



PLANNING COMMISSION DRAFT MINUTES

**Regular Meeting
February 25, 2013 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025**

CALL TO ORDER – 7:03 p.m.

ROLL CALL – Bressler, Eiref, Ferrick (Chair), Kadvany (Vice Chair), O'Malley, Onken, Riggs

INTRODUCTION OF STAFF – Rachel Grossman, Associate Planner; Justin Murphy, Development Services Manager; Leigh Prince, Assistant City Attorney

A. REPORTS AND ANNOUNCEMENTS

A1. Update on Pending Planning Items

- a. Housing Element – City Council – March 12, 2013

Development Services Manager Murphy said the City Council would provide direction at their March 12th meeting on rezoning related to the 14 sites being studied under the Housing Element.

- b. 1976 Menalto Avenue – City Council Appeal – February 12, 2013

Development Services Manager Murphy said that the City Council considered an appeal of the Planning and Environmental Quality Commissions' decisions on 1976 Menalto Avenue, and voted to uphold the appeal, overrule the Planning Commission's approval, and deny the project.

- c. 2200 Sand Hill Road – City Council Appeal – February 12, 2013

Development Services Manager Murphy said the use permit request approved by the Planning Commission for an emergency generator at 2200 Sand Hill Road was appealed to the City Council. The Council upheld the Commission's decision to approve the use permit request for an emergency generator at the subject property.

Commissioner Bressler asked about the Menalto project and what would have to change for that project to be able to come back for consideration. Development Services Manager Murphy said it could not be the same project. He noted this was a substandard lot so any projects proposed for it would need Planning Commission approval.

Commissioner Bressler said the Council could reverse its decision. Development Services Manager Murphy said that would require complex steps but basically a request for reconsideration would have to be made at the next City Council meeting on March 5th. He said that one of the four Council members who voted to deny the project and uphold the appeal would need to request that the project appeal and denial be reconsidered.

B. PUBLIC COMMENTS

There were none.

C. CONSENT

C1. Approval of minutes from the January 28, 2013 Planning Commission meeting.

Chair Ferrick noted small edits to the January 28 minutes submitted by Commissioners prior to the meeting.

Commissioner O'Malley had an additional edit.

Commission Action: M/S Onken/Ferrick to approve the minutes with the following modifications.

- Page 27, last paragraph, sentence beginning Commissioner O'Malley said a large group of residents vehemently opposed..." insert "were" between "residents" and "vehemently."

Motion carried 7-0.

Commissioner Onken said he had to recuse himself from consideration of both public hearing items.

D. PUBLIC HEARING

D1. Conditional Development Permit, Rezoning, Development Agreement, Lot Line Adjustment, Heritage Tree Removal Permits, Below Market Rate (BMR) Housing Agreement, Environmental Review/Facebook, Inc./312 and 313 Constitution Drive: Request for a rezoning from M-2 (General Industrial District) to M-2-X (General Industrial, Conditional Development), Conditional Development Permit, Development Agreement and Lot Line Adjustment to construct an approximately 433,555 square foot single-story building above an at-grade parking lot that would include approximately 1,499 parking spaces. The proposed structure would exceed the 35-foot height maximum and 50 percent lot coverage maximum in the M-2 district, but would comply with other applicable development

requirements including setbacks and floor area ratio. As part of the project proposal, the applicant is seeking to remove 175 heritage trees in fair to poor health, and Heritage Tree Removal Permits would be required. In addition, the project includes a BMR Housing Agreement for the payment of in-lieu fees, the provision of BMR units off site, or a combination of payment of in-lieu fees and provision of BMR units off site. Environmental review includes the preparation of an addendum to confirm that the project design would not result in environmental impacts that were not already identified in the Environmental Impact Report certified for the Facebook Campus Project by the City Council on May 29, 2012.

Staff Comment: Planner Grossman said the Commission would be asked to consider for recommendation to the City Council the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; Rezoning from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development); a Conditional Development Permit (CDP) to permit the proposal to diverge from standard M-2 zone requirements related to building height and lot coverage; the Development Agreement, the Below Market Rate (BMR) Housing Agreement; a lot line adjustment and Heritage Tree Removal Permits to permit the removal of 175 heritage trees associated with the proposed project.

Planner Grossman said the Planning Commission on September 24, 2012 had a study session to review the project proposal and had requested land use entitlements. At that study session, Commissioners provided a number of comments related to the building design including additional ways to incorporate human scale design elements, ways to bring more natural lighting to the parking level, the use of elements on the parking level to provide more visual interest, consider the quantity of bicycle parking that will be needed and ensure sufficient bicycle parking was provided on the parking level and on the first floor, and consider the addition of a “pit stop” element on the Willow Road side of the campus to provide an opportunity for a local business to provide services.

