



CONTINUED PUBLIC HEARING MINUTES

Date: 11/03/2022

Time: 7:00 p.m.

Meeting Location: Zoom.us/join – ID# 871 4022 8110

On November 3, 2022, at 7 p.m. Chair Chris DeCardy reopened the public hearing item F1 that was continued from the regular meeting of October 24, 2022

Present: Andrew Barnes, Chris DeCardy (Chair), Linh Dan Do, Cynthia Harris (Vice Chair), Henry Riggs, Michele Tate (all six commissioners were at the October 24, 2022 hearing)

Staff: Nira Dougherty, City Attorney; Kyle Perata, Planning Manager; Matt Pruter, Associate Planner; Anna Shimko, City Attorney's Office

Continued Public Hearing

Adopt a resolution recommending the City Council certify the final environmental impact report (Final EIR), adopt California Environmental Quality Act (CEQA) Findings, adopt a Statement of Overriding Considerations for significant and unavoidable impacts, amend the General Plan Circulation Element, rezone the project site and amend the zoning map to incorporate "X" overlay district and approve the conditional development permit (CDP), approve the vesting tentative maps for the main project site and the Hamilton Avenue Parcels, approve the development agreement (DA), and approve the below market rate (BMR) housing agreements for the proposed Willow Village masterplan project located at 1350-1390 Willow Road, 925-1098 Hamilton Avenue and 1005-1275 Hamilton Court, 1399 and 1401 Willow road, and 871-883 Hamilton Avenue. The proposed project would demolish approximately 1 million square feet of existing office and industrial buildings and redevelop the project site with:

- Up to 1.6 million square feet of office and accessory uses (a maximum of up to 1.25 million square feet of offices with balance for accessory uses);
- Up to 200,000 square feet of retail/commercial uses, including a grocery store, pharmacy, entertainment and restaurant uses;
- Up to 1,730 housing units, including 312 below market rate units (260 inclusionary units plus 52 units per the city's commercial linkage requirement) of which 119 would be age-restricted senior housing units;
- Up to a 193 room hotel and associated retail/dining;
- An approximately 3.5-acre publicly accessible park, a dog park, and additional public open space;
- An approximately 1.5-acre publicly accessible town square;
- An approximately 2-acre publicly accessible elevated park extending over Willow Road providing access at the Hamilton Avenue Parcel North (Belle Haven Shopping Center); and
- A potential publicly-accessible, below grade tunnel for Meta intercampus trams, bicyclists and pedestrians connecting the project with the West and East campuses.

The requested City actions and entitlements for the proposed project include a conditional development permit, development agreement, rezoning, general plan and zoning map amendments, vesting tentative maps, below market rate (BMR) housing agreement, and environmental review.

The proposal includes a request for an increase in height, floor area ratio (FAR), and density under the bonus level development allowance in exchange for community amenities through a conditional development permit and development agreement. The proposed project would be rezoned to combine the "X" (Conditional Development) overlay district with the O and R-MU zoning designations to allow for uses and development regulations as specified in the conditional development permit. The proposed project also includes the realignment of Hamilton Avenue-enabled through the vesting tentative maps. The proposed project requires a general plan circulation element and zoning map amendment to modify the locations of public rights-of-ways and paseos and a new street connection at O'Brien Drive. Through the proposed conditional development permit, the proposed project includes modifications to the City's design standards for specific buildings, BMR guidelines, signage requirements, outdoor seating, on-site and off-site sales of beer, wine, and alcohol, application of its transportation demand management (TDM) requirements, and sets up future architectural reviews for building and site design. The proposed project also includes a request for the use and storage of hazardous materials (diesel fuel) for back up emergency generators on the main Project Site and the Hamilton Avenue Parcels. A development agreement would be entered into between the City and the applicant for the provision of community amenities, development controls, and vested rights. The proposed project includes vesting tentative maps for new parcelization and infrastructure and a BMR housing agreement for the provision of 312 BMR units. The City Arborist conditionally approved the removal of 276 heritage trees on the main project site and 3 heritage trees on the Hamilton Avenue Parcels for the proposed development and 16 trees along O'Brien Drive to accommodate site access and right-of-way modifications along O'Brien Drive. The proposed project also includes a potential project variant that would increase the total number of housing units by up to 200 units for a total of 1,930 units, for consideration by decision makers as part of the requested land use entitlements.

To accommodate the realignment of Hamilton Avenue west of Willow Road, the existing Chevron station at 1399 Willow Road would be demolished. As a separate future project, the environmental analysis considered reconstruction of the existing service station and an approximately 6,700 square foot expansion at the Belle Haven neighborhood shopping center (1401 Willow Road and 871-883 Hamilton Avenue) as a future separate phase that would require separate use permits and architectural control permits. These parcels across Willow Road are referred to as the Hamilton Avenue Parcels. The Hamilton Avenue Parcels are zoned C-2-S (Neighborhood Shopping, Restrictive).

The Final EIR pursuant to CEQA was released on Friday, October 14, 2022. The Final EIR identifies significant and unavoidable impacts in the following topic areas: air quality and noise. The Final EIR identifies potentially significant environmental impacts that can be mitigated to a less than significant level (LTS/M) in the following categories: Air Quality, Energy, Greenhouse Gas Emissions, Noise (Operational), Cultural Resources, Tribal Cultural Resources, Biological Resources, Geology and Soils, Hydrology and Water Quality, Hazards and Hazardous Materials, and Transportation. The Final EIR identifies less than significant (LTS) environmental impacts in the following categories: Land Use, Aesthetics, Population and Housing, Public Services and Recreation, and Utilities and Service Systems. Previously a Notice of Preparation (NOP) was released on September 18, 2019, and included a public review period from September 18, 2019 through October 18, 2019 to solicit comments on the scope and content of the Draft EIR. In accordance with CEQA, the certified program-level ConnectMenlo EIR served as the first-tier environmental analysis. Further, this EIR was prepared in compliance with the terms of the Settlement Agreement between the City of East Palo Alto and the City of Menlo Park. The Draft EIR circulated for a 45-day comment period from

Friday, April 8, 2022 to May 23, 2022 and the Planning Commission held a public hearing on the Draft EIR at its meeting on April 25, 2022. The Final EIR includes responses to all substantive comments received on the Draft EIR. The project location does not contain a toxic site pursuant to Section 65962.5 of the Government Code. ([Staff Report #22-056-PC](#)) ([Presentation – ICF](#)) ([Presentation – Staff](#)) ([Presentation – Willow Village](#))
[Additional comments received after staff report publication](#)

Staff Comment: Planning Manager Kyle Perata highlighted the elements of the Planning Commission's set of recommendations to make to the City Council through a resolution as shown in Attachment A in the staff report.

Chair DeCardy said public comment was officially closed but noted the extenuating circumstance of the continuation of the item from the October 24, 2022 meeting. He said a number of members of the public spoke previously but might not be present this evening and he thought members of the public unable to attend that meeting might be present at this one. He said it was an important project and it was important to hear as many voices as possible while considering the time needed by the Planning Commission to fully consider the item. He recommended reopening public comment but asked if persons who previously spoke would consider only speaking again if they had a different comment than previously made by them. He recommended limiting public comment to two minutes as done previously. He asked for input from Commissioners about this approach.

Commissioner Riggs suggested not allowing those who spoke before to speak again. Chair DeCardy said opening for public comment meant anyone who wanted to speak had to be allowed to. Commissioner Riggs agreed.

Chair DeCardy reopened the public hearing on Item F1, from the Planning Commission's October 24, 2022 Agenda.

Public Comment:

- Matt Regan, Senior Vice President of Policy, Bay Area Council, said they represented about 300 of the largest employers in the Bay Area. He said their work scope focused on the economy and quality of life in the region, and housing affordability and availability was key to them. He said their social policy focused on equity, environment and economy, and the project delivered in all areas. He said on equity that the project had 320 Below Market Rate (BMR) units. He said on environment that the project closed the housing/jobs imbalance and reduced vehicle miles traveled (VMT). He said this type of project was critical to keep the region's economy moving. He said his organization urged the support of staff's recommendations and to move the project forward as quickly as possible.
- Bryan Shields, Field Representative, Carpenters Union Local 217, said Willow Village was an opportunity for the City and that a project of this magnitude done correctly would be an asset to Menlo Park for years to come. He said the Willow Village team had worked with the community for over four years to ensure that the project would fit the needs of the community. He said the project would deliver 312 homes at low income levels set aside for seniors and further serve seniors' needs in prioritizing dining and retail including a nearby pharmacy. He said the prioritization for dining and retail also provided small businesses a new foothold in Menlo Park. He said the Willow Village team also committed to using a local carpenter union workforce. He

said that commitment meant the developers were not only invested in the development but also were invested in the community.

