



PLANNING COMMISSION AGENDA

Regular Meeting
March 24, 2014 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:00 p.m.

ROLL CALL – Bressler, Eiref (Vice Chair), Ferrick, Kadvany (Chair), Onken, Riggs, Strehl

INTRODUCTION OF STAFF – David Hogan, Contract Planner; Justin Murphy, Development Services Manager; Kyle Perata, Associate Planner; Thomas Rogers, Senior Planner; Corinna Sandmeier, Contract Planner; Elizabeth Schuller, Assistant Planner

A. REPORTS AND ANNOUNCEMENTS

Under “Reports and Announcements,” staff and Commission members may communicate general information of interest regarding matters within the jurisdiction of the Commission. No Commission discussion or action can occur on any of the presented items.

A1. Update on Pending Planning Items

- a. 389 El Camino Real – BMR Amendment – City Council – March 18, 2014
- b. Housing Element – City Council – April 1, 2014
- c. SRI – Burgess Drive Reserved ROW Abandonment - City Council Study Session - April 1, 2014

B. PUBLIC COMMENTS

Under “Public Comments,” the public may address the Commission on any subject not listed on the agenda within the jurisdiction of the Commission and items listed under Consent. When you do so, please state your name and city or political jurisdiction in which you live for the record. The Commission cannot respond to non-agendized items other than to receive testimony and/or provide general information.

C. CONSENT

Items on the consent calendar are considered routine in nature, require no further discussion by the Planning Commission, and may be acted on in one motion unless a member of the Planning Commission or staff requests a separate discussion on an item.

- C1.** [Approval of minutes from the February 24, 2014 Planning Commission meeting](#)

D. REGULAR BUSINESS #1

- D1.** [Architectural Control and Use Permit/Houston Striggow/642 Santa Cruz Avenue:](#)
Request for architectural control for exterior modifications to apply an opaque film to a portion of the left side façade (along the breezeway) of an existing bakery in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The application also includes a request for a use permit for outside seating along Santa Cruz Avenue. The project was previously reviewed and continued by the Planning Commission at its meeting of July 22, 2013. The revised proposal was initially scheduled for the meeting of February 24, 2014, but continued

to March 24 at the request of the applicant.

E. PUBLIC HEARING

- E1. [Use Permit Revision/Henry L. Riggs/903 Peggy Lane](#):** Request for a revision to a previously approved use permit, originally granted in May 2007 to construct a single-story addition and conduct interior modifications to a single-story, single-family residence. The current proposal includes the addition of a second floor and a remodel of the first floor, and would exceed 50 percent of the replacement value of the existing nonconforming structure in a 12-month period. The proposed remodeling and expansion would also exceed 50 percent of the existing floor area, and is considered equivalent to a new structure. The subject parcel is located in the R-1-U (Single-Family Urban) zoning district.
- E2. [Use Permit/Ryan Cockrell/1550 El Camino Real](#):** Request for a use permit for a new wireless telecommunications facility and an associated equipment enclosure mounted on top of an existing two-story commercial building. The twelve proposed directional panel antennas, located in three groups of four antennas, would be screened with wooden screen walls consistent with the existing rooftop equipment screening at the site. The existing building is located in the SP-ECR-D (El Camino Real/Downtown Specific Plan) zoning district.
- E3. [Draft Environmental Impact Report for the Commonwealth Corporate Center located at 151 Commonwealth Drive and 164 Jefferson Drive](#):** Public Hearing to receive public comments on the Draft Environmental Impact Report. The Draft EIR prepared for the Project identifies potentially significant environmental effects that can be mitigated to a less than significant level in the following categories: Aesthetics, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Population and Housing, Public Services, and Public Utilities. The Draft EIR identifies potentially significant environmental effects that are significant and unavoidable in the following categories: Air Quality, Noise, and Transportation & Traffic. The California Environmental Quality Act (CEQA) requires this notice to disclose whether any listed toxic sites are present at the location. The project location does not contain a toxic site pursuant to Section 65962.5 of the Government Code. The review period for the Draft EIR is Friday, February 28, 2014 through 5:30 p.m. Monday, April 14, 2014.

F. REGULAR BUSINESS #2

- F1. [Draft Fiscal Impact Analysis for the Commonwealth Corporate Center located at 151 Commonwealth Drive and 164 Jefferson Drive](#):** Public Meeting to receive public comments on the Draft Fiscal Impact Analysis.

G. STUDY SESSION

- G1. [Conditional Development Permit, Rezoning, Tentative Parcel Map, Tree Removal Permit, and Below Market Rate Housing Agreement for the Commonwealth Corporate Center located at 151 Commonwealth Drive and 164 Jefferson Drive](#):** Study Session to provide comments on the Commonwealth Corporate Center Project consisting of a Conditional Development Permit for the construction of two four-story office buildings totaling 259,920 square feet; a Rezoning from M-2 - General Industrial to M-2(X) - General Industrial with Conditional Development District to exceed the standard M-2 zoning district's 35-foot height limit and construct office buildings up to 62 feet in height; a Tentative Parcel Map to reconfigure the site into a separate parcel for each building and a common parcel containing parking, landscaping, recreational amenities and other site improvements; a Tree Removal Permit to remove 22 heritage trees; and a Below Market Rate Housing Agreement for the

payment of in-lieu fees associated with the City's Below Market Rate Housing Program.

H. COMMISSION BUSINESS - None

ADJOURNMENT

Future Planning Commission Meeting Schedule

Regular Meeting	April 7, 2014
Regular Meeting	April 21, 2014
Regular Meeting	May 5, 2014
Regular Meeting	May 19, 2014
Regular Meeting	June 9, 2014
Regular Meeting	June 23, 2014

This Agenda is posted in accordance with Government Code Section §54954.2(a) or Section §54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <http://www.menlopark.org> and can receive email notification of agenda and staff report postings by subscribing to the "Home Delivery" service on the City's homepage. Agendas and staff reports may also be obtained by contacting Vanh Malathong at 650-330-6736. (Posted: March 19, 2014)

At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the Commission's consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the commission by any person in connection with an agenda item is a disclosable public record (subject to any exemption under the Public Records Act) and is available for inspection at The Community Development Department, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Planning Commission meetings, may contact the City Clerk at (650) 330-6600.