Planner Grossman noted that subsequently a public outreach meeting in Belle Haven was held on October 18, 2012 to discuss the project proposal and requested land use entitlements. She noted that on October 30, 2012, the City Council provided direction on the development agreement parameters and on January 22, 2013 they reviewed the development agreement term sheet. She said the Housing Commission on February 20, 2012 considered the BMR Housing Agreement and unanimously recommended approval of it to the City council.

Planner Grossman said the West Campus was located at the intersection of Bayfront Expressway and Willow Road and the addresses were currently 312 and 313 Constitution Drive. She said with project approval the address would become 1 Facebook Way. She said the proposal for the West Campus included demolition of the existing two buildings and associated site improvements, and that the applicant would then seek to construct an approximately 433,555-square-foot building on top of surface parking that would include approx.

imately 1,499 parking spaces. She said the maximum height of 73-feet included all mechanical equipment enclosures and that the majority of the roof garden would be at a height of 45 feet. She said the proposed lot coverage was just over the 50% maximum. She noted that the proposed height and lot coverage were exceptions from the standards of the M-2 Zoning District. She said the proposed building was linear and would span approximately 1,500 feet along Bayfront Expressway and approximately 300 feet in width along Willow Road. She noted that the main vehicular access point to the project site would be along Bayfront Expressway. She said the entrance would be signalized and the existing curb cut would be moved approximately 250 feet to the west. She said the undercrossing discussed during consideration of the East Campus project would connect the East and West campuses. She said surface parking would include approximately 1,499 parking spaces and noted the addition of 90 bicycle parking spaces there as well as the 134 bicycle spaces on the first floor. She said amenity spaces included lobbies, security control kiosks, shower and locker facilities, and a mezzanine. She said the roof was proposed as a green roof element and would be usable space with a quarter mile walking trail and landscape plan. She said there was space also for a tent, which use would be limited to eight times a year and would be no higher than maximum height of 73 feet. She said the lot coverage was at 50.3% but the applicant was requesting up to 55% to allow for some flexibility. She said they were also requesting 300 square feet of signage which current zoning limited to 150 square feet but staff believed the size of the campus was adequate for the amount of signage requested.

Planner Grossman said that similar to the Conditional Development Permit (CDP) associated with the Facebook East Campus, the proposed CDP for the Facebook West Campus also included a Trip Cap as stated in the staff report. She said specific parameters regarding the Trip Cap could be found in the West Campus Trip Cap Monitoring and Enforcement Policy, included as Attachment I. She noted the document had been updated for the West Campus to reflect the fact that there was an East Campus Trip Cap, and to clarify that violations of the West Campus Trip Cap were distinct from violations of the East Campus Trip Cap.

Planner Grossman noted a question from one of the Commissioners that day related to the reliability factor included with the West Campus Trip Cap Implementation Policy. She said there would be some calibration to account for inaccuracies in trip count that might occur because of the equipment noting folks who drive into the entrance just to have a photo taken of themselves in front of the sign with their thumb up. She said that should not be counted and would be calibrated when equipment was installed.

Planner Grossman noted that when the East Campus entitlements were reviewed and approved, it was anticipated that the East Campus component of the undercrossing improvements would be completed prior to construction of the West Campus and that the undercrossing would be temporarily closed and/or realigned during construction of the West Campus. She said that as a result of the applicant's expeditious submittal and staff's review of the Facebook West Campus proposal, as well as changes to the

building design, which required using the eastern portion of the West Campus Project Site as a construction staging area, it was no longer feasible to construct and open the undercrossing prior to construction of the Facebook West Campus. She said the proposed undercrossing improvements were now proposed to occur in two phases, and that as a condition of approval in the CDP, the undercrossing was required to be open prior to occupancy of the West Campus.

Planner Grossman said a Commissioner had also inquired earlier in the day as to what would happen to the annual payment to the City which was part of the development agreement for the East Campus if the campus was vacated. She said the East Campus development agreement required total annual payments for a period of 10 years whether the East Campus was occupied or vacated.

Planner Grossman said the Housing Commission had unanimously recommended the Below Market Housing Agreement as shown in Attachment M. She said there were several ways the applicant intended to satisfy its obligations under the BMR Ordinance and Guidelines including paying the in lieu BMR fee, which would be approximately \$4,507,291 based upon the maximum gross floor area permissible under the CDP and the current fee schedule or delivering off-site units, which would equate to a total of 15 residential units based upon the maximum gross floor area permissible under the CDP; or pay a portion of the in lieu fee and deliver off-site units.

Planner Grossman said the project site was comprised of two legal lots both similar in size. She said as part of the land use entitlement process for the Project, the applicant was proposing a lot line adjustment to establish a main parcel and an access parcel. She said this was necessary to facilitate the naming of the private road that would provide access to the project site from Bayfront Expressway, and also because buildings were not permitted to span property lines. She said the access parcel would function as a private road and development of the parcel would be limited to hardscape improvements to construct vehicular and pedestrian access, and associated landscaping. She said no structures would be permitted to encroach into the access parcel. She said as required by the conditions of approval in the CDP, the access parcel and main parcel would remain in common ownership in perpetuity.

