



PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF OCTOBER 28, 2013
AGENDA ITEM D1

LOCATIONS: East Campus: 1 Hacker Way
West Campus: 1 Facebook Way

APPLICANT: Facebook

OWNERS: East Campus: Wilson Menlo Park Campus, LLC
West Campus: Giant Properties, LLC

EXISTING USE: East Campus: Corporate Campus
West Campus: Active Construction Site

PROPOSED USE: East Campus: Corporate Campus
West Campus: Corporate Campus

APPLICATION: Annual Review of Approved Development Agreements

ZONING: East Campus: M-2(X)
(General Industrial, Conditional Development)
West Campus: M-2(X)
(General Industrial, Conditional Development)

PROPOSAL

The City of Menlo Park is conducting the first annual review of the property owners' good faith compliance with the terms of the Development Agreements for the Facebook Campus Project. The applicable Development Agreements include:

1. The East Campus Development Agreement approved in June 2012; and
2. The West Campus Development Agreement approved in April 2013 (For ease of review, the West Campus Development Agreement requires that annual compliance reviews coincide with the review date for the Facebook East Campus Development Agreement).

BACKGROUND

The Facebook Campus Project includes two project sites, specifically, the East Campus and West Campus. Land use entitlements were processed in phases, with the East Campus entitlement process completed first. An overview of both Project phases is provided below.

East Campus

The 56.9-acre East Campus is located at 1 Hacker Way (previously 1601 Willow Road) and was previously occupied by Oracle (previously Sun Microsystems). The site is developed with nine buildings, which contain approximately 1,035,840 square feet. Applicable entitlements and agreements for the Facebook East Campus project include:

1. Amended and Restated Conditional Development Permit (CDP): to implement a vehicular trip cap that includes an AM and PM peak period, and daily trip cap to accommodate an increase in employees at the site beyond the 3,600 employees that were permitted under the CDP applicable to Oracle;
2. Development Agreement (DA): which results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in East Campus Project approvals; and
3. Heritage Tree Removal Permits: to remove one heritage tree on the East Campus and seven heritage trees on the West Campus to facilitate construction of Phase I of the Bayfront Expressway undercrossing improvements.

The Planning Commission recommended approval of all requested land use entitlements and agreements to the City Council on May 7, 2012. The City Council approved the project in May and June of 2012. All buildings on the East Campus are occupied at this time.

West Campus

The approximately 22-acre West Campus is located at 1 Facebook Way (previously 312 and 313 Constitution Drive). This second phase of the Project includes the demolition of the existing on-site buildings and associated site improvements and the construction of an approximately 433,555 square foot building on top of surface parking. Applicable entitlements and agreements for the Facebook West Campus project include:

- Rezone from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development) and Conditional Development Permit (CDP): to permit the proposal to diverge from standard M-2 zone requirements related to building height and lot coverage. In addition, in the M-2 zone, the construction of a new structure to house a permitted use requires use permit approval. In this case, the CDP takes the place of the required use permit;

- Development Agreement: which results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in West Campus Project approvals;
- Below Market Rate (BMR) Housing Agreement: per the requirements of the City's Municipal Code, a BMR Housing Agreement was required and the applicant has satisfied the BMR Housing Agreement requirements by funding 15 off-site affordable housing units to be constructed at 3639 Haven Avenue, via an agreement with St. Anton Partners;
- Lot Line Adjustment: to modify the location of two legal lots that comprise the project site; and
- Heritage Tree Removal Permits: to permit the removal of approximately 175 heritage trees associated with the proposed project.

The Planning Commission recommended approval of all requested land use entitlements and agreements to the City Council on February 25, 2013. The City Council approved the project in March and April of 2013, and the project is currently under construction.