- Sean Reese, Field Representative, Local 217 NorCal Carpenters Union, said he represented over 1200 carpenters in San Mateo County. He said he was expressing support of the Willow Village Master Plan project. He said it would provide good paying jobs and be built with union labor, and would provide local jobs for years to come since local businesses would be prioritized for retail and dining. He said building with union labor would give the workforce a livable wage and health care, both vitally important in the Bay Area's current economy. He said being built with an apprenticeship trained workforce meant the construction would be of the highest quality with attention to detail, and would give the community something to be proud of. He said for Belle Haven neighbors it would provide a direct connection to retail services making it easy for residents to utilize the new full-service grocery, pharmacy, cafes, and restaurants as well as community gathering areas like a town square. He said projects like this lifted up the community while they were built and sustained the community for years after being built. He said he supported the project just as he supported his community and asked that the Planning Commission support it too.
- Alexander Melendrez said he was the Organizing Manager for Peninsula for Everyone. He said he strongly supported Willow Village and while he could speak to Regional Housing Needs Assessment (RHNA) or the Housing Element that he had realized that he had never seen a project that had added this amount of housing in one proposal. He said his organization endorsed it as it would provide a significant number of homes toward solving the housing shortage. He said it also had the widest variety of types of housing he had seen in both make up and affordability, noting the deeply affordable and extremely low-income homes that could help their vulnerable community members. He said this opened up a new community for those folks to stay in Menlo Park and that was inclusion and diversity. He urged approval of the proposed project.
- Steve Olivares said he was a journeyman carpenter with Local 217 and was excited about the proposed development. He said it would provide work for the next couple of years for building and construction and sustainable work in the community. He said it was exciting to have work going up near where he lived and to be able to show his kids what they do. He said it was an exciting development that was proposed.
- Ken Chan said he was the senior organizer with the Housing Leadership Council for San Mateo County. He said they worked with communities and leaders to produce and preserve quality affordable homes. He said on behalf of his organization, he wanted to reiterate their support for the project noting that of the 1700-plus homes 312 would be affordable with 119 of those set aside for senior community members at both the very low and extremely low income levels. He said the last would be constructed with an affordable housing developer with 40 plus years of building and operating affordable homes throughout the region. He said those homes with the newly proposed \$5 million additional funding for affordable homes would provide Menlo Park with much needed relief against the jobs/housing imbalance. He urged the Commission to take the necessary steps to move the proposal forward toward reality.
- Ali Sapirman, Housing Action Coalition, said they strongly supported the Willow Village project. She said she echoed previous comments and it was really important that they moved the project

forward without any delays as it had been under consideration going on for five years. She said they had to make efforts to produce housing and not continue to be behind in producing housing stock. She said this project did an incredible job of doing that and specifically in increasing the City's affordable housing stock. She urged the Commission to take the actions recommended by staff to move the project forward to the City Council for approval.

- Jordan Grimes, Peninsula and South Bay Resilience Manager for Green Belt Alliance, said they were an environmental nonprofit organization dedicated to helping create climate resilient sustainable communities throughout the Bay Area. He said they strongly supported Willow Village. He said Menlo Park was badly in need of infill housing and Willow Village provided that abundantly. He said they were excited about the high number of extremely low income units and the use of union paying labor. He said regarding sustainability that amenities like the grocery store and community serving retail would be a huge benefit to all in Menlo Park and that new walking paths and bike lanes would help reduce VMT. He said the 2-acre park and significant new green space was deeply important as well. He said for the Healthy Places Index that Menlo Park had between 15% to 30% tree canopy coverage overall while Belle Haven was at just 7% tree canopy coverage. He said UC Berkeley's local climate policy tool showed that increasing Menlo Park's supply of dense infill housing was the single most effective strategy the City could employ to reduce greenhouse gas emissions. He said the proposal was a really strong project and Green Belt Alliance urged the Commission to support it.
- Colin Bookman, East Palo Alto, said he lived in the Kavanaugh neighborhood directly next to the development and in addition to comments he made previously, he wanted to reaffirm his support and urge the City to approve the project to prevent delay. He said the project would bring many needed necessities and was critical to the future of Belle Haven and East Palo Alto residents.

Chair DeCardy closed the public hearing.

Commission Comment: Commissioner Riggs said he wanted to continue with his questions from October 24. He said in the approvals that reference was made to "up to" 1730 housing units and "up to" so much retail square footage, and grocery store, and so forth. He asked if potentially that meant 50 percent of those maximums might be built and would satisfy the development agreement (DA). He asked if staff could clarify whether there was a minimum percentage required.

Mr. Perata said in referring to "up to" they were setting the maximums being evaluated for the project. He said if something was not built fully and the question would be what specifically were they looking at in terms of the DA's requirements. He said if it was a negotiated community amenity that would be different from whether a certain number of square footage of retail, office or housing were not built, noting a different process through the CDP for potential modifications needed for the overall project.

Commissioner Riggs asked when the City Council made the agreement with the applicants what the minimum number of housing units and hotel rooms would be expected, and what was the minimum grocery store size that would be expected. Mr. Perata said the grocery store did not have a minimum size component but had parameters in terms of being a full service grocery store. He said a space was shown in the plans and they had an evaluation of it based on certain square footage, but it was more about the services provided by the grocery store. He said they studied 193 hotel rooms but that was not in the DA that it had to be built. He said there was a component of the project that

included the hotel. He said if not built that space would go through a process so it could be used for something else. He said in the DA there was gap funding for the hotel so if it were not built that funding would be provided to make up for the difference in revenue. He said that was not the total transient occupancy tax (TOT), but the cost to the City in terms of providing services and that would run with the term of the DA.

Commissioner Riggs said he thought it evident from the fiscal impact analysis (FIA) that the City was fiscally counting heavily on the hotel's construction. He said the FIA indicated a running deficit if there was no hotel and no TOT. He said for example the City received about 1% of sales as its share of the sales tax and as he recalled the past occupant of this particular property had been a major sales tax generator and source of income for Menlo Park. He said that TOT / hotel tax would be approximately 12 times greater revenue. He asked if the gap funding was designed to cover a term of several years and then if there was no hotel whether the project would revert to a net cost to the City for the increased services.

Mr. Perata said the gap payment being referred to would commence and go for a period of years until the hotel was constructed. He said at some point if the hotel was not constructed there would need to be a reevaluation through City staff and the applicant on the use of the space and potentially continuation of the gap payment if the new use would not have a fiscally net neutral effect for the City. Replying further to Commissioner Riggs and whether this was considered a 30 or 100 year project, Mr. Perata said it was a long term project and not necessarily 30 years.

Anna Shimko, City Attorney's office, said the gap payment would come into play after the third office building's certificate of occupancy. She said at that point if the hotel was not started, the gap payment would go into effect to cover the indicated gap in the FIA. She said within two years after the last office building was built and if the hotel still had not been built the City and applicant would meet to try to determine an alternate use for the parcel where the hotel was intended. She said discussion would include what that would mean fiscally. She said the gap payment went for the life of the DA. She said even if there was no extension the applicant had agreed that if the gap payment was in place and if the DA terminated for some reason the gap payment would continue for the full 17 years.

Commissioner Riggs said that the payment would continue 17 years if there was no hotel was great. He said actuarially they were looking at 55 years but he thought that the development once built was probably good for 100 years. He asked about year 18 and if the City would still support sewer, water, library and recreation and parks services. He said should the hotel not get built and the new proposed beneficial use would be an active park targeted for adolescents that would provide a positive use for a wide variety of people including the neighborhood and would reserve the land with no foundations for some future decision that would have a fiscal impact. He asked Ms. Shimko to address. Ms. Shimko said the discussion would not occur at 18 years or the end of the term, but that conversation would occur two years after the final certificate of occupancy for the sixth office building. She said if they got to the point where the hotel was not developed and the City had been receiving gap payment and were 17 years out that if the applicant did not have another use at that point it would be status quo. She said using Commissioner Riggs' example for a use without a lot of revenue her expectation was that would be something the City would take into account in discussions with the developer on what the alternate use might be, and if the City was going to allow an alternate use that did not fill the gap, how would the gap be filled. Commissioner Riggs said they

would not actually have in writing a point of leverage to make sure after 17 years that they filled the gap and fiscally. Ms. Shimko said that was correct that there was nothing in writing on that.

Commissioner Riggs referred to the collaborative space and asked if it was counted as office space. Mr. Perata said it was considered office use for the purpose of the zoning ordinance. Commissioner Riggs asked if it was counted toward generation of housing and traffic impacts as well. Mr. Perata said the analysis was based on the office square footage and also took into account employment within the office campus district.

Commissioner Riggs referred to housing impacts and asked if they were to look at the three projects previously approved for buildings 20, 21, and 22 and with the 1.3 million square feet of this project whether that was somewhere around 3.2 to 3.3 million square feet. Mr. Perata said he thought that was in the ballpark for gross but had not run those numbers. He said it was important to look at the net. He said on the Willow Village campus the nonresidential increase was 800,000 square feet over the 1,000,000 square feet that was currently there or 1.8 million square feet in total. He said the collaboration space had a much lower employment density than office. He said the project was still within the office square footage for gross FAR and FAL zoning but by different use. He said on the Campus Expansion project he did not have the numbers for building 20, but for 21 and 22, it was new square footage of 962,000 but only a net increase in 127,000 square feet. He said there was net and gross square footage and the gross was in the 3 million square foot range.

Commissioner Riggs said not counting building 20's gross square footage they were in the 3 million square foot range. He asked if building 20 was a 500,000 square foot building. Mr. Perata said it was about 500,000 square feet. He said he was trying to research now but did not have the existing square foot numbers for that building. Commissioner Riggs said the net increase was somewhere between 1 to 1.5 million square feet. He asked how they would calculate housing demand for 1.3 million square feet of office. Mr. Perata said they prepared a housing needs assessment (HNA) for Willow Village and one for the Campus Expansion project. He said for this project in its entirety and not just for the commercial non-residential component it created a gross increase in housing demand of 2,545 for the region. He said for the Campus Expansion project with the change of use from lower intensity uses to office that resulted in a net increase in housing demand in the region of 3638 units.

