



## STAFF REPORT

### City Council

Meeting Date:

5/27/2025

Staff Report Number:

25-081-CC

### Study Session:

**Review and provide guidance on the draft development agreement terms for the Parkline masterplan development project located at 201, 301 and 333 Ravenswood Ave. and 555 and 565 Middlefield Rd.**

## Recommendation

Staff recommends that the City Council review the proposed draft development agreement terms for the Parkline masterplan development project (Attachment A) and provide guidance to the applicant and staff on the draft terms.

## Policy Issues

The City Council adopted Resolution No. 4159 in January 1990, establishing the procedures and requirements for the consideration of Development Agreements. A Development Agreement (DA) establishes vested rights to develop in exchange for the provision of community benefits. The proposed Parkline development includes a number of requested entitlements and discretionary actions, including amendments to the General Plan, Zoning Ordinance and zoning map, rezoning of the property, a conditional development permit, heritage tree removal permits, environmental review and a development agreement. More details about the proposed project are provided in the Background section of this report. In addition, a fiscal impact analysis (FIA) (Attachment B) and a housing needs assessment (HNA), which is included as appendix 3.14-1 to the draft Environmental Impact Report (DEIR), (Attachment C) were prepared for the project. These documents are informational tools to inform decision makers and community members. The Planning Commission and Housing Commission are recommending bodies on specific components of the project, with the City Council being the final decision-making body.

At this time, staff is requesting the City Council's input on the draft development agreement terms associated with the project. The feedback will be evaluated and considered as part of staff's recommendation on the project during the project's entitlement review. As a study session, no action will be taken at the meeting.

## Background

SRI International (formerly known as the Stanford Research Institute) is an independent, nonprofit research institute located on an approximately 63-acre campus at 301 and 333 Ravenswood Ave. and 555 and 565 Middlefield Rd. (SRI campus). In addition to the SRI campus the Project site includes an approximately one-acre parcel at 201 Ravenswood Ave, developed with the First Church of Christ, Scientist and Alpha Kids Academy (FCCS site). The total Project site area is approximately 64 acres.

The existing conditional development (CDP), approved in 1975, and most recently amended in 2004, allows professional, executive and administrative offices and research and development facilities on the SRI

campus. The base C-1 zoning limits nonresidential development to a floor area ratio of 30%, which would allow for approximately 826,000 square feet for the SRI campus. However, the existing CDP, developed before floor area ratio maximums, allows a maximum square footage of 1,494,774 square feet and a maximum employee count of 3,308. The applicant indicates approximately 1,100 people are currently employed at the Project site, although SRI's headcount has fluctuated between approximately 1,400 and 2,000 workers since 2003.

#### Site location

For purposes of this staff report, Ravenswood Avenue is oriented east to west. The Project site is generally bound by Laurel Street to the west, Ravenswood Avenue to the north, Middlefield Road to the east and Seminary Drive, Burgess Drive and the USGS campus to the south. Across Middlefield Road from the Project site is Menlo Atherton High School. The Menlo Park Civic Center Campus and Burgess Park are located across Laurel Street from the Project site.

SRI's campus contains 38 buildings, totaling approximately 1.38 million square feet, which include research and development (R&D) and ancillary support services. The FCCS site is developed with a church and a surface parking lot. The Menlo Park Caltrain station is approximately one-third of a mile from the Project site. Attachment D includes a location map depicting the Project site.

#### Project description

The applicant (LPGS Menlo, LLC commonly referred to as "Lane Partners") is proposing to comprehensively redevelop the Project site with a mix of uses consisting of primarily residential and office/R&D uses, with small restaurant and potentially retail components.

The applicant submitted the initial application in October 2021 pertaining solely to the SRI campus and subsequently submitted the current iteration of the Project in early 2024 to incorporate the FCCS site and increase the residential component by 250 dwelling units (referred to as the Project Variant in the draft EIR). This staff report describes the Project Variant as the proposed Project, which the Applicant is pursuing. The summary below is intended to provide an overview of the proposal.

Primary development program elements include:

- Six hundred and forty-six (646) residential dwelling units, comprised of 46 townhome-style units in two components (TH1 – 19 detached townhomes; TH2 – 27 attached townhomes) and 600 apartments in two multifamily buildings (R1 and R2) with 15% (97 units) affordable to low-income or low-income equivalent households;
- An approximately 1.6-acre portion of land, to be dedicated to an affordable housing developer for the future construction of a 100% affordable housing development project of up to 154 dwelling units;
- Retention of three existing buildings (Buildings P, S and T of approximately 286,730 square feet) for SRI's continued operation in Menlo Park;
- Demolition of two buildings at 201 Ravenswood Ave. and approximately 1.1 million square feet within 35 buildings on the SRI campus, to be replaced with five office/R&D/life science buildings, a new amenity building and three parking structures. The proposed Project would not increase non-residential square footage beyond existing square footage;
- Decommissioning of the existing 6-megawatt natural gas power plant;
- Inclusion of community-serving space within the 100% affordable building; and
- Dedication of an approximately 2.6-acre public park along Ravenswood Avenue, to be built and operated by the City of Menlo Park, with the potential for the city to locate a below-grade emergency water storage reservoir and well below it.

The underlying zoning district for the majority of the Project site is currently zoned C-1, which allows up to 30 dwelling units per acre, although the current CDP does not permit residential uses, and a 30% floor area ratio for non-residential uses. The proposed Project would include a project-specific zoning district allowing up to 30 dwelling units per acre calculated in the aggregate across the Project site, an increase in the non-residential floor area ratio to 50%, and a new CDP to enable the development of the proposed masterplan. Table 1 summarizes the proposed project data in comparison to the existing C-1 Zoning district and the current CDP.

Table 1: Proposed project data*			
	Proposed project*	C-1 zoning district	Current CDP
Site area	64.2 acres	n/a	63.2 acres total
Dwelling units per acre	12.5**	30	residential uses not permitted
Residential dwelling units	800 units***	1,926 units	residential uses not permitted
Residential square footage	1,096,000 sf	1,048,707 sf if developed at the proposed 12.5 du/ac ****	residential uses not permitted
Residential floor area ratio	39%	37.50%	residential uses not permitted
Total non-residential square footage	1,379,830 sf****	838,965 sf	1,494,774 sf
Non-residential floor area ratio	49%	30%	54%

\*Numbers for proposed project are approximate; density and intensity calculated across the entire project site.

\*\* The draft proposed zoning allows up to 30 du/acre, same as the current C-1 zoning district, but calculated in the aggregate across the entire Project site. Accordingly, the acreage of the Project site devoted to residential development of approximately 13.8 acres, the resulting residential density would be approximately 58 du/acre

\*\*\* Total permitted number of residential units would be 1,926 under draft proposed zoning, same as the current C-1 zoning.

\*\*\*\*Includes 1,500-square-foot pump station/utility room for well and water reservoir

The proposed Project would primarily include office/R&D and residential land uses. However, the masterplan also includes limited square footage for community serving uses. The community serving uses within the 100% affordable building could provide for potential small retail uses (e.g., bicycle repair shop, juice bar, coffee shop), comprising approximately 2,000 square feet. The office amenity building would include amenities for workers and a publicly accessible restaurant/café. The square footage to be set aside for the restaurant/café within the approximately 40,000-square-foot office amenity building has not yet been determined.

#### Proposed site layout

The SRI Campus is currently a secured site with no public access. The proposed Project site layout would remove the secure perimeter and incorporate publicly accessible open space, pathways and trails. Portions of the Project site associated with the office/R&D buildings may include access restrictions; however, the majority of the Project site would be accessible and provide new connections between Middlefield Road and Burgess Park/Menlo Park Civic Center complex. The proposed site plan is included as Attachment E and the full masterplan plan set is included as Attachment F.

The majority of the residential buildings would be located along Laurel Street and at the corner of Laurel Street and Ravenswood Avenue. Nineteen (19) detached townhomes (TH 1) are proposed in the southwest corner of the Project site, adjacent to the Burgess Classics community. Two multifamily residential buildings (R1 and R2), each with approximately 300 units, are proposed to the north of TH1. A second cluster of

residential uses are proposed along Middlefield Road between Ravenswood Avenue and Ringwood Avenue. The 100% affordable building with up to 154 multifamily units (R3) would be located at the northeast corner of the project site. Twenty-seven (27) attached townhomes (TH 2) would be located just south of the 100% affordable building along Middlefield Road near the intersection with Ringwood Avenue.

The five proposed office/R&D buildings would be located near the center of the site, surrounding publicly-accessible open space. Lane Partners has confirmed that the new R&D/office buildings would not include any bio-safety level (BSL) 3 labs.

Existing Buildings S and T, located to the west of the USGS site, and Building P, located to the east of the proposed new residential buildings along Laurel Street, would be retained for SRI's continued operations. The three parking garages, proposed with approximately 2,330 parking spaces, would be located along the perimeter of the project site. Additional parking spaces would bring the total for the office/R&D uses to 2,800 spaces. (There are approximately 3,000 parking spaces currently on the SRI site.) The office amenity building would be next to Parking Garage 3 and include a publicly-accessible restaurant or café, oriented toward the interior of the site and located near public open space.

The proposed Project includes approximately 10 acres of publicly-accessible open space and supporting amenities (Attachment G includes the illustrative site plan and Attachment H includes the conceptual open space plan). Publicly-accessible open space features would include:

- Ravenswood Avenue parklet, approximately 40,604 square feet on the northern edge of the site with a shared use path and small-scale public spaces;
- Central Commons, approximately 204,533 square feet in the center of the site consisting of flexible-use lawn area, multi-use plaza and an event pavilion;
- An approximately 2.6-acre recreational area along Ravenswood Avenue, proximate to the 100% affordable housing parcel, to be dedicated to the City that could be actively programmed; and
- Bicycle and pedestrian connections and a smaller open space area between R1 and R2.

A multi-use bicycle and pedestrian path would be located on the north side of the site along Ravenswood Avenue, connecting to the Ravenswood Avenue and Middlefield Road intersection. The path would split before the recreation area, allowing users the option to loop southward into the Project site toward the east and then cross Middlefield Road at Ringwood Avenue.

A multi-use bicycle and pedestrian path would also extend along the majority of the south side of the Project site from the end of Burgess Drive and then looping north, providing a second connection through the Project site to the Middlefield Road and Ringwood Avenue intersection. Additionally, bicyclists and pedestrians could access the residential and non-residential buildings from Laurel Street through paseo-like pathways between the residential buildings. The internal Project site circulation includes multiple pedestrian pathways through the publicly accessible open space. Attachments I and J include exhibits showing proposed bicycle and pedestrian circulation through the Project site.