The previous staff reports, which provide more detailed background information, plus the certified Environmental Impact Report (EIR) and Final Fiscal Impact Analysis (FIA), are available for review on the City-maintained project page accessible through the following link:

http://www.menlopark.org/projects/comdev_fb.htm

ANALYSIS

A Development Agreement is a legally binding contract between the City of Menlo Park and an applicant that delineates the terms and conditions of a proposed development project. A Development Agreement allows an applicant to secure vested rights, and it allows the City to secure certain benefits. Development Agreements are enabled by California Government Code Sections 6584-65869.5. The City Council adopted Resolution No. 4159 in January 1990, establishing the procedures and requirements for the consideration of Development Agreements (Resolution No. 4159 is available upon request at City offices or on the City's website – applicable website link provided below).

Development Agreements are commonly used for land use developments which are implemented in phases over a period of time. Development Agreements provide assurances to both the applicant and the City that the terms of the agreement will be in force until the completion of the project, and in some cases, elements of the Development Agreement could be in effect for the life of the project.

State Planning law requires periodic review at least every 12 months to determine compliance with the terms of the agreement. City Council Resolution No. 4159 calls for the Planning Commission to conduct a public hearing at which the property owner (or representative for the property owner) must demonstrate good faith compliance with the

terms of the agreement. The Planning Commission is to determine, upon the basis of substantial evidence, whether or not the property owner has, for the period under review, complied in good faith with the terms and conditions of the Agreement. The decision of the Planning Commission is final, unless it is appealed to the City Council.

The approved and recorded Development Agreements for both the East and West Campuses are available upon request at City offices or on the City's website (applicable website link is provided below). Sections 24.1 and 15.1, respectively, of the Development Agreements set forth the following requirement for the Annual Review:

The City shall, at least every 12 months during the term of this Agreement, review the extent of Facebook's and Owner's good faith compliance with the terms of this Agreement pursuant to Government Code § 65865.1 and Resolution No. 4159. Notice of such annual review shall be provided by the City's Community Development Director to Facebook and Owner not less than 30 days prior to the date of the hearing by the Planning Commission on Facebook's and Owner's good faith compliance with this Agreement and shall to the extent required by law include the statement that any review may result in amendment or termination of this Agreement. A finding by the City of good faith compliance with the terms of this Agreement shall conclusively determine the issue up to and including the date of such review.

There is an additional clause in the Facebook West Campus Development Agreement that requires that, "Such review shall be scheduled to coincide with the City's review of compliance with the 1601 Willow Road Development Agreement."

Government Code § 65865.1 reads as follows:

Procedures established pursuant to Section 65865 shall include provisions requiring periodic review at least every 12 months, at which time the applicant, or successor in interest thereto, shall be required to demonstrate good faith compliance with the terms of the agreement. If, as a result of such periodic review, the local agency finds and determines, on the basis of substantial evidence, that the applicant or successor in interest thereto has not complied in good faith with terms or conditions of the agreement, the local agency may terminate or modify the agreement.

Over the course of the past year, Facebook has demonstrated its good faith compliance with the provisions of both the East and West Campus Development Agreements. To document this compliance, City staff has compiled compliance tables for the East Campus Development Agreement and West Campus Development Agreement, which are included as Attachments B and C, respectively. Requirements for each Development Agreement and exhibited compliance are summarized below.

East Campus Development Agreement:

The East Campus Development Agreement includes 37 requirements that are associated with the annual Development Agreement tracking. These requirements fall into the following categories:

- Capital Improvement;
- Bicycle/Pedestrian;
- Business District;
- In-Lieu Mitigation Payment;
- On-Going Public Benefits, Conditions;
- Housing;
- Local Community Fund;
- Bay Trail Gap;
- Utility Undergrounding;
- Jobs;
- City of East Palo Alto Benefits;
- Adopt-a-Highway;
- Environmental Education;
- On-going Environmental Commitments;
- Local Purchasing;
- Transportation Demand Management Information Sharing;
- Volunteerism;
- Assignment and Assumption; and
- Sanitary Sewer Upgrades.

