/soil nails, cannot be placed in the right-of-way (ROW).
- w. Prior to issuance of the building permit, the Applicant shall install reference elevation/benchmarks to monitor ground movement in the vicinity of the shoring system at the current centerline of San Antonio Street adjacent to the property before, during and after excavations. The benchmarks shall be surveyed by a licensed surveyor and tied to an existing city monument or benchmark. The benchmarks shall be monitored for horizontal and vertical displacement of San Antonio Road improvements. All Tie-Back systems shall comply with the City's Tie-Back Guidelines.
- x. Prior to final occupancy, the Applicant shall complete, notarize, and submit a Tie-Back Agreement with the City and pay the associated fees for the tie-backs encroaching and remaining into the right of way at San Antonio Road. This Agreement shall be subject to Engineering Division and City Attorney review and approval and must be recorded with the County of San Mateo.
- y. A complete building permit application will be required for any remediation work that requires a building permit. No remediation work that requires approval of a building permit shall be initiated until the applicant has received building permit approvals for that work. All building permit applications are subject to the review and approval of the Building Division.
- z. Prior to building permit issuance, all public right-of-way improvements, including frontage improvements and the dedication of easements and public right-of-way, shall be completed to the satisfaction of the Engineering Division and recorded with the County of San Mateo prior to building permit final inspection.
- aa. Simultaneous with the submittal of a complete building permit, the Applicant shall file a Notice of Intent (NOI) with the State Water Resources Control Board under the Construction Activities Storm Water General Permit (General Permit). The NOI indicates the Applicant's intent to comply with the San Mateo Countywide Stormwater Pollution Prevention Program, including a Storm Pollution Prevention Plan (SWPPP). The Applicant shall hire a state licensed Qualified Stormwater Developer (QSD) to prepare the NOI and SWPPP for the proposed grading and submit a finalized version of the documents to the Engineering Division.
- bb. Prior to final inspection, the Applicant shall submit a landscape audit report to the Public Works Department.
- cc. All Agreements shall run with the land and shall be recorded with the San Mateo County Recorder's Office prior to final occupancy.

5. Approve the architectural control and BMR agreement subject to the following ***project-specific*** conditions:
 - a. The applicant shall address all Mitigation Monitoring and Reporting Program (MMRP) requirements as specified in the MMRP (Attachment M). Failure to meet these requirements may result in delays to the building permit issuance, stop work orders during construction, and/or fines.
 - b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit an updated LEED Checklist, subject to review and approval of the Planning Division. The Checklist shall be prepared by a LEED Accredited Professional (LEED AP). The LEED AP should submit a cover letter stating their qualifications, and confirm that they have prepared the Checklist and that the information presented is accurate. Confirmation that the project conceptually achieves LEED Silver certification shall be required before issuance of the building permit. Prior to final inspection of the building permit or as early as the project can be certified by the United States Green Building Council, the project shall submit verification that the development has achieved final LEED Silver certification.
 - c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a full shoring plan subject to review and approval of the Planning and Building Divisions.
 - d. Prior to issuance of each building permit, the applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment to the satisfaction of the Public Works Director. The current fee is calculated by multiplying the valuation of the construction by 0.0058.
 - e. Any nonstandard improvements within public right-of-way shall be maintained in perpetuity by the owner. Owner shall execute an Agreement to maintain non-standard sidewalks and planting strips if any. Agreement shall be subject to review and approval of the Engineering Division and City Attorney and shall be recorded prior to final occupancy of the last building.
 - f. Prior to issuance of building permit, the applicant shall submit the El Camino Real/Downtown Specific Plan Preparation Fee, which is established at \$1.13/square foot for all net new development. For the subject proposal, the fee is estimated at \$58,980.35 (\$1.13 x 52,195 net new square feet).
 - g. Simultaneous with the submittal of a complete building permit application, the applicant shall submit information on the spandrel windows type and color subject to review and approval of the Planning Division.
 - h. Simultaneous with the submittal of a complete building permit application, the applicant shall provide additional information on the terra cotta and metal sunshades to clarify their visual, dimensional, and performance characteristics subject to review and approval of the Planning Division.

- i. Prior to issuance of building permit, the applicant shall submit all relevant transportation impact fees (TIF), subject to review and approval of the Transportation Division. Such fees include:
 - i. The TIF is estimated to be \$136,573.2. The fee was calculated as follows: (\$4.80/s.f. x 17,223 s.f. office) + (\$1,996.40/unit x 27 multi-family units). Please note this fee is updated annually on July 1st based on the Engineering News Record Bay Area Construction Cost Index. Fees are due before a building permit is issued.
 - j. *Simultaneous with the submittal of a complete building permit application, the applicant shall demonstrate that the terra-cotta material on the office building is a color similar to the color indicated on the approved plan sets and that there will be variation in the color, subject to the review and approval by the Planning Division.***