## Analysis

A development agreement is a contract between the City and a project sponsor ("applicant") that delineates the terms and conditions of a proposed development project. A development agreement allows a project sponsor, in this case Lane Partners, to secure vested rights, and it allows the City to secure certain benefits that it might not otherwise be entitled to obtain. The City Council is not obligated to enter into a development agreement, but if the City Council decides to approve a development agreement, the terms of the development agreement need to be acceptable to both parties; one party cannot impose terms on the other



party.

In December 2024, the City Council appointed City Councilmembers Taylor and Schmidt to the City Council subcommittee for the Parkline masterplan development agreement negotiation. The city manager and city attorney, supported by city staff, have been meeting with the City Council subcommittee to share and discuss topics of negotiation related to the development agreement with Lane Partners. Those discussions with the City Council subcommittee and negotiations with Lane Partners have focused on the Project phasing and community benefits. Attachment A, consisting of two documents, including a Project phasing plan and a benefits summary, is the outcome of the negotiation process thus far. Lane Partners also submitted a Community Benefit Report (Attachment K.)

#### Draft development agreement terms

The draft terms outline Project phasing and community benefits that would be in addition to standard project conditions and mitigation measures that would be required of the proposed Project. The proposed draft terms can be summarized as follows:

#### Project phasing

In relation to phasing of the proposed Project, care was taken to try and ensure that development of non-residential space did not outpace the provision of residential space. Accordingly, as provided by the phasing plan, Lane Partners is willing to commit to a sequencing (or “metering”) for the non-residential buildings via a “point system”, which will control the way in which the non-residential components of the Project are phased in connection with the development of the residential components. Lane Partners will commit to a milestone schedule that will prioritize residential development by limiting the ability to develop replacement office/R&D buildings until certain key residential milestones are accomplished. The framework focuses primarily on construction milestones and limits the number of office/R&D buildings that can be issued building permits until specific housing components are under construction and/or available for occupancy. Note that the five office/R&D buildings would range in size from approximately 184,000 square feet to 229,000 square feet, not to exceed a total of 1,051,060 square feet combined.

Lane Partners currently anticipates that the residential components would be the first phase of construction (specifically the two 300-unit apartment buildings known as R1 and R2) and would commence before any of the non-residential buildings due to current market conditions. Given practical limitations on how many households can move into new apartments at any given time, R1 and R2 are expected to be staggered by at least a year. The point system assigns points per residential component according to the below table:

Table 2: Point system	
Residential component	Assigned points at commencement of construction
R1 – 300 Apartment units (15% BMR)	1
R2 – 300 Apartment units (15% BMR)	1
TH 1 – 19 Detached townhomes (15% BMR)	0.5
TH 2 – 27 Attached townhomes (15% BMR)	0.5
R3 – 154 Affordable units (100% BMR)	2
· 77 Units (assuming phased delivery)	1
· 77 Units (assuming phased delivery)	100%

The point system assumes that the 100% affordable project (R3) could be implemented in two phases for financing reasons, with half of the units delivered as part of an initial phase and the second half of the units delivered in a later phase. Actual phasing will depend on the future financing strategy as determined by the non-profit affordable housing developer.

The point system requires a certain number of points to be achieved before a building permit for each non-residential building may be issued. Starting with the third non-residential building, there is also a requirement that a certain number of residential buildings have received a certificate of temporary occupancy (TCO). Table 3 below shows the points and number of residential buildings that require TCO before issuance of a building permit for each non-residential building. Table 3 also provides an illustrative example of how those points could be achieved. It should be noted, the approximately 40,000 square foot amenity building, which would include a public-facing food and beverage component as well as amenity space for tenants, is not subject to this point system and thus could be developed at any time because it would serve the community and also not be inducing new office/R&D workers.

Table 3: Project phasing		
Building permit issuance for non-residential component	Required # of points and residential TCO, if applicable	Illustrative example
First non-residential building	1 point	Building permit has been issued for R1 or R2.
Second non-residential building	2 points	Building permits have been issued for R1 and R2.
Third non-residential building	3 points and TCO for one residential component	R1 has achieved TCO (i.e., R1 is substantially complete and can be occupied) and building permits have been issued for R2, TH 1 and TH 2; or R1 has achieved TCO (i.e., R1 is substantially complete and can be occupied) and building permits have been issued for R2 and at least 77 units on the 100% affordable site (R3).
Fourth non-residential building	4 points and TCO for two residential components	R1 and R2 have achieved TCO and building permits have been issued for TH1 and TH2 and at least 77 units on the 100% affordable site (R3); or R1 and R2 have achieved TCO and building permits have been issued for all units on the 100% affordable site (R3).
Fifth non-residential building	5 points and TCO for three residential components	R1, R2 and TH1 have achieved TCO and building permits have been issued for all residential components including all units on the 100% affordable site (R3).

The applicant indicates the non-residential component's importance for the overall financial feasibility of the Parkline project, which requires new infrastructure, open space and other investments across the project site, and as such, the phasing plan includes the following exception. If Lane Partners delivers a signed lease with a tenant for a significant amount of non-residential space, Lane Partners will have the one-time ability to start construction of an additional non-residential building, provided Lane Partners has earned at least 2 points. For example, if 600 units are under construction at buildings R1 and R2<sup>1</sup> and Lane Partners

<sup>1</sup> Note that the 2 points could also be achieved if all 154 units are under construction at Building R3, or if 77 units are under construction at R3 and TH1 and TH2.

delivers a signed lease with a non-residential tenant demonstrating the need for three non-residential buildings, Lane Partners will be able to start construction of a third non-residential building.

A couple of issues that will warrant further discussion relate to the inclusion of parameters to ensure that the unit count of residential buildings and square footage of non-residential buildings remain substantially consistent in practice versus what was assumed in arriving at the aforementioned point system. By way of example, if Lane Partners eventually secured a building permit to construct only 100 units as part of Building R1 instead of the 300 units assumed, then it should not earn one point thereby allowing for the development of one non-residential building. Accordingly, there will need to be some minimum number of units, potentially expressed as a percentage of what has been assumed, to secure the allotted point. Similarly, if Lane Partners has secured a building permit to construct 300 units in Building R1, as envisioned here, and thus have earned one point to build one non-residential building, they cannot then seek to modify the site plan and combine two non-residential buildings, assumed to be 184,000 square feet to 229,000 square feet, into one much larger non-residential building of 400,000 square feet. Again, there will need to be some maximum amount of square footage of non-residential space, perhaps expressed as a percentage of what has been assumed, that can be developed based on an allotted point.

The definition of “commencement of construction” or “under construction” will also need to be discussed, but generally the intent is for this term to mean issuance of a building permit for vertical improvements for the multifamily buildings and commencement of actual vertical construction (i.e. not just pouring slabs and foundations).

Additionally, unique rules may need to be developed for the townhomes (TH1 and TH2) because they are anticipated to be built by a third-party homebuilder after the Project Sponsor completes the supportive horizontal infrastructure (e.g., streets, sidewalks, open space, etc.) and building pads. In the case of the townhomes, the relevant milestones could tie to completion of that infrastructure and building pads as the equivalent of achieving TCO, provided the third-party homebuilder similarly provides the City with proof of having secured project financing, although this option would provide less certainty for the City.

#### Affordable housing

The proposed Project anticipates constructing 800 residential units in total. Of these units, 646 units would be in Buildings R1, R2, TH1 and TH2 and subject to the City’s inclusionary housing ordinance which requires 15% of the units, or 97 units, to be available for rent and affordable to low-income households. Note that Lane Partners is exploring the potential development of the 46 townhome units in TH1 and TH2 as ownership units, which would then be available for sale and affordable to moderate income households. All of the 154 units in Building R3 would be available for rent and affordable to low-income households.

Concurrent with the recordation of the first final map, Lane Partners will dedicate the approximately 1.6-acre parcel at the corner of Ravenswood Avenue and Middlefield Road (Building R3) to a non-profit affordable housing developer. Through the masterplan entitlement and environmental review process, the land dedication would be zoned and environmentally cleared for up to 154 affordable units.

Further, to facilitate the actual development of these affordable housing units on R3, Lane Partners will commit to an architectural control permitting schedule, submittal of plans for building permits and other milestones associated with its development; however, commencement of construction of the 100% affordable building will be subject to available financing and tax credits that are outside of Lane Partners’ control.

Lane Partners has also committed to subsidize an approximately 2,000 square foot ground floor retail space within the 100% affordable housing development.

These benefits further housing, a City Council priority for fiscal year 2025-26, as well as General Plan Housing Element policies. Housing Element Policy H4.2 encourages opportunities for new housing development to meet the City's share of its Regional Housing Needs Allocation (RHNA), including an adequate supply and variety of housing opportunities to meet Menlo Park's workforce and special needs populations. Housing Element Policy H4.4 encourages residential mixed-use developments in proximity to transit and services, such as shopping centers. Both the project phasing, which prioritizes residential development, and the dedication of land to an affordable housing developer, would further these policies.

Strategy #4 of City's Climate Action plan includes the reduction of vehicle miles traveled and higher density housing near transit. The proposed housing near the Menlo Park Caltrain station and the prioritization of housing in the phasing plan, both help support this strategy.

#### City recreation area and park

Concurrent with the recordation of the first final map, Lane Partners will dedicate a 2.6-acre parcel as a future park and recreational area for the City. Programming for the park and recreational area could include a range of features which would be determined through a City-led community outreach process funded in part by Lane Partners. The design and construction process would also be the City's responsibility but paid for in part by Lane Partners. The City would also be responsible for maintenance, however, the DA considers an annual funding contribution by Lane Partners to reimburse City's maintenance costs, up to a fixed amount, for the life of the Project.

Funding contribution amounts are still under negotiation, but Lane Partners has increased its offer to include the following:

- An initial \$100,000 funding contribution for the City-led community outreach process to determine programming. The funding contribution, the amount of which has yet to be agreed to, will be provided to the City within 90 calendar days following execution and recording of Development Agreement.
- A total of \$5 million for design and construction costs to be paid in installments at time of building permit issuance for each non-residential building (equivalent of \$4.75 per non-residential square foot); however, recognizing the possibility construction of non-residential buildings may be delayed, or not constructed at all, the City and Lane Partners will continue to negotiate an outside date by which the agreed upon contribution will be made in one or more payments in relation to milestones achieved by City (e.g. award of design contract, approval of park design, solicitation of bids for park construction, award of park construction contract, etc.).
- After completion, providing an annual payment to the City as reimbursement for the City's actual maintenance costs, up to a fixed amount, to be determined through further negotiations.

Note that in relation to the amount of funding provided by Lane Partners for community outreach, design and construction, and on-going maintenance, to the extent the actual costs of each of these components exceeds the amount of funding provided, that financial obligation would rest with the City.

Open Space Policy OSC2.2 encourages staff to work with residential developers to ensure parks and recreational facilities planned to serve new development will be available concurrently with the development. Both the city recreation area and park, and the publicly-accessible open space discussed below, would further this policy.