Commissioner Riggs noted about 6000 units as additional demand. He asked if that was gross demand. He asked whether these were expected as Menlo Park residences. Mr. Perata said it was gross demand and the numbers he was speaking about did not capture the fact that the Willow Village project had residential. He said the gross increase in demand for units was regionally within commuting distance. He said housing was a regional matter and many decisions went into that including availability, where people wanted to live, where they wanted to commute from so those units would be distributed throughout the region. He said there was a calculation using census data and some project specific data of kind of a live/work in Menlo Park percentage, which was roughly 7% or so. He said it was 6% for non-Meta employees and about 7-plus % for Meta employees and referenced in the HNA.

Commissioner Riggs said he had seen in some emails on the project a reference to a net housing deficit of 800 units. He asked if that was based on the gross demand of 2545 minus the provision of almost 1740 units on the project. Mr. Perata said it was the 2545 units in the region minus the project's added housing of 1730 units, which was the regional deficit of 815 units.

Commissioner Riggs said he would like to look at one metric and referred to the regional demand of 6000 units they had come up with between Willow Village and the Campus Expansion project. He said he was raising this as they were no longer able to count demand within their City and housing in their City, even if they wanted to. He said they lived in a development world defined possibly more than anything by RHNA. He said RHNA then turned it back around to the City saying people might not be living in your city but you were generating jobs and were part of the regional mess so you will come up with your share of housing. He said effectively it was the City's responsibility whether the deficit was regional or not. He said he did not recall what caused the big jump for the coming RHNA cycle. He said Meta had basically established a range of 6000 dwelling unit load as a result of development, if Willow Village was included. He said he thought this disputed the larger number noted in a piece of correspondence.

Commissioner Riggs checked in with the Chair about continuing with questions for the applicants, and said he had a conversation with the applicant the other day to preview the four or five questions he had for them. He referred to the request for waiver for bird-friendly glass on the collaboration space, which he did not understand.

Eric Morley, Signature Development Group, said the EIR analyzed the project under the City's bird safe design requirements. He said they spent considerable time highly focused on bird friendly and bird safe design by working with expert biologists and under the guidance of the American Bird Conservancy, the leading experts in bird safe design. He said the EIR also looked at the City's bird safe requirement. He said under CEQA it analyzed a bird safe design and concluded that with their project measures and mitigation measures that impacts would be less than significant. He said it also looked at the bird safe guidelines of the City. He said those guidelines allowed for and contemplated waivers. He said when there was a waiver it was also coupled with an alternative measure. He said there was no waiver requested for the glass component of the atrium and 100% of that would be fritted. He said there were certain areas where they had alternative needs and the City's ordinance allowed for consideration of waivers when there was an alternative method. He said the EIR reviewed and was peer reviewed by the City's consultant and concluded that with those alternative measures such as additional fritting, fins and other component features that those impacts would be less than significant.

Commissioner Riggs said that resolved the question for him. He referred to Article 8 in the DA that discussed changes to the project and the process Planning staff would use. He said deviations were in Section 8.5 of that article. He said it was important to the Commission particularly when it came to review of particular buildings and what changes might be made under Article 8. He said this was based on experience with much smaller projects where sometimes the changes were things that would have altered the approval of a design review for example so perhaps the changes might also have an effect on this master plan. He asked how Article 8 changes would be administered and if the Planning Commission would be involved.

Ms. Shimko said Article 8 allowed for administrative amendments of project approvals. She said if there was a minor modification to the project the City Manager's office or City Manager could find that the change substantially conformed to the project approvals and approve administratively. She said the City Manager might find the changes to be outside the approvals and require a discretionary approval which would include Planning Commission review..

Mr. Perata said with the application of the CDP there was a section 8 in it that identified certain processes for different levels of changes to the project including staff level notification of the Planning Commission, or Planning Commission review of revision, or ultimately an amendment. He said they had used similar processes for changes on other CDPs and found those implementations worked pretty well.

Commissioner Do said the design of the buildings and spaces between them were well and thoughtfully designed for humans and was architecture at its best. She said they had heard that the full service grocery store, pharmacy, dining options and housing in particular affordable housing, outdoor space and job opportunities were wanted by the community. She referred to Commissioner Riggs question about the “up to” language in the DA. She said staff had covered well what that meant in terms of the hotel and grocery store but she did not hear what the reply was about “up to” in the context of housing units.

Mr. Perata said “up to” was the maximum 1730 housing units that the project was held to. He referred to requirements in terms of the phasing in the DA to require certain amounts of housing units as the project progressed. He said that was key to answer the questions in that while there was not a minimum requirement for housing there were minimum requirements for certain phases to move to the next office building development including a specific number of housing units that had to be under construction. He said there was timing for community amenities like the grocery store in terms of development timing for office buildings. He said Exhibit D to the DA showed that phasing in more detail including timing for office buildings in relation to milestones about completing certain components of the residential. He said continuing you saw the unlocking of additional office based on the residential projects’ construction start and milestones with those buildings.

Commissioner Do said she would look at that and if she had questions about that she would come back to it later. She said her next question had to do with kind of environmental justice and air quality. She said she understood that the only significant and unavoidable impacts related to air quality was from the reactive organic gases coming from consumer products and that air quality impacts from construction and increased traffic with mitigations were less than significant. She said even with being less than significant she imagined an increase of stuff in the air from those two things.

Mr. Perata said effectively the thresholds of significance for particulate matter and such were not exceeded there. He said there would be an increase related to the construction activity and operations but would not exceed a threshold adopted by the Bay Area Air Quality Management District (BAAQMD).

Commissioner Do asked about air quality monitors. She said she thought a few were set up in Belle Haven and still operating and that the applicant would also provide funding for air quality monitoring. She asked if those readings had been made available or would be made available to the public. Mr. Perata said the data for the air quality monitoring done alongside the project analysis were available in an appendix to the EIR. He said those monitoring stations had been taken down. He said in terms of the future a DA component included funding for an air quality monitor and noise monitor to be located in the Belle Haven neighborhood. Commissioner Do asked if the readings from these would be available to the public perhaps in a more accessible way. Mr. Perata said the intent of having the monitors would be to provide more data if not explicitly written that way in the DA.

Commissioner Do said she had questions on the glass atrium and not regarding the bird safety as that had been well covered but about the effects of light. She said she assumed that even with the frit pattern the glass atrium would still glow and make light. She asked how the 80 foot light trespass was measured. She said she assumed the nature of light was a little fuzzy and would not end abruptly at 80 feet and might reflect off surfaces, walls, the nearby paved pathway or the adjacent storage building. She asked also about the cumulative effects of light in the context of this project and all the other development in the Bayfront Area on the sensitive wildlife habitat. She said the lights were to be turned off at 10 p.m. or midnight for events. She asked if that had some flexibility so if monitoring showed that was too obstructive that times could be adjusted, or adjusted for seasonal variations.

Mr. Morley said lighting was analyzed in the EIR and they spent considerable time with the design team. He said there were a series of very strict mitigation measures and that the City had regulations on down casting of light and light dispersion. He said the project would comply with all of those. He said as their final lighting plan was being completed that would be reviewed by City staff for compliance.

Eric Harrison, Signature Development Group, said he had only one point to add and that was when they were adjacent to the sensitive habitats they had to make certain that they did not have spillage of light greater than 80 feet. He said based on recommendations from their project biological consultant they were required to implement dark sky lighting measures to make certain they did not have any light spillage into the sensitive resource areas.

Commissioner Do asked about the seasonal change in light and the times at which lights were turned off and whether that time was flexible. Mr. Morley said the times of 10 p.m. and midnight were established in the mitigation measures. Mr. Harrison said they understood that their biologists looking at that considered those reasonable times even considering the seasonality of when daylight savings was implemented.

Commissioner Tate referred to construction times mentioned and its disruption and asked how that might be mitigated for Belle Haven and East Palo Alto neighbors considering the number of years that would occur and that residents would only have a small window on Sunday to rest and have quiet. She said the construction hours were far too long and asked about mitigations for that. She also asked whether there was a way to start phasing in the grocery store and some of the housing much earlier in the project. She said most commenters mentioned something about housing importance and that was very important to commissioners. She said housing and a grocery store were dire needs for the community.

Mr. Morley said they had considered the construction related noise and hours and in addition to the EIR review they recognized the importance of minimizing inconvenience. He said they recognized the project would take time but the EIR had also included a number of measures related to noise. He said in the EIR related to noise it was important to note that construction was not getting noisier. He said the City had utilized proposed guidelines from the BAAQMD and others related to noise and they were focused on that. He said a number of measures required would be implemented before the project started including a noise barrier and eight foot fencing surrounding the project space. He said construction equipment would be required to be fitted with both mufflers and sound control. He said stationary equipment would be focused away from sensitive receptors and construction vehicles idling would be limited. He said one of the requirements and mitigations of the project was

to have a detailed construction and noise mitigation and management plan. He said the noisiest activities would be conducted during the day and quieter activities such as interior work or tenant improvement work that were not as ambient from a noise perspective later. He said they were experienced in working well with neighbors on these concerns having had done numerous similar projects over many years.