Planner Grossman said as part of the West Campus Project proposal, the applicant was seeking to remove the remaining 175 heritage trees, 41 of which were in good health and 134 which were in poor health or dead. She said the applicant had applied for Heritage Tree Removal Permits for all 175 trees. She said the consulting arborist recommended and the City Arborist concurred that Heritage Tree Removal Permits could be issued for all 175 trees, based upon the poor health of most trees and the fact that the location of the majority of the existing heritage trees conflicted with redevelopment of the site. She said that was also contingent upon the planting of 216 replacement trees. She said current plans indicated there would be 332 trees at ground level, 25 trees along terrace level, and 225 trees on the roof.

Planner Grossman said an Environmental Impact Report (EIR) was prepared and certified by the City Council on May 29, 2012. She said this document had analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the Project. She said because the West Campus was redesigned after the EIR was certified, additional environmental review had been conducted to determine whether the redesigned project would result in environmental impacts that were not already identified in the certified EIR. She said this additional environmental review included the preparation of an Addendum, and noted the Addendum was available on the City-maintained Facebook Campus Project webpage and physically at the Community Development Department public counter in the Administrative building. She said the Addendum concluded that the redesigned project would not cause any new significant physical environmental impacts or substantial increases in the severity of previously identified significant physical environmental impacts. She said that because of that a supplemental or subsequent EIR was not required and the conclusions reached in the certified EIR were still valid as applied to the redesigned West Campus. She said of the significant and unavoidable impacts identified in the certified EIR, only three were specific to the West Campus, including the impacts associated with transportation, specifically the Marsh Road and Middlefield Road intersection impact, and the University Avenue and Donohoe Street intersection impact. She said Facebook had entered into a Memorandum of Agreement with the Town of Atherton, the intent of which was to mitigate impact. She said Facebook was working with the City on mitigation measures related to impacts at the University Avenue and Donohoe intersection. She said the third significant and unavoidable impact associated with the West Campus project related to noise and that was construction related levels of vibration that could disrupt operations at nearby vibration-sensitive land uses. She said the Planning Commission should review and forward a recommendation to the City Council on the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program for the West Campus project proposal. She said next the City Council would review the recommendations of the Planning and Housing Commissions, and take action on the requested entitlements and that was tentatively scheduled for March 19. She reviewed the items the Commission was asked to consider.

Public Comment: Mr. John Tenanes, Facebook, said that the Facebook Design Team was present and would provide presentations looking at the building from outside in, noting they had previously presented the design looking from inside the building out.

Mr. Craig Webb, Gehry Partners, said their two key points was to design integration of the building with landscape and natural environment, noting the Bay. He said the building was designed to almost act as a hill noting the trees on the roof noting that this created a pedestrian scale traveling to the terrace level and then to the roof. He said the second key point was to have the building fit within the industrial landscape. He said this was an unusual building for his company noting its anonymous look but it was important for it to blend in and be a good neighbor with the other businesses and residential neighborhood and be part of the natural landscape. He said changes to the

building since the Commission last saw the proposal included canopies that had been simplified to a more horizontal vertical architecture. He noted the addition of a ramp from ground level to terrace level and then to the roof. He said they simplified the roof forms on the two ends of the building. He said for the Bayside elevation they created a building that would integrate into the landscape. He said for the South façade that the railroad and strip of industrial businesses provided a buffer for the residential neighborhood. He said they had worked on lighting and would use small scale park fixtures that would shine pools of light downward creating patterns. He said the materials proposed were to create a dialogue with other industrial buildings in the area, and noted the white plaster facades with large punched window openings and the use of soft brush stainless steel for main pavilion entries. He said the main canopies would be corrugated stainless steel noting the severe marine environment and others would be translucent using corrugated fiber glass. He said there would be glass on the ends of the buildings and punched openings. He said they would use a frit pattern on the glass to mitigate birds flying into the glass. He said they were researching this and working with an ornithologist to get the right pattern. He said the window mullions were metallic silver painted aluminum with steel frames supporting them. He said they would use pervious concrete on the fire access road and wood decking on top of the ramp. He said the enclosures for the mechanical equipment and security elements at the bottom of the ramp and stairways would be metal wire mesh with green coating upon which plant material would grow.