Facebook has been diligent in compliance with the applicable requirements, and has generally complied on-time (and sometimes well in advance of the deadline) with all of the requirements. To ensure that the City is aware of the status of their compliance and any challenges they may be having achieving compliance, Facebook provides quarterly updates on the status of all applicable requirements. These quarterly updates, as well as supporting correspondence and written documentation have been used to develop the East Campus Development Agreement Compliance Table (Attachment B). This table illustrates that Facebook is fully in compliance with 33 out of 37 requirements. For the four requirements where compliance has been delayed, staff has documented that the delay is warranted as the result of circumstances outside of Facebook's control, or due to the need for construction staging areas for the Facebook West Campus development, which necessitate additional time to comply with the applicable requirements. These requirements include:

- 7.2.1, Bicycle and Pedestrian Improvements – Undercrossing: This item was to be completed prior to May 31, 2013; however, implementation has been delayed as a result of the expedient submittal and processing of the Facebook West Campus, as well as a necessity for utilization of the the eastern portion of the Facebook West Campus site as a construction staging area. The applicant has

submitted for building permits for both the East and West Campus components of the undercrossing improvements, and is diligently working to obtain City approval for the undercrossing improvements so that they can submit for permit review by other regulatory authorities with jurisdiction over the project. Completion of the undercrossing is required prior to occupancy of the Facebook West Campus, which is anticipated in early 2015.

- 7.2.2, Bicycle and Pedestrian Improvements – Willow Road bicycle lane restriping: This item was to be completed prior to May 31, 2013; however, the process has been delayed by the Caltrans permitting process. The applicant submitted plans for the City to review on March 29, 2013, and subsequently submitted for an encroachment permit from Caltrans and received comments from Caltrans on August 23, 2013. The applicant met with the City team on October 1, 2013 to discuss the comments, and anticipates resubmitting for the encroachment permit in November 2013.
- 7.2.3, Bicycle and Pedestrian Improvements – Crosswalk improvements at the Willow Road and Highway 101 Interchange: This item was to be completed prior to May 31, 2013; however, the process has been delayed by the Caltrans permitting process. The applicant submitted plans for the City to review on March 29, 2013, and subsequently submitted for an encroachment permit from Caltrans and received comments from Caltrans on August 23, 2013 (this was a combined submittal with item 7.2.2 discussed above). The applicant met with the City team on October 1, 2013 to discuss the comments, and anticipates resubmitting for the encroachment permit in November 2013.
- 7.2.4, Bicycle and Pedestrian Improvements – Improvements to the Bay Conservation and Development Commission Trail: This item was to be completed prior to May 31, 2013; however, the process has been delayed by the presence of the California clapper rail (an endangered bird species) in proximity of the project site. The applicant applied for a building permit on December 21, 2012, and the permit was subsequently issued on March 13, 2013. A California clapper rail was sighted on March 29, 2013, which delayed any construction associated with the project until September 2013. Construction of the trail improvements is now underway and the building permit is anticipated to be finalized prior to the end of the year, with additional plantings being added in the spring of 2014.

West Campus Development Agreement:

The West Campus Development Agreement includes 11 requirements that are associated with the annual Development Agreement tracking. These requirements fall into the following categories:

- On-Going Public Benefits, Conditions;
- Local Community Fund;
- Recycling;
- Design and Environment;
- Public Access;
- Future Pedestrian/Bike Access; and
- Facebook East Campus Public Benefits

Many of the requirements are not applicable during the building construction phase. For the four items that are applicable (7.3.1, 7.3.2, 8 and 10), Facebook has documented full compliance with these requirements, as illustrated in Attachment C.

ENVIRONMENTAL REVIEW

On May 29, 2012, the City Council adopted findings in accordance with the California Environmental Quality Act (CEQA) and certified the EIR prepared for the project. Additionally, on March 26, 2013, the City Council adopted findings in accordance with CEQA related to the appropriateness of preparing an Addendum to the previously certified EIR for the revised design of the Facebook West Campus.