Mr. Morley said regarding project phasing that early on they had had the grocery store in Phase 3 and heard strongly from the community that they wanted it sooner so they moved it to Phase 1. He said that they also cut office square footage by 30% and employee capacity by 30%. He said they moved both the grocery store and housing into the early phases of the project. He said parcel 2 that included the grocery store and significant residential would be one of the earliest buildings to start as well as the elevated park and collaboration space. He said those were the longest buildings and structures to build so they would be started early and after which they would progress forward with a combination of housing, amenities, and office throughout the project to balance. He said there were triggers in the DA that required delivery or commencement of construction and phasing to move those more quickly. He said they wanted to go as fast as they could and essentially move the project to a single sequential project versus multiple phases.

Commissioner Tate said that the grocery store and housing was in an earlier phase did not really provide a timeline. She said she recalled from the October 24 meeting that this would happen in about two years. She said that might be early in the project but for people supporting and really wanting that to happen and supporting the project because of the essential amenities it was not. She asked if they could help her understand whether the grocery store could occur the first year. She said two or three years out though early in the project was still far out for those living in the area that had been supporting really because of the grocery store.

Mike Ghielmetti, Signature Development Group, said they had to do demolition and install infrastructure and nothing else could get done until that happened. He said they were sensitive to resiliency and climate change and would be building the site up to make it more resilient. He said the existing infrastructure was 50 to 60 years old and needed upgrading and replacement. He said they were not avoiding the grocery store, residential or office but that they had to lay the foundation before doing anything else. He said at that point they would be starting the elevated park just because sequentially that was from where they would be drawing utilities. He said they were anchoring that with the meeting and collaboration space and then moving immediately to office and residential in parcel 2 and that included the grocery store. He said the residential and grocery store would start within two months of the first of the office buildings and so was occurring together. He said the reason it was "year two" was it happened after the foundation including grading and infrastructure.

Commissioner Tate said it appeared in the staff report that the elevated park and tunnel were pending approval. She asked about efforts to get approvals for those to be realized and connect Belle Haven or whether those items were just a wish list.

Mr. Ghielmetti said regarding the elevated park there were two components. He said one portion functionally which was like 90% of it was inside the project and he did not think there was any issue there. He said the part that was outside the project and would functionally connect to Belle Haven would go over Caltrans' right of way and that was the outside approval they needed. He said Menlo Park could or could not approve the project but had no authority over Caltrans.

Mr. Harrison said they had done a fair amount of investigation and identified where utilities and all existing infrastructure including various other encumbrances were within Willow Road where they planned to bridge. He said they had a very high level discussion with Caltrans regarding a proposal for the tunnel for the elevated park. He said they had a fair amount of improvements they would make to Willow Road for example and relocating the alignment of the Hamilton/Willow Road intersection. He said it was not until the project was approved that they could start to move forward and engage Caltrans to advance the necessary permitting for those improvements.

Mr. Ghielmetti said that was one of the reasons why in discussions with the community amenities subcommittee of the City Council that they were encouraged to have a shuttle to connect. He said with or without the other improvements being sought, they would still agree to put in the shuttle to help that connectivity.

Commissioner Tate said it sounded like discussions had occurred about the underground, the tunnel also, and it was a matter of permitting to be able to move forward with trying to secure those. Mr. Morley said they could not advance to that next step until the base approvals were completed. He said they had a long-standing positive relationship developed over decades between their teams and Caltrans. He said they had to, as Commissioner Tate noted get to that next level with them but had already had ongoing discussion. He said they were confident in their ability to move forward

Commissioner Tate referred to the senior housing and noted she had met with Mr. Morley and a few others from the applicant team in 2019. She said at that time the conversation was that the senior housing was in addition to the 15%. She said now it appeared that it was not in addition but the 119 units were part of the 15%. She asked why more units were not being set aside for BMR.

Mr. Morley said the application before the City had been the same since its inception and included 120 BMRs as part of the overall package. He said if there was miscommunication on their part or misunderstanding they apologized.

Commissioner Tate referred to the senior housing and asked if it had been considered to offer more than studio units. Mr. Morley said Mercy Housing, their partner, was working collaboratively with them to define what was the optimal to serve seniors in those 120 units.

Paul Nieto, Signature Development Group, said initially they had the application for the senior housing predominantly in studios. He said they had a dialogue with Mercy Housing and they were looking at having at least 10% as one-bedroom and studying the potentiality of more. He said a lot of it related to how deeply they could get to in affordability as in adding bedrooms the rent increased. He said it was a comment they had heard strongly so they were working with their partner to optimize what the right balance was. He said they understood that the initial estimate of all studios was likely over-aggressive. He said they were trying to figure out in a good way how to get the lowest possible rents to the most people but they understood there were not enough one-bedrooms in the mix so that was being studied.

Commissioner Harris said they heard at the October 24 meeting that the applicant really needed to get approval done by the end of the year and asked what was critical about December 22 other than the fact they had been working on the project for a long time, which she acknowledged. She also asked when they expected to begin construction of the project. She said they could not really talk

about when the grocery store would be finished unless they had an idea of when the applicant might begin the project. She said Meta had lost market cap and was letting go of leases and notably including in the Bay Area. She said many had concerns whether this project would really get built and what insurance they had it would. She asked about their timing and when they planned to start and about Meta's commitment to the project.

Mr. Morley said Meta had been public about its evaluation of the future of work and how it related to its office footprint. He said they remained very committed to well-located, high quality, highly-amenitized space, and the Willow Village vision fit that well. He said Meta was also in a critical phase of evaluating their office strategy for the future. He said they needed clarity and certainty from the City by the end of the year which meant having approvals in place for this vision so they could deliver those amenities and to plan for the future on a project that had been done in collaboration with the City and community over the last five years. He said Meta was at a critical time in their future planning of their space and to advance they needed both certainty and predictability from the City in terms of those approvals so they could plan accordingly.

Mr. Ghielmetti said more broadly there was hybrid work, remote work, and partial work but one thing had been fairly consistent noting he was not speaking specifically to Meta but in general and that was what he would call a flight to quality. He said he thought the offices that were losing ground were Class B and Class C offices. He said if employers were going to be calling employees back to the office one day a week or five days a week that they were wanting to create different types of environments with a lot of collaboration space, hoteling space, a lot of meeting space, conference space and the right kind of floor space. He said they wanted the right kind of interaction and the right kind of experience for employee retention and recruitment. He said the reason they wanted to get to a place here was because Meta had been wanting to figure out how and when to be able to utilize this space and could not without a project approval. He said Meta needed to know if they would be able to use this site or not. He said they would like to use it and the commitment was there as they had not gone away through the entire process. He said they had been public and it was in the news that they had dropped leases but that meant they had needs for other offices. He said in general this was high quality office space and high quality atmosphere with mixed use of parks, transit and proximity to their other campuses.

Mr. Morley said regarding Commissioner Harris' question about next steps and in answer to a portion of Commissioners Riggs and Do's question about "up to" that the Commission had seen on a number of occasions over the last five years the architectural control plans in study sessions in advance of Commissioner Do's arrival. He said all those architectural control plans and what they sought to actually build had been on file with the City. He said they anticipated immediately post approval to complete the additional regulatory outside agency approvals with Caltrans, SFPUC and other agencies. He said in queue and as soon as the schedule permitted they would have the architectural control packages come before the Planning Commission for approval so they could implement the vision. He said he wanted to stress the critical importance of City Council action this year, which needed Planning Commission recommendation this evening.

Commissioner Harris said what she heard was that Meta was really interested in figuring out what the right mix of office was. She said what was nice about this project was it had amenities that might induce workers to want to come back to the office. She said she might not have heard what their thinking was as to when construction would begin.

Mr. Ghielmetti said they had several months of architectural control planning and next year doing master improvement plans. He said the infrastructure had to be designed including sewer, water, roads, grading and drainage, maps and the architectural packages. He said in addition and at the same time as that they needed Caltrans and SFPUC's approvals as well as other outside agencies such as PG&E and West Bay Sanitary District. He said they would be making their best efforts to get all of those approvals in hand so they could start the project as soon as they could. He said he did not have an exact date noting that if they got the go ahead today it would probably be in the 12 to 15 months range before construction could start.

Commissioner Harris said she understood but the community and she as a commissioner wanted a sense of when the grocery store would be built. She suggested that if they received approvals by the end of December for entitlements then three months to get all the other things he discussed meant the infrastructure work would begin perhaps the earliest March 2024.

Mr. Ghielmetti said March or January and yes theoretically. He said they had already gone at risk in this having the architectural control package ready to submit and they had some of the improvement plans and mapping done as they were anxious to move forward. He said a company could not make a promise to an exact time as there were a number of circumstances but through all of the ups and downs of the pandemic and the markets, they continued to be present.

Commissioner Harris said she was not trying to pin them down but to get an idea. Mr. Ghielmetti said it was probable in 12 to 15 months to start and then probably nine to 12 months of infrastructure before vertical development started. Commissioner Harris said if they started Q1 of 2024 and started infrastructure at Q1 2025 the grocery store would start by midyear 2025 and the grocery store would be completed in six years. She said she was going by what they said, and the illustrative construction phasing schedule shown on page 431 of the original Planning Commission agenda packet.

Mr. Morley said at their own risk they had completed the architectural control packages and were ready to advance those. He said they were doing their construction drawings at risk. Mr. Ghielmetti said almost all developers typically waited until a planning commission and council were giving them more feedback before starting those drawings because they were quite expensive. He said if they were not approved that they were out that money.