- G2. Housing Element Annual Report/City of Menlo Park:
Opportunity to consider and provide comments and/or a recommendation to the City Council on the 2017 Annual Report on the status and implementation of the City's Housing Element (2015-2023). ([Staff Report #18-019-PC](#))

Staff Comment: Principal Planner Chow said the Housing Element Annual Report was due to the state Housing and Community Development Department by April 1 each year for the preceding calendar year. She said the report documents the City's progress in meeting its Regional Housing Needs Allocation (RHNA) numbers and looked at housing production, which was determined by building permit issuance, and also at how the City was meeting its housing program needs as identified in the Housing Element. She said although the number of secondary dwelling units was not a large number it was nearly double what had occurred in past years, which staff attributed to changes in the requirements either initiated by the City or by state law. She said the Council committed up to \$6.7 million dollars of BMR funds to Mid-Pen for redevelopment of their affordable housing project at 1300 Willow Road. She said approved housing projects from 2016 to 2017 without building permit issuance as of yet were anticipated to add 425 new residential units.

Questions of Staff: Commissioner Onken said Table B was basically a score of where the City was in meeting its RHNA numbers, and whether the intention in the reporting was for the City to fulfill the total count. Principal Planner Chow said this was a progress monitoring report. She said there had been legislative changes that would change the reporting format for 2018.

Replying to Commissioner Barnes, Principal Planner Chow said purchase BMR units tended to be in the moderate income level. She said rental BMR units tended to be in the lower income level. She said if a project within the ConnectMenlo area proposed to do a bonus level project currently, it would need to meet the City's BMR requirement and above that the affordable housing amenity that was added specifically for the RMU district. She said the income categories as shown on page 8 would be broken down by very low, low and moderate income. Commissioner Barnes said potentially those requirements could be discussed for inclusion in the Specific Plan area. He asked about the Home for All Action Plan. Principal Planner Chow said that was an outcome of the Housing / Jobs Task Force with representatives from 20 jurisdictions plus the county. She said the website provided a toolbox for different housing strategies. Commissioner Barnes asked what the City's housing preservation measures were. Principal Planner Chow said as an example if a property owner had an existing residential development but it was zoned commercial that the

zoning might be changed to reflect existing use to preserve residential use. She said currently the City did not have any such at-risk residential units. She said the previous year the City had an at-risk unit and the City purchased it because if there was no qualified buyer within a certain amount of time the property would have come off the BMR list. She said the City then found a qualified buyer.

Commissioner Kahle noted the 425 units in the pipeline that were mentioned. He asked if that implied a large jump in units for the next year reporting. Principal Planner Chow said that was correct, noting the projects at 500 and 1300 El Camino Real. She said those were the two largest projects approved last year, but until entitled by Building, those projects did not count toward the City's housing production.

Commissioner Riggs said that one of the obstacles observed eight to ten years prior for secondary dwelling units (SDU) was the cost. He said that at some point the state limited what costs a city could impose. He asked if staff had an estimate of what the City's fees were on the average for a SDU application. Principal Planner Chow said she did not have that number with her tonight. Commissioner Riggs said the fees tended to discourage the development of SDUs for people who bought their homes at a certain economic level.

Chair Combs opened the public comment period.

Public Comment:

- Pamela Jones, Belle Haven, said the report indicated that the Mid-Pen affordable housing project at 1300 Willow Road had been updated to 141 affordable residential units. She said later in the report it was indicated that was approved, which she questioned as the community was adamantly opposed to that much density in their community. She said she recalled Mid-Pen went back and made adjustments, which were presented to the City Council. She said she did not recall when that occurred. She said if she was correct she hoped the report would be corrected before it went to the City Council. She said she hoped the City addressed fees as those made it almost impossible to do even small projects.

Chair Combs closed the public comment period.

Commission Comment: Commissioner Strehl asked what the number of residential units were expected with the Mid-Pen project. Principal Planner Chow said she believed it was 141 units noting a formal application had not yet been made. She said the 1300 Willow Road site was identified as an opportunity site in the Housing Element, zoned R-4-S with an affordable housing overlay, and was a by-right site. She said the Planning Commission would see the project as a study session for conformance with the R-4-S zoning standards, for which notification would be made for a 300-foot radius of the project site, and then the project would go to the Community Development Director for review and approval.

Commissioner Barnes asked about the anti-residential displacement policy elements coming from the Housing Commission and how that would be refined and show up as product. Principal Planner Chow said study sessions with the City Council and Housing Commission had prioritized those as part of the Housing Commission's two-year work plan.

ACTION: Motion and second (Barnes/Kahle) to recommend the City Council accept the 2017

Housing Element Annual Report; passes 6-0 with Commissioner Goodhue absent.

Chair Combs said he needed to recuse himself and noted that Commissioner Kahle would chair the rest of the meeting.