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PLANNING COMMISSION

Agenda and Meeting Information

The Planning Commission welcomes your attendance at and participation in this meeting. The City supports the rights of the public to be informed about meetings and to participate in the business of the City.

ASSISTANCE FOR PERSONS WITH DISABILITIES: Person with disabilities who require auxiliary aids or services in attending or participating in Planning Commission meetings, may call the Planning Division office at (650) 330-6702 prior to the meeting.

COMMISSION MEETING AGENDA AND REPORTS: Copies of the agenda and the staff reports with their respective plans are available prior to the meeting at the Planning Division counter in the Administration Building, and on the table at the rear of the meeting room during the Commission meeting. Members of the public can view or subscribe to receive future weekly agendas and staff reports in advance by e-mail by accessing the City website at <http://www.menlopark.org>.

MEETING TIME & LOCATION: Unless otherwise posted, the starting time of regular and study meetings is 7:00 p.m. in the City Council Chambers. Meetings will end no later than 11:30 p.m. unless extended at 10:30 p.m. by a three-fourths vote of the Commission.

PUBLIC TESTIMONY: Members of the public may directly address the Planning Commission on items of interest to the public that are within the subject matter jurisdiction of the Planning Commission. The City prefers that such matters be presented in writing at the earliest possible opportunity or by fax at (650) 327-1653, e-mail at planning.commission@menlopark.org, or hand delivery by 4:00 p.m. on the day of the meeting.

Speaker Request Cards: All members of the public, including project applicants, who wish to speak before the Planning Commission must complete a Speaker Request Card. The cards shall be completed and submitted to the Staff Liaison prior to the completion of the applicant's presentation on the particular agenda item. The cards can be found on the table at the rear of the meeting room.

Time Limit: Members of the public will have **three** minutes and applicants will have **five** minutes to address an item. Please present your comments clearly and concisely. Exceptions to the time limits shall be at the discretion of the Chair.

Use of Microphone: When you are recognized by the Chair, please move to the closest microphone, state your name and address, whom you represent, if not yourself, and the subject of your remarks.

DISORDERLY CONDUCT: Any person using profane, vulgar, loud or boisterous language at any meeting, or otherwise interrupting the proceedings, and who refuses to be seated or keep quiet when ordered to do so by the Chair or the Vice Chair is guilty of a misdemeanor. It shall be the duty of the Chief of Police or his/her designee, upon order of the presiding officer, to eject any person from the meeting room.

RESTROOMS: The entrance to the men's restroom is located outside the northeast corner of the Chamber. The women's restroom is located at the southeast corner of the Chamber.

If you have further questions about the Planning Commission meetings, please contact the Planning Division Office (650-330-6702) located in the Administration Building.



PLANNING COMMISSION MINUTES

Regular Meeting

February 24, 2014 at 7:00 p.m.

City Council Chambers

701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:02 p.m.

ROLL CALL – Bressler, Eiref (Vice Chair), Ferrick, Kadvany (Chair), Onken, Riggs (absent), Strehl

INTRODUCTION OF STAFF – Kyle Perata, Associate Planner; Corinna Sandmeier, Contract Planner; Thomas Rogers, Senior Planner; Liz Schuller, Assistant Planner

A. REPORTS AND ANNOUNCEMENTS

A1. Update on Pending Planning Items

- a. General Plan – City Council – February 11 and 25, 2014

Senior Planner Rogers said the City Council considered the General Plan Update at their February 11 meeting leading to Council consideration of a draft RFP proposal for consultant services for the General Plan at the Council's February 25 meeting. He said the consultant selection committee would be made up of two Council members, two Planning Commissioners, and three staff members. He said the committee meetings would be open to the public.

- b. Economic Development Study Session – City Council – February 25, 2014

Senior Planner Rogers noted the Council would hold an Economic Development Study Session at their February 25 meeting.

- c. 350 Sharon Park Drive Conditional Development Permit – City Council – March 4, 2014

Senior Planner Rogers said this item, which the Commission had considered and made recommendations to the Council about, was scheduled to be heard by the Council at their March 4 meeting.

- d. 1015 Atkinson Drive Appeal – City Council – March 4, 2014

Senior Planner Rogers said the appeal by a neighbor of the use permit approval for 1015 Atkinson Drive was formally withdrawn as the applicant and neighbor were able to resolve the issue that prompted the appeal.

Commissioner Bressler said he attended the first Wednesday “Off the Grid” event and he thought it went well.

B. PUBLIC COMMENTS

There was none.

C. CONSENT

C1. Approval of minutes from the January 27, 2014 Planning Commission meeting

Commissioner Strehl suggested a change to the 1st line on page 21, 2nd paragraph as it was somewhat difficultly worded. She said the intent was that residential design guidelines, whether developed through the General Plan or not, would need to be blessed by the City and adopted. Senior Planner Rogers suggested the use of two commas so the line would read better: “Commissioner Strehl said it was very important that the Commission, whether through the General Plan or not, have residential design guidelines that were blessed by the City and adopted by the Commission to provide clarity for people bringing projects forward to the Commission.”

Commission Action: M/S Ferrick/Kadvany to approve the minutes with the following modification.

- Page 21, 2nd paragraph, 1st line: Add two commas as follows “Commissioner Strehl said it was very important that the Commission, whether through the General Plan or not, have residential design guidelines that were blessed by the City and adopted by the Commission to provide clarity for people bringing projects forward to the Commission.”

Motion carried 6-0 with Commissioner Riggs absent.

D. PUBLIC HEARING

D1. Use Permit/Farhad Ashrafi/865 Middle Avenue: Request for a use permit to demolish an existing single-story, single-family residence and detached garage, and construct a new two-story, single-family residence with attached garage on a substandard lot with regard to lot width in the R-1-U (Single-Family Urban) zoning district. An initial version of the proposal with a stucco exterior and clay tile roof was reviewed by the Planning Commission at the meeting of January 13, 2014, and was continued with direction for redesign. The revised proposal has been redesigned in a craftsman style with a stucco exterior on the first floor, a shingle siding exterior on the second floor and a composition shingle roof for more compatibility with the neighborhood character.