Commissioner Harris said she appreciated them doing that. She said she was just trying to get a sense of what they were looking at. She said it appeared that year-six, Q1 would be when the grocery store was built but not when it was operating. She said she would assume that they were looking at maybe six years until the grocery store was open and that was assuming they did not have to extend the DA. She said as Commissioner Tate noted the grocery store and the BMR units were basically the two reasons the neighborhood was supportive of the project. She said she reviewed what they had heard from people and they had probably 75 commenters in the last couple of weeks give feedback, and in particular what people who lived in Belle Haven had said was most important to them. She said if those commenting had not included what was most important to them that she had emailed them to get the sense of why they supported the project. She said she wanted to review what one person said, which was: "I look forward to being able to take my girls, currently 4 and 7, to the grocery store walking. That would be a great picture, taking a small cart or wagon, and just stocking up, or taking my girls to check out the retail stores and quick service restaurants, or maybe a night out on the town square." She said someone else said: "I'm most excited to have a

grocery store close by and access to dining. We feel isolated in Belle Haven when it comes to dining or getting our necessities.” She suggested maybe the City could negotiate with the applicants in some way to get the grocery store and some of the BMR housing upfront and suggested that as a stretch goal to get the highly neighborhood desired features done earlier. She said the applicants did not start the problem of no grocery store but to the extent they could help the City help the community that would make a great project.

Commissioner Harris referred to the applicant’s comment about having office that workers wanted to come back to with different amenities and close to collaboration space and retail. She said her one concern was that tech companies often supplied meals to the workers and asked if the retail, restaurants and grocery were being set up for success. She asked how that might be balanced so that on some days workers might have to get their own meals.

Mr. Morley said they had thought critically about that and the critical importance of the retail being successful. He said as part of the office campus culinary and other space those had been far more limited than they would otherwise be in other campuses. He said the whole program within had been reduced and modified even in terms of the offerings to enable the local businesses to be successful and enable that walkability to the retail. He said it was not just whether the campus was exciting but the environment around it and both for the community and the workers.

Mr. Ghielmetti replying further to Commissioner Harris with specificity said the amenities on campus were reduced about 20%. He noted the huge density on the site of workers on this campus and the other ones and leakage from that to go to other eateries at this site. He noted also the population density of residents in the units above. Commissioner Harris noted though the draw of a free lunch and suggested there might be other incentives by Meta for workers to get meals elsewhere but she did not know what that would be. Mr. Ghielmetti said that there were some foods they would not offer on campus such as sushi. Mr. Morley said third party food vendors typical of a campus or other things would be explicitly excluded in the campus as the place to get those would be Willow Village.

Commissioner Harris said looking at the community amenities that in the DA the piece missing were assurances those amenities would be operational. She said for example it stated the applicant was to basically build the grocery store, build the pharmacy, build the bank building and similarly the applicant promised to supply funding for air quality monitoring. She said she would like to see that those amenities were required as operational by the DA so they had a sense when the applicant had a better timeline as to when those would be finished and operational. She said regarding the air quality monitoring that rather than give the City the money it would make more sense if Signature could put the monitoring in sort of commensurate with the start of construction with the infrastructure. She said the amenities that involved the public should prioritize Belle Haven residents and that would include job training, teacher housing, and funding, which she thought could be easily incorporated into the DA.

Chair DeCardy said he had a question about project timing and asked for clarification on the trigger to allow the DA to extend from 10 years to 17 years and the completion of the grocery store and a certain number of housing units as to whether that meant those were operational, occupied and being utilized. He asked additionally why that level of housing was chosen as it was roughly half the total housing in the project.

Mr. Perata said the extension would be subject to the granting of occupancy for the units and not necessarily that they were leased and occupied, and similarly that the grocery store was built and the space had received its certificate of occupancy but that was not tied to the operation of the store. He said regarding the number of residential units that it was about halfway through the project so 865 units and the number referenced would be about half that and tracked with the phasing schedule.

Chair DeCardy referred to page 13 of the DA and a reference to a certain reduction essentially in the housing index by 4% over he thought four quarters. He asked if the project was in the middle of ten years when that happened whether it would automatically pause the project or extend the deadline. He said as he understood when it was no longer at that threshold the applicant would then have three additional quarters to begin construction again. He asked if that was at the applicant's discretion and whether they could decide that they were just going to keep going anyway.

Ms. Shimko said this was a force majeure clause that was pretty standard in DAs and had been made more robust as a result of the pandemic as they had discovered additional force majeure causes over the last few years. She said there had to be a delay in the project as a result of one of those force majeure conditions. She said if one of those conditions occurred, the applicant had to submit something in writing to the City saying there was a delay in the project caused by this circumstance that was one of the force majeure criteria in the DA. She said they were noting specifically that one of those was severe economic recession. She said originally the applicant had proposed a different measure of severe economic recession. She said the City sought advice from its economic consultant that suggested the housing index as shown in the DA before them. She said if any of the force majeure causes occurred and the applicant notified the City of that it would extend the term of the DA and concomitantly the project approval by generally a day for day delay except for severe economic recession that had the provision the housing index had to increase for three quarters before that condition would cease to exist.

Chair DeCardy asked if the project was approved and was at a certain point able to develop and the owner the sold it to another entity that was a developer with a different tax status such as nonprofit education or health institution how that would impact the City. He asked if there were any protections for the City in that circumstance. Ms. Shimko said the City Attorney foresaw that potential and included in the DA that before that entity pulled a building permit there had to be a pilot agreement recorded on the whole property, which would be a payment in lieu of taxes agreement so the City did not lose that revenue.

Commissioner Harris said she was looking at the phasing schedule and the best case was that the project started construction Q1 of 2024. She said it looked like the last set of residences would probably not be completed before the end of their RHNA Cycle 6 commitment. She said they received a letter from HCD saying they were really counting on those units. She said she wanted to register that as a concern. Mr. Perata said it was a possibility that all the housing in this project would be completed by the end of RHNA cycle 6 in 2031.

Commissioner Tate asked how many Belle Haven residents were being served by the JobTraining with the funding provided by Meta. She said they received a letter from someone who worked at JobTrain and they had the program director speak about their construction program, and a gentleman this evening who commented on being part of the apprentice program at JobTrain and

how much he appreciated the construction here. She also asked who the Community Hub had served as it seemed during the pandemic that most users were from west Menlo Park.

Juan Salazar said the Community Hub was not opened until Q2 of 2022 and through restricted guidelines because of Covid. He said for the most part people who had used the space were the Year Up training program they had on their campus and which had not been opened to a wider audience. He said they hoped to be able to open it to a wide audience in the next year once they were over some of the Covid restrictions on their campus. He referred to tracking of Belle Haven residents in the JobTrain programs and said that was not information he had right now but they could work with JobTrain and Year Up to get. He said the guidance they had provided them historically had been that they recruited from the Belle Haven neighborhood. He said the current DA had been written with that purpose in mind. He said it was a priority for them to serve Belle Haven residents. Commissioner Tate said she would definitely be interested in seeing how many people were utilizing the resources they were providing.

Chair DeCardy said regarding the EIR that he heard last time from the consultant that reduced parking was not helpful in addressing any potential environmental impacts from transportation. He said they found it was not helpful for two reasons with the first being what he called leakage. He said within the project if they reduced parking there were opportunities that someone could park offsite so that it was unknown if a car's pollution was avoided. He said he thought they said there was not great transit infrastructure so it was not immediately clear with public transportation where people would go if they decided not to drive. He said he thought those were the two reasons the EIR consultant had talked about. He said he also thought they said effectively that the same purpose was achieved with a really good TDM plan to avoid those same trips and that there was a TDM plan in place to make that happen.

Ms. Black, ICF, said that was a concise overview. She said also there was individual behavior and the question of how easy it would be for people to change their trips based on what the destination was or whether it was to a unique destination, or one where they could easily go to a different grocery store with better parking. She said Chair DeCardy captured the general concept in terms of the content of the EIR.

Chair DeCardy said that he had said in the past he would not vote to certify an EIR that did not adequately look at questions around parking. He said while there was not an alternative put in there he thought the answers to the specific questions raised in the draft EIR answered those questions for him. He said he was prepared to support certification of the EIR and the other associated items.

Chair DeCardy said he could imagine an EIR was indifferent to a TDM plan and building a lot of parking but he imagined that was a different question for a developer. He asked the applicant to remind them what the TDM plan was without great detail. He said he was trying to understand what they would provide Meta employees to get them out of single occupancy vehicles. He noted that Meta had been lifted up for many years as a shining example of moving beyond what many thought you could accomplish in a TDM plan and moving employees at a significant scale out of single occupancy vehicles.

Replying to Chair DeCardy, Mr. Morley said Meta might provide greater detail to his comments. He said that 50% of Meta employees were not traveling to work in a single-occupancy vehicle. He said Meta provided buses/shuttles, ride match programs, a variety of bike/walk infrastructure, wide range

of alternative modes, on and off campus bike program, last mile transit connections to get employees to critical transit infrastructure and with this project reduced office and worker capacity, applied trip caps and had shared parking. Replying further to Chair DeCardy regarding whether Meta offered or promoted alternative transit, Mr. Morley said if he lived in San Francisco and had the choice of driving his own vehicle to Menlo Park to work most likely in traffic or ride a quality efficient and comfortable bus, his preference would be the latter. He said Meta invested in these various programs to offer a quality, comfortable efficient transit alternative. Replying further about employee count, Mr. Morley said Willow Village had an employee capacity of 3500 workers and net addition as part of this project of 3450 workers. He said this assumed that more than 50% of those workers would not travel to and from work in a single-occupancy vehicle. He also said they could dramatically reduce parking for both the campus and residential with shared parking for example.