H. Study Session

- H1. Conditional Development Permit, Development Agreement, Zoning Map Amendment, General Plan Amendment, Lot Reconfiguration, Heritage Tree Removal Permits, Below Market Rate Housing Agreement, and Environmental Review/Peninsula Innovation Partners, LLC/1350-1390 Willow Road, 925-1098 Hamilton Avenue, and 1005-1275 Hamilton Court:
Request for a study session for a proposal to comprehensively redevelop an approximately 59-acre former industrial, research and development (R&D), and warehousing campus with 1,500 housing units, approximately 126,000 square feet of retail uses, approximately 1,750,000 square feet of offices, a limited service hotel of approximately 200 rooms, a cultural/visitor center, and approximately 18 acres of open space. The proposal includes a request for an increase in height, floor area ratio (FAR), and density under the bonus level development allowance in exchange for community amenities, as outlined in the ConnectMenlo General Plan and Zoning Ordinance update. The existing site contains multiple buildings of approximately 1,000,000 square feet that would be demolished to allow for the redevelopment of the site. The project site encompasses multiple parcels zoned O-B (Office) and R-MU-B (Residential Mixed Use). ([Staff Report #18-020-PC](#))

Staff Comment: Senior Planner Kyle Perata said the Planning Commission received three pieces of correspondence after publication of the staff report. He said those were previously provided to Commissioners and copies for the public were available on the table in the back of the room. He said those three letters generally relayed concerns with increased traffic in the area of the project, housing demand and the number of residential units proposed versus the maximum potential for the site, and timing of transportation improvements in the area. He said one letter noted an error he had made in writing the staff report. He referred the Commission to page 4, Table 1 under Bonus Level Development in the R-M-U zoning district. He said the intensity for FAR should be 25% maximum for nonresidential and not 15% as stated in the report.

Staff Presentation: Senior Planner Perata provided an overview of the project. He said the existing site was about 59 acres, with 20 buildings and over 1,000,000 square feet of existing gross floor area that was generally industrial, research and development and office uses. He said the site was along Willow Road at the intersection of Hamilton Avenue. He said the zoning was residential mixed use bonus available R-MU-B and office bonus available O-B. He said those two zoning districts were applied to the site as part of the ConnectMenlo General Plan Update and Zoning Ordinance Update. He said the project proposal was submitted to the City in July 2017 and the applicant and City had met a number of times to further understand the project and zoning ordinance applicability and new General Plan as it applied to the overall project. He said environmental review was initiated this year and they were in the first phase of that review. He said the main project components were 1,500 housing units, 126,500 square feet of retail uses that included a grocery store, a pharmacy and other food and beverage services, a 200 room limited service hotel, a cultural and visitor center, and 1.75 million square feet of office uses. He said the office was a net increase of 750,000 square feet excluding the retail and hotel uses. He said the project would have 18 acres of open space with eight acres publicly accessible through parks, plazas, pathways, and paseos.

Senior Planner Perata said the proposal sought to use the Master Plan Development that was permitted under the zoning ordinance update. He said this allowed for multiple parcels with common ownership and/or same or multiple zoning with common ownership and contiguous project area with certain size limitations to be able to enter into a Master Plan Development project utilizing the conditional development permit (CDP) to basically allocate the development potential across all parcels in the area. He said that was provided the project did not exceed the maximum development potential that would be allowed if either project R-MU or O were developed separately. He said the proposal also sought bonus level development that would allow for an increase in height, FAR, and density in exchange for community amenities. He said the first amenity that needed to be provided for R-MU projects was an affordable housing requirement of 15%. He said the key entitlements being requested were a CDP and development agreement (DA). He said a zoning map plan amendment specifically focused on the alternate locations of the public rights of way through the site and paseo changes from the ConnectMenlo zoning map. He said a lot reconfiguration was needed for project phasing. He said a BMR housing agreement, Heritage Tree Removal permit, and environmental and fiscal reviews were needed.

Senior Planner Perata said the project would have four phases. He said the first three phases were the office and residential. He said the idea was in the first phase all office buildings would be constructed but not for occupation. He said a third of the office uses and a third of the residential uses were intended to come online at the same time.

Applicant Presentation: John Tenanes, Vice President of Facilities at Facebook, outlined the efforts Facebook had made to partner with the City and community. He described the projects done to date including community amenities and improvements. He said with their acquisition of the Prologis site in 2015 their mission was to complete what they started and what they had committed to. He said the proposed project showed Facebook's commitment to building community while responsibly balancing Facebook's future growth. He said they had worked hard to reflect the ConnectMenlo vision of live, work and play environments with Facebook's needs. He said the proposed project was a thoughtful mixed use village including retail, housing, office and community spaces. He said they would continue to make significant investments in transportation systems locally and regionally. He introduced Shohei Shigematsu, OMA, and said they hired this firm based on their experience with urban planning and developing innovative mixed-use master plans around the world. He said over the past six months they had met with neighbors and stakeholders to introduce the proposed plan and get feedback. He said in March they would host three open houses around the community for input on design of the public and recreation spaces, a commercially viable retail center, and an inviting place to live, work, and play.