Staff Comment: Planner Sandmeier said staff had received an email from Ms. Jeanette Holliday, 864 College Avenue, requesting that the three trees proposed for planting at the rear property line be Silver sheen trees.

Chair Kadvany noted that the tree requested was pittasporum.

Public Comment: Mr. Farhad Ashrafi said they modified the siding and design, and asked if there were any questions.

Chair Kadvany asked how the board and batten worked on the gable ends. Mr. Ashrafi said there were vertical boards on the exterior of the gable with the joints where it meets covered with a strip of wood, which was the batten.

Commissioner Strehl asked if the proposed windows were true divided lights. Mr. Ashrafi said they were and that was the industry name for where the outside application and inside application were inside two panes of glass.

Chair Kadvany asked about the trees requested by the neighbor. Mr. Ashrafi said that was fine with the property owner and the landscape architect.

Chair Kadvany closed the public hearing.

Commission Comment: Commissioner Eiref said he was very pleased with the changes and how well it would fit the Middle Avenue neighborhood. He said he liked the window detail.

Chair Kadvany noted he received a card for public comment on this item, and reopened the public hearing.

Mr. Dan Finley, property owner of 849 Middle Avenue, said he was concerned and wanted assurance that the project met daylight plane, setback, and lot coverage requirements.

Recognized by the Chair, Commissioner Ferrick said the project was on a substandard lot in terms of width, 55 feet rather than 65 feet, and met all residential development requirements.

Mr. Finley asked if there was anything else they needed to know about the development in terms of whether it would change the character of the neighborhood. He asked what the square footage was.

Chair Kadvany said it was about 3,000 square feet of development, noting this information was contained in the staff report. He said he could assure the speaker that all of the standards mentioned were being met.

Mr. Finley suggested to the Commission that this project would open Pandora's Box in terms of the neighborhood character.

Chair Kadvany said typically there was not dialogue during public comment but noted the Commission had requested the applicant rethink the design and style to fit better with the neighborhood context.

Chair Kadvany closed the public hearing.

Commission Comment: Chair Kadvany said the materials and straighter lines of the revised design would blend better with the neighborhood.

Commission Action: M/S Onken/Strehl to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") 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 prepared by Ashrafi Architect, consisting of 12 plan sheets, dated received December 10, 2013, and approved by the Planning Commission on February 24, 2014, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants 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 applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.

- d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 6-0 with Commissioner Riggs absent.

D2. Use Permit/Elisabeth B. Segre/772 Harvard Avenue: Request for a use permit to demolish an existing one-and-a-half-story single-family residence and construct a new two-story, single-family residence on a substandard lot with regard to lot depth in the R-1-U (Single-Family Urban) zoning district. In addition, the project includes a request for excavation into the required corner side setback for egress associated with a basement.

Staff Comment: Planner Schuller said there were no additions to the staff report.

Questions of Staff: Commissioner Onken, noting the number of eaves and overhangs encroaching across the daylight plane and setback, said allowances for encroachment ranged from one foot to 18-inches, and asked if all of those had been confirmed to meet City regulations.

Planner Schuller said for a less than 10-foot setback, the maximum encroachment for eaves was 18-inches and that was the project proposal's maximum encroachment into the side setback.

Public Comment: Mr. Steven Charlip, project architect, said this was a unique property in that it had been owned by the same family for four generations, and was on a corner lot with heritage oaks in a very natural setting. He said the project goal was to maintain the natural setting as much as they could and minimize the visual impact of a new

house. He said they started the design process with a courtyard placed at the corner of Harvard and Cornell Avenues which was both the front yard for the home and a formal entry way to the front door of the home. He said the front door was flanked on the right side by a sliding glass door that allowed access from the great room onto the front patio courtyard space. He said a sliding glass door on the left side of the entry door allowed the same access from the study. He said locating the two-car garage was challenging so that no heritage oaks were affected but the optimal location would require the removal of a Bay tree. He said the kitchen would be located at the right rear of the property to have access to the backyard and patio space there. He said the desire was to have the master bedroom on the main floor and was placed in the left rear of the property.

Mr. Charlip said they were inspired in their design by the Allied Arts building located about two blocks from this property, particularly with the materials and the relationship of the building to the outdoor spaces. He said this proposal was a true post and beam design with vaulted ceilings in the great room, study and upper level. He said the goal with the windows was to allow enjoyment of the trees and their canopies and to allow natural light into the space. He said in the color choices for the project would diverge from the Allied Arts building as they would be much more subdued colors with rust-brownish roof tiles that would recede into the setting. He said they stepped back the second floor as much as possible from Harvard and Cornell Avenues. He said rather than a single ridge roof they stepped it to break up the massing.

Mr. Charlip said there was a desire to have a basement for storage and mechanical equipment and that required a second means of egress. He said they thought about placing the light well in the rear to the right of the master bedroom deck but the arborist raised concerns about that impacting Tree #1. He said they looked at shifting the egress light well to the Cornell Avenue side but the arborist thought that might affect Trees #4 and 5. He said they shifted it to the outside wall of the study. He asked the Commissioners to look at Sheet A.6, Section E. He said they thought it was important to step back the wall of Bedroom #3 from the wall of the master bedroom below, and so they lowered the roof necessitating clipping the eave on the right side as otherwise it would intrude into the daylight plane. He said upon doing that they discovered they liked how it looked. He said one of the things that made the Allied Arts building successful was the varieties on the different elevations and that was what they were doing with different eave lengths.

Mr. Charlip said the rear façade was shown on Sheet A.5. He said they had tried to set it back but found it problematic. He said if the rear wall on the second story was moved toward the center of the home that would really impact the size of the two modest bedrooms and bathroom. He said they thought that stepping back the wall near Bedroom #3 from the Cornell Avenue was the top priority as that was a very publicly viewed façade. He said one goal of the second story setback was to lower the second story height but instead of offsetting the upper level horizontal plane from the lower level horizontal plane, they offset the vertical planes of the rear elevation to give interest to

the center of that rear elevation. He said the right rear corner was clearly two-story but by using a trellis element and a year round evergreen vine, they would reduce the impact of the two-story. He noted additional details on the rear elevation as it approached the Cornell side including wrought iron planters. He said they worked hard to minimize the visual impact of the design on the sides as much as possible and to keep the natural setting of the site for the community.