Both the recreation area and park, and the additional publicly-accessible open space described below, would also further Guidelines in the City's Park and Recreation Facilities Master Plan Update, including Guideline G.2.2.1 to provide a broad range of active and passive park and recreation elements and

Guideline G.2.3.2 to prioritize incorporation of natural landscapes and trees.

#### *Emergency water reservoir*

The location of the future park and recreational area would also accommodate the potential for installation of an emergency water reservoir and well as part of Menlo Park Municipal Water's (MPMW) Emergency Water Storage/Supply Project. The location of the water reservoir is envisioned to be placed beneath the park and recreational area which is where groundwater monitoring test wells were installed by the City to determine potential viability for a water reservoir.

The MPMW Emergency Water Storage/Supply Project is intended to provide a backup water supply to the portion of MPMW's service area located east of El Camino Real, in the event water from the SFPUC Regional Water System is reduced or unavailable, and supports emergency and disaster preparedness, a City Council priority for fiscal year 2025-26.

#### Publicly accessible open space

As part of the overall Project, Lane Partners would be creating more than 10 acres of programmed publicly accessible open space, which would be reserved to the public through the recordation of public access easements, with the opportunity for the City to provide some amount of community event programming. Details regarding the number of community days/nights and events is subject to negotiation as part of a privately owned and publicly accessible open space easement agreement. Lane Partners would also provide publicly accessible restrooms in the shared parking garage (PG1) located closest to the future City park and recreational area.

#### Sustainability benefits

Lane Partners will install recycled water infrastructure within the Project's loop roads and provide two points of connection at Laurel Street and Burgess Drive, furthering Land Use Element Policy LU7.5, which encourages implementation of "reclaimed" water including recycled water.

Lane Partners is also committing to utilization of non-diesel backup generators if reliable technology becomes available and is not cost-prohibitive (i.e., not more than 5% additional cost relative to traditional backup generators).

The proposed new buildings would be all electric, supporting a City Council priority of climate action for fiscal year 2025-26, and supporting strategies from the City's Climate Action Plan.

#### Transportation/City shuttle

At issuance of the first office/R&D building, Lane Partners has offered to contribute \$2 million to the City to be used at the City's discretion for transportation-related improvements within a half mile of the project site. Note that this contribution would be above and beyond any Project related improvements required as part of the Project conditions and mitigation.

Through the DA negotiations, the City and applicant are also exploring a financial commitment from the applicant toward the City's shuttle program. The applicant previously proposed an independent shuttle from the Menlo Park Caltrain station to the project site; however, this shuttle would duplicate the City's commuter shuttles. The applicant has agreed to incorporate shuttle stops within the project site for the City's commute shuttles and continues to explore a potential annual financial commitment.

While not terms of the DA, the proposed project would be required to implement frontage improvements, including bicycle and pedestrian facilities, along the project frontages. Additionally, the proposed project



would include publicly accessible pathways, paseos and trails through the project site that would improve connectivity between Laurel Street and Middlefield Road, including a direct connection between Burgess Drive and Ringwood Avenue that provides a key link to a future east to west crosstown bicycle route.

These improvements and DA benefits would further safe routes, a City Council priority for fiscal year 2025-26, and advance the City's Climate Action Plan strategy to reduce vehicle miles traveled by supporting alternative modes of transportation and adding higher density housing near the Menlo Park Caltrain station.

Related Circulation Element policies would also be furthered, including CIRC-2.1, which encourages transportation projects that safely accommodate the needs of pedestrians, bicyclists, transit riders, motorists, people with mobility challenges, persons of all ages and abilities and CIRC-6.3, which encourages increased shuttle service between employment centers and the Downtown Menlo Park Caltrain station.

#### PILOT agreement

The Fiscal Impact Analysis (FIA) anticipates that the Project would generate approximately \$2.8 million annually in property taxes at full buildout. Lane Partners has agreed to enter into a PILOT (payment in-lieu of property taxes) agreement with the City to require the continued payment of property taxes if the residential units and replacement non-residential buildings are owned or leased by a tax-exempt entity, subject to the following exceptions:

- The 100% affordable parcel would not be subject to a PILOT agreement, as already assumed in the FIA.
- Due to SRI's status as a non-profit research entity, SRI would also have the right to occupy one replacement office building without being subject to the PILOT agreement; this would be a one-time exception solely for the benefit of SRI and would be non-transferrable.

#### Other benefits

Potential other benefits include a commitment from Lane Partners to consider future abandonment of water and sewer line easements benefitting SRI's property and encumbering the City's Corporation Yard in the event the City seeks to improve that area in the future and needs SRI's cooperation. Additionally, Lane Partners will commit to using union labor for the non-residential component of the project.

#### City Council direction

In addition to comments and observations that members of the City Council would like to share with city staff, the City Council subcommittee, and Lane Partners, city staff is seeking feedback on the following items:

1. Is the City Council comfortable with the point system as a means to regulate the distribution of development between residential and non-residential uses?
2. Input on the minimum number of units or potentially a percentage of what has been assumed, such as 90%, for the developer to secure an allotted point.
3. Input on the maximum amount of square footage of non-residential space, potentially expressed as a percentage of what has been assumed, such as 110%, that the developer can construct based on an allotted point.
4. Input on the definition of "commencement of construction" or "under construction" to mean issuance of a building permit for vertical improvements for the multifamily buildings and commencement of actual vertical construction (i.e. not just pouring slabs and foundations).
5. Input on the definition of TCO for the townhomes to potentially mean completion of the supportive horizontal infrastructure (e.g., streets, sidewalks, open space, etc.) and building pads, provided the third-party homebuilder similarly provides the City with proof of having secured project financing.
6. Park funding: Once the 2.6 acres of land is dedicated to the City, there are three aspects of funding

related to turning that land into a City park; community outreach, design and construction and ongoing maintenance. Actual costs in excess of the funding offered would rest with the City. Is the funding offered at present by Lane Partners acceptable?

7. Transportation: is the proposed contribution of \$2 million to the City for transportation related improvements within ½ mile of the Project site acceptable?
8. Participation in City shuttle system: should the Parkline project be required to participate in the City's shuttle system in-lieu of operating its own shuttle?
9. PILOT: is the City Council supportive of allowing SRI to occupy one of the replacement office buildings without that building being subject to the terms of the PILOT?

### **Next steps**

Based on guidance provided by City Council on the draft DA terms, staff and the applicant will work to draft the final DA. Staff also continues to review the applicant's project materials, prepare the final environmental impact report (FEIR), and draft the regulatory agreements and governing documents. The Final EIR is tentatively scheduled to be released in June. The Planning Commission is tentatively scheduled to review and make a recommendation to City Council on the project in July, and then the City Council will review for final actions later this summer.

### **Impact on City Resources**

The project sponsor is required to pay planning, building and public works 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.

### **Environmental Review**

A Draft EIR was released for the Project on June 20, 2024, beginning the 45-day public review and comment period, which ended on Monday, August 5, 2024. The Planning Commission held a Draft EIR public hearing at its meeting on July 22, 2024. The final EIR is anticipated to be released in June 2025.

The Draft EIR identified significant and unavoidable impacts from the proposed Project in the following topic areas: construction noise, construction vibration, cumulative construction noise and historical resources. The proposed Project would result in potentially significant impacts related to air quality, cultural resources, tribal cultural resources, biological resources, geology and soils, hydrology and water quality and hazards and hazardous materials, but these impacts would be reduced to a less-than-significant level with implementation of identified mitigation measures.

The proposed Project will be evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission and City Council actions. Direction on the DA terms is not a project under CEQA.

### **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper, notification by mail to owners and occupants within a ¼ miles radius of the subject property and an article in the City's Weekly Digest. Following publication of the staff report, a link to the report was sent to project page subscribers.

## Attachments

- A. Draft development agreement terms
- B. Fiscal Impact Analysis: [menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/deir\\_20240620/parkline-master-plan-fia-report-06-19-2024.pdf](https://menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/deir_20240620/parkline-master-plan-fia-report-06-19-2024.pdf)
- C. Housing Needs Assessment (Appendix 3.14-1 of the Draft Environmental Impact Report): [menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/deir\\_20240620/parkline\\_deir\\_appendices\\_web\\_06172024.pdf](https://menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/deir_20240620/parkline_deir_appendices_web_06172024.pdf)
- D. Location map
- E. Site plan
- F. Full Masterplan set: [menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/parkline\\_project-variant-master-plan-set\\_feb2025.pdf](https://menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/parkline/parkline_project-variant-master-plan-set_feb2025.pdf)
- G. Illustrative site plan
- H. Conceptual open space plan
- I. Bicycle circulation
- J. Pedestrian circulation
- K. Community Benefit Report provided by Lane Partners

Report prepared by:  
Corinna Sandmeier, Principal Planner

Report reviewed by:  
Deanna Chow, Community Development Director

**Parkline – Development Agreement Community Benefit Term Summary**  
**(5-22-2025)**

**A Phasing Plan that Prioritizes Housing:**

- Lane Partners will commit to a milestone schedule that would constrain the ability to develop replacement office/R&D buildings until certain key residential milestones are accomplished. Note that Parkline is proposing 30% of all units as affordable units, which is a doubling of the City’s requirements.
- The framework focuses primarily on construction milestones and limits the amount of non-residential space that can be built until specific housing milestones are met. A “point system” is proposed, as described in the Development Agreement Phasing Plan (attached), which ensures that:
  - First non-residential building cannot start construction until after the commencement of construction of either (i) the first phase of the 100% affordable building (Bldg R3) comprising no less than 77 units, or (ii) the first 300-unit apartment building (with 15% affordability) (Bldg R1 or R2).
  - Second non-residential building cannot start construction until after the commencement of construction of either (i) the first and second phase of the 100% affordable building (Bldg R3) comprising all 154 units, (ii) the first phase of the 100% affordable building (Bldg R3) comprising no less than 77 units and one of the 300-unit apartment buildings (Bldgs R1 or R2) with 15% affordability, (iii) both 300-unit apartment buildings (Bldgs R1 and R2) with 15% affordability, or (iv) some other combination that equates to 2 points.
  - Third non-residential building cannot start construction until after the commencement of construction of either (i) the first and second phase of the 100% affordable building (Bldg R3) comprising all 154 units and one of the 300-unit apartment buildings (Bldgs R1 or R2) with 15% affordability, (ii) the first phase of the 100% affordable building (Bldg R3) comprising no less than 77 units and both of the 300-unit apartment buildings (Bldgs R1 and R2) with 15% affordability, or (iii) some other combination that equates to 3 points; ***and*** one of the residential components has been approved for occupancy.
  - Fourth non-residential building cannot start construction until after the commencement of construction of either (i) the first and second phase of the 100% affordable building (Bldg R3) comprising all 154 units and both of the 300-unit apartment buildings (Bldgs R1 and R2) with 15% affordability, (ii) the first phase of the 100% affordable building (Bldg R3) comprising no less than 77 units, both of the 300-unit apartment buildings (Bldgs R1 and R2) with 15% affordability, and both of TH1 and TH2 with 15% affordability or (iii) some other

combination that equates to 4 points; and two of the residential components have been approved for occupancy.

