



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 23, 2011
Staff Report #: 11-150

Agenda Item #: I-1

INFORMATION ITEM: Overview of the Proposed Public Meeting and Development Agreement Negotiation Process for the Facebook Campus Project Located at the Intersection of Willow Road and Bayfront Expressway

This is an information item and does not require Council action.

OVERVIEW

Proposal

On February 8, 2011, the City received a preliminary application on behalf of Facebook, Incorporated to commence the environmental review process for two sites in Menlo Park. Both sites, which are controlled by Facebook, are located at the intersection of Willow Road and Bayfront Expressway. The first site (East Campus) is the former Oracle/Sun Microsystems Campus located at 1601 Willow Road. The 57-acre campus is comprised of nine buildings totaling 1,036,000 square feet with addresses ranging from 10 to 19 Hacker Way (formerly Network Circle). The second site (West Campus), which totals 22 acres, was acquired from General Motors and was formerly part of the Tyco Electronics campus. The property currently has two buildings with the addresses 312 and 313 Constitution Drive.

Currently, Facebook is constructing tenant improvements in the East Campus buildings and plans to occupy the buildings up to a maximum of 3,600 employees pursuant to a prior City Council approval. This work proposed for the existing buildings is ministerial and not subject to environmental review. Concurrent with the tenant improvements, Facebook is applying for an amendment to existing land use approvals to eliminate the maximum employee cap and substitute vehicular trip caps. The proposed AM and PM two-hour peak trip caps of 2,600 vehicular trips and the proposed daily trip cap of 15,000 vehicular trips would accommodate an increase in employees at the site beyond the 3,600 mentioned above. Facebook also proposes to enter into a Development Agreement with the City to create vested rights in project approvals, address implementation of the infrastructure improvements in the project area, and specify public benefits to the City.

For the West Campus, Facebook does not intend to submit a development application at this time. Rather, Facebook intends for the environmental review to study the

maximum development potential for the site consistent with the current M-2 (General Industrial) maximum Floor Area Ratio for office use of 45 percent, but in excess of the maximum 35-foot building height.

Activities to Date

Staff, with the concurrence of the applicant, determined that an Environmental Impact Report (EIR) is required to analyze both the changes to the East Campus and the potential development of the West Campus. The City has retained a team of consultants to prepare the EIR and a Fiscal Impact Analysis (FIA). A Notice of Preparation (NOP) for the EIR was released for public review on April 21, 2011. An EIR scoping session and a study session were conducted at the May 16, 2011 Planning Commission meeting. The NOP and the comments received, including the minutes from the May 16, 2011 Planning Commission meeting, are available on the City-maintained project page at the following website address:

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

After considering the public comment, the City's consultant team finalized the scope of work for the preparation of the EIR and a separate Fiscal Impact Analysis (FIA). On May 10, 2011, the City Council authorized the City Manager to approve an augment to a contract with the City's traffic consultant. On June 14, 2011, the City Council authorized the City Manager to approve augments to contracts with four of the six firms and future augments, as may be necessary to complete the EIR and FIA for the Facebook Campus project. The staff reports and related materials associated with the commencement of the environmental review process, including project plans submitted by the applicant, are available on the City's website. City consultants are currently working on the EIR and FIA with release of the public draft documents expected in late Fall 2011.

Proposed Process

Attachment A is the draft Public Outreach and Development Agreement Process, which is generally based on the process that was used for the Menlo Gateway project with some refinements based on the differences between the projects.

The schedule is relatively aggressive, targeting completion of land use entitlements for the East Campus by June 2012. The schedule also reflects the fact that this is a priority project for City staff, especially including the City Manager, City Attorney, Business Development Manager, and various staff from the Community Development and Public Works Departments. The key milestone in the overall schedule is the release of the Draft EIR and Draft FIA. In October, staff intends to provide an update with a more precise target release date.

The draft process includes the past and proposed meetings (16 in total), milestones (six), the timing of the meetings in terms of lead time or length of review period, the

method of notification (e.g., mailed notice, newspaper ad, email bulletin, etc.) and the scheduled date, which would be populated based on applicable milestones. For example, meetings 7 through 12 would be scheduled once the exact release date of the Draft EIR and Draft FIA is established. If needed, additional meetings could be added to this framework, but the goal would be that additional meetings would be special meetings of the body and would not extend the overall timeline.

If the City Council believes that the draft process, as proposed, is generally acceptable, then the next step for the Council would be the appointment of a Council subcommittee in October 2011. At that meeting the Council could consider minor refinements to the draft process without affecting the overall schedule. If the Council would like to discuss the draft process in more detail to consider major changes, then the Council could agendaize this topic as a regular business item at its September 27, 2011 meeting.

IMPACT ON CITY RESOURCES

The applicant is required to pay planning permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review and FIA. For the environmental review and FIA, the applicant deposits money with the City and the City pays the consultants.

POLICY ISSUES

The proposed project will ultimately require the Council to consider certain land use entitlements. Staff will be identifying policy issues during the Council's review of the project such as public benefit related to the Development Agreement. The negotiation of the Development Agreement is projected to commence after the release of the Draft EIR and Draft FIA.

ENVIRONMENTAL REVIEW

An EIR is being prepared for the project.

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Report Author

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Community Development Director

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition, the City has prepared a project

page for the proposal, which is available at the following address:
http://www.menlopark.org/projects/comdev_fb.htm. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated.