Chair Kadvany asked if the garage door was a single door. Mr. Charlip said it was but it would have an attractive access door element in it. Chair Kadvany asked about the stucco finish. Mr. Charlip said as he recalled the Allied Arts' stucco was very textured, but he thought they would do smooth with a softer treatment at the windows. Chair Kadvany asked if the dividers of the front windows were all wood. Mr. Charlip said they were.

Commissioner Onken asked about neighborhood outreach. Mr. Charlip said it was done extensively beginning with the preliminary sketch for the site plan, which they provided to all of the neighbors to initiate conversations. He said those conversations didn't start until later but they have talked to all of the neighbors to date and everyone seemed on board with the proposal. Commissioner Onken said there had been comments about the possibly excessive fenestration particularly on the upper story with concerns with light impact and view into neighbors' yards. Mr. Charlip said he believed an email had been sent regarding that by the neighbor at the rear on Cornell Avenue. He said since then there had been discussions between the neighbors and the property owners about privacy and vegetation. He said his understanding was that the window and its sill height were no longer an issue. Commissioner Onken said the Commission looked at second story bedrooms in terms of the light and privacy. He said that both bedrooms on the second story had windows on all sides and asked if that could be mitigated somehow. Mr. Charlip said his understanding was the only concern about the windows was from the rear property owner on Cornell Avenue. He said the property owners had indicated it was no longer a concern. He said that Bedroom #3 would also be used as an art studio. He said if a story pole were used, it would show that bedroom was right inside the canopies of Trees #4 and 5, which blocked light. He said from an aesthetic perspective that they preferred fewer but larger windows as that was a more contemporary look.

Commissioner Strehl said there did not seem to be an entry from the garage into the house. Mr. Charlip said there was not, noting that the owners would use the front door. He said for transporting groceries from the car they would use the access door in the garage door as that was directly behind the patio to the kitchen.

Commissioner Onken asked about the landscape screening for the front courtyard. Mr. Charlip said a landscape plan had not been requested. He described the courtyard as a semi-private, semi-public type of space.

Commissioner Ferrick said typically with second story bedroom windows facing a neighbor's property that the sill height was required to be no lower than three foot or three-foot, six-inches. She said in this instance there was a 20-foot side setback as opposed to five- or ten-foot side setbacks. She said it was good the concern of the neighbor was alleviated but considering future ownership, the tall and lower sill heights of the side windows concerned her.

Commissioner Bressler said he liked the design and that none of the heritage trees were being removed. He said the style was a little different but he liked the look of the long windows. He said it was a legitimate concern that the second story bedroom window was both very tall and very low, and suggested raising the sill height.

Commissioner Ferrick said the site plan showed Tree #10 proposed for removal with an "X" through it but Trees #6 and 7 were also proposed for removal and did not have "X" through them. Mr. Charlip said Tree #10 was proposed for removal but Trees #6 and 7, pittosporum, were to remain. Commissioner Ferrick said the arborist report indicated they needed to be removed because of the deck. Mr. Charlip said the initial arborist report as he recalled made that recommendation but later in the design process they realized they wanted to save those trees and would do everything they could to save them.

Mr. Brian Schmitz said his wife, Stephanie Ryan and he, were the neighbors on Cornell Avenue. He said they had talked to the property owner on a number of occasions and worked out a number of their concerns but the concern around the second story rear facing bedroom remained as the window was very high and very low. He said it faced their yard and two bedrooms on that side. He said for the record that it was still a concern of theirs. He said a second concern was item #6 on Exhibit E.1 noting an existing chain link fence separating the two properties. He said the property owner had stated and the plans indicated that would be replaced by a wood fence. He said they have stone that extended from their driveway up to the property line. He said they requested that with the building of a fence the stone not be disturbed or at the least maintained sufficiently so it was safe and aesthetically pleasing. Chair Kadvanly closed the public hearing.

Commission Comment: Chair Kadvanly asked if there was any comment about the fence and stone interface. Planner Schuller said as far as the removal of that fence and construction of a wood fence causing damage to the neighboring property that had not been a concern previously presented to staff. She said she did not think digging for footers for the new fence would impact the neighboring property.

Commissioner Ferrick said the Cornell Avenue side bedroom had two other walls of windows and she thought the light would be adequate even with the vegetation. She said she thought it reasonable to request a change in the windows for the side facing the next door property.

Commissioner Eiref said the architecture was interesting, and he appreciated the architect's explanation of how they were maintaining the natural setting. He said the windows on the upper floor were very large and suggested shortening the windows.

Chair Kadvany said he was taken aback at first by the proposed design but had noted the attention to details such as the access door on the single garage door and the windows. He said a lot of thought had gone into the placement of the forms particularly on the second story.

Commissioner Onken asked if the applicant wanted to comment on possible changes to the windows along the rear elevation. Mr. Charlip suggested that he listen to all of the Commission comments and take a moment to chat with the property owner and report back to the Commission. Chair Kadvany said that would be fine.

Commissioner Ferrick said she did not know what the window coverings on the second floor rear windows would be but with the windows proposed there would be a lot of light shining on the neighbors at night, particularly with those shaped windows as typically there were not coverings at the top of the windows.

Mr. Charlip said it sounded like there was concern with the sill height on the rear window and with having three windows on Bedroom #2. Commissioner Eiref said it was really the rear window. Commissioner Bressler asked if there was a standard sill height that the Commission requested in a situation like this. Commissioner Ferrick said typically it was three-foot, six-inches and the proposed window sill heights were around two-foot, six-inches.

Chair Kadvany asked the architect if the sill height was changed whether that would motivate him to change the dimensions of the windows, for instance to make them wider. Mr. Charlip said if they were only talking about the rear window for Bedroom #2 above the trellis he did not think so. Commissioner Ferrick said the other window sill heights for that bedroom were at three-foot, two-inches and that was close, noting the 20-foot setback helped. She suggested bringing the third window to three-foot, two-inches to be similar. She said this was a very different looking home that she did not think the Commission would have thought of in their potential residential design guidelines review.