- Fifth office buildings cannot start construction until after all 800 units (inclusive of the 100% affordable building) are under construction and three of the residential components have been approved for occupancy.
- Exception: If Lane Partners delivers a signed lease with a tenant for a significant amount of non-residential space, Lane Partners will have the one-time ability to start construction of an additional non-residential building, provided Lane Partners has earned at least 2 points. For example, if 600 units are under construction at Bldgs R1 and R2 and Lane delivers a signed lease with a non-residential tenant demonstrating the need for three non-residential buildings, Lane will be able to start construction of a third non-residential building.

#### Land Dedication for 100% Affordable Housing Project:

- At recordation of the first final map, Lane Partners will dedicate an approximately 1.6-acre site (R3) to a non-profit affordable housing developer. Through the entitlement process, that site (R3) will be zoned and evaluated in accordance with CEQA for up to 154 affordable units.
- Lane Partners will commit to an architectural control permitting schedule, submittal of plans for building permits, and other milestones; however, commencement of construction of the 100% affordable building will be subject to available financing and tax credits that are outside of Lane Partners' control.

#### Future City Recreational Area and Park:

- Dedicating a 2.6-acre parcel as a future park and recreational area for the City at the time of recording the first final map.
- Programming for park and recreational area could include a range of features which would be determined through a City-led community outreach process funded in part by Lane Partners. The design and construction process would also be the City's responsibility, but paid for in part by Lane Partners. The City would also be responsible for maintenance, subject to an annual funding contribution by Lane Partners to reimburse City's maintenance costs, up to a fixed amount, for the life of the Project.
  - Funding Contribution Amounts are still under negotiation, but Lane Partners has increased its offer to include:
    - An initial \$100K funding contribution for the City-led community outreach process to determine programming. The funding contribution, the



amount of which has yet to be agreed to, will be provided to the City within 90 calendar days following execution and recording of Development Agreement.

- Total of \$5 million for design and construction costs to be paid in installments at time of building permit issuance for each non-residential building (equivalent of \$4.75 per non-residential square foot);<sup>1</sup> however, recognizing the possibility construction of non-residential buildings may be delayed, or not constructed at all, the City and Lane Partners will continue to negotiate an outside date by which the agreed upon contribution will be made in one or more payments in relation to milestones achieved by city (e.g. award of design contract, approval of park design, solicitation of bids for park construction, award of park construction contract, etc.).
- After completion, providing an annual payment to City reimbursement for City's actual maintenance costs up to a fixed amount, to be determined through further negotiations.

#### Emergency Water Reservoir:

- Project will accommodate potential for installation of an emergency water reservoir and well, subject to further negotiation as to timing and feasibility. Location of water reservoir envisioned to be placed beneath the park and recreational area which is where groundwater monitoring test wells were installed by the City to determine potential viability for a water reservoir.

#### Publicly Accessible Open Space:

- As part of the overall Project, Lane Partners would be creating more than 10-acres of programmed publicly accessible open space, subject to public access easements, with the opportunity for the City to provide some amount of community event programming. Details regarding number of community days/nights and events is subject to negotiation as part of a privately owned and publicly accessible open space easement agreement.
- Lane Partners would also provide publicly accessible restrooms in the shared parking garage (PG1) located closest to the future City park and recreational area.

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<sup>1</sup> Given the importance of providing new housing, the costs associated with this benefit cannot be borne by the residential development without making it economically infeasible.

### Sustainability Benefits:

- In addition to the intrinsic benefits of providing homes and jobs within walking distance of transit and downtown, an all-electric campus and all-electric homes, removal of SRI's existing cogeneration plant which is heavily dependent on fossil fuels, and other sustainability improvements, Lane Partners is also committing to the following:
  - Installing recycled water infrastructure within the Project's loop roads and providing two points of connection at Laurel Street and Burgess Drive per City's request.
  - Committing to utilization of non-diesel backup generators if reliable technology becomes available and is not cost-prohibitive (i.e., not more than 5% additional cost relative to traditional backup generators).

### Transportation Benefits:

- \$2 million transportation fee payment to City at issuance of building permit for first office building, to be used for public transportation-related improvements within ½ mile of perimeter of Parkline.
- Lane Partners originally proposed a dedicated shuttle service as part of its TDM plan, but City has requested as an alternative an annual payment to the City to its shuttle program. Lane is considering that request and, if acceptable, would need to propose an amount.

### PILOT Agreement

- Lane Partners will enter into a PILOT (payment in-lieu of property taxes) agreement with the City to require the payment of property taxes if the residential units and replacement non-residential buildings are owned or leased by a tax-exempt entity, subject to the following exceptions:
  - The 100% affordable parcel would not be subject to a PILOT agreement.
  - Due to SRI's status as a non-profit research entity, SRI would also have the right to occupy one replacement office building without being subject to the PILOT agreement; this would be a one-time exception solely for the benefit of SRI and would be non-transferrable.

Other Benefits:

- Potential commitment to consider future abandonment of water and sewer line easements benefitting SRI's property and encumbering the City's Corporation Yard in the event the City seeks to improve that area in the future and needs SRI's cooperation.
- Union labor for non-residential component.

## PARKLINE DEVELOPMENT AGREEMENT PHASING PLAN (5-22-2025)

The Parkline project proposes up to 800 units of residential housing, inclusive of 646 mixed-income units across a range of product types and a land dedication to a third-party non-profit affordable housing developer for up to 154 units, and five office/R&D buildings, ranging in size from approximately 184,000 SF to 229,000 SF, for a total of approximately 1,051,600 SF, with no net increase in non-residential square footage compared to existing conditions.<sup>1</sup> A site plan of the proposed Parkline project is attached.

As part of the Development Agreement and as negotiated with City staff, the Parkline Project is proposing a “point system” which will control the way in which the residential components of the project are phased in connection with the non-residential components. The point system assigns points per residential component according to the following table (note that the two townhome components each count as only a half-point):

<b>Residential Component</b>	<b>Assigned Points at Commencement of Construction</b>
<b>R1 – 300 Apartment Units (15% BMR)</b>	1
<b>R2 – 300 Apartment Units (15% BMR)</b>	1
<b>TH 1 – 19 Detached Townhomes (15% BMR)</b>	.5
<b>TH 2 – 27 Attached Townhomes (15% BMR)</b>	.5
<b>R3 – 154 Affordable Units<sup>2</sup> (100% BMR)</b>	2
• 77 Units (Assuming Phased Delivery)	1
• 77 Units (Assuming Phased Delivery)	1

<sup>1</sup> The Parkline project also proposes an approximately 40,000 SF amenity building which would include a public-facing food and beverage component as well as amenity space for tenants which is not factored into this phasing exhibit because it would serve the community and also not be inducing new office/R&D workers.

<sup>2</sup> For purposes of R3, which is the land dedication to a non-profit affordable housing developer, it is assumed that the 100% affordable project could be implemented in two phases for financing reasons, with half of the units delivered as part of an initial phase and the second half of the units delivered in a later phase. Actual phasing will depend on the future financing strategy as determined by the non-profit affordable housing developer.

### Point System Implementation

The Project Sponsor currently anticipates that the residential components would be the first phase of construction (specifically the two 300-unit apartment buildings known as R1 and R2) and would commence prior to any of the non-residential buildings due to current market conditions. Given practical limitations on absorption (i.e., how many households can move into new apartments at any given time, given loading area capacity and moving logistics, etc.), R1 and R2 are expected to be staggered by at least a year. However, if market conditions change, and to provide assurances that meaningful amounts of residential units are delivered first and generally before delivery of non-residential space, the Project Sponsor is willing to commit to the following sequencing (or “metering”) for the non-residential buildings:

Building Permit Issuance for Non-Residential Component	Required Number of Points	Illustrative Example
<b>First Non-Residential Building</b>	Requires 1 point	Building permit has been issued for R1 <u>or</u> R2.
<b>Second Non-Residential Building</b>	Requires 2 points	Building permits have been issued for R1 <u>and</u> R2.
<b>Third Non-Residential Building</b>	Requires 3 points <u>and</u> TCO for one residential component	R1 has achieved TCO (i.e., R1 is substantially complete and can be occupied) <u>and</u> building permits have been issued for R2, TH 1 and TH 2; <u>OR</u> R1 has achieved TCO (i.e., R1 is substantially complete and can be occupied) <u>and</u> building permits have been issued for R2 and at least 77 units on the 100% affordable site (R3).
<b>Fourth Non-Residential Building</b>	Requires 4 points <u>and</u> TCO for two residential components	R1 and R2 have achieved TCO <u>and</u> building permits have been issued for TH 1 and TH 2, <u>and</u> at least 77 units on the 100% affordable site (R3); <u>OR</u>



		R1 and R2 have achieved TCO <u>and</u> building permits have been issued for all units on the 100% affordable site (R3).
<b>Fifth Non-Residential Building</b>	Requires 5 points <u>and</u> TCO for three residential components	R1, R2 and TH-1 have achieved TCO <u>and</u> building permits have been issued for all residential components including all units on the 100% affordable site (R3).

The examples generally assume a scenario in which R1 and R2 commence first, and the 100% affordable building occurs last, but that is only for illustration purposes. If all 154 units in the 100% affordable building commence first, that would unlock 2 points and enable the first two non-residential buildings to break ground. For financing reasons, it is not possible to withhold occupancy for non-residential buildings pending the residential buildings hitting certain milestones, so assurances regarding completion (i.e., TCO) are instead tied to when subsequent phases of non-residential construction can begin.

### **One Time Exception for Delivery of Non-Residential Lease**

In addition, given the importance of the non-residential component to the overall financial feasibility of the Parkline project, which will require new infrastructure, open space, community benefits, and other major investments across a 64-acre site, the Project Sponsor needs assurances that if they are able to enter into a lease with a tenant for office/R&D space who needs a certain amount of space, provided a certain condition is met, then the Project Sponsor will be able to commence construction on one additional non-residential building by providing an executed lease to the City.

Provided the Project has achieved at least two points, which unlocks two non-residential buildings, if the Project Sponsor furnishes a signed lease demonstrating the need for one more non-residential building than it has secured the right to construct in order to accommodate the tenant's requirements, then a one-time exception will be made to allow construction of one more non-residential building than it has secured the right to.