RECOMMENDATION

Staff recommends that the Planning Commission find and determine upon the basis of substantial evidence that the property owners have, for the period between October 2012 and October 2013 complied in good faith with the terms and conditions of the Development Agreements.

Report prepared by:
Rachel Grossman
Associate Planner

Report reviewed by:
Thomas Rogers
Senior Planner

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of all property owners and occupants within 300-foot radius of the subject property. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_fb.htm In addition to allowing for interested parties to subscribe to email updates, the Project page provides comprehensive information about the Project, as well as links to previous staff reports and other related documents.

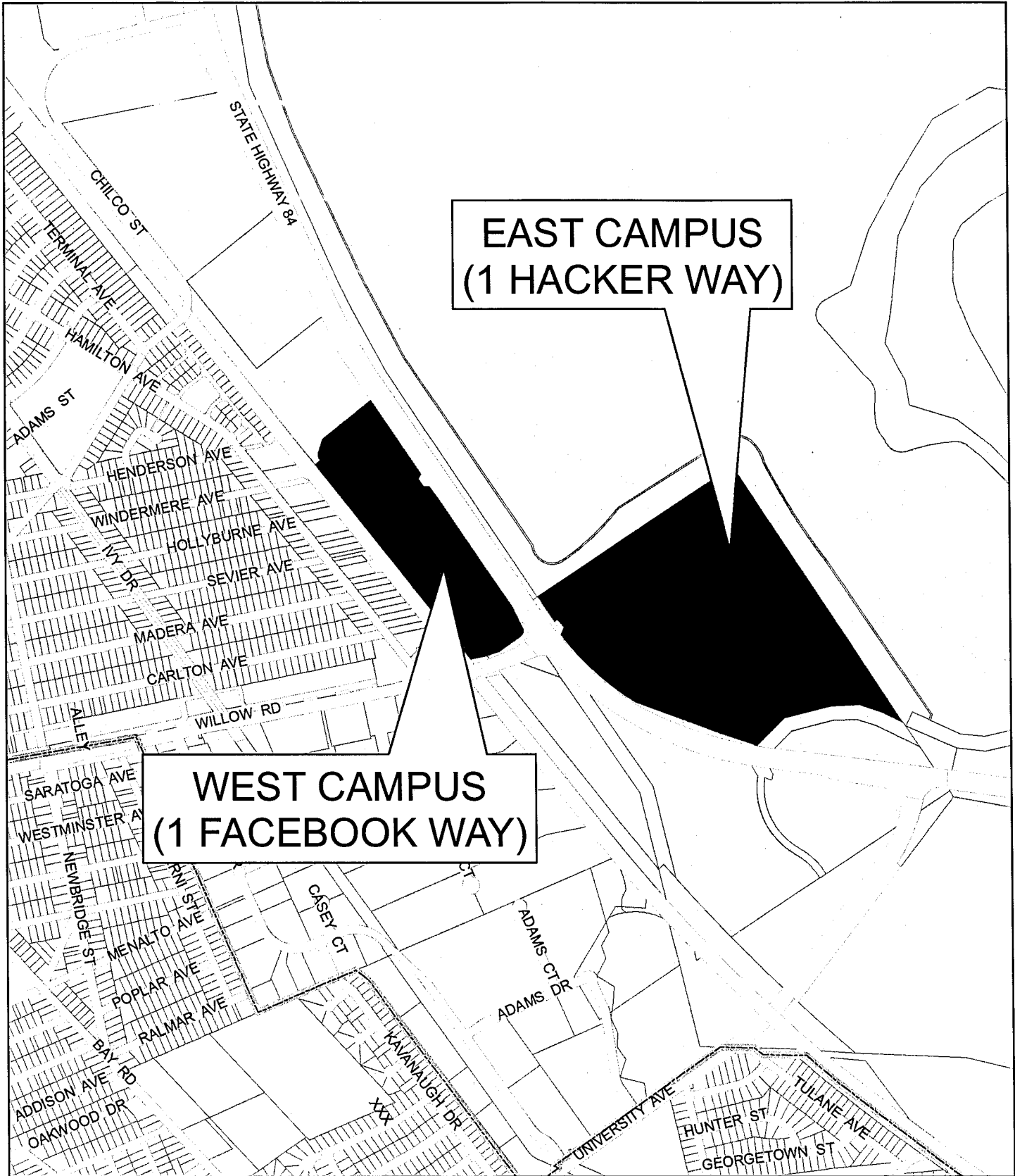
ATTACHMENTS

- A. Location Map
- B. Facebook East Campus Development Agreement Compliance Table
- C. Facebook West Campus Development Agreement Compliance Table

DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

- City Council Resolution No. 4159, Regulations Establishing Procedures and Requirements for Development Agreements
- Facebook East Campus Development Agreement
- Facebook West Campus Development Agreement

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**EAST CAMPUS
(1 HACKER WAY)**

**WEST CAMPUS
(1 FACEBOOK WAY)**

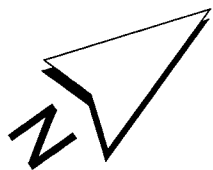
CITY OF MENLO PARK

LOCATION MAP

1 HACKER WAY & 1 FACEBOOK WAY

DRAWN: KTP CHECKED: KTP DATE:10/28/13 SCALE: 1" = 900' SHEET: 1

A1



Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
7.1	Capital Improvement Payment – one-time payment	Due by 11/17/12	Payment received 10/7/12
7.2.1	Bicycle and Pedestrian Improvements - Undercrossing	Due by 5/31/13*	The undercrossing improvements have been delayed as a result of the expedient submittal and processing of the Facebook West Campus, as well as the redesign of the West Campus development, which required using the eastern portion of the project site as a staging area. The applicant has submitted for building permits for both the East and West campus components of the undercrossing improvements, improvements are required to be completed prior to occupancy of West Campus
7.2.2	Bicycle and Pedestrian Improvements – Willow Road bicycle lane restriping	Due by 5/31/13*	Delayed due to time required for the Caltrans permitting process. The applicant submitted plans for City review on 3/29/13, and subsequently submitted for an encroachment permit from Caltrans and received comments on August 23, 2013. The applicant met with the City team on October 1, 2013 to discuss the comments, and anticipates resubmitting for the encroachment permit in November 2013