Shohei Shigematsu, OMA, said OMA was a global architectural firm with about 300 architects worldwide. He said his New York office with 90 employees was in charge of this project. He said they might be better known for cultural projects or institutional projects such as the Seattle Public Library and a National Museum in Quebec. He said their core activities were based on public space and urban planning. He said they do a lot of mixed-use projects and other relevant projects that makes them qualified for the Willows Village Project.

Mr. Shigematsu said the proposed project was compliant with the General Plan Update (GPU). He said the existing site had old industrial warehouse buildings surrounded by a sea of parking. He said the site was not resilient, not community serving, not connected and not sustainable. He said the GPU allowed for flexibility to locate different uses throughout the site while respecting the GPU

framework. He said the proposed concept organization of the site would better connect to the neighborhood with housing and mixed use along the western and southern edge facing outwards with connections to the surrounding community. He said the offices were consolidated toward the northeast with efficient configuration and relatively small footprint. He said the plan was anchored by primary open public space on its community facing corners and anchors were then linked through a series of smaller pockets of public open space and paseo along the north and east.

Mr. Shigematsu said the new Master Plan for the project had to be designed to meet FEMA's special flood criteria. He said their strategy was to ensure resiliency by design, raising the finished floor elevation by five feet above the base flood elevation. He said they would have a highly efficient and sustainable water system infrastructure in place. He said massing was consistent with the height and average height limitation of the GPU. He said the intent was to keep taller buildings further away from Willow Road based on input from neighbors during the ConnectMenlo process. He said the critical question for the road network was how to lay out streets and ensure a successful grocery and retail services, allow safe and convenient access for neighbors, prevent cut through streets through the surrounding area, and accommodate future changes for mobility such as the potential reactivation of the Dumbarton Rail, provide permeability and provide a shuttle for Facebook's TDM program. He said they worked with CMG of San Francisco to develop a coherent open space program. He said as mentioned their intent was to work closely with neighbors through a community advisory process to develop a project that felt like a new neighborhood center.

Commissioner Onken asked about the EIR process noting the EIR done for ConnectMenlo. Senior Planner Perata said a program EIR was done for ConnectMenlo. He said the scale of this project required it have its own EIR prepared.

Commissioner Strehl asked about the timeline for the EIR and expectation when the project would come forward. Senior Planner Perata said that it was too early in the process and a timeline would be forthcoming later.

Vice Chair Kahle opened public comment.

Public Comment:

- Sheryl Bims, Belle Haven, said she continued to be impressed with the architecture of the Facebook buildings and amenities, and how they treated their employees. She said millions of square footage of office had been or would be built out. She said her community however still seemed to lack basic things. She said collectively they needed to hold the process more accountable and questioned why the City did not have a basic plan to underground utilities in some of their major streets in 2018. She said her community needed basic streetscape improvements such as undergrounding utilities, sidewalks, landscaping in the form of trees and other foliage, clearly demarcated bicycle paths, crosswalks, street lights and other normal measures that created safe and beautiful streets. She said the City also needed to look at where the school districts lie noting that Belle Haven was ready to separate from the Ravenswood School District and either become its own school district or join with one of the districts in Menlo Park. She said these type of things needed to be considered when looking at community amenities. She said lastly they needed a dedicated community amenities fund with money in it that could not be co-opted, diverted, redirected or lost over time.

- Adina Levin, Menlo Park resident, Complete Streets Commission member, said she was speaking as an individual. She said she was pleased to see this project that would fulfill many of the goals of the ConnectMenlo process in creating a live, work and play environment. She said she liked that the grocery, pharmacy, and the retail were part of the first phase providing services the community has needed for many years. She said she liked that the housing phasing would be accompanied with jobs. She said it looked like there would be 7,000 jobs and 1,500 residential units provided, would still create pressure on the jobs / housing imbalance. She said the affordable housing was listed for at least 15% and asked about strategies for funding from Facebook and other sources to have a greater share. She asked as the amenities were across the street from the current Belle Haven residents about the walking environment so people could get to and from the amenities walking or biking. She asked what provisions there would be for shared parking between different uses at different times of day and unbundled parking to help people have only as much parking as they needed.
- Karen Grove, Housing Commission, said she was speaking as an individual. She thanked the applicant for the phasing strategy. She said Facebook was doing much for the community but the job and housing imbalance continued and that needed to be addressed. She said Belle Haven had the highest density in the City and suggested locating density in other areas.
- Pamela Jones, Belle Haven, said the comments of the three previous speakers were also her sentiments. She said she appreciated all of Facebook's work to be a good neighbor but that more community outreach was needed to find out what the people needed. She said she would like to see the grocery store on her side of the street. She said she looked at the new development as their future cities. She said she wanted all the people who owned their homes in Belle Haven to have fully sustainable homes. She said Facebook had the opportunity to help that type of thing happen including undergrounding utilities and other things. She said they could not handle any more traffic in their area. She said it might be helpful if the project had a southern access route that connected to Bayfront that would help take some of the traffic off Willow Road.
- Jen Wolosin, Menlo Park, indicated her agreement with much of what had been said by speakers. She said she hoped the Commission and City in reviewing the project looked out for the City's best interests and especially the interests of the Belle Haven neighborhood. She noted particularly the housing and jobs imbalance. She asked if the residential units were intended for Facebook employees. She asked if the retail center was specifically being designed for the Belle Haven residents as a community amenity or were the intended users Facebook employees, or west side residents or those traveling through the City. She said depending on the answers to those questions that there might be implications related to traffic, transportation and mobility issues. She said the project should also have a study session with the Complete Streets Commission so they could weigh in on all kinds of transportation issues.
- John Kadvany, Menlo Park, said the project when built would be a village-like place but he would like a better name for the community. He said the phasing was ingenious and well thought out. He said he noticed the transportation and cultural center at the northwest corner was scheduled for Phase 4 which made sense. He asked if it might be possible to use that space throughout the project as a kind of ongoing popup or meeting space that connected to Facebook to the north and west.