Mr. Chris Guillard, CMG Landscape Architects, said the overall landscape concept was a key material part of the project. He said they approached the landscape design based on ecological principles but also artfully to integrate the concept of the building as a landscape, with plant treatments unique and specific to the site. He said the bands of landscaping were suggested by architect Frank Gehry. He said each of the bands had a palette associated with it. He noted that Ms. Barrie Coate, a prominent Bay area ecologist and arborist, was being consulted for plant and tree species choices suited to this site. He said that water use and efficiency was an important part in that selection. He described the various bands and associated palettes. He said the goal was to create ecological habitat, noting the meadow at the east end of the property and on the roof garden. He noted the tunnel undercrossing connection from Willow Road and a number of seating areas introduced at intersection including a bicycling fixing station. He said half of the path would be dedicated to public access and the other half for a shuttle to link the east and west campuses. He said it would look park like and natural. He said they would create a path from Willow Road and Bayfront Expressway to connect with the tunnel, and they would clean up the tunnel, and use lights to make it welcoming at night, noting it also had potential as a public art space.

Mr. William Nack, a Menlo Park resident, said he was speaking on behalf of the San Mateo County Building Trades Council, noting other members of the Council were present as well. He said they supported the Facebook proposal and staff's recommendation to move forward with the West Campus project. He said they were excited not just only for the jobs it represented to their Council members but the promise

it held for all of Menlo Park and San Mateo County in terms of economic development. He said the millions of dollars generated through the East and West campuses' development agreements were important but a huge public benefit to Menlo Park and San Mateo County was that Facebook chose to locate in Menlo Park. He said Facebook's success in Menlo Park would lead other companies to want to come to San Mateo County, which would help all business sectors. He urged the Commission to recommend approval to the City Council.

Ms. Fran Dehn, Chamber of Commerce, said that this social networking company launched in 2004, did many things including helping people keep in touch, and uniting and rallying users. She said a briefing for brokers hosted by the Silicon Valley Economic Development Alliance described development opportunities along the Dumbarton corridor. She said Menlo Park's City Manager was the opening speaker and said that reasons to consider Menlo Park as a preferred business location included the demand for development, the adopted Specific Plan, the Housing Element submitted for approval, and Facebook. She said the City has seen productive land use, vacant campus and fallow parcels become much more productive and aesthetic, environmental stewardship, LEED design, green building practices, conservation measures, economic vitality, business attraction and innovation, and most certainly jobs. She said this has been through Facebook community collaboration and investment in schools, organizations, charities as well as retail sponsorship, and of course architectural acclaim. She said having Frank Gehry's iconic cultural design innovation for the City branded it as Facebook's home. She said the Chamber urged the Commission to move forward on the project as recommended by staff. She said Facebook continued to set precedence with the technology driven design for the West Campus and that positioned Menlo Park to be one of the unique international examples of acclaim in both business innovation and architectural and environmental modernity.

Chair Ferrick closed the public hearing.

Commission Comment: Commissioner Bressler said it was a beautiful building. He said the applicants wanted more height which was offset by landscaping. He said there might be other businesses more technologically innovative than this and noted elements in the EIR of significant and unavoidable impacts. He said they had already approved the increase in the employee count. He said it was a wonderful addition aesthetically to the reputation of Menlo Park. He noted that the City still needed to grapple with significant and unavoidable impacts.

Chair Ferrick noted the various landscaping schemes. She said Oaks and other tree species would drop leaves and asked how that would be handled on the roof. Mr. Guillard said similar to native landscapes they would allow the leaf drop to return to the soil and that there would not be a lot of green waste from the site.

Chair Ferrick said that the trees proposed for the roof looked like heritage type trees and asked about the roof building materials. Mr. Guillard said technology for this type of

roof garden had really advanced noting Chicago's Millennium Park and San Francisco's Union Square. He said they would use good water proofing membrane, good drainage and protection of materials separating those from the roof materials themselves.

Chair Ferrick said she liked the additional bike and shower facilities on the ground floor. She said the trip caps were reasonable and would contribute to making traffic impacts appear significantly less. She said the concepts of blending in and being a good neighbor summarized how she felt about the building and Facebook.

Commissioner Kadvany noted strong northwest winds in the area especially in the summer, and asked how the roof trees would withstand that without uprooting. Mr. Guillard said they intended to use broad canopy trees that did not have a structure as susceptible as other trees to being blown over by the wind and that they would use enough soil depth to allow the roots to spread very similarly to how they would in a natural environment.

Commissioner Kadvany noted that he agreed with Ms. Dehn's comments.

Commissioner O'Malley said he was very excited about the project and had no negative comments. He also wanted to reaffirm his excitement about the building design. He asked about the impact of a 6.0 earthquake on the roof trees or the building itself. Mr. Webb said that the design incorporated California earthquake code requirements. He noted that the soil for the roof garden put a premium on the structure. He described pilings into the ground, braced frames from the parking level, the ground and another set of braced frames bracing the main story of the building. He said quite a bit of design effort had gone into the main lateral support of the building. He said that in some places on the roof there would be more than four feet of soil depth.