Mr. Charlip said they would be happy to raise the sill height in the rear window for Bedroom #2.

Commission Action: M/S Eiref/Bressler to approve the item with the following modification.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") 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 prepared by Stephen Charlip, consisting of 16 plan sheets, dated received February 18, 2014, and approved by the Planning Commission on February 24, 2014, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants 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 applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
 - f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan, prepared by a Licensed Civil Engineer or Licensed Landscape Architect, including a simplified Hydrology Report detailing any changes in drainage patterns or run-off as a result of the proposed project. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.

- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
- 4. Approve the use permit subject to the following **project specific** condition:
 - a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove the existing curb cut on Cornell Road and replace it with City standard curb and gutter. The plans shall be submitted for review and approval of the Engineering Division.
 - b. ***Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating all second-floor windows on the rear elevation have a sill height of at least three feet, two inches from finished floor. The revised plans shall be subject to review and approval of the Planning Division.***

Motion carried 6-0 with Commissioner Riggs absent.

Chair Kadvany said he was a neighbor of the next property on the agenda and would recuse himself.

D3. Use Permit/Martin Patterson/332 Arbor Road: Request for a use permit to demolish an existing single-story, single-family residence and construct a new two-story, single-family residence on a substandard lot with regard to lot width and lot area in the R-1-U (Single-Family Urban) zoning district. As part of the proposal, a heritage size Japanese maple tree measuring 16 inches in diameter, located in the center front yard of the property, is proposed for removal.

Staff Comment: Senior Planner Rogers said there were no changes to the staff report, but noted the applicant had submitted a rendering of the front façade of the proposal.

Public Comment: Mr. Dan Thompson, project designer, said the design was in the Santa Barbara Spanish Colonial Revival style and they were trying to complement Allied Arts and the surrounding neighborhood. He said they took the one-car garage façade and set it back from the property line to minimize impact on neighbors. He said the side patio broke up the massing in general on the left hand side and would bring light into the residence. He said light was a challenge due to the depth and narrowness of the lot. He said the home would be set back additionally from the five foot required right side setback to mitigate impacts on the right side neighbor's one-story residence.

Mr. John Kadvany said he was speaking as an individual, and that he supported the project. He said the design made good use of the lot with the massing to the left where there was a neighboring wall. He said there seemed to be room and openness on the

right hand setback. He said he really liked the front façade styling with the recessed one-car garage and that the project would be a welcome addition to the neighborhood.

Vice Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken said he thought the plan worked well for the site and would fit well in the neighborhood. Commissioner Strehl said she visited the site and spoke with neighbors, and thought the home would fit well in the Allied Arts neighborhood. Commissioner Ferrick said she thought the home would be beautiful but had concern with some of the windows. She said there were three windows on the left wall that seemed inset and did not concern her. She said the right side windows concerned her and asked if the applicant could explain the windows on the right side.

Mr. Thompson suggested looking at page H.8. He said the right hand elevation going left to right was the front bedroom, balcony stair, laundry, and the master bathroom. He said each of the windows was needed for egress. He said the front bedroom was set back 14-foot from the next property, and noted that would face the garage roof. He said the only real visual impact was toward the back and rear of the master bath where the window sills were four-foot, two-inch high. Commissioner Ferrick said that her concern was the possible impact should the neighboring house be reconstructed and that window would no longer face the garage. Mr. Thompson said they were proposing to raise the interior door and window heights to seven feet which would raise the window and the sill to three feet.

Planner Rogers said an approval would be based on the plans as submitted, and elements such as building height could not be changed at the building permit stage.

Mr. Thompson said the normal interior door height was six-foot, eight-inches and by increasing those to seven feet would not raise the plate or the roof but just the overall window heights and the sills, which would raise about four inches.

Commissioner Eiref noted there was a garage being built on the neighboring property. Mr. Thompson said a significant one-story residence was being developed on the right hand side and the garage would face the right elevation front bedroom for this project.

Commissioner Onken said the wrought iron balcony on the front façade was shown in the rendering as a couple of feet deep and asked if it would project. Mr. Thompson said the rendering was of a home in southern California that had inspired this design. He said the wrought iron balcony on the front would not project. Commissioner Onken asked if the other detail would be used. Mr. Thompson said it would. Commissioner Onken confirmed that the tile around the door shown in the rendering would be used.

Commissioner Onken said he was comfortable with the windows on the right façade and did not think there would be a problem of them overlooking the neighbor's property, noting there were not large panes of glass as with the previous project.

Commissioner Ferrick said she liked the creative way they had solved the second-parking space need with a space that could also be used as a patio.

Commissioner Onken moved to make the findings and approve the project as recommended in the staff report. Commissioner Strehl seconded the motion.

Commission Action: M/S Onken/Strehl to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") 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 prepared by Dan Thompson Inc., consisting of 12 plan sheets, dated received February 14, 2014, and approved by the Planning Commission on February 24, 2014, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants 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 applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 5-0 with Commissioner Riggs absent and Commissioner Kadvany recused.

D4. Minor Subdivision/Menlo Sharon Park LLC/777 Sharon Park Drive: Request for a tentative parcel map to create two single-family residential parcels where one parcel currently exists in the R-1-S (Single Family Suburban) zoning district. As part of the proposed development, nine heritage size trees, including four valley oaks (12-30 inches in diameter) and five coast live oaks (11-18 inches in diameter) are proposed for removal.

Staff Comment: Planner Perata said staff had no addition to the staff report.

Questions of Staff: Responding to a question from Chair Kadvany, Planner Perata said the Commission was being asked to review and approve the proposed tentative parcel map. He said the proposed subdivision included heritage tree removals so if the Commission approved the subdivision, the City Arborist would take action on the Heritage Tree Removal Permit. He said that had a separate process, including appeal to the Environmental Quality Commission. He said regarding improvements on the lot that the driveway and building footprint for Parcel B were conceptual at this point. He said if the subdivision was approved, the applicant would have to demolish all of the accessory structures on Parcel A including the detached garage and apply for a building permit to construct an attached garage to the home that was proposed to remain.