7.2.3	Bicycle and Pedestrian Improvements – Crosswalk improvements at the Willow Road and Highway 101 Interchange	Due by 5/31/13*	Delayed due to time required for the Caltrans permitting process. The applicant submitted plans for City review on 3/29/13, and subsequently submitted for an encroachment permit from Caltrans and received comments on August 23, 2013 (combined submittal with 7.2.2). The applicant met with the City team on October 1, 2013 to discuss the comments, and anticipates resubmitting for the encroachment permit in November 2013

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* Denotes delayed compliance with a requirement
Facebook Development Agreements Annual Review

Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
7.2.4	Bicycle and Pedestrian Improvements – Improvements to the Bay Conservation and Development Commission Trail	Due by 5/31/13*	Building permit application submitted 12/21/12; Building permit issued 3/13/13; Work delayed due to clapper rail sighting 3/29/13; and Work began September 2013, anticipated to be completed by the end of the year, with additional plantings in Spring 2014
7.3	Business Improvement District – investigate feasibility and provide seed funds, if applicable	10/3/15	Facebook is working with the Menlo Park Chamber of Commerce to coordinate meeting with other businesses in the Willow Road Corridor between U.S. 101 and Bayfront Expressway
7.4	In-Lieu Mitigation Payment for Mitigations	Applicable until all transportation mitigations have been completed	Not applicable – City has received no grant funds for required mitigations
8.1	On-Going Public Benefits, Conditions - Annual Payment	Payment required 1/1/13 and 7/1/13	Payments made 12/4/12 and 6/28/13
8.2	On-Going Public Benefits, Conditions - Adjustment after minimum payment period	Minimum payment period ends 7/30/22	Not applicable to this review period
9.1	Housing – explore opportunities to invest in low income tax credits for affordable housing projects	Prior to 2/6/26	Will explore in future years; not in a tax position to explore at this time
9.2	Housing – Work with developers to explore ways to support housing projects	Prior to 2/6/26	Facebook is currently working with St. Anton Partners
10	Local Community Fund – establish and fund a Local Community Fund	10/3/13	Established the Community Fund on 10/23/12; First round of funding – 12/31/12; and Second round of funding – 6/1/13