Chair DeCardy said they were not at the minimum parking number for the office and there were two parking garages and asked the total car capacities of those. Mr. Morley said the total office parking for 6900 workers was 3369 parking spaces. He said the south garage was 1318 spaces and the north garage was 2040 spaces. He said they introduced shared parking in the garage under the Town Square for both the hotel, Town Square and retail to further limit parking on the overall project. He said that it was critical to ensure sufficient parking for successful retail.

Chair DeCardy noted that the project had wonderful transit for employees but not for the community. He referenced the two parking garages and said one had over 1000 spaces. He said it was expensive. He said one thing that should be done was to explore a further ratcheted TDM plan and one that could be allowed to be utilized across all of Meta campuses and not confined to this one, that would reduce another 1000 trips for Meta employees. He said it was up to the applicants if they would want to do that and then request to not build that parking garage for the long range benefit of the community. He said the garage reinforced a barrier on that side of the campus because it was only accessible to Meta employees and was a pinch point for access for people in the community. He said not having it would reduce traffic and create more open space, which he thought would be a great benefit. He said he was not trying to put the applicants on the spot.

Mr. Morley said one element of feedback they received was expanded shuttle for the community and that was why they introduced a neighborhood wide community shuttle. He said the TDM plan was not isolated to this campus but deployed throughout all of the Meta campus. He said regarding the TDM plan Meta had pushed the limit in terms of the TDM plan. He said they understood where Chair DeCardy came from with that idea.

Chair DeCardy said the project had much to love about it. He said the concern for him was that it would not be a hub for a vibrant community across all of Menlo Park but an island oasis. He said regarding a shuttle and permeability that on one side the project had Bayfront Expressway, essentially a massive barrier, and moving to the right clockwise there was no way a person not a Meta employee would get access from essentially the top of the site where you would find some way to the elevated walkway. He said all the way down to O'Brien there was not a single way into the site. He said looping around underneath that were the life science developments as well as the Hetch-Hetchy portion of the cut through. He said right behind that was another barrier where the residents on the other side of life sciences could not get through walking and would have to go to Willow Road to walk around and then walk over and up. He said now they were on three sides of the project and the last side of it was Willow Road. He said that they decided for Willow Road to not work to limit the traffic on it and make it a village main street. He said they were not trying to seize

control and limit that access on Willow Road but to do some convoluted project to build something that kind of looped over it. He said this was his biggest concern and disappointment with the project as it would be very successful for Meta employees and the residents on that campus, but it would be in isolation. He applauded the shuttle but it was not enough and for community amenities the City had to do more than \$5 million for a shuttle and for the DA it had to be more than just saying to have a plan to monitor the shuttle. He said the difference was putting money into something which he imagined was in a shell that kind of circled around the community versus something actually built in, integrated and utilized by community members.

Mr. Ghielmetti said those were great observations but there were no easy answers noting land ownership constraints and regulatory constraints around them. He said they tried to create an inviting atmosphere and suggested comparing and contrasting that with what was there now, which was an old industrial site that basically turned its back on every side with one way in and out. He said they would have five ways in and out and were doing what they could on Willow Road to make it more modern. He said they did not have control of Willow Road and could not shrink it as it was Caltrans' right of way, a regional cut through, and it served a regional purpose. He said they included the shuttle service at the City Council's behest and thought it a great idea. He said with Caltrans' approval they could connect the overhead portion of the park so people walking could take an elevator up and have a beautiful experience walking over the top of Willow Road into the project. He said regarding the corner to the north that they did not control that corridor for any purpose but they made the lower left corner of the big park inviting and they had entrances for vehicles and pedestrians. He said it was impossible to do front on all sides of a project. He said some people drove and they were doing their best to minimize that but they had a life sciences business park on their right to the east and the SFPUC right of way to the south. He said those were regulatory bodies and ownerships they did not control and they were doing their best to make the project as porous as possible through architecture, uses, heights, massing and multimodal transit, which was why the inside streets' design were combinative of pedestrian bikes and cars. He said some of those streets were as wide as El Camino Real

Chair DeCardy said he appreciated the comments and recognized everything Mr. Morley said about the project. He said he appreciated the constraints. He said as a Planning Commission they heard the community's concerns and with every project those things were somebody else's fault then rather than having a wonderful sum of parts they were going to have these isolated parts, which was his concern. He referred to community amenities and said he believed there needed to be more investment in the shuttle. He said he had serious questions about how much of a community amenity the elevated park was. He understood it as a necessity due to what was built on the other side and how it needed to be able to modulate, but from a community standpoint having that as a walkway at grade would work as well as having it be elevated and would be a lot less expensive to build. He said the elevated park was half of the community amenity. He said if it was removed the community amenity would be down \$10 million which was funding he thought would better serve investing in connectivity through the shuttle and other means outside of the project in the ways he had mentioned.

Commissioner Tate asked about the relinquishment of Willow Road or portion of it to Meta noting she had read Google had had a street relinquished to it. Mr. Morley said they looked at that and one of the community amenities included was funding for a study for the City to be able to evaluate that. He said neither Meta nor the City had control over it, noting Willow Road was under the authority of Caltrans, East Palo Alto, and others. Commissioner Tate said she would fall back on staff at some

point to evaluate that but hopefully it was something that could happen and which had been a conversation within the Belle Have community since ConnectMenlo.

Commissioner Riggs referred to 2016 when ConnectMenlo was brought to the Planning Commission and at that time they recognized the housing, traffic and transportation challenges, He said with major projects they tended to use the EIR as the litmus test whether or not the overall benefits of the project outweighed the significant impacts, and if that was not within your legal jurisdiction then it was not your problem. He said ConnectMenlo did not get an approving vote from the Planning Commission primarily because there was not a transportation infrastructure in planning, let alone in place or funded that would handle the additional transportation demand from the ConnectMenlo rezoning. He said as much as he loved this project as an architect and would like to see it realized that as someone serving his community in a capacity of review he could not ignore the transportation and housing impacts. He said whether agreeing with RHNA numbers or not, those were law so the City was doing its best to put in housing in the hundreds for previous RHNA goals and in the thousands for the next RHNA goals. He read the items for recommendation by resolution to the City Council. He said to do this he thought they were asked to conclude whether the project benefits outweighed the impacts. He said the ConnectMenlo rezoning for office, life sciences and housing never had a balance to meet the housing impacts. He said as a Commissioner he was put in the position of approving 59-acres of a new village or as the Chair said a promising and wonderful looking island. He said he was very hard pressed to back a project for which they did not have the transportation infrastructure and that would significantly add to housing demand. He said this beautiful project might not be right for 2022.

Commissioner Harris said she was near the point of a motion or supporting someone's motion but she would have some additions to the DA and an addition to the BMR agreement. She referred to the grocery store rent subsidy. She said there was a paper Signature received and the Commission read that said it would take about 60 months for a grocery store to be successful. She said with the construction on this project and that not all the residences would be built before or at the same time as the proposed grocery store it was going to need more and suggested the condition that the rent subsidy should be for 60 months rather than 24 months. She said additionally in monitoring this project as it went forward as it would be such a big task that she was not sure they had the staff to do it. She suggested having someone as just the project manager for this and not having any other roles to move the project along whether that was a consultant or staff person. She said additionally she wanted to ensure that community amenities were coming on commensurate with the office spaces. She said she would not want a bunch of offices to get built but then not get the community amenities. She said some things were in place with that but she thought it could be made more transparent when it got to the City Council and that would be helpful.

Commissioner Barnes moved to adopt the resolution recommending approval to the City Council and that the commission might recommend slight changes to the items under the resolution. He said he supported the project in its totality, noting the economic vitality it would bring to Menlo Park, which was needed and more jobs, which he believed was good. He said he believed this office would get built somewhere – perhaps in Redwood City or Fremont or it could get built in Menlo Park. He said the difference was they had the opportunity from an owner/user to build here in Menlo Park and not only got the benefit of economic vitality but community amenities and all the jobs associated with the commercial space. He said whether it was built here, Redwood City or Fremont, Menlo Park would get traffic from it. He said this project was what ConnectMenlo intended and noted that the Planning Commission on ConnectMenlo voted 2-2, two votes for and two votes against

recommending approval. He said fortunately the City Council approved ConnectMenlo. He said the Commission was not a policy making body and when he considered the intent of ConnectMenlo which was the standing land use policy for this area that what was being proposed and asked for by the developer aligned with that. He said he found that the benefits of the project outweighed the negatives, and not the least of which was additional housing and economic vitality to the area.

Commissioner Riggs noted the recommendation for approval was for a master plan and not individual buildings. He noted the inevitability of some projects and traffic associated with those and referred to Commissioner Barnes' comments on that. He said he had his concerns and would share those when individual buildings came to the Commissioner for approval but in terms of what the request now was for the Commission that was to make a recommendation. He noted that this was an impressive project and the master plan was admirably well done.

Commissioner Harris said she would like to add conditions of recommendation, including

- Applicant should include a guarantee of operation of the amenities (the grocery store, air quality monitor etc.) and not just to build them;
- Grocery store rent subsidy for 60 months and not 24 months;
- More information from staff on the "up to" items mentioned with a minimum set for each item;
- For BMR, Signature would commit to providing 100% of the gap funds such that their commitment of funds to the senior housing would be equal to if that housing had been, or the cost, if that housing had been all inclusionary.