Public Comment: Mr. Pete Carlino, Lea and Braze Engineering, civil engineers for the project, said the project site had unique topographic features, and the goal was to keep the existing residence. He said he was available for questions.

In response to a question from Chair Kadvany, Mr. Carlino said the proposed driveway for Parcel A would go directly to the garage with a turnaround area.

In response to questions from Commissioner Onken, Mr. Carlino said that for the Parcel B driveway, there was a steep uphill incline and there would be grading associated with it. He said the home would be on the flat crest. He said they looked at building in the uphill area but based on the separation from the existing residence and the screening needed, it was better to have on the crest area.

Chair Kadvany closed the public hearing.

Commission Comment: Commissioner Onken said that it did not appear another house could be built on the front of the lot in the future. He said the health of the trees proposed for removal was such that he had no issue with that.

Commissioner Ferrick said three of the tree removals were for construction reasons and six were more health related. She asked if neighbors would be notified of the proposed tree removals.

Planner Perata said all of tree removal permits, whether based on health or on construction impacts, would be handled the same with a City notice of action and with the same appeal periods.

Commissioner Strehl asked how many oaks would be left on the property. Mr. Carlina said he was not sure but the three oaks proposed for removal were to construct the driveway.

Commissioner Onken moved to make the findings and approve as recommended in the staff report. Commissioner Ferrick seconded the motion.

Commission Action: M/S Onken/Ferrick to approve the item as recommended in the staff report

1. Make a finding that the project is categorically exempt under Class 15 (Section 15315, "Minor Land Divisions") of the current California Environmental Quality Act (CEQA) Guidelines.
2. Make findings that the proposed minor subdivision is technically correct and in compliance with all applicable State regulations and City General Plan, Zoning and Subdivision Ordinances, and the State Subdivision Map Act.
3. Approve the minor subdivision subject to the following **standard** conditions:

- a. Development of the project shall be substantially in conformance with the plans prepared by Kohler and Associates Architects and Lea and Braze Engineering, Inc., dated received February 18, 2014, consisting of 15 sheets and approved by the Planning Commission on February 24, 2014, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
- b. Within two years from the date of approval of the tentative parcel map, the applicant shall submit a parcel map for review and approval of the City Engineer. If the applicant elects to fully demolish the existing residence and pursue comprehensive redevelopment of Parcel A, this condition shall not apply.
- c. Concurrent with the parcel map submittal, the applicant shall pay the fee for the parcel map. The applicant shall also pay fees for the approval of the associated improvement plans prior to the approval of the parcel map.
- d. Concurrent with the parcel map submittal, the applicant shall submit a Grading and Drainage Plan for review and approval of the City Engineer. The Grading and Drainage Plan shall demonstrate that storm water shall not drain on adjacent properties. The Grading and Drainage Plan shall also indicate all proposed modifications in the public right-of-way including frontage improvements and utility installations.
- e. Prior to recordation of the parcel map, the applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
- f. Prior to recordation of the parcel map, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
- g. Prior to recordation of the parcel map, the applicant shall remove and replace all damaged, significantly worn, cracked, uplifted or depressed frontage improvements (e.g., curb, gutter, sidewalk) and install new improvements per City standards along the entire property frontage. The applicant shall obtain an encroachment permit prior to commencing any work within the City's right-of-way or public easements.
- h. Prior to recordation of the parcel map, the applicant shall install new utilities to the point of service subject to review and approval of the City Engineer. All electric and communication lines servicing the project shall be placed underground. Each lot/unit shall have separate utility service connections.

- i. Prior to recordation of the parcel map, the applicant shall pay applicable recreation in-lieu fees per the direction of the City Engineer in compliance with Section 15.16.020 of the Subdivision Ordinance. The recreation in-lieu fees shall be paid on the number of net new single family lots, and the current rate for new single family lots is \$52,000.
 - j. Prior to building permit issuance for the construction of the second residence, the approved parcel map shall be recorded at the County Recorder's Office.
 - k. Heritage trees in the vicinity of construction shall be protected pursuant to the Heritage Tree Ordinance. Prior to issuance of a demolition or building permit, the applicant shall implement the tree protection plan and recommendations in the Arborist Report for all applicable heritage trees for review and approval by the Building Division.
4. Approve minor subdivision subject to the following ***project-specific*** conditions.
- a. Prior to recordation of a final parcel map, the applicant shall submit a demolition permit to the Building Division and subsequently demolish the existing accessory structures on the project site, subject to review and approval by the Planning and Building Divisions.
 - b. Prior to recordation of the parcel map, the applicant shall obtain a building permit for the garage addition to the existing residence located on Parcel A.
 - c. Prior to recordation of the parcel map, the applicant shall either complete the construction of all required frontage improvements or enter into a subdivision improvement agreement with the City. The applicant shall properly execute the agreement and provide a cash bond to guarantee the completion of all required frontage improvements for the project.
 - d. Prior to building permit issuance for a new dwelling unit on Parcel B, the applicant shall pay a Traffic Impact Fee (TIF) at the rate for single-family dwellings, subject to the Municipal Code Section 13.26. The fee rate is subject to change annually on July 1 and the final calculation will be based upon the rate at the time of fee payment. The TIF rate is adjusted each year based on the ENR Construction Cost Index percentage change for San Francisco. The current estimated fee is \$2,841.12.

- e. Simultaneous with the submittal of a complete building permit application for the new garage on Parcel A, the applicant shall revise the plans to include the species and size for two heritage tree replacements, subject to review and approval of the Planning Division and City Arborist. The heritage tree replacements shall be a minimum of 15 gallon in size simultaneous with the submittal of a complete building permit application for the development on Parcel B, the applicant shall revise the plans to include the species and size for seven heritage tree replacements, subject to review and approval of the Planning Division and City Arborist. The heritage tree replacements shall be a minimum of 15 gallon in size.
- f. The applicant shall comply with all requirements of the San Francisco Public Utilities Commission (SFPUC) that are directly applicable to the project.

Motion carried 6-0 with Commissioner Riggs absent.