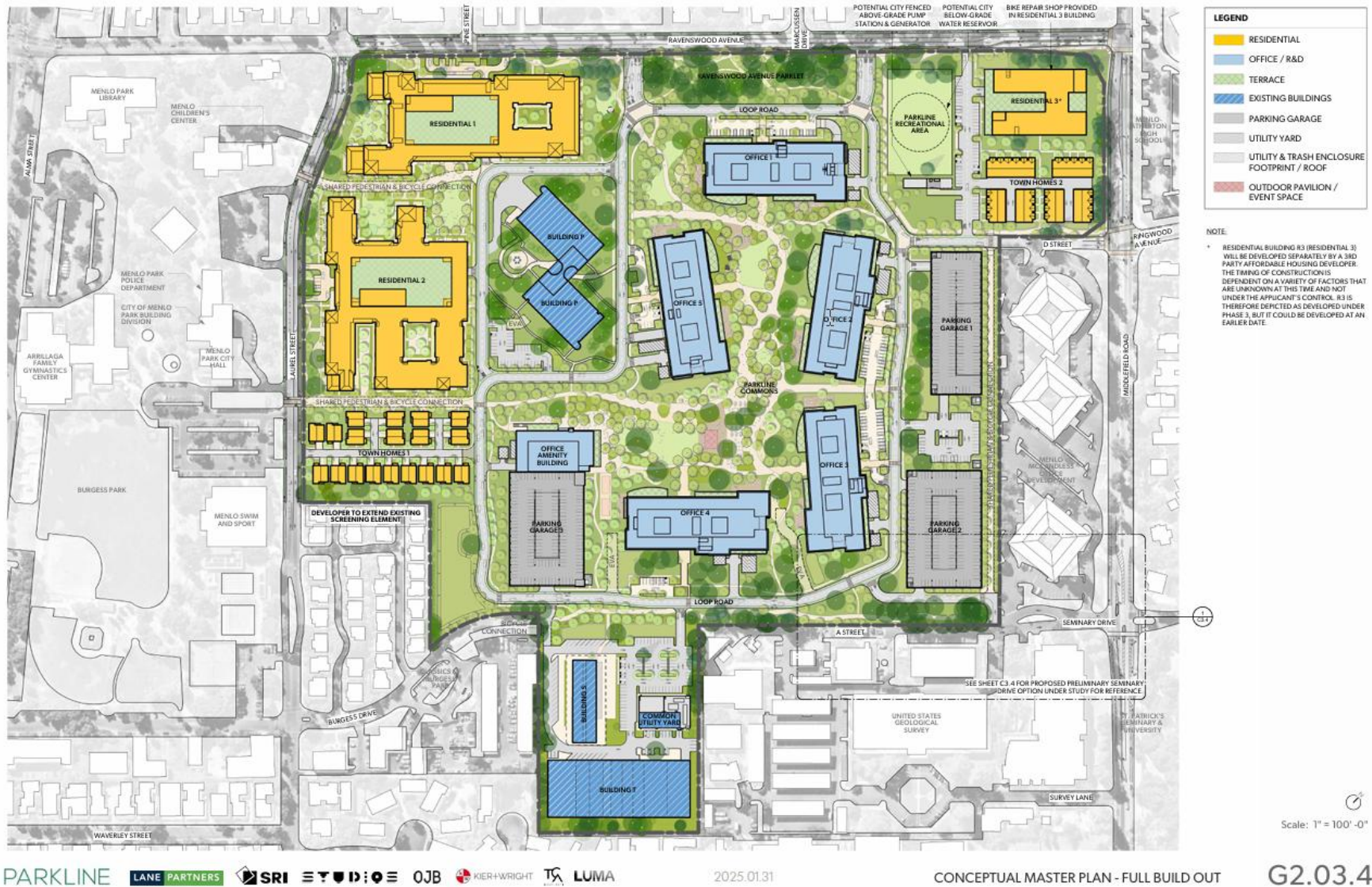
### **Additional Clarifications**

Similar to Willow Village, the Project Sponsor is also requesting some reasonable amount of flexibility to make minor modifications to the program for individual buildings and the same allowances granted to Willow Village. The Project Sponsor is therefore requesting the ability to incrementally adjust the amount of non-residential square footage in a given building (subject to a predetermined range, like no more than a 5-10% shift relative to what is depicted in our conceptual plans), and incrementally adjust

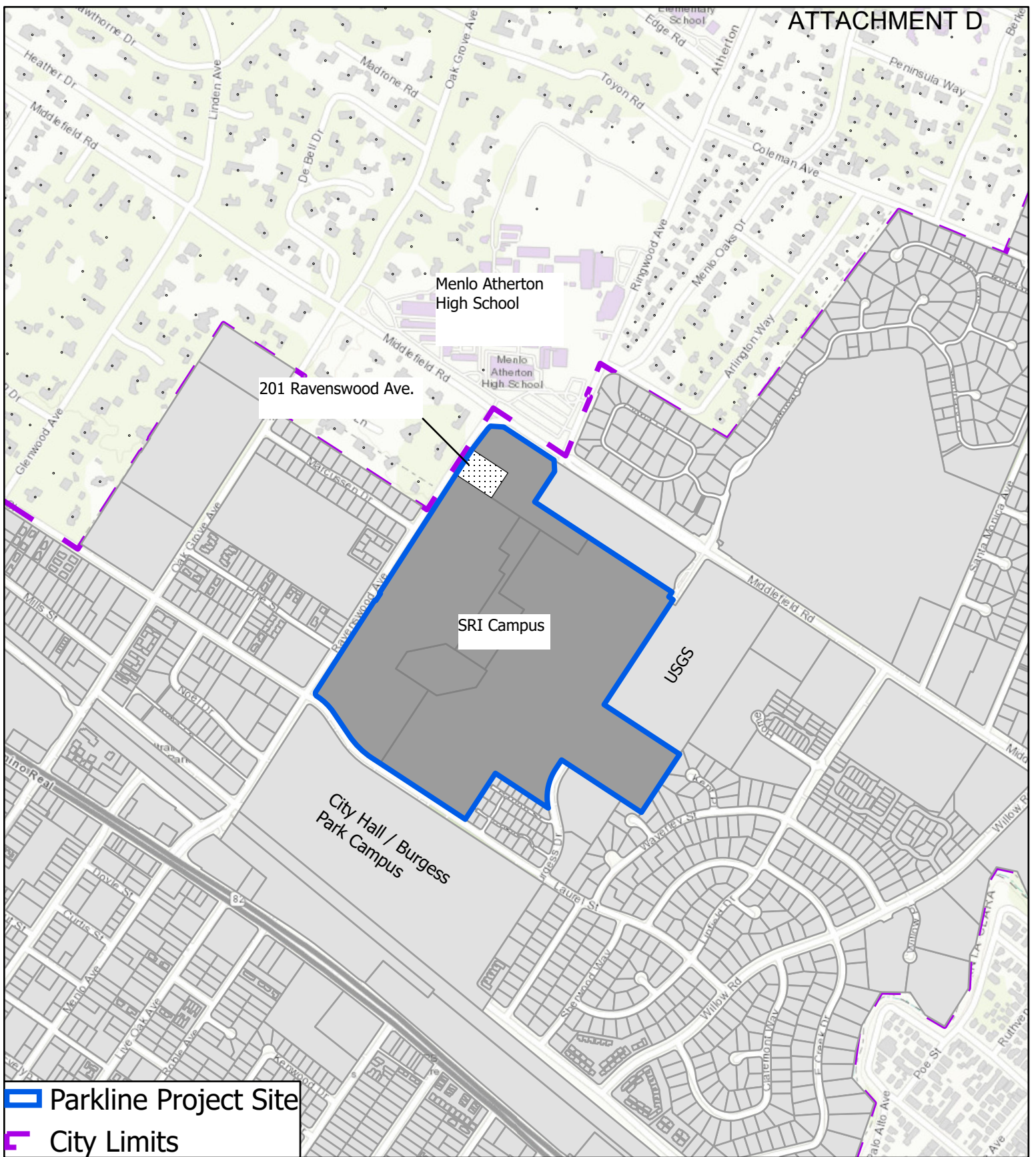
the number of units up to a fixed amount (e.g., 5%) without approval, and in higher amounts (e.g., up to 10% with the City Manager's consent). Note that there is no desire to build less than the full 800 units being entitled. Because the individual buildings have not been designed yet and would be subject to a full architectural control process, if there are changes in the configuration of non-residential space due to design considerations, those changes would be evaluated and subject to approval through the architectural control process. With respect to residential units, the most likely situation in which minor deviations are required is to address "field" constraints (i.e., deviations that are required once construction starts due to, for example, the need to adjust building footprint in order to accommodate preserving a specific tree, which cannot be fully known until after excavation begins).

The parties will also need to discuss definitions for terms like "commencement of construction" or "under construction," but generally we intend this term to mean issuance of a building permit for vertical improvements for the multifamily buildings and commencement of actual vertical construction (i.e., not just pouring slabs and foundations). One additional condition would be providing the City with an affidavit indicating that a construction contract has been executed and construction financing secured. These details can be negotiated and finalized after the City Council study session.

Unique rules would also need to be developed in the case of townhomes (TH 1 and TH 2) because they are anticipated to be built by a third-party homebuilder after the Project Sponsor completes the supportive horizontal infrastructure (e.g., streets, sidewalks, open space, etc.) and building pads. In the case of townhomes, the relevant milestones could tie to completion of that infrastructure and building pads as the equivalent of achieving TCO, provided the third-party homebuilder similarly provides the City with proof of having secured project financing.