Chair DeCardy said this was a fabulous project as commented upon by others. He said he was supportive of the four items of recommendation posed by Commissioner Harris. He said for him to support the motion he needed:

- To have the schedule of amenities and requiring community facing ones occurred in some co-equal way with the office space and parking;
- A TDM plan that ratcheted up to avoid another 1000 single occupancy vehicle trips to Menlo Park and leave that to the discretion of the applicant if they would like to apply to not build the smaller of the two parking garages;
- To put \$10 million into the shuttle, connectivity and other ways across the island effect and not do the elevated park;
- For the City Council to review and update ConnectMenlo as its utility had come to a close; and
- If the study to relinquish Willow Road recommended moving forward that the City put the resources and staff, consultants and attorneys to finish that so the City could control Willow Road.

Chair DeCardy asked if the diesel generator would be approved as part of the master plan or be part of future Planning Commission review of building projects. Mr. Perata said the diesel fuel for generators would be part of the Master Plan approval and allowed for in the CDP and the generator themselves would go through the building permit process if they were located on the exterior of a building. He said there might be architectural review if they were integrated with an architectural control package at some point noting 12 generators now in the Master Plan.

Chair DeCardy asked if those were not approved as part of the Master Plan would the applicant have an opportunity to have those come back for considerations at a future date. Mr. Perata said the Planning Commission could recommend removing the use and storage of diesel fuel from the permitted uses and be administratively permitted. He said the fuel for generators in both the RMU and O zoning was administratively permitted. He said the Commission could recommend that was removed from the City Council approval to go through the administrative permit process for the underlying zoning ordinance.

Chair DeCardy said he would not press on this one but thought it was the right thing to do. He said when these buildings came for completion much more would be known about batteries as an alternative. He said it was a shame to use diesel but in the relative scheme of things and where they were he would not push it.

Chair DeCardy said with this project they had another applicant who was going to control the development of a master sign program which he thought was a mistake. He said that should be owned by City staff to have control of the consultant and control of what information was brought before the community for approval on a sign program. He said he would like to see that but it was not a must have for their recommendations for conditions. He said he agreed with Commissioner Harris' recommended four conditions and he had three he was recommending.

Commissioner Harris said she had one more that she was reminded of by the mention of diesel generators. She referenced letter I, the Bayfront Shuttle, in the list of community amenities and recommended that the shuttle be required to be 100% electric and to remove "if feasible as determined in developer's reasonable discretion" regarding that.

Chair DeCardy said he could support that.

Commissioner Riggs referred to the elevated park and agreed it was very expensive, but thought it was a very significant aspect to the project. He said he had walked the High Line in Manhattan and this one would be a good deal nicer. He said it likely would be used as community space. He said it was an all-important way to cross Willow Road. He said he pictured the shuttle, hopefully all electric, waiting and waiting at that traffic light to get across Willow Road. He said he did not see the shuttle as a quick thing to hop on to get to the grocery store or to the other amenities of the project. He said he would be supportive of all the suggested recommended conditions except for the elevated park one, which he hoped could be reconsidered.

Chair Decory said to clarify that it was a lovely solution to a problem and would be helpful as Commissioner Riggs said. He said he believed from a community amenity standpoint that this solved a problem for the developer but it did not solve the broader problem for connectivity. He said they needed additional funding and community amenities that supported connectivity and the shuttle program. He said he was not really commenting on the elevated park as much as noting the shuttle program would get \$5 million and he thought it needed \$10 million more for the shuttle or shuttle like connectivity.

Commissioner Tate said she was comfortable with the suggested amendments to the motion.

Commissioner Do referred to the very real concerns about infrastructure, transportation and connectivity as well as the overall benefit to the community. She said the suggested conditions made were thoughtful and that she could support those.

Commissioner Harris said she agreed with her suggested conditions and Chair DeCardy's and if Commissioner Barnes was as well then she would second his motion.

Commissioner Barnes said in clarification that these suggestions were directions to accompany the resolution. He said a number of those suggestions needed more discussion in terms of feasibility. He said as a conceptual direction he thought any of the suggested conditions could be taken to Council for consideration, but for them to have serious weight with the Council they needed expansion and refinement. He referred to guarantee of amenities operations. He said he thought they were looking for mechanisms to ensure the viability and the long term operations. He said he was uncomfortable with the word "guarantee" as he thought they were looking just for mechanisms and prescriptive language that spoke to the long term operation. He said he would rephrase it that way. He said regarding the increased rent subsidy for the grocery store that from the Commissioners' perspective none of them knew what the appropriate subsidy or duration should be so he would like further refinement of that. He said they could suggest a longer term for that subsidy to support an operable grocery store but not be prescriptive. He said regarding the "up to" that he agreed with minimums and for additional direction on what the minimum amounts would be and that minimum amount mostly being what's needed for project viability or what the City needed for viability from the project. He said gap funding was important and that should be equal to or greater than what would otherwise be BMR contribution. He said they had the discussion about land contribution by the developer and noted that there were complexities to the calculation that deserved attention. He said the idea of the community amenity lagging behind the commercial development was a worthy discussion as to phasing and appropriate delivery. He said there had to be critically massive bodies whether housing on site or at the offices to support the businesses' success. He said the question was the inflection point where you had enough critical mass.

Commissioner Barnes said he was not sure he understood Chair DeCardy's point about the parking garage. He said regarding the elevated park and proposed community amenities his question was what a tenant amenity was versus what was being built specifically for the community. He said it was a gray area. He said he would rather look at bumping up the shuttle monies as opposed to going after something else. He said regarding an update to ConnectMenlo that if that was appropriate, they should go for better land use policies. He said with the relinquishment study he agreed that action beyond the study itself would be the City's responsibility to provide resources and should not be borne by the developer. He said the developer paying for the study was one thing but getting in the discussion of how to effectuate that change was a City responsibility. He said those were his concerns with the recommended conditions. He thought each had merit but needed more refinement to make them good and tangible for the City Council.

Chair DeCardy said regarding the parking garage that he wanted 1000 single-occupancy vehicle trips reduced over the Meta campuses in Menlo Park. He said he chose 1000 as it was essentially equivalent to the parking of the smaller of the two garages for this project. He said it was good to ratchet the TDM and get rid of the associated parking, which was a benefit to the developer and the community. He said he was not recommending a condition to get rid of the parking garage but if the developer wanted the parking garage to reduce single-occupancy vehicle trips by 1000. He said he was trying to link funds to the connectivity piece but he did not want to make a deal about the

elevated park noting that they had heard from numerous community members that they would enjoy it. He said he thought the \$5 million in the shuttle community amenity for connectivity was not enough and it needed an additional \$10 million. He said that included Commissioner Harris' note about electrification and shuttles.

Commissioner Riggs said they were recommending the necessary motions to enact this master plan and additionally posing a series of considerations. He said he did not think they needed to expand on the latter as those were recommendations for Council to consider and it would be appropriate for Council to hear from staff in terms of the details of those. He said he agreed with Commissioner Barnes' caution to not prescribe from the dais. He suggested they relay their concerns to Council and for example clarify that it was not the elevated park that was the issue rather that they believed the shuttle could use considerably more funding. He suggested that if the staff's notes documented the discussion the Council would understand the reasoning behind the recommended conditions.

ACTION: Motion and second (Riggs/Harris) to extend the meeting to 11:20 p.m.; passes 6-0.

Mr. Perata said the first recommendation was to include a guarantee of operation for amenities with mention of the grocery store, pharmacy, bank and air quality monitoring and he also heard discussion about mechanisms. He said the DA, Exhibit D, identified such mechanisms, and the text of the DA had details about mechanisms to ensure that certain things come online or were built by certain dates. He said the DA did not guarantee operation of those amenities that were the use base. He said there were construction guarantees for the spaces in terms of timing in the overall development but not operation of amenities. He said what staff was hearing was to evaluate that and that the City Council consider including an operation guarantee.

Commissioner Harris said that sounded right. She said she was interested in having stronger language for each of those items as well as having air quality and noise quality monitoring operationalized by the applicant. She said she wanted stronger language in the DA so that the grocery store would be operational and not just built.

Commissioner Tate asked if that was for all the amenities. Commissioner Harris said for all of the amenities.

Commissioner Barnes said regarding mechanisms for ensuring operations and over what period of time that for him to agree the language had to be expanded.

Mr. Perata said next regarding the grocery store the recommendation was that the rent subsidy be evaluated for a longer term than 24 months and noted discussion about 60 months.

Commissioner Harris said she had suggested 60 months as was presented in a paper provided by the applicant but she was okay with the term being evaluated. She said she just wanted the record to show that she wanted to make sure they were giving enough runway to the grocery store to become viable and successful. Replying to Chair DeCardy, Commissioner Harris said regarding the 60 months that was not necessary to include specifically if it was clear that the main goal was for the rent subsidy to be enough to ensure the success of the grocery store.

Chair DeCardy confirmed that Mr. Perata could work with that recommendation.

Mr. Perata said the next recommended item he had was to clarify the minimum development requirements such as housing units and square footage in more detail than currently in the staff report. He said the DA included minimums. He said staff could work to clarify those further.

Mr. Perata said the next item was that the gap funding for the senior building should be equivalent as if those were fully inclusionary units. He said that was complicated as that might have legal ramifications. He said the City's BMR guidelines looked at the delivery of the units and not the financing structure per se. He said staff could certainly evaluate but there might be implications.

Chair DeCardy said the BMR was really important and it was supposed to be fully inclusionary. He said for this project it should be determined that the cost would have been to provide fully inclusionary BMR and to make sure those funds went to BMR.