Commissioner Eiref asked about the traffic pattern of people coming down Willow Road from Menlo Park toward the building, and asked if they would be allowed to turn in there. Mr. Chip Taylor, Director of Public Works, said that was only a right in, and right out access point, and was limited access for service vehicles only.

Commissioner Eiref said he was amazed at the number of employees taking alternative transportation. He asked about the number of parking spaces and employees and whether there was an assumption of at least three employees per vehicle trip or whether vehicles parked on the other side and used people movers to get across. Mr. Tenanes said about 45% of the employees came to work via some other transit than a single occupancy vehicle. Commissioner Eiref asked if vehicular use had reduced at all for the East Campus. Mr. Tenanes said they were trying to increase from the 45% to 50%. Commissioner Eiref asked if the people movers were golf carts. Mr. Tenanes said they were larger electric vehicles that hold 12 people.

Commissioner Riggs said he wanted to echo Ms. Dehn's well made comments. He noted there was 1,000 feet between the entry points of the garage and the north and

south elevator towers. He asked what arrangements there were for employees who parked in one section but ended up working late and in a different section so they did not have to walk 1,500 feet to their car in the dark. Mr. Webb said it was a 1,500 foot long garage with four different entry points from parking to the building but noted that Facebook was a walking culture. Commissioner Riggs noted the ceiling height that was generous but said at 8 p.m. at night this could be a spooky space and asked about the use of artificial lighting to counteract. Mr. Tenanes said there was a similar situation on the East Campus and that had a parking lot even bigger than this one. He said there were 250 free bicycles for that campus and employees use those to ride to their cars. He said those bikes would be available to travel from the East Campus to the West Campus. He said the garage ceiling was 14 feet high and open all around the perimeter to allow daylight. He said for the linear walkway they were proposing a blue light neon strip and looking at different strategies to pave it. He said they were looking at different ideas using paint to create an engaging environment.

Commissioner Riggs commented that for the record although Facebook was not lacking in their efforts there was substantial unmitigated impact on the intersection at Marsh Road and Middlefield Road. He said Menlo Park and Atherton were going to have to do their share and make some changes or there would be impacts in both cities in the near future that would make people unhappy. He said there was a fair amount of glass in large pieces noting differences in north and south facing glass, and asked how that was addressed. Mr. Webb said all glass would have rolling shading devices as well as blackout shades including skylights and vertical glass.

Commissioner Riggs said with the height of the ceiling in the garage that the setting sun might have a clear shot into it which could translate into safety problems. Mr. Webb said that the landscaping would hopefully solve that as well as screen the vehicles in the garage. Commissioner Riggs said that the landscaping would appear somewhat naked for awhile. Mr. Webb noted on there was a pretty significant row of trees across the north side of site and the majority of pines across that façade closest to the expressway would remain. He said that they would use about 40 % of the frontage and do in-fill between. He said on the south side large eucalyptus trees would be maintained as well as trees on the easterly side.

Chair Ferrick asked about Facebook's agreement with the Town of Atherton. Planner Grossman said the Memorandum of Agreement between the Town and Facebook related to the East Campus required the applicant to pay \$350,000 to Atherton to mitigate impacts at the Marsh and Middlefield Roads intersection.

Planner Grossman noted for the record that the proposal was for the removal of 694 trees of which 175 were heritage trees and the remaining 359 were non-heritage.

Mr. Webb said that the study of maintaining trees on the site had happened after the report was submitted. He said trees were expensive and they would save as many as possible. Chair Ferrick suggested the addition of the statement that the applicant

intended to keep as many trees as possible as she was concerned that the application indicated differently. Planner Grossman said this was analogous to the flexibility built in for the lot coverage and setbacks, and suggested leaving the proposed tree removals as stated in the report as sort of a worst case scenario and acknowledging through comments and public record that applicant would strive to maintain as many trees as feasible.

Commissioner Riggs thanked Planner Grossman for pointing out the difference between the presentation and what they would vote upon. He said he would have trouble approving blanket removal of trees and disagreed that there was an economic incentive to keep trees noting the minor cost of a 24-inch box tree. He said it took time to grow trees, and the proposed parapet wall was 81 feet high at some points. He asked how many of the trees the applicant could commit to saving. Mr. Guillard said for the tree disposition plan they had worked with an arborist recognizing construction needed to occur and to be compliant but also looking for some flexibility. He said some trees looked good but have health issues. He said they tagged about 25 trees along the edge that were healthy and outside the drainage zone. He said they identified five eucalyptus trees on the south side that they think can be saved. He said that they thought they could save 30 trees and that had been what was shown in the visualization.

Chair Ferrick suggested adding a note that 20 to 25 healthy trees along the bayfront and up to five eucalyptus trees on the south side would remain. Planner Grossman suggested that staff refine something in the plans or conditions with the applicant team with perhaps some additional analysis for the Council crafting something to support compliance with the Commission's desire to have trees preserved.