E. REGULAR BUSINESS

- E1. Architectural Control/Houston Striggow/642 Santa Cruz Avenue:** Request for architectural control for exterior modifications to construct a display case along the left-side (breezeway) façade, apply opaque film to a portion of the breezeway facade, and install planter boxes within the breezeway of an existing bakery in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The project was previously reviewed and continued by the Planning Commission at its meeting of July 22, 2013.

This item has been continued to the meeting of March 24, 2014

- E2. Single-Family Residential Design Review:** The Planning Commission will briefly discuss whether to schedule a Commission study session involving more detailed review, and potential limited use of, residential Design Review guidelines. The review and implementation strategy discussion would use the materials included in the August 19, 2013 Planning Commission staff report, item H1. The goal for this meeting is to determine if there is sufficient Commission interest to schedule the future study session as a continuation of the August 19 discussion.

Chair Kadvany said this item was to gauge interest in moving forward on single-family residential design guidelines. He said the goal would be to put together guidelines that would communicate important considerations in advance to applicants in a framework of issues the Commission reviews such as second story development, materials, and unique residences in the neighborhood context. He said the applicant would have the opportunity to think about the guidelines and even if they did not agree with them to

come to the Commission prepared to explain why in this instance what they were proposing would work better than what the guidelines recommended. He said there were some guidelines prepared in text form for the City that were not finished and without graphics, and were over 10 years old. He said similarly the City of Palo Alto has a structure process and sensible dos and don'ts. He said he had contact that City and there was no copyright on the materials so there were things they could copy. He said the City of Burlingame has guidelines which tended to be more voluminous. He said perhaps they could do a Fact Sheet or Frequently Asked Questions.

Commissioner Ferrick asked how this would be communicated to the community for people to be engaged in the process.

Chair Kadvany said they would hold meetings to discuss. He said they could also contact the newspaper to write about what they were trying to do. He said it was a good point to consider, and they would ask for public comment. Commissioner Ferrick said she thought a robust public process was needed to get an outcome that could be used. Chair Kadvany said many cities have these types of guidelines and he did not want to overcomplicate what they were trying to do.

Commissioner Ferrick asked what had caused the City's guidelines from 10 years ago to fall out of use. Chair Kadvany said his understanding was that the guidelines got to the City Council for their review and a group of citizens spoke out against having guidelines. Senior Planner Rogers said the previous guidelines had been part of other changes to the zoning regulations. He said he believed one issue with the proposed 2002 guidelines was that they were no longer restricted to just substandard lots and were to apply citywide, and individuals who represented more of the standard lot perspective saw that as a potential negative. He said the ordinance changes including the guidelines were adopted in November 2002 and then rescinded after an election that resulted in a different City Council.

Commissioner Eiref said he thought it was a big step to go from trying to document some of the basic logic they use for residential development on substandard lots to literally trying to apply something citywide. He said there was a difference between a guiding, non-legally binding document and a document that would apply to all single-family development where it wasn't currently. He said he recalled from their prior discussion last summer that they were talking about a fairly lightweight document that to start with would only be used for single-family residential development that had discretionary review. He mentioned the recent projects in Allied Arts the Commission had reviewed noting the one project they had asked to redesign and how guidelines could have helped that applicant understand the Commission's logic.

Commissioner Bressler said the projects in Allied Arts the Commission had reviewed tonight demonstrated how hard it would be to set rules that prescribed design guidelines. He said the only thing worth doing, but which people seemed afraid of, was

to bring all of the nonconforming lots that do a major remodel under architectural control.

Commissioner Strehl said she did not think they could just do residential design guidelines for the Commission's purposes only. She said also she did not think it could just be advisory. She said if they had guidelines then people needed to adhere to them. She said given the sensitivity around the topic she wondered about the Council's stance should the Commission adopt guidelines. She said she thought they would need approval by the City Council. She said she agreed with Commissioner Ferrick that they should do broad notification and get people's input. She said that a study session on the topic should not be the end of the discussion but the start of discussion.

Chair Kadvany said whatever they did there would be a big public process component, and the further it went toward having a mandatory dimension and a citywide scope, the more they would have to look at what staff's role in administering the guidelines would be. He said perhaps staff would make the decisions and fewer projects would come to the Commission.

Commissioner Eiref asked if Commissioner Bressler had said to bring all nonconforming lots under architectural review. Commissioner Bressler said he said two things. He said the first was he did not think it possible to determine what acceptable architecture was. He said the only thing the Commission basically did was architectural control. He said that all residential lots that did a major remodel should have architectural control.

Commissioner Onken said they could either solve the issue with a document or solve the issue with more discretionary review. He said it might not just be the major remodels but also the rebuilds on standard lots where the building was maximized and neighbors don't like it. He said they could amend the zoning code to say that any projects that would use any more than perhaps 85% of their FAL would have to have architectural review. He said that might solve the McMansion problem and more evenly apply architectural review across the town. He said maybe that could be coupled with redefining substandard lots to be more generous as to what would not have to have discretionary review. He said at the least to have a brochure at the Planning Department counter explaining what the features of good architecture were. He said there might be a combination whereas the threshold was lowered for standard lots to have to have architectural review and raised somewhat for substandard lots so they did not.

Commissioner Eiref said he supported things that could reduce process and staff workload, noting the good percentage of projects they see were obviously acceptable but which had to have discretionary review because of the definition of substandard lots. He said trying to bring lots under discretionary review that currently did not have was an uncomfortable concept.

Senior Planner Rogers said he researched Ordinance 915 from 2002. He said it had put all single-family residential lots into a more structured path but that the ordinance had subsequently been rescinded. He said the ordinance read that whether conforming or nonconforming, additions of a certain scale would go to the Community Development Director and that single-family single-story residential development had to comply to some of the residential guidelines whereas single-family two-story residential development had to comply with all of the guidelines. He said it appeared that the Community Development Director's decision could be appealed to the Planning Commission, or if the Community Development Director was not going to approve a project, the applicant could apply directly to the Planning Commission.

Chair Kadvany said that sounded similar to the City of Palo Alto's process.

Discussion ensued on whether and how single-family residential guidelines might be developed and applied.