Mr. Perata said to clarify that the applicant would tap into federal, state and potentially county funding for the senior standalone building. He said there was an agreement as part of the BMR and the project entitlements that the City would not contribute any of its BMR trust fund to the project and that portion would be covered by the applicant.

Nira Doherty, City Attorney, said the BMR proposal submitted by the applicant and recommended for approval by the Housing Commission was not premised on the cost to the applicant and providing the units but the value to the City and community in obtaining the units. She said they did come up with a metric to value the commercial linkage fee for the various commercial and office components of the project. She said the applicant had proposed providing units in lieu of paying the fee, which in some context the applicants were entitled to do. She said staff and the Housing Commission evaluated the proposal with an eye toward ensuring the units were provided and not that they might be provided at a lower cost due to financing. She said to incentivize the extremely low and very low income levels, the applicant's proposal involved the provision of units in a standalone affordable building, the senior housing unit, to obtain additional funding.

Chair DeCardy said they heard strongly from the applicant previously about this but to him it was straight forward that BMR was supposed to be inclusionary and the senior housing was not. He asked if it would be cheaper to build than if it had been inclusionary what the delta was between those as he wanted to make sure those resources went to BMR housing.

Commissioner Barnes said respectfully he differed from the Chair in that the provisioning of housing units they got to the same place whether through inclusionary mechanisms with a market rate development providing a prescriptive percent of BMR units at certain AMIs or through a standalone tax credit finance affordable project like this. He said what had him confused or uncomfortable was the utilization of gap financing as the mechanism to solve the problem. He said there were so many layers of financing in such projects including federal, state, county and local that they did not know what the gap number was. He said what they were solving for was making sure the value of the units contributed through the standalone project was not less than what they would have contributed through making more market rate development and having associated BMR units. He said there was a calculation in there and they wanted to true up for a like and similar contribution. He said that could come through the provision of units through what the deferred rents were associated with the offering of different units based on what the market was. He said he agreed with the City Attorney that however you got there the benefit was the same. He said he thought they were talking about what the mechanism for quantifying that was, and he was uncomfortable with the utilization of the

gap financing number as that was an undefined number. He said if they wanted to use gap financing for it and wanted to contribute the land and have that part of it that was fine but just define what their inclusionary requirement would be and what the economic benefit of that was versus the standalone project. He said in his opinion that was what they were trying to solve and he did not think it had to be super complicated.

Commissioner Riggs noted the time and requested through the Chair whether staff could indicate if the intent here was understood.

Mr. Perata said staff understood the intent and could include the recommendation. He said the next was to evaluate the delivery time line for community amenities alongside the office square footage effectively tightening up the timeline. Chair DeCardy said the sentiment was that the community facing pieces were slightly lagging behind the office and to get greater equivalency with the impact that the grocery store, housing, affordable housing and other community amenities show up earlier in the project relative to where they are now.

Mr. Perata said next was an incorporated TDM plan that reduced 1000 additional vehicle trips into Menlo Park, or removing the smaller parking garage for the office. He asked if the Commission was looking for a reduction in trips from this project specifically or from other projects. He said there was an issue with placing a condition for this project on another project so it would need to be from the Willow Village project proposal before the Commission. Chair DeCardy said he was fine with that and fine with the City Council working through with the applicant on what that meant. He said the key thing was the 1000 single occupancy vehicle trip reduction.

Mr. Perata said the next was the elevated park and staff needed clarification as there seemed to be different opinions as to removing the elevated park from the amenities list, or whether it was an increase in shuttle funding. He said to clarify that the DA obligated the applicant to provide a shuttle for a term of 17 years and the estimate for the funding was \$9.7 million but the cost could be higher or lower. He said the obligation was a shuttle that would run through Belle Haven and the broader Bayfront Area including the Jefferson Drive and Haven Avenue areas to bring residents and community members to the project site. He said the dollar amount of the shuttle was not so much in play as the operations of it. Replying further to Chair DeCardy, Mr. Perata said the cost of the Bayfront shuttle should be \$9.7 million. He said there was a \$ 5 million contribution of additional BMR funds for the City to use.

Chair DeCardy said for clarification that this did not have anything to do with the elevated park and everything to do with an additional \$10 million into the shuttle program to make connectivity more robust across the nearby community so there was a greater ability to access and utilize what the project was building.

Commissioner Barnes said he supported solving better connectivity whatever the dollar value was.

Mr. Perata said the recommendation was to add \$10 million to the shuttle or other programs for connectivity to and from the campus.

Mr. Perata said they needed more context on the item recommending evaluation of ConnectMenlo.

Chair DeCardy said ConnectMenlo had been in place for a number of years and the recommendation was for the City Council to reevaluate it and whether it was viable going forward. He said it was City Council discretion, but the sentiment was it needed to be reevaluated because as an instrument guiding these projects it was no longer successful in the underlying guidance of all these products that were coming to them. He said the City Council needed to look at that and determine how to make it work better for their community in the future.

Commissioner Barnes said ConnectMenlo was the land use element update to the General Plan. He said he could support reviewing it but he did not support the premise that it was flawed or not functioning.

Mr. Perata said the Commission's sentiments on ConnectMenlo and the reevaluation of it were known and the statements were on the record for tonight. He said he thought it was difficult to connect it to the project as a recommended modification or as part of the resolution to recommend that as part of this project City Council evaluate ConnectMenlo. He said it did not seem related to the entitlements before the Commission for recommendation to City Council.

Chair DeCardy said staff's recommendation was to leave that item out and that the meeting record would indicate extensive conversation that for different reasons some commissioners believed ConnectMenlo should be reviewed. He said that sentiment would be relayed to the City Council.

Chair DeCardy said Commissioner Barnes would not entertain expansion of a Willow Road relinquishment with additional resources. He said from his perspective the important thing was to get relinquishment on the table and he would withdraw his recommendation for more.

Mr. Perata said another item was that the master sign program be changed to a city-driven process versus an applicant-driven process and a second one was to remove the words "if feasible" for the Bayfront shuttle being a hundred percent electric.

Chair DeCardy confirmed that the latter was fine with Commissioners Barnes and Harris. He noted his feelings about signage and said his recommendation was for process change.

Mr. Perata said the master sign program would be reviewed by staff and then reviewed by the Planning Commission. He said the applicant would be charged with submitting the proposal to the City, which would include the way finding signage, the site advertising parcel by parcel details on square footage and design guidelines similar to some other master sign programs the City had reviewed recently. He said City staff would evaluate this project's sign program but would not draft it. He said the sign program had a public review process that required noticing of the initial application submittal and then noticing of the Planning Commission review and action on it.

Chair DeCardy said he understood the process. He said it did not work the last time they looked at one because the City lacked the resources to provide for independent analysis that would support clear understanding of what the applicant was doing. He said for the record that he heard what Mr. Perata was saying about the master sign program process but it did not work for the City or for the community, which was why he raised the matter. He said though that it did not have to be included in the additional recommendations to the Council.

Commissioner Riggs added that he had found it embarrassing that the City had to lean on two of its applicants to draft a master sign program against which they would then be judged. He said he did not want to affect this vote but he wanted to go on record that a master sign program should be a City responsibility and it was disappointing that it was not.

Commissioner Barnes said he was neutral on the matter of the master sign program. Chair DeCardy said he would leave it off and also to leave off his item about diesel generators.

Replying to Chair DeCardy, Mr. Perata summarized the additional recommendations the Planning Commission wanted to include with the resolution recommending approvals as outlined:

1. Guarantee of operation of community amenities
2. Evaluate longer term grocery rent subsidy
3. Clarify minimums in the staff report from the DA
4. Analyze the delta between the cost of the standalone senior housing and inclusionary units
5. Delivery timeline for community amenities
6. TDM plan to reduce additional 1000 vehicle trips
7. \$10 million for shuttle or other connectivity programs to and from the site
8. Remove "feasible" for the 100% electric Bayfront shuttle

Chair DeCardy confirmed Commissioner Barnes' motion still held with those eight items added. Commissioner Harris seconded the motion.

ACTION: Motion/Second (Barnes/Harris) to adopt a resolution recommending the City Council certify the final environmental impact report (Final EIR), adopt California Environmental Quality Act (CEQA) Findings, adopt a Statement of Overriding Considerations for significant and unavoidable impacts, amend the General Plan Circulation Element, rezone the project site and amend the zoning map to incorporate "X" overlay district and approve the conditional development permit (CDP), approve the vesting tentative maps for the main project site and the Hamilton Avenue Parcels, approve the development agreement (DA), and approve the below market rate (BMR) housing agreements for the proposed Willow Village masterplan project located at 1350-1390 Willow Road, 925-1098 Hamilton Avenue and 1005-1275 Hamilton Court, 1399 and 1401 Willow road, and 871-883 Hamilton Avenue and consider the Planning Commission's eight recommendations as listed here; passes 6-0:

1. Guarantee of operation of community amenities
2. Evaluate longer term grocery rent subsidy
3. Clarify minimums in the staff report from the DA
4. Analyze the delta between the cost of the standalone senior housing and inclusionary units
5. Delivery timeline for community amenities
6. TDM plan to reduce additional 1000 vehicle trips
7. \$10 million for shuttle or other connectivity programs to and from the site
8. Remove "feasible" for the 100% electric Bayfront shuttle

Chair DeCardy adjourned the meeting at 11:30 p.m.

Staff Liaison: Kyle Perata, Planning Manager

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on February 6, 2023