CITY OF  
MENLO PARK

# CITY OF MENLO PARK

## LOCATION MAP

333 RAVENSWOOD AVENUE - PARKLINE

Scale: 1:9,000

Drawn By: CDS

Checked By: KTP

Date: 3/5/2025



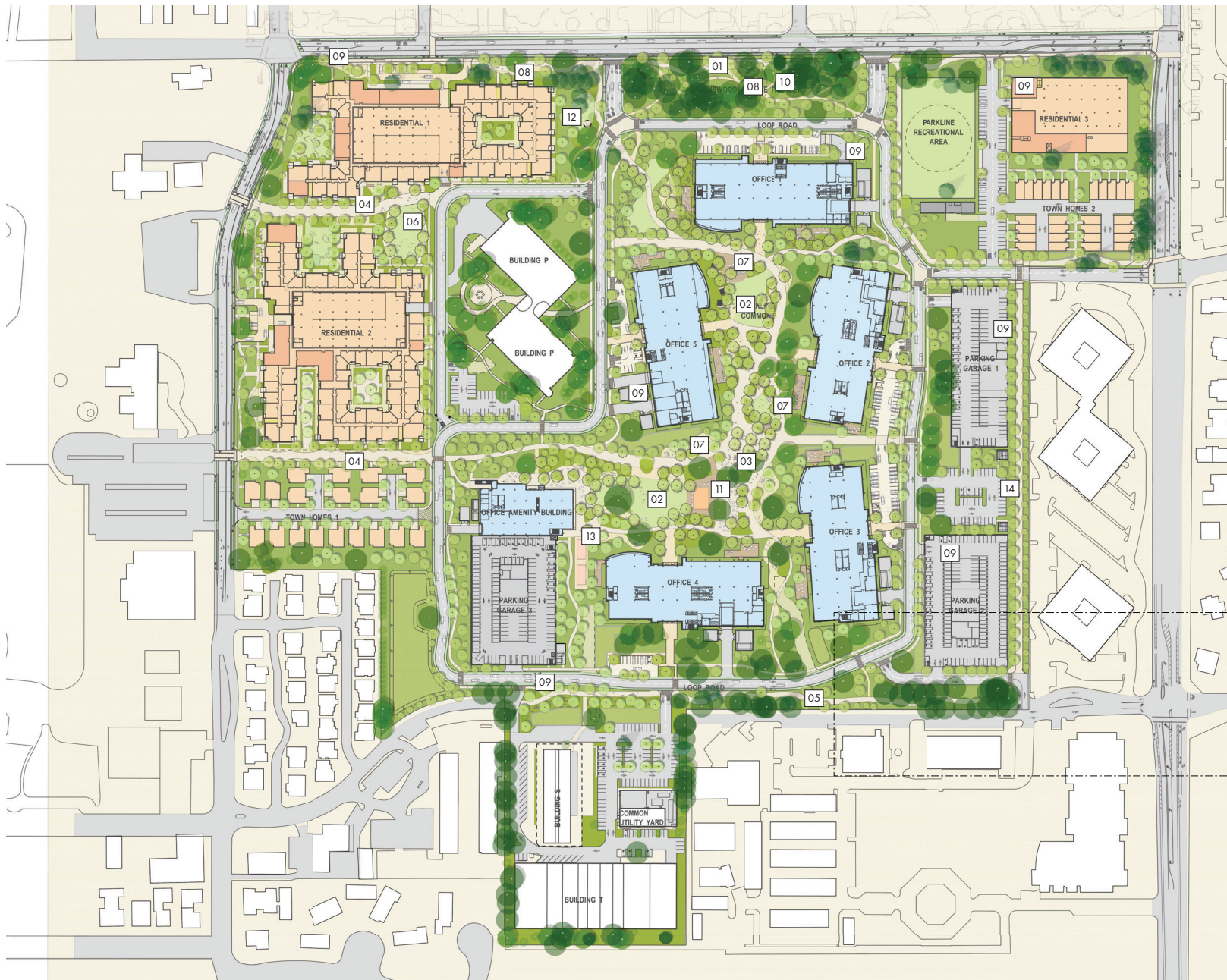


**NOTE:**

\* RESIDENTIAL BUILDING R3 (RESIDENTIAL 3) WILL BE DEVELOPED SEPARATELY BY A 3RD PARTY AFFORDABLE HOUSING DEVELOPER. THE TIMING OF CONSTRUCTION IS DEPENDENT ON A VARIETY OF FACTORS THAT ARE UNKNOWN AT THIS TIME AND NOT UNDER THE APPLICANT'S CONTROL. R3 IS THEREFORE DEPICTED AS DEVELOPED UNDER PHASE 3, BUT IT COULD BE DEVELOPED AT AN EARLIER DATE.

Scale: 1" = 100' -0"



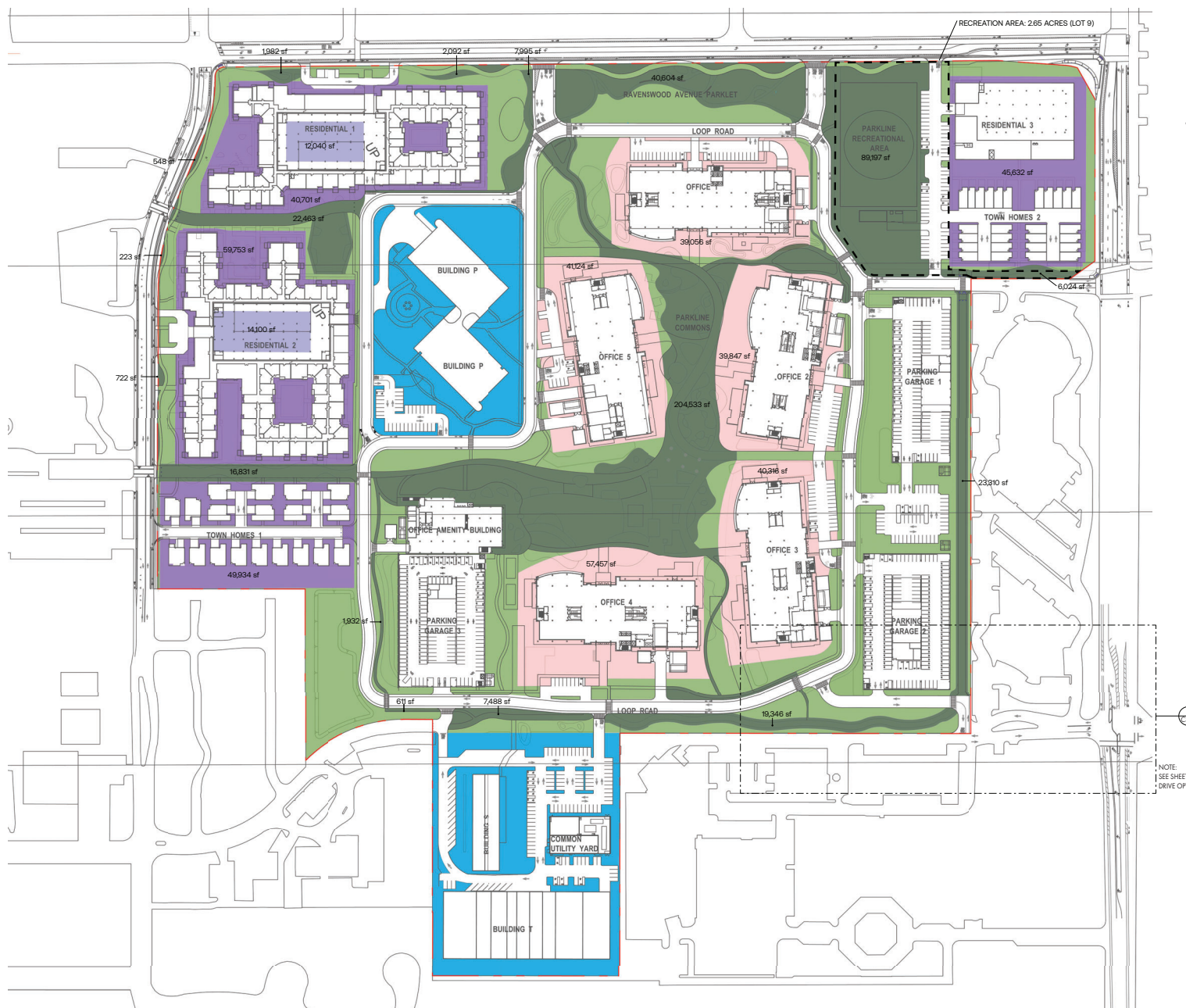


## LEGEND

- 01 RAVENSWOOD CLASS I SHARED-USE PATH
- 02 THE GREEN - MULTI-USE LAWN
- 03 MULTI-USE PLAZA
- 04 PEDESTRIAN CONNECTION
- 05 SEMINARY/BURGESS CLASS I SHARED-USE PATH
- 06 DOG PARK
- 07 SHADED COURTS
- 08 EXERCISE STATION
- 09 BIKE REPAIR STATION
- 10 CHILDREN'S PLAYGROUND
- 11 PERFORMANCE SPACE
- 12 BBQ/PICNIC AREA
- 13 PARK GAMES

NOTE:  
SEE SHEET C3.4 FOR PROPOSED PRELIMINARY SEMINARY  
DRIVE OPTION UNDER STUDY FOR REFERENCE.

0 50 100 200  
1" = 100'



### OPEN SPACE LEGEND

- |                                                                                                                                                                                          |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| EXISTING SRI OPEN SPACE                                                                                                                                                                  |  |
| PUBLICLY ACCESSIBLE OPEN SPACE (435,975 SF / 10 ACRES)                                                                                                                                   |  |
| <p>*MIN. REQUIRED = HALF OF 30% OF THE TOTAL SITE (64.23 AC X 30%)/2 = 9.64 ACRES, PER ZONING REQUIREMENT</p> <p>**EXCLUDE PUBLIC PATHS ALONG LAUREL AND RAVENSWOOD PER CITY COMMENT</p> |  |
| OPEN SPACE (426,513 SF / 9.8 ACRES)                                                                                                                                                      |  |
| PRIVATE OFFICE OPEN SPACE ( 217,800 SF / 5.0 ACRES)                                                                                                                                      |  |
| PRIVATE RESIDENTIAL OPEN SPACE, AT GRADE ( 196,020 SF, 4.5 ACRES)                                                                                                                        |  |
| PRIVATE RESIDENTIAL OPEN SPACE, TERRACE ( 26,140 SF, 6 ACRES)                                                                                                                            |  |
| <p>*EXCLUDES ABOVE-GRADE RESIDENTIAL AND COMMERCIAL BALCONIES</p>                                                                                                                        |  |

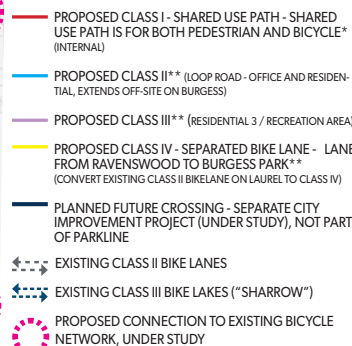
TOTAL PROPOSED NEW OPEN SPACE = 29.9 ACRES

TOTAL PROPOSED AT GRADE OPEN SPACE = 29.3 ACRES

FROM PROPOSED ZONING:  
ALL DEVELOPMENT SHALL PROVIDE A MINIMUM AMOUNT OF OPEN SPACE EQUAL TO THIRTY PERCENT (30%) OF THE TOTAL LOT AREA, WITH A MINIMUM AMOUNT OF PUBLICLY ACCESSIBLE OPEN SPACE EQUAL TO FIFTY PERCENT (50%) OF THE TOTAL REQUIRED OPEN SPACE AREA.

NOTE:  
SEE SHEET C3.4 FOR PROPOSED PRELIMINARY SEMINARY  
DRIVE OPTION UNDER STUDY FOR REFERENCE.