Commissioner Riggs said the lot line adjustment seemed necessary only to create a bit of a stub to enable the address of 1 Facebook Way, which would not actually help anyone find the building although the building could not be missed.

Development Services Manager Murphy said staff thought the lot line adjustment was an appropriate approach as it provided the opportunity for the signalized intersection to have a cross street. He said without that the signalized intersection would be Bayfront Expressway and no other cross street.

There was Commission consensus to take the items for consideration one at a time.

Commissioner Riggs moved to recommend that the City Council adopt a Resolution adopting findings required by the California Environmental Quality Act, Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program for the property located at 312 and 313 Constitution Drive.

Commissioner Bressler said people had indicated there were impacts to intersections and other traffic sections that could be mitigated. He said there were reasons to approve this project. He said however that future projects with traffic impacts that could

not be mitigated would not get his approval as this was becoming a big problem for the City.

Commissioner Riggs said he made the motion based on Facebook being asked to address traffic mitigations and that they have responded as requested. He said this did not accomplish the mitigation and his hope was the City and Town of Atherton would step forward and complete the mitigation.

Commissioner Kadvany asked what the Statement of Overriding Considerations meant to the City. Planner Grossman said most simply put that the City found that the benefits of the proposed project outweighed the physical environmental impacts identified in the certified EIR and Addendum.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council adopt a Resolution adopting findings required by the California Environmental Quality Act, Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program for the property located at 312 and 313 Constitution Drive.

Motion carried 6-0, with Commissioner Onken recused.

Commission Action: M/S Riggs/Ferrick to recommend that the City Council introduce an Ordinance rezoning the property at 312 and 313 Constitution Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development).

Motion carried 6-0 with Commissioner Onken recused.

Commissioner Riggs said the landscaping was a critical part of the design ethic and the hope for blending the structure with the landscape. He said challenges included using plantings that would be sustainable. He said when Bayfront Park was created four feet of soil was added and plants planted but those had not done well either because of the wind or the soil. He add that trees 45 feet up in the air might need particularly compacted soil to endure through strong winds

Commissioner Riggs said this project changed the timing of the undercrossing schedule. He said there was a small possibility that this project might be put on hold or delayed and the undercrossing would not be done. He said the undercrossing was one of the public benefits under the East Campus development agreement. He suggested picking an opening date for the undercrossing compatible with the proposed construction of the West Campus so that if there was a delay with that construction at least the undercrossing would be built.

Planner Grossman said staff would concur with that comment and noted H-13 of the Conditional Development Permit and sequencing of undercrossing improvements 10.1 which was a requirement assuming projects were done mid-2015 that the applicant could not occupy the building until undercrossing was open. She said in the event the

West Campus never developed or there was substantial delay the applicant was required to bond for the improvements on the West Campus and construct those. She said there was a commitment under the CDP that the undercrossing would be constructed even if the West Campus was not built or significantly delayed.

Commissioner Riggs said his issue was with the delay as the undercrossing had been scheduled for the end of the year originally and now would not occur until the end of 2014. He said if there was a project delay there would be yet more delay for the undercrossing. Planner Grossman said the City had not expected the application for the West Campus as quickly as it had occurred which was why the staff report that had gone previously to the Commission and City Council in May and June 2012 had indicated a three-phased approach with some interim closures while the West Campus was being constructed. She said two things had made that infeasible. She said the first was that the applicant had submitted the West Campus application a month after the entitlements and the project was moving much more quickly than staff or the applicant had anticipated which made it challenging to open the undercrossing. She said given the new design of the building a staging area was needed and the area of the undercrossing was the only location on site where all the construction materials could be staged. She said even if they could construct something it would be unsafe to open it and there would not be any location to actually construct the pathway because of construction materials on that location.

Commissioner Riggs said in the case of construction delay for the West Campus that the construction materials would not be accessed and given that the undercrossing was at the perimeter of the site a safe area could be fenced off. He said this was worst case and not something they expected. He said if the project however were delayed for three years it would be nice to know that as soon as that delay started to trigger that the City could expect completion of the undercrossing. He said the way he read the condition was that it was bonded which meant the City would end up having to try to find a contractor to get it completed. Planner Grossman said the bonding was a requirement discussed in Section 1 of that phasing component. She said Section 3 was a construction component and that discussed having an early construction trigger to develop the West Campus undercrossing conceptual plan if the applicant was not moving forward with development of the West Campus. She said that was on page H-14 under 3.I Construction. Commissioner Riggs said it was clear Planner Grossman had done an excellent job of guiding the Commission through everything related to this project item.