Chair Kadvany noted there seemed to be interest in continuing the debate, and moved to continue the discussion. Commissioner Onken seconded the motion. He asked if he could draft a proposal regarding potential modification to the zoning ordinance to change thresholds related to substandard and standard lot for staff to consider. Commissioner Ferrick said she would prefer that type of action as opposed to having a study session at this point, and suggested the ad hoc committee of Commissioners Onken and Riggs could look further at the idea and bring a somewhat defined proposal back for the Commission to consider. She said then if there was a study session or public hearing later that the City should do extensive outreach to people in the community as well as architects and developers of potential or pending projects.

Commissioner Strehl said she supported Commissioner Onken's idea to develop a proposal for the Commission to consider. She said if after that there was a desire to hold a study session on the proposal that it be held early in the evening before the Commission's action items as a late evening discussion didn't really support community involvement.

Commissioner Ferrick said she thought it was important that staff's time required for this discussion should be very minimal as this was not a budgeted item.

Commissioner Onken proposed looking at whether to change standards and regulations or to do something as simple as a brochure related to residential development guidelines. Chair Kadvany said the intent was for the subcommittee originally formed to further study potential residential guidelines or ordinance amendment and bring a more specific initial proposal back to the Commission for consideration at a future meeting.

Commission Action: M/S Kadvany/Onken to continue the item with direction for the subcommittee to conduct further analysis and bring a more specific initial proposal back to the Commission for consideration at a future meeting

Motion carried 6-0 with Commissioner Riggs absent.

F. COMMISSION BUSINESS

There was none.

ADJOURNMENT

The meeting adjourned at 9:35 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on March 24, 2014



PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEM D1

LOCATION:	642 Santa Cruz Avenue	APPLICANT:	John Clarke for SusieCakes
EXISTING USE:	Retail Bakery	OWNER:	JPMorgan Chase Bank
PROPOSED USE:	Retail Bakery	APPLICATION:	Architectural Control Revision
ZONING:	SP-ECR/D (El Camino Real/Downtown Specific Plan) - D (Downtown)		

PROPOSAL

The applicant is requesting architectural control for exterior modifications to apply an opaque film to a portion of the left side façade (along the breezeway) of an existing bakery in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district.

BACKGROUND

In 2011, SusieCakes, a retail bakery, proposed to occupy a vacant space at 642 Santa Cruz Avenue. The applicant proposed to modify the exterior façade along Santa Cruz Avenue, including the windows along the breezeway, and to provide a new open face, channel letter sign containing a red exposed neon tube, which were subject to architectural control and sign permit review. The façade changes and the proposed sign were reviewed by the Planning Commission at its December 12, 2011 meeting. The Planning Commission voted 4-3 to conditionally approve the architectural control modifications and sign review. The Planning Commission added the following conditions to the approval:

Condition 4a: Simultaneous with the submittal of a complete building permit, the applicant shall revise the building permit to remove the opaque film from the breezeway façade, subject to review by the Planning Division.

Condition 4b: Simultaneous with the submittal of a complete building permit, the applicant shall revise the blue paint on the front façade to be of similar intensity to the blue represented in the rendering on the color and materials board, subject to review and approval of the Planning Division.

The excerpt minutes from the December 12, 2011 meeting are included as Attachment E. The applicant subsequently applied for a revision to the conditionally approved paint colors on the front façade. The applicant attempted to match the blue identified in the color rendering and determined that the blue was not consistent with SusieCakes overall brand identity. The Planning Commission approved the requested revision to the blue color on the front façade at its meeting of February 27, 2012. The minutes from this meeting are not attached, but are available for reference on the City web site.

In July 2013, the applicant requested architectural control revision from the Planning Commission's 2012 approval to apply a partially opaque film to a portion of the breezeway façade, as well as a use permit for outdoor seating on the Santa Cruz Avenue side. The applicant did not propose any modifications to the approved sign or any architectural modifications to the Santa Cruz Avenue frontage. The request limited the amount of opaque film to 49.5 percent of the SusieCakes breezeway façade area, consistent with the El Camino Real/Downtown Specific Plan maximum limit of 50 percent (Standard E.3.5.16). Additionally the proposed film would have permitted 69 percent of visible light through, which exceeds the Specific Plan requirement of 50 percent transparency (Standard E.3.5.02). At that time, the side entry door and windows were proposed to remain clear, and the film would have been limited to the private office and utility/storage area, but would have been applied from floor to ceiling. On July 22, 2013, after considering public comment (including from the adjacent office tenant), the Planning Commission continued the architectural control request, but did approve the use permit for outdoor seating along Santa Cruz Avenue. The Planning Commission continued the architectural control request with direction including the following:

- The mop sink should be screened from view;
- Display cases containing products and/or mixing bowls could be located adjacent to the breezeway windows;
- The applicant should work with the neighboring tenants to find a design solution for the breezeway façade;
- The office should be modified to be more visually appealing;
- Branding and signage could be part of a solution for the treatment along the breezeway façade; and
- The applicant may also propose alternate comprehensive solutions that address the concerns stated by the Planning Commission.

The excerpt minutes from the July 22, 2013 meeting are included as Attachment F.

ANALYSIS

Site Location

The subject property is located at 642-648 Santa Cruz Avenue, between Chestnut Street and Maloney Lane, in downtown Menlo Park. The adjacent parcels are also in the SP-ECR/D zoning district. The subject building is connected by a breezeway to the Chase Bank building at 650 Santa Cruz Avenue. The breezeway provides access between Parking Plaza 1 and Santa Cruz Avenue. The existing one-story building currently consists of three tenant spaces:

- SusieCakes (642 Santa Cruz Avenue – “L”-shaped space; access from both Santa Cruz Avenue and the breezeway)
- La Migliore Salon (644 Santa Cruz Avenue – smaller of two adjacent spaces; access from Santa Cruz Avenue only)
- RE/MAX Distinctive Properties (648 Santa Cruz Avenue – larger of two adjacent spaces; access from the breezeway only).

The property is part of the downtown parking assessment district, and its off-street parking space requirement is provided in the City’s parking plazas.

Project Description

At this time, the applicant is requesting Planning Commission review of the proposed modifications to the breezeway façade. The applicant is proposing to apply horizontal bands of opaque film on a portion of the façade, incorporate a display case along the façade (to the left of the service entrance facing the public