BICYCLE REPAIR STATION



OFFICE/R&amp;D BICYCLE PARKING:

- 1,378,330 SF. OFFICE / 5,000 SF. = 276 BICYCLES
- 80% OF 276 = 221 LONG TERM BICYCLE PARKING AND 55 SHORT TERM BICYCLE PARKING



**LONG TERM BICYCLE PARKING**



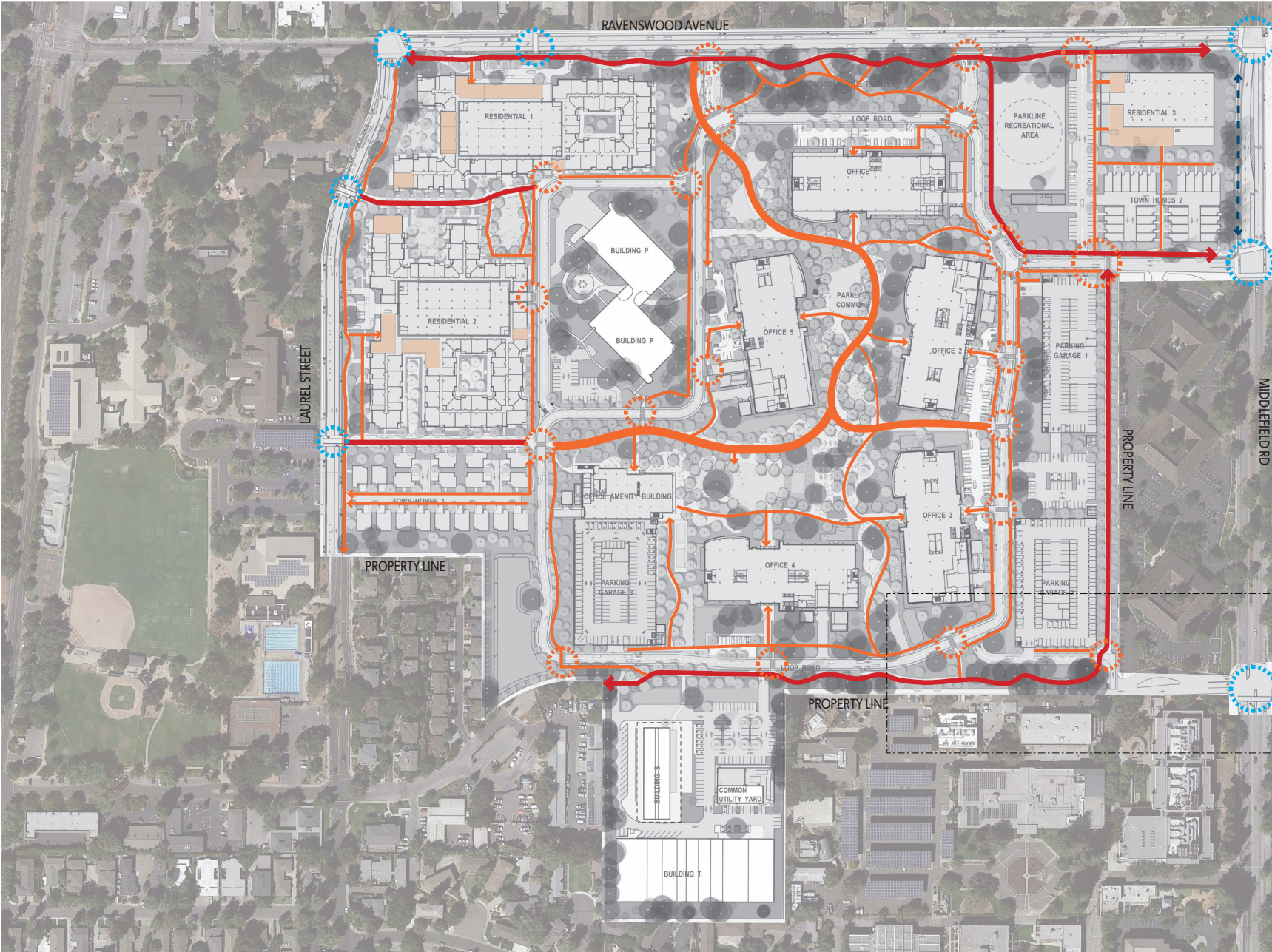
### SHORT TERM BICYCLE PARKING

### RESIDENTIAL BICYCLE PARKING FOR MULTI-FAMILY BUILDINGS:

- 1.5 SPACES PER UNIT = 900 BICYCLES (R1, R2)
- 1.25 SPACES PER UNIT = 193 BICYCLE (R3)
- 10% OF 1093 = 110 SHORT-TERM BICYCLE PARKING AND 1093 LONG TERM BICYCLE PARKING. 1203 TOTAL SPACES

\*Proposed shared use path to be pour-in-place concrete  
\*\*Proposed class II, III and IV bicycle paths to be asphalt





- LEGEND**
- PROPOSED CLASS I - SHARED USE PATH - SHARED USE PATH IS FOR BOTH PEDESTRIAN AND BICYCLE\* (INTERNAL)
  - PROPOSED PRIMARY PEDESTRIAN CIRCULATION\*
  - PROPOSED SECONDARY PEDESTRIAN CIRCULATION\*
  - EXISTING PEDESTRIAN CIRCULATION
  - PEDESTRIAN CROSSWALK - ON-SITE
  - PEDESTRIAN CROSSWALK - OFF-SITE
  - RESIDENTIAL BUILDING LOBBY/AMENITY
- \*Proposed pedestrian and shared use path to be pour-in-place concrete

NOTE:  
SEE SHEET C3.4 FOR PROPOSED PRELIMINARY SEMINARY DRIVE OPTION UNDER STUDY FOR REFERENCE.





# COMMUNITY BENEFIT REPORT

SPRING 2025



# Introduction



In 2021, Menlo Park’s SRI International partnered with Lane Partners to begin reimagining its already decade-long effort to update the 63-acre corporate headquarters at 333 Ravenswood Ave. Our partnership, through a robust community engagement effort, sought to go beyond simply modernizing the outdated SRI campus space and instead focus on transforming it into an integrated community asset that benefits all of Menlo Park.

The planning effort took on a life of its own with the community. Excitement grew around the possibility of truly integrating the campus into the neighborhood. Tours of the site opened eyes to a new vision as the community truly saw the possibility of turning a fortress of fences and gates into a new future for everyone—taking down the barriers and instead building community spaces while helping to address some of Menlo Park’s greatest needs and highest priorities.

Through a robust discussion with the community, Parkline has taken shape on paper. The plan developed with neighbors and the community modernizes the campus with the replacement of existing square footage. At the same time, it will add 800 homes, with a more than 1-acre parcel of land dedicated to an affordable housing developer, and reaches unmatched levels of affordability with 31.3 percent of its housing available at an affordable level.

The proposed modernization of the campus will also bring public access that has not been seen on the site for generations. The development will convert parking lots to open space, including **20 Acres** of open space, 12 of which are publicly accessible, and a **2.7 Acre** dedication to the City for a future recreational field and public uses. It will also build 2.5 miles of bike paths and other innovative bicycle infrastructure that will improve safety and build connectivity to the community.

On the sustainability front, modernization will tear down parking lots and put up parks and porous surfaces in their place. This will have immense environmental benefits and bring added resilience. Modern energy efficient buildings will reduce the campus’ energy consumption, and the plan removes an on-site energy plant that while state of the art in its time, today is Menlo Park’s largest greenhouse gas generator. In the process it will convert the new campus to clean power generated from renewables with the use of Peninsula Clean Energy.

The buildings have been placed in consideration of the existing tree canopy on site, preserving heritage trees and adding more trees than are removed making the entire site more verdant and alive.

Recognizing the suburban nature of the campus’ edges, we have taken great efforts to ensure that new housing respects the scale of our existing neighbors by adding a townhouse buffer where possible and ensuring the commercial buildings remain on the interior of the site and free of conflict with the neighborhoods. Working with the City we have also developed traffic enhancements and street upgrades at Ravenswood and Middlefield, and other improvements recommended by the City’s traffic consultant to manage flow. Our site is designed to ensure traffic is pulled off City streets and managed on interior infrastructure to minimize impacts on City streets. Investments in shuttle service and other efforts will reduce car trips and minimize impacts.

All told, through our careful planning and collaboration with the City of Menlo Park and our neighbors, our land plan is of great benefit to the community. In total, the project benefits are valued at \$200 million – one of the largest community benefit valuations in the history of Menlo Park. It has been designed to make significant investments in critical infrastructure that will contribute greatly to grade crossings, resiliency, community amenities and train noise reductions. And the plan represents a 44.5x increase in tax basis for the site, with future property tax revenues projected to be as high as \$1.93 billion. We have summarized the package for ease of understanding on the following pages.

Together we have worked long and hard on a smart, clean and important effort to modernize SRI’s research campus in a way that will improve Menlo Park and honor its more than 75-year legacy. As a neighbor of the project, I am thrilled by what we have accomplished together and look forward to our continued collaboration to make the plan a reality.

Mark Murray, Principal  
Lane Partners

## Inside:

- 1 Introduction**
- 3 OUR VISION:  
Share the Campus**
- 4 HOUSING:  
An Emphasis on  
Affordability**
- 5 SAFETY:  
Improved Pedestrian,  
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Safety**
- 6 ENVIRONMENT:  
A Focus on  
Sustainability**
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Summary**
- 9 OUTREACH:  
Community Outreach  
Summary**





## Share the Campus

Opening the SRI campus up and integrating it with the community was a big idea and required lots of effort. We think it was worth it. For 75 years the campus has been fenced and closed to the community. 63 acres adjacent to the City's downtown and in the middle of a network of neighborhoods and community facilities, the land has been a mystery to the community at large.

Exploring how to integrate this site into the neighborhood has not been without challenges, but the resulting vision provides for a more integrated, safer and more connected City and creates a 20 acre open space network in the heart of Central Menlo Park.

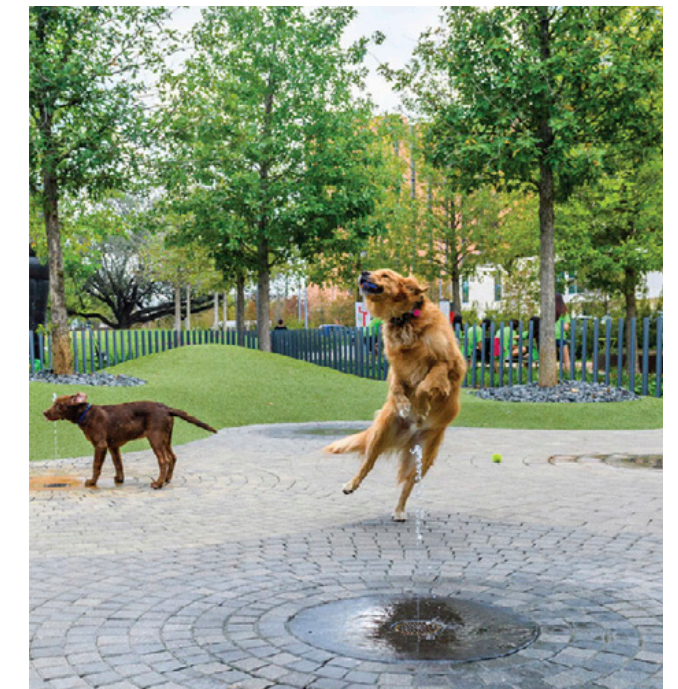
The mixed use village plan represents a projected 44.5x increase in tax basis for the site, with projected future property tax revenue valued at \$1.93 billion.