Commissioner Riggs said he was concerned with the sheer expanse of stucco wall on the south façade. He said in context that the Commission has frequently criticized commercial buildings that have large uninterrupted expanses of stucco. He said the towers would be very dominant particularly from the neighborhood. He asked how they came to that finish and if there were alternatives on the board or design intent he was missing.

Mr. Webb said the towers were screening mechanical systems and required by code. Commissioner Riggs noted that these were 81 feet in height and were not required to be stucco continuous to the ground. Mr. Webb said they thought this was the best architectural response rather than the complexity of adding another material to the façade. He said on the lower portion of the façade every structural bay had a large window so that was the main part of the façade seen by neighbors; he noted that the building was distanced from the residences by railroad tracks and industrial strip. He said their intent was to keep the building simple and related to other industrial buildings in neighborhood and not make it complex by adding another material.

Commissioner Riggs noted a tower in San Francisco in a very large park that used Cortan screen which related more easily to natural materials. He said it was not the same environment but the material being used as a backdrop from a residential neighborhood was not as bold as that being proposed here. He said the white stucco would be really lit up by the sun at least until the trees were 40 or 50 years older, and said he was not sure this material was the best solution. Mr. Webb said that their design team thought it was the best solution. Chair Ferrick said the photo-simulation of the facade had helped her to visualize what it would look like, and it seemed that it would blend in well with the landscape. She said also from the Newbridge Avenue view that the tower seemed to also blend.

Commissioner Riggs said despite his concerns and as noted by Mr. Webb that there were different aesthetic opinions, the City was putting their trust in one of the most creative architectural teams. He moved to recommend that the City Council adopt a Resolution Approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive. Chair Ferrick seconded the motion.

Commission Action: M/S Riggs/Ferrick to recommend that the City Council adopt a Resolution of the City Council of the City of Menlo Park, California, Approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive, with the following modification.

- a. Amend Condition of approval 9.10 as follows (new text underlined):
Landscape Plan: During the Main Construction Phase (8.1.5), the Applicant shall submit a detailed on-site landscape plan, including the size, species, and location, and an irrigation plan shall be submitted for review and approval by the Planning, Engineering, and Transportation Divisions, prior to building permit issuance. The landscape plan shall illustrate the retention of the maximum number of trees feasible, with the potential retention of approximately 30 trees previously indicated to be removed on plan sheet WL.1, to the satisfaction of the Planning Division. The landscape plan shall include all onsite landscaping, adequate sight distance visibility, screening for outside utilities with labels for the utility boxes sizes and heights, and documentation confirming compliance with the Water

Efficient Landscaping Ordinance (Municipal Code Chapter 12.44). The landscape plan shall include an appropriate mix of native and adapted species to complement the nearby Don Edwards San Francisco Bay National Wildlife Refuge and shall be reviewed and approved by the Community Development Director and Public Works Director prior to building permit issuance.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council introduce an Ordinance Approving the Development Agreement with Giant Properties, LLC for the property located at 312 and 313 Constitution Drive.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S O'Malley/Riggs to recommend that the City Council adopt a Resolution Approving a Below Market Rate Housing Agreement with Giant Properties, LLC for the property located at 312 and 313 Constitution Drive. Commissioner Riggs confirmed with staff that the BMR funds received went to a dedicated fund and not to general fund.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S Ferrick/Eiref to recommend that the City Council adopt a Resolution Approving the Lot Line Adjustment for the properties located at 312 and 313 Constitution Drive.

Motion carried; 6-0 with Commissioner Onken recused.

Chair Ferrick said related to the Heritage Tree Removal Permits they had discussed recommending formalization of the Commission's request to retain 20 to 25 healthy trees along the Bayfront Expressway and approximately five Eucalyptus trees on southeast corner of the property.

Planner Grossman said that wording would be better within the motion for the CDP as not all those trees might be heritage trees and suggested making the language applicable to both the CDP and Heritage Tree Removal Permits items. This was acceptable to the Commission.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council adopt a Resolution Approving the Heritage Tree Removal Permits for the properties located at 312 and 313 Constitution Drive, with the following modification.

- b. Require the applicant to explore retention of existing heritage trees, as required in Conditional Development Permit condition of approval 9.10, as amended.

Motion carried 6-0 with Commissioner Onken recused.

Commissioner Riggs said the project had wonderful site planning and challenging scale but dynamic and exciting forms that he was really looking forward to seeing this project built.

Commissioner Bressler said he also wanted to compliment Planner Grossman for her work on the project.

- D2. Use Permit Revision/Pacific Biosciences/1005 Hamilton Avenue:** Request for a revision to a use permit, previously approved in September 2007, for the indoor and outdoor storage and use of hazardous materials for research and development (R&D) associated with genome sequencing equipment at an existing building located in the M-2 (General Industrial) zoning district. The proposed revision would include the installation of an exterior storage tank for argon, which would be located adjacent to a liquid nitrogen tank (previously permitted but not yet installed), within a chain link enclosure with vertical slats. All hazardous materials would be used within the building, with the exception of an existing diesel fuel emergency generator.