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Facebook Development Agreements Annual Review

Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
11	Bay Trail Gap – work with stakeholders to evaluated feasibility for closing Bay Trail Gap No. 2092	Prior to 2/6/26	Communicating with stakeholders. The project is in the design phase, but funding is limited. Midpeninsula Open Space District will contact Facebook when they're ready to move forward
12	Utility Undergrounding – Cooperate with City in City's efforts to underground existing electric transmission lines in the vicinity of the Property	Prior to 2/6/26	Pursuant to email correspondence from PG&E, this is not feasible or recommended by PG&E
13.1	Jobs – Internship Program	No later than Summer 2013	Pilot program completed Summer 2012; and Full internship program completed Summer 2013
13.2	Jobs – Encourage Local Jobs	10/3/13	Resume writing classes held (2) – April 2013 Job Fair/Workshop held 10/2/13
14	East Palo Alto Benefits – comply with requirements of MOA with East Palo Alto	Prior to 2/6/26	One time payments were made for traffic mitigations, bicycle improvements and the land use planning process on 10/16/12, as required per Section 1 of the MOA. East Palo Alto has not yet requested payment for the air quality measures defined in Section 2 of the MOA. The MOA references the need to comply with sections 7.23, 9.1, 9.2, 10, 11, 13.1, 13.2 and 20 of the East Campus Development Agreement (Section 3 of MOA). Compliance with these sections is discussed in applicable locations in this table
15	Adopt-a-Highway – adopt a roadway segment in the vicinity of the Project	By 4/1/13, continue for five years. Requirement is deferred until segment available	No locations are available in project vicinity, on waitlist; One time clean-up at Willow Road/Highway 101 interchange – 4/22/13
16.1	Environmental Education – Hire an environmental consultant when doing work that might impact the Bay	Prior to 2/6/26	Ongoing - working with HT Harvey & Associates on any projects in proximity to the Bay, including the BCDC trail improvements and proposed parking lot improvements

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Facebook Development Agreements Annual Review

Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
16.2	Environmental Education – Cooperate with Bay stakeholders on habitat protection and restoration and establish in-house contact	Prior to 2/6/26	Ongoing - Environmental stakeholder meetings were held at the East Campus and by conference call for the both the BCDC trail renovation and undercrossing project (multiple dates in August and September 2012). In addition, Facebook donated \$30k to SF Bay National Wildlife Refuge Complex to oversee wildlife management adjacent to campus
16.3	Environmental Education – educate employees and visitors about species and habitat requirements.	Prior to 2/6/26	Ongoing – starting in mid-April 2013, Facebook has artist creating works to share with the Facebook team (sketches made available to every employee who wanted one) and also completed a mural in building 12
16.4	Environmental Education – Engage in Wildlife friendly behavior	Prior to 2/6/26	(A) With regard to feral cats, Facebook is working with A-Pro Pest Control who has developed a humane program in cooperation with the Peninsula Humane Society & SPCA that will take place quarterly. (B) When the BCDC trail is completed at the end of 2013, new "dogs on leash" signs will be installed. (C) Flagship facilities and their pest control vendor have implemented wildlife-safe rodent control measures. (D) A bat house is being considered for installation on the BCDC trail redesign project
17.1	On-going Environmental Commitments – When performing landscape improvements utilized Low Impact Development techniques	Prior to 2/6/26	Ongoing – the recently approved BCDC trail improvements decrease impervious area on site
17.2	On-going Environmental Commitments – new window selection shall be sensitive to Bay species	Prior to 2/6/26	Currently - no windows or window treatments are being installed. A parking lot lighting retrofit is being considered. Facebook will require the lighting designer to adhere to this term.
17.3	On-going Environmental Commitments – Do not create any new lighted playing fields on the site perimeter	Prior to 2/6/26	Facebook does not seek to add new lighting in locations proximate to the Bay and lights at the Basketball court are turned off when not in use