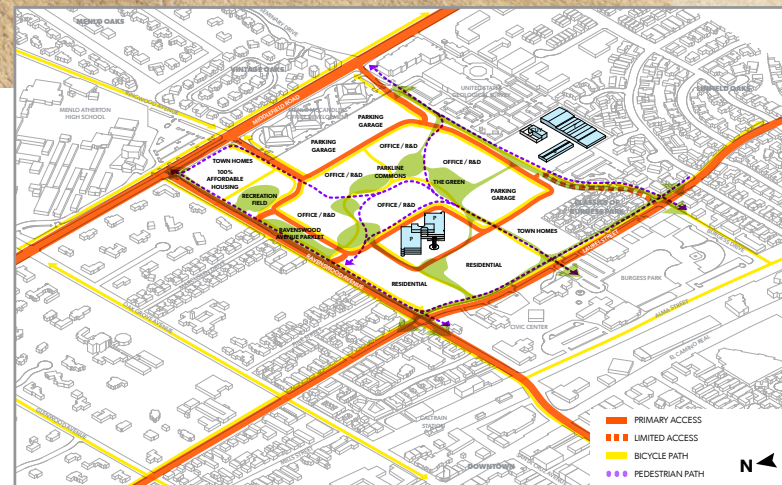
## Housing with Emphasis on Affordability

A key principle from the beginning was the inclusion of housing to assist with the City's housing needs with a focus on affordability. We worked with the community to strike the balance. Of the 63-acre site we have dedicated more than 12 acres to housing. The amount of land dedicated to housing has increased with the option to purchase the Ravenswood church site which will allow a greater number of housing units while also managing heights and density. The result is a carefully crafted housing program that delivers 800 units and has a record setting 31.3% affordability level – doubling the City's requirements – and includes:

- Townhomes – 19 attached, 27 detached
- 549 market rate apartments
- 244 Affordable rental units including 154 units at 60% AMI
- 7 BMR for-sale units





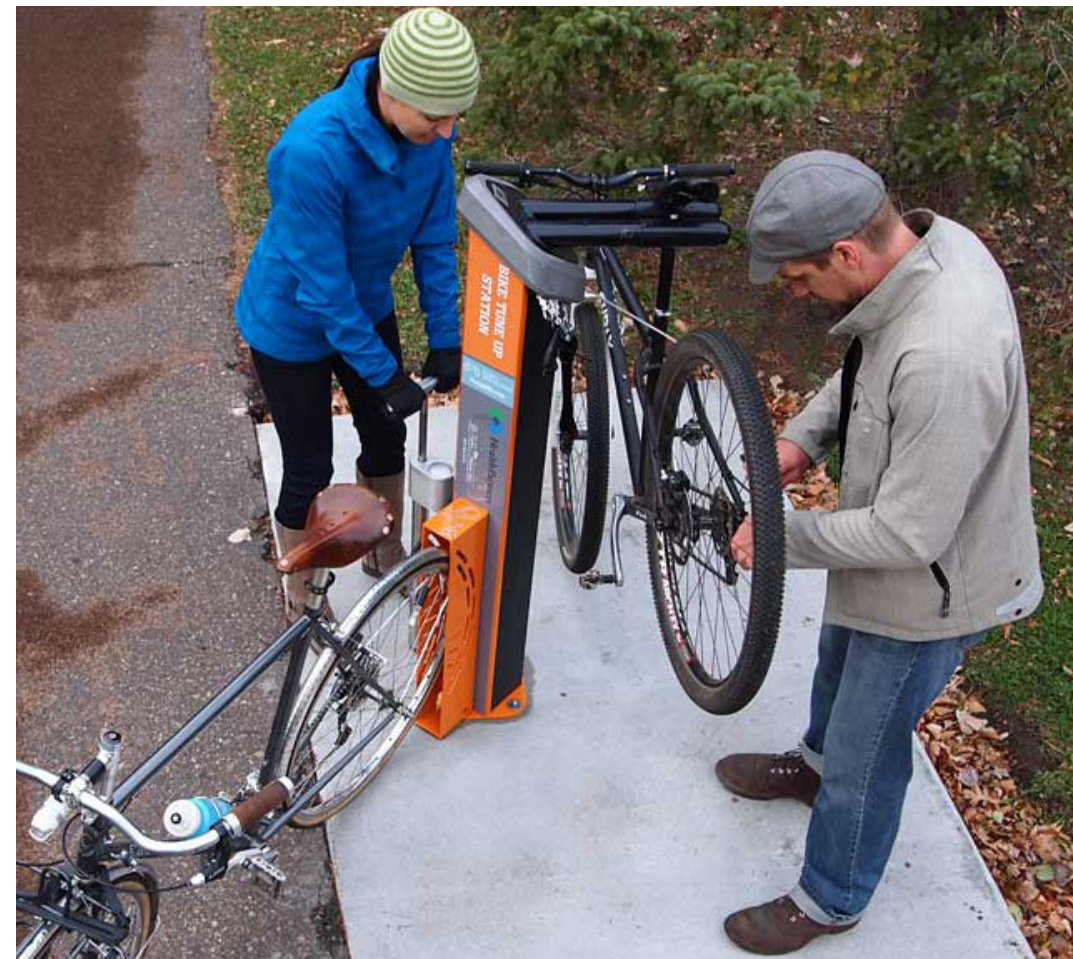


## Improved Bike & Pedestrian Safety

A new network of bike and pedestrian pathways will make our community safer and more connected. A system of bike/pedestrian pathways intended to create a safer and more direct East-West linkage through Menlo Park will surround and traverse the site. Future connectivity through the Middle Avenue tunnel has been anticipated and funding to aid that improvement is included in our Development Agreement, for such projects as an approved grade separated pedestrian and bicycle crossing at Middle Avenue and the new bike/pedestrian freeway overpass on Ringwood.

Parkline's Balanced Plan also includes miles of bike and pedestrian paths designed to enhance connectivity through Menlo Park:

- Bike lane improvements along Laurel, Burgess and Ravenswood.
- Safe routes to schools through the interior of Parkline for a mix of users, including paths for commuters and paths for recreational users.
- Bicycle repair kiosks distributed throughout the Project site.



## Focus on Sustainability

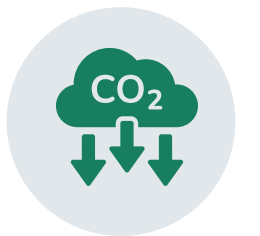
From the plan's inception, sustainability has been at the forefront for both the plan team and our neighbors. Starting with the conversion of pavement to parks and replacing outdated and energy inefficient with modern, energy efficient and sustainable structures will change the footprint of the site. Ensuring great care is taken to retain hundreds of mature scenic trees and planting even more. The lush treescape and focus on native plantings and landscaping will result in a truly standout example of sustainability.

Adding to that the conversion to an all-electric development utilizing clean energy from Peninsula Green Energy, the Parkline plan makes for a remarkable improvement over existing conditions.

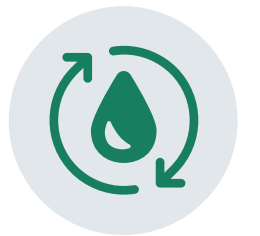
Additional sustainability components include the ability for SRI to decommission the existing onsite cogeneration power plant, one of the City's highest single-sources of GHG emissions (equivalent to eliminating 61 million miles of driving annually); new sustainable all-electric design for all new buildings, and providing the land to the City for a 2 to 3 million gallon water reservoir for long-term emergency preparedness.



GREENHOUSE GAS  
REDUCTION



CLIMATE  
ACTION PLAN



WATER  
CONSERVATION



ALL-ELECTRIC  
BUILDINGS



RENEWABLE  
SOURCES OF ENERGY



# Community Benefits

## Total Valuation \$200 million



### Share the Campus

- 20 acres of open space, 12 of which are publicly accessible.
- Publicly accessible restroom in shared garage near future park.
- Subsidy for ground floor bike repair station with food/beverage service.
- Off-site bicycle, pedestrian, and circulation improvements.
- 2.5 miles of bike paths and other innovative bicycle infrastructure that will improve safety and build connectivity to the community.



### Housing with an Emphasis on Affordability

- Total of 800 Market Rate & BMR Housing Units: 549 Market Rate Units, 244 affordable rental units, and 7 BMR for-sale units.
- BMR Units comprise 31.3% of Total Housing Units.
- \$19.2M land dedication of 1.63-acre parcel and 60-year ground lease to nonprofit affordable developer for 154 units at 60% AMI. Plus \$1.5M in soft costs (CEQA and entitlements).



### Improved Bike and Pedestrian Safety

- \$2 million contribution to the City of Menlo Park for nearby transportation improvements subject to City discretion, such as gap funding for Middle Ave. Caltrain Crossing project, Caltrain Quiet Zone funding, and community shuttle program.
- \$31.86M Land dedication, multi use public purposes of a 2.65 acre parcel for future park and recreational area dedicated to the City plus \$100k to support city-led outreach re: programming, \$5m design/construction costs.



### Focus on Sustainability

- Decommissioning of the existing natural gas co-generation power plant.
- LEED certification or equivalent for all land uses.
- 100% carbon-free electric for all electricity consumption.
- Electric vehicle charging spaces.
- 30 acres of drought-tolerant landscaping and bioretention improvements, reducing heat-island effect and stormwater surface drainage.
- Heritage tree preservation and replacement program.
- Recycled Water Infrastructure: to connect WBSD recycled water line from Ringwood and Middlefield to Laurel and Burgess Drive.







12

Community Meetings  
since 2021

1005

Survey Responses

45

Site Tours

- Community Outreach  
Summary
- Significant requests to maximize housing at 800 homes with focus on affordability.
  - Desire to keep heights and density as low as possible, especially on Laurel and to place buffers against neighboring properties.
  - Ensure planned bike paths connect with surrounding trail networks and offer access through the community.
  - Agreement that site plan respect heritage trees.
  - Strong preference for research campus approach over traditional commercial/tech office feel.
  - Near unanimous support for opening campus and adding field and community places in the plan.

THANK YOU FOR YOUR SUPPORT:



# PARKLINE

For more information on Parkline visit  
[www.menloparkline.com](http://www.menloparkline.com)