- George Yang, Belle Haven, said he wanted to echo what Ms. Bims said earlier about available educational facilities. He said there would be young families in the project area and in Belle Haven, who would need affordable daycare and to have educational choices in this area. He said as an engineer he hoped they would look toward more innovative solutions such as autonomous vehicles as a way to reduce traffic. He said he would really like to see the VTA extended from Mountain View on the east side of Highway 101 to connect to the Dumbarton Rail project. He said much of the traffic going through Menlo Park was headed to Fremont or Palo Alto, and suggested having this project look at creating a south bay loop outside of Menlo Park.
- Rose Bickerstaff, Belle Haven, said Facebook had been a great neighbor since the day they made their first proposal presentation. She said there were many things Belle Haven needed but Facebook could not fix it all. She said she loved the proposed project noting Belle Haven was a little postage stamp neighborhood that had been neglected for a long time. She said regarding the connection between the development and the community that there would be a grade separation or something as Facebook always made sure that the neighborhood was considered. She said other tech companies needed to contribute to solutions as they were adding to impacts in the area.
- Harry Bims said he expected the retail planned for this site would become a center not only for Belle Haven but for pass through traffic along Willow Road, and that was likely to become a significant source of revenue for the City. He said for years this area had produced significant revenue for the City but had not seen that revenue make its way back toward the neighborhood. He said over recent years the disparity between income and spending had only grown, and he expected it would explode with this project. He said as part of the development agreement he would like it to have a plan to direct a portion of revenue produced to fund significant capital projects in the area such as undergrounding utilities. He said there was an Indian burial site on the northern side of this project along the railroad tracks. He said that progress toward an agreement with the tribe in this area was being made and he would like the EIR to demonstrate that agreement had been reached satisfactory to all parties.

Vice Chair Kahle closed the public comment period.

Commission Questions / Comments: Commissioner Strehl said Facebook currently occupied 1,000,000 square feet of office space on the Prologis site, and asked how many employees that equated to and how many employees would be expected in the future 1.75 million square feet of office space. Mr. Tenanes said for the future office square footage that 9,500 seats were expected. Commissioner Strehl asked how many employees were there for all of the campuses including this future site. Mr. Tenanes said they were about 25,000 employees worldwide and 60% of that work force was in Menlo Park, or 15,000 employees plus the expected 9,500 employees for this project. Commissioner Strehl said that meant Facebook would have about 25,000 employees in the area east of Highway 101. Mr. Tenanes consulted with one of his team members and said Facebook would have about 35,000 employees in Menlo Park east of Highway 101 in the future.

Commissioner Strehl said her biggest concern was the jobs/housing imbalance. She said her other concern was solving transportation. She said when the GPU came before the Commission two members did not vote on it because there was no transportation master plan to address how they would move all of the people within the area. Senior Planner Perata said the traffic impact analysis in the EIR would look at the impact specific to this project as well as the cumulative impact of the

development plan, pending ConnectMenlo development potential and the proposed circulation changes, and how that might change what was studied for ConnectMenlo. Commissioner Strehl asked whether the project EIR would only look at impacts on Willow Road and the immediate area or at citywide impacts. Senior Planner Perata said the EIR traffic study would look at a larger area, the extent of which had not been fully determined yet.

Louis Knight, Oakland, Advanced Development Manager with Facebook, said Facebook owned the traffic problem with their neighbors in Belle Haven, the Willows, and East Palo Alto. He said in working together they would solve the regional congestion. He said the City was working on its transit management plan and Facebook had committed to subsidizing the initial transit management association or strategy, which was being kicked off this week. He said they remained in conversations with SamTrans about how best to move the Dumbarton Corridor Transportation Study forward in a time and cost efficient manner. He said Facebook had one of the best traffic demand management programs in the region. He said about 50% of their employees were arriving in alternative modes of transportation such as regional shuttles. He said they were deliberately choosing to under-park this project site with a target of 1.7 spaces per 1,000 square feet. He said tests of autonomous vehicles were starting but not there yet. He said they were trying to create the space within this project to capture such transportation regional evolution and change advances.