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Facebook Development Agreements Annual Review

Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
17.4	On-going Environmental Commitments – For new campus improvements, best practices shall be used to ensure new site for predatory bird species roosting or nesting are not created	Prior to 2/6/26	Facebook currently has no plans to install new building roofs, window ledges, or parking lot light poles on the East Campus. Facebook worked with HT Harvey and Associates on landscaping plans for the BCDC trail improvements. Their wildlife biologists have been evaluating the renovation and have been sharing information with environmental stakeholders to make sure sites for predatory birds to roost or nest are not created.
17.5	On-going Environmental Commitments – When landscape improvements proximate to the Bay, an environmental consultant familiar with native plants shall be consulted	Prior to 2/6/26	Ongoing - Working with HT Harvey and Associates (see comment in 17.4)
17.6	On-going Environmental Commitments – Current and future tenants shall comply with the requirements of Section 17	Prior to 2/6/26	Compliance has been achieved by Facebook (see 17.1-17.5)
18.1	Local Purchasing – Facebook shall institute a program to incentivize Facebook employees to frequent local businesses	Required to be to maintained through at least 7/5/15 (total of three years)	Facebooks program was launched in November 2012, ended 6/1/13; Second round of the Facebooks program will launch Q4 2013
18.2	Local Purchasing – Locally sourced goods should be purchased from vendors in the City, when feasible	Prior to 2/6/26	Ongoing - purchasing from Ace Hardware, Willows Market, using local hotels (i.e. Stanford Park) and caterers
18.3	Local Purchasing – When engaging on-site vendors, Facebook shall endeavor to engage vendors that are located within the City	Prior to 2/6/26	Ongoing - Fitness towel service, working with local architect John Onken on small projects for the East Campus, using local car wash vendor, and the Woodcraft team (on-site woodshop)
18.4	Local Purchasing – If Menlo Gateway is built, Facebook should consider adding the hotel to its preferred hotels list	Prior to 2/6/26	Not applicable, Menlo Gateway has not been built

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Facebook Development Agreements Annual Review

Facebook East Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
19	Transportation Demand Management (TDM) Information Sharing – Facebook agrees to share its TDM best practices with other Silicon Valley companies, if requested	Prior to 2/6/26	Ongoing - Jessica Herrera regularly communicates with other Silicon Valley companies/Organizations, including, but not limited to, Google, SAP, Yahoo, Bay Area Council, Cliff Bar, Intuit, and Cisco
20	Volunteerism – Facebook shall promote local volunteer activities	Launch summer 2012, obligation terminates 2/6/26	Volunteer fair held on 10/9/12; volunteer opportunities are regularly posted on internal Facebook Page
21	Assignment and Assumption – Provisions if Facebook's lease is terminated or if they leave the Campus	Any time prior to 2/6/26	Not applicable to this review period
22.1	Sanitary Sewer System Upgrades – Facebook shall upsized the existing sewer line on Hamilton Avenue	Apply for permit WBSD Permit by 10/3/12 Bond by 11/2/12 Apply for encroachment permit within 30 days of WBSD approval Construct improvements within 180 days of encroachment permit approval	Facebook applied for permit from West Bay Sanitary District – 9/24/12; Bonding for improvements completed - 8/21/12; West Bay Sanitary District (WBSD) Permit Approval 6/4/13; City Encroachment Permit approval 8/28/13; Work on-going in October 2013
22.2	Sanitary Sewer System Upgrades – Facebook shall purchase a third wastewater pump to be placed in reserve in the event that the Hamilton Henderson Pump fails	Bond by 11/2/12	Pump purchased 9/22/12 (since the pump was purchased prior to the bond being due, no bond was necessary); Pump delivered to WBSD 12/20/12