ATTACHMENTS

- A. Draft Public Outreach and Development Agreement Negotiation Process for the Facebook Campus Project

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**Public Outreach and Development Agreement Negotiation Process
Facebook Campus Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
<u>MILESTONE:</u> Facebook submits preliminary application to commence environmental review on February 8, 2011				
1.	City Council review of the EIR NOP schedule as an Information Item	Completed	Council agenda published	4/5/11
2.	City Council authorization for City Manager to enter into consultant contract for transportation analysis	Completed	Web site project page updated & email bulletin sent Council agenda published Web site project page updated & email bulletin sent	5/10/11
<u>MILESTONE:</u> Notice of Preparation issued for public review on April 21, 2011				
3.	Planning Commission EIR scoping session and study session	Completed	Planning Commission agenda published Web site project page updated & email bulletin sent Mailed notice to all property owners and occupants within 1/4 mile radius	5/16/11
4.	City Council authorization for City Manager to enter into consultant contracts for EIR and FIA	Completed	Council agenda published Web site project page updated & email bulletin sent	6/14/11

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**Public Outreach and Development Agreement Negotiation Process
Facebook Campus Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
5.	City Council review of public meeting process and tentative schedule	Agenda Item I-1 on tonight's meeting	Council agenda published Web site project page updated & email bulletin sent	8/23/11
6.	City Council update on status of release of Draft EIR and Draft FIA and appointment of a Council subcommittee	Approximately one (1) month minimum before release of documents	Council agenda published Web site project page updated & email bulletin sent	10/4/11 or 10/18/11
<u>MILESTONE: Draft Environmental Impact Report (EIR) and Draft Fiscal Impact Analysis (FIA) issued for public review in November/December 2011</u>				
7.	Public Outreach Meeting at the Senior Center in Belle Haven to inform the community about the proposed project and the documents available for review <i>(Note: Meeting is open to the public and may be attended by any or all Council Members or Commissioners)</i>	Prior to deadline for Draft EIR comments. (Meeting is not intended to receive comments, but to let people know how they can submit comments)	Postcard mailing to all property owners and occupants within ¼ mile radius Web site project page updated & email bulletin sent Email sent to all appointed commissioners	November/ December 2011 (7-9 p.m.)
8.	General Commission Meeting to allow Commissions other than Planning and Transportation (i.e., Bicycle, Environmental Quality, Housing, Library, Parks & Recreation) to review the project	During Draft EIR review period	Agenda posted Web site project page updated & email bulletin sent	November/ December 2011 (4-6 p.m.)

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**Public Outreach and Development Agreement Negotiation Process
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No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
9.	Transportation Commission Meeting to review the Draft EIR summary and the Traffic and Transportation chapter and to provide individual comments	During Draft EIR review period	Transportation Commission agenda posted Web site project page updated & email bulletin sent	November/ December 2011 (7:00 p.m. start)
10.	Planning Commission public hearing regarding the Draft EIR and study session item to discuss Draft FIA and the project <i>(Outcome: Receive public comments on the Draft EIR – all comments will be responded to in the Final EIR)</i> <i>(Outcome: Commission reviews and comments on project proposal)</i>	After release of the Draft EIR and Draft FIA – towards the end of the 45-day review period for Draft EIR	Planning Commission agenda posted Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	December 2011/ January 2012
11.	City Council study session to learn more about the project and identify any other information that is needed to ultimately make a decision on the project		Council agenda published Web site project page updated & email bulletin sent	January/ February 2012
12.	City Council regular item to consider feedback from the Commissions, discuss environmental impacts and mitigations, Public Benefit, fiscal impacts, and development program provide direction or parameters to guide development agreement negotiations	Three (3) weeks after close of Draft EIR comment period	Council agenda published Web site project page updated & email bulletin sent	February/ March 2012
<u>MILESTONE:</u> Prepare Final EIR, Final FIA and negotiate a draft Development Agreement				

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**Public Outreach and Development Agreement Negotiation Process
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No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
<u>MILESTONE:</u> Publish Final EIR and Final FIA for public review in April 2012 and advertise through public notice in newspaper and email bulletin				
13.	City Council regular item to review business terms of development agreement	Early release of staff report approximately 10 days before meeting	Council agenda published Web site project page updated & email bulletin sent	April 2012
<u>MILESTONE:</u> Mail notice advertising future meeting dates				
14.	Planning Commission public hearing for recommendation on Final EIR, Final FIA, Conditional Development Permit Amendment, and Development Agreement	Approximately three (3) weeks after Council review of the business terms of the Development Agreement. Public comment on the Final EIR and Final FIA should be submitted before the Commission meeting in order for the comments to be considered prior to the Commission's recommendation.	Planning Commission agenda published Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	April/May 2012
15.	City Council public hearing for Certification of Final EIR, Acceptance of Final FIA, Conditional Development Permit Amendment, and Introduction of Ordinance Approving Development Agreement	Approximately three (3) weeks after Planning Commission recommendation	Council agenda published Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	May/June 2012

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**Public Outreach and Development Agreement Negotiation Process
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No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
16.	City Council adoption of the Ordinance Approving the Development Agreement (consent item)	Next available Council meeting after first reading	Council agenda published Web site project page updated & email bulletin sent	May/June 2012

Note: all dates tentative and subject to revision.