Commissioner Onken asked if the future EIR said this project would create so many traffic problems beyond mitigation that would make the problem much worse whether there was a mechanism in the City's jurisdiction to deny the number of cars, parking spaces or traffic. Senior Planner Perata said that was a bigger policy question for the City Council. He said as part of any EIR process the EIR would identify impacts, potential mitigations, and if no mitigations were available or feasible the impact was potentially significant and unavoidable. He said if the Council was choosing to approve such a project they would adopt a Statement of Overriding Considerations that the Planning Commission would be involved in recommending to the Council. He said the Council would ultimately need to decide if the number of significant and unavoidable impacts outweighed or not the project benefits.

Commissioner Onken said the whole site would be lifted up to address flood level. He asked if all the buildings would be at 13-feet, six-inch floor grade. Mr. Tenanes said to a point noting surrounding existing conditions. He said they anticipated lifting all the campus buildings' finished floor elevations to 14 foot ASL. He said the mixed use was 15 foot ASL but one way of reducing importer fill was by doing a single podium of parking beneath the mixed use to satisfy unbundled parking for the residents. Commissioner Onken confirmed that roughly 2,000 parking spaces was the unbundled podium parking and the other 3,000 spaces were in the garage to the rear.

Commissioner Barnes said none of the parking would be below grade. Mr. Tenanes said to clarify that the ruling grade on the site was currently between nine or 13 ASL. He said beneath the mixed uses they hoped to take three feet off the site and reuse on site. He said that depression would become the podium for the parking. He said they were evaluating to what level that needed to go to. He said they wanted to be very sensitive about the Willow Road frontage to retain as many heritage trees there as possible and reflect some of the concerns expressed by Belle Haven neighbors regarding Willow Road and having a walkable environment.

Commissioner Barnes confirmed that the initial process would be the demolition of the entire Prologis campus buildings. He asked what Phases 2 and 3 would look like. Mr. Tenanes said it

would be a phased construction process and said it would look similar to the Phase 2 construction of the Gateway project, noting fencing.

Vice Chair Kahle said the architect indicated it would not look like a construction site. Mr. Shigematsu said he meant that when Phase 1 happened that the remaining sites would be separate from the finished area and that area would be activated enough so that the whole site would not feel like a new city within a construction site. He said the Commission was raising a good point for them to be articulate about the phased areas. Mr. Tenanes said one slide showed how the infrastructure would be laid in and demonstrated where the roads would be. He said the roads would exist at Phase 1. He said roads would be completed and empty parcels would be construction phased.

Commissioner Barnes asked about the leasing for the non-BMR units. Mr. Tenanes said they had not gotten far enough to establish a leasing procedure. He said that about 225 units would be affordable, inclusionary housing, and the balance would be a market rate mix of one, two, and three bedroom units.

Commissioner Barnes asked staff if Facebook could give preferential status for renting the non-BMR units to Facebook employees. Senior Planner Perata said certainly Facebook employees could rent the units and the question of preferential status for them was a question that could be discussed through the DA process. He said whoever was operating the rental units would determine through the rental application process the leasing of the units.

Mr. Knight said Facebook was not in the housing development business and there were fair housing laws that needed to be met. He said they were not at the point of determining if it would be Facebook corporate housing or public available housing. He said they had indicated over 18 months prior that they anticipated the housing to be widely open to the community. He said the point was creating a range of units that satisfied the local and broader demand.

Commissioner Barnes asked what type of foot traffic would be needed for the retail street to keep it vibrant commensurate with some of the images shown. Mr. Tenanes said they intended to partner with experts to have a commercially viable development that supported needs and was sustainable. Mr. Shigematsu said they thought the community should be a mixture of Facebook employees and others to create a more vibrant atmosphere. He said architecturally he saw the retail as an intimate space and that in the evening the lighting would be compatible with the climate and culture here.

Commissioner Barnes asked the architect if he had done similar corporate campus environment with surrounding residential projects that activated it. Mr. Shigematsu said they looked at other examples of how a large entity mixed with the urban fabric such as urban university types. He said that Washington Square was shared successfully by NYU and the community. He said they were confident the office campus would be integrated as the perimeters of public space were in sync with the program and residential mix. Commissioner Barnes asked about the pedestrian access coming across Willow Road and if it would be safe and comfortable for people coming from Belle Haven. Mr. Tenanes said they looked at a potential pedestrian bridge over Willow Road near Ivy Park. He confirmed that a new signal was being proposed at Hamilton near the retail.

Commissioner Barnes asked about community amenities. Mr. Knight said that was a journey they would take together with the City. Commissioner Barnes noted the stacked office structures and

asked about that design choice. Mr. Knight said the densities were needed to support the regional infrastructure investment to address the transportation woes they were all facing. He said they supported vertical work spaces and believed those supported their own TDM programs and future transit improvements. Mr. Tenanes said the proposed eight buildings' configuration was somewhat similar to the Classic Campus that was designed almost 30 years prior as a multi-tenant environment.