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* Denotes delayed compliance with a requirement
Facebook Development Agreements Annual Review

Facebook West Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
7.1	Recurring Public Benefits Payment - \$150,000/year	Payments to begin July 1 after occupancy is approved and shall continue for 10 years	Not applicable to this review period
7.2	Property Tax Guarantee – Facebook shall pay the City the positive difference between the projected assessed value and property tax collected	Payments to first tax fiscal year following the initial reassessment of the property and shall continue for 10 years	Not applicable to this review period
7.3.1	Sales and Use Taxes - For all construction work performed on the project, owner, with assistance from City representative should include a provision in all construction contracts for \$5M or more to record a sub-permit from CA State Board of Equalization to book and record construction materials purchases/sales as sales originating in the City	Throughout duration of construction through occupancy, not applicable to future remodeling or construction	Facebook has included a provision in the construction contract for all contractors to comply with this requirement. Facebook has met with the city representative (Nick O'Hare) on several occasions. He is working directly with the General Contractor and their subs to ensure compliance.
7.3.2	Sales and Use Taxes - For purchase of furnishings, equipment and personal property for initial occupancy of the building, owner shall maximize use taxes to be received by the City.	Throughout duration of construction through occupancy, not applicable to future remodeling or construction	Facebook has not purchased any equipment or furnishings yet. Facebook's procurement team is aware of this requirement.
7.3.3	Sales and Use Taxes - To extent sales and/or use taxes are not separately reported for the West and East Campuses, and provided that the Owner and/or FB occupies both campuses, there shall be an equitable apportionment of the sales and use taxes to each campus based on location of employees, square footage of buildings, point of sale or such equitable apportionment as parties may determine	For lifetime of development agreement	Not applicable to this review period

C

Facebook West Campus Development Agreement Compliance

DA Number	Requirement	Timeline	Status
8	Local Community Fund - Facebook shall contribute an additional \$100,000 to the Local Community Fund within one year of occupancy. However, if the fund is depleted at the time the owner receives a core and shell permit, owner shall make a payment within 6 months of conditions precedent	Within one year of final building permit sign-off, or sooner if the fund is depleted at the time the owner receives a core and shell permit.	The Community Fund is currently well-endowed, so there is no need to add additional funds at this time. The Core and Shell Permit will be applied for in October 2013, but has not yet been issued
9	Recycling – Facebook agrees to use the City's franchisee for all trash and recycling services, provided the price is the same as that charged to other commercial users in the City	For lifetime of development agreement	Not applicable to this review period
10	Design and Environment - Use of Gehry Partners as Architect of record. The green roof shall be designed consistent with project approvals. Owner will design building to be LEED Gold equivalency.	Core and shell plans shall (i) illustrate compliance with green roof standards and (ii) LEED report shall be submitted as part of this submittal	Gehry Partners is the architect of record on the project. Core and shell permit will be submitted October 2013 and roof design is part of Core and Shell. LEED Report as part of Core and Shell. Facebook is currently on track for gold equivalency.
11	Public Access - public access shall be permitted on the landscaped area adjacent to the undercrossing (in addition to the dedicated access easement)	For lifetime of development agreement	Not applicable to this review period
12	Future Pedestrian/Bike Access - If a public transit agency provides service proximate to the West Campus, and locates a stop near Willow Road and the rail spur, and there is not a convenient alternative to service adjacent properties, owner will work with City to explore a bike/pedestrian route on the West Campus	For lifetime of development agreement	Not applicable to this review period
13	Facebook East Campus Benefits - if some of the commitments under the East Campus DA Terminate, they shall be required under the West Campus DA.	Until the earlier of (i) Owner and Facebook vacate WC, or (ii) February 6, 2026	Not applicable to this review period

C2