Staff Comment: Development Services Manager Murphy said staff had no additional comments.

Chair Ferrick said she had inquired whether she needed to recuse herself as her husband's employment was next door to this business. She said staff clarified that was not necessary. She noted also for the record that she was a neighbor and friend of Deborah Martin's but she could consider and vote impartially on this item. She said if anyone disagreed to let her know. There was no comment.

Questions of Staff: Commissioner Kadvany said on page E-2 it showed argon increasing from 65 to 500 gallons but it seemed under flammable materials that those were decreasing. Development Services Manager Murphy confirmed Commissioner Kadvany was looking at F-1. He said the bottom column was previous Connor Med quantities for 2007 permit approval and column to left was Pacific Bioscience quantities. He said there were some increases but in general decreases.

Public Comment: Mr. Matt Henry, Menlo Park, said argon was not toxic or flammable, and was an inert gas, but as it was denser than air if it flooded into an enclosed space it would displace the oxygen in that area and act as an asphyxiate. He said in some industries the use of argon is a pretty big deal. He suggested that if argon was going to be piped into an enclosed space where people were working there should be large

signage warning of its dangers and advising of symptoms including headaches, drowsiness, and respiration rate changes.

Ms Deborah Martin, Health and Safety Manager for Pacific Biosciences, said that employees and the community have the right to know what chemicals a business uses. She said that they train all employees on the uses and handling of chemicals. She said they were not piping argon into confined spaces. She said it was used in a much regulated manner for their equipment at very low levels. She noted that it was better to have the argon outdoors and preferable to use liquid argon rather than compressed gases that required quite a bit of handling.

Chair Ferrick said there had been a question about chemicals which had been on the original application and were now removed. Ms. Martin said they were asked to look at the previous Connor Med Conditional Use Permit and compare it to Pacific Biosciences' uses. She said the Connor Med facility used a lot more chemicals than they do. She said this building had a lower use of chemicals than their other buildings, and that was why there was a reduction in certain categories.

Commissioner Kadvany asked how the argon got from the outside to the inside. Mr. Paul Intrieri, Director of Facilities, said copper process piping was used to take the argon from the tank into the building. He said it was pressure tested at 1.5 times the operating pressure of the gas, and then regulated a second time before it actually got into the instrument. He said the instrument can be very delicate especially when sequencing certain genomes that have a very difficult read by biolife technology standards. He said they use argon to regulate the table and to regulate the lasers that align the table. He said to get a good read of the genome the table needed to be extremely accurate and argon lasers provide that accuracy.

Commissioner Riggs said they were trying to determine the risk level in the workspace which was a confined room, and asked what size the piping was. Mr. Intrieri said it was a half-inch diameter. Commissioner Riggs said if there was a breach in that pipe prior to the first regulator then equipment would not sound any alarms but the room could slowly fill with argon. Mr. Intrieri said the first regulator was external outside of the building on the tank with several pressure relief valves and other instruments on the tank. He said before the argon got into the building that they would notice immediately any drop in pressure and the instruments would no longer function. He said the room the instruments were in were very large and HVAC turns the air 10 times over each hour.

Commissioner Riggs asked if all the employees were aware of the risks of any inert gases. Mr. Intrieri said Ms. Martin had put together great programs and employee rights to know, and all customers and visitors were briefed well upon entering their business.

Chair Ferrick closed the public hearing.

Commission Comment: Commissioner Eiref moved to approve the item as recommended in the staff report. Commissioner O'Malley seconded the motion. He noted that almost everyone who was trained in the use of the gases, chemicals, and reagents listed were aware of Material Safety Data Sheets (MSDS) and that those sheets contained much information on the hazards of the use of those materials. Mr. Intrieri said their company has an MSDS binder in the room.

Commission Action: M/S Eiref/O'Malley to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by the applicant, consisting of eight plan sheets, dated received February 20, 2013, and approved by the Planning Commission on February 25, 2013 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.
 - e. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Department, West Bay Sanitary District, Menlo Park Building Division or other agency having

responsibility to assure public health and safety for the use of hazardous materials will be grounds for considering revocation of the use permit.

- f. If the business discontinues operations at the premises, the use permit for hazardous materials shall expire unless a new business submits a new hazardous materials business plan to the Planning Division within 90 days, for review by the applicable agencies to determine whether the new hazardous materials business plan is in substantial compliance with the use permit.

Motion carried 6-0 with Commissioner Onken recused.

E. REGULAR BUSINESS

There was none.

F. COMMISSION BUSINESS

There was none.

ADJOURNMENT

Meeting adjourned at 9:25 p.m.

Staff Liaison: Justin Murphy, Development Services Manager Murphy

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on March 18, 2013