Commissioner Barnes said the project phasing was good and they had done well with density and intensity in terms of using the master plan process to create an overall configuration on the site that would work well for Facebook's needs and the site needs. He said he would like to hear more about the main cross site access, pedestrian and bike access from the eastern paseo. Mr. Knight said obviously there was a lot of regional traffic on Willow Road and they have a slightly indeterminate future with the Dumbarton. He said they wanted to make sure the site could adapt to future Dumbarton improvements. He said in the era of redevelopment part of this site had been identified as the future train station location. He said that was why the hotel and visitor / cultural center were in the later phase so they had some future flexibility. He said to establish the grocery in Phase 1 required a signalized intersection on Willow Road that informed where the grocery would be located and how it would be serviced. He said looking at the site once they delivered improvements to the Dumbarton corridor in a yet to be determined fashion they needed to be able to be a really good neighbor as this would be a regional resource. He said those in the Life Sciences district would need access to regional transit or the retail street and East Palo Alto residents would want to have bicycle access. He said they respected the north and east boundaries to make sure there were rapid bicycle paseos. He said regarding parking for the office they were seeking to build a very innovative, efficient parking structure connected to their water and energy center on the eastern perimeter with 3,100 spaces. He said 3,100 was about 3 spaces per 1,000 square feet which was about the maximum of the GPU for replacing all of the buildings onsite. He said they thought this was an effective way to manage parking construction traffic as it would produce a lot of jobs and traffic to support the construction over time. He said the circulation was different from the circulation shown in the General Plan but had been very carefully considered as there were a lot of multi-factor variables for it. He said they took the current cut-through traffic study they financed with the City very seriously and they wanted a plan that would work against that cut through traffic.

Vice Chair Kahle asked about the Dumbarton Plaza, the visitor center and a speaker's suggestion to consider using that as a popup center in the interim to its expected opening date in 2025. Mr. Knight said that area was where their health center was currently located, which was a valuable resource for their employees. He said they were looking for an alternative location for that and it might not be demolished during Phase I. He said this corner of the site for some significant time had carried the burden of future, indeterminate transit improvements. He said for the retail having a definitive community anchor like the proposed visitor center was important. He said the Facebook name and swag was part of the potential retail pro forma they needed to investigate further. He said they had heard from public officials and others that art was needed in the mix. He said their staff and the community very much needed the participation process anticipated to happen over the next six to eight months to help determine the program and how it would best enhance the overall aspirations of the project. Vice Chair Kahle said for a project of this size that public art would be an important aspect to add. He asked about the energy station. Mr. Knight said they looked at the required water demand and energy efficiency, and how to get to highly performative buildings. He said if they started to have interfaces between the office and mixed uses they could get much more energy and water efficient. He said working with some of their consultants it

became apparent that a central shared water and energy center would really promote much higher levels of sustainability.

Vice Chair Kahle said a grocery needed a certain amount of square footage to be successful and asked what was planned. Mr. Knight said originally they proposed the grocery at 25,000 square feet and later through discussions with the community and staff as to what was important for the grocery to offer they decided to reserve 35,000 square feet for it.

Commissioner Riggs said this was a large, dense project and the first in the ConnectMenlo area. He said ConnectMenlo was enabled by an EIR that made assumptions of total build out, FAR, and daily trip counts. He said he would like a perspective of how this project fit within the overall EIR. Senior Planner Perata said the 750,000 square foot net increase for office space and the proposed retail use was about 24% of the ConnectMenlo studied development potential. Commissioner Riggs asked what the EIR identified as daily car trips from the ConnectMenlo area. Senior Planner Perata said they would look that up but did not have the number presently. Commissioner Riggs asked if Facebook's ad sales were a source of tax revenue for the City. Senior Planner Perata said he did not know. Commissioner Riggs said he thought that would be a pretty big consideration for the DA. He said the three correspondences received after the staff report was printed expressed concerns with transportation impacts. He said one suggestion made by the writers was to do the transportation infrastructure improvements before the project could proceed. He said another writer said the benefits of the project did not support the impacts to job / housing imbalance and transportation. He asked about programmed transportation improvements. Senior Planner Perata said the City was currently working on a transportation master plan and had recently held a transportation management association kickoff meeting on how to manage traffic and pull in transit options from other areas. He said there were a number of other studies being undertaken by other agencies such as the Dumbarton Corridor Study. He said MTC was working on another which he believed was called Dumbarton Forward. Commissioner Riggs suggested that the next time the Commission discussed the project that the Commissioners are given information on what was programmed for regional transportation.

Commissioner Riggs said the site for the cultural / visitor center was almost as big as the hotel and retail combined that would wrap it. He said the program for it did not seem to be at the same scale as its square footage. He said it was also indicated for possible future use as a transit center, which he hoped would be the Dumbarton Rail Center. He said however it was not quite adjacent to the Rail. He said he would like more definition on that part of the site as transportation was such a key part of this project. He said the retail street was fantastic and he could see that being successful. He said it was not within walking distance from Belle Haven, the nearest residential neighborhood, except for residents in the Mid-Pen Housing. He said the buildings were tall but located in the right place. He said they were adding over 5,000 parking spaces. He said currently Facebook used all parking spaces and aisles leading to those. He said he thought it would be tempting with the parking structures for them to be used for supplementary parking for the Classic and West Campuses and that would increase daily trips quickly. He suggested as part of the discussion to talk about phasing the parking.

Commissioner Riggs said he admired the plan and he hoped it could move forward. He said bicycle and pedestrian access seemed workable as long as Willow Road could be crossed. He said he was not sure of what use the eastern paseo was as it ran between future Life-Science development and a lot of parking structure, and at its north terminus could not get to Bayfront Expressway. He said regarding the staff question on the appropriateness of the site density that it

was the goal and appropriate. He said he agreed with other Commissioners that the project phasing made sense.

Commissioner Onken said the proposed parking garage was the size of something at San Francisco Airport and would have 3,000 cars entering it and leaving it every day. He said with the EIR it would be important to not only look at the individual impacts at each intersection onto Willow Road but to try to determine the overall impact of the parking garage on traffic. He said the garage however was probably in the best place possible as another plan would have had it on Willow Road or to have had a number of smaller garages throughout the site. He said a horrible line of cars at the Classic Campus funneled to exit at a single access point. He said other campuses were a little more spread out. He said this particular garage had different accesses so he thought that the funneling of cars might be ameliorated. He said originally the expectation was the retail would be along Willow Road but it was a benefit that it was moved to its proposed location. He said it was important to keep the connection to the other side of Willow Road and in planning terms as welcoming as possible. He said he thought Ivy Park would be a great place for the new Belle Haven Library. He said the relationship between Facebook and the Belle Haven community had not quite hit the mark of the original vision for integration between the campus and community. He suggested that Facebook not provide employees with onsite food service so that they might leave the building and visit this marketplace. He said the proposal was moving in the right direction but needed to be tested as they went along.

Commissioner Barnes said the bicycle and pedestrian access as proposed seemed fine. He said regarding the point of having to amend the zoning ordinance and map that when the ConnectMenlo plan for paseos was being developed this Master Plan had not yet been developed. He said he did see any reason to retain the specificity associated with the original ConnectMenlo plan given that this proposal was an overlay on it. He said this proposal was coming forward after a conceptual plan was set for the area and he did not have a problem with that difference. He asked about dewatering.

Mr. Fergus O'Shea, Facebook, said they would probably not dewater as much on this site as it was being raised. He said that there was some element of dewatering for construction and that would happen through the regulatory approval process and application of discharge permits. Replying to Commissioner Barnes, Mr. O'Shea said he did not know the quantity or magnitude of water that would be and they would work with the State Water Quality Control Board. Senior Planner Perata said the City would issue discharge permits based upon clearance from the state.

Vice Chair Kahle said a 59-acre development was great for the City. He said the highlights included the retail street, the transit hub and its potential, and the parks and open spaces. He noted the potential pedestrian bridge and possibility of public art. He said he appreciated that the office use was not located near the northwest corner closer to the Classic Campus and Building 20. He said regarding street alignment and a mention in the staff report of connecting to Adams Court that he did not see a need for that and he appreciated where the street labeled Cross Street was located. He said he would like that street to be shifted a little more north to have a little less space dedicated to the office and a little more space dedicated to the retail and housing on the south end. He said Ivy Street at the bottom left seemed to have been envisioned as a grand boulevard at one time but it died meeting Willow Road; he suggested if possible continuing it across Willow Road. He said the suggestion made by speakers to dedicate funding to capital improvements in the Belle Haven community was a good idea as well as employment recruitment opportunities for Belle Haven residents for the new retail businesses.

Mr. Tenanes thanked the Commission and noted they were open to other names for the development.

I. Informational Items

I1. Future Planning Commission Meeting Schedule

Principal Planner Chow said the March 12 agenda would have a study session on a new proposed hotel at 1704 El Camino Real, a mixed use project for 840 Menlo Avenue, and several single-family residential development items.

- Regular Meeting: March 12, 2018

Principal Planner Chow said the meeting of March 26 would potentially have a study session for 164 Jefferson Drive and some single-family residential development items.

- Regular Meeting: March 26, 2018
- Regular Meeting: April 9, 2018

Replying to Vice Chair Kahle, Principal Planner Chow said that probably the next review of tonight's Facebook project proposal would be a scoping session for the EIR potentially in April.

Replying to Commissioner Strehl, Principal Planner Chow said staff had been in conversation with the applicant for the 706 Santa Cruz Avenue project, who might make more comprehensive design changes.

J. Adjournment

Vice Chair Kahle adjourned the meeting at 10:51 p.m.

Staff Liaison: Deanna Chow, Principal Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on March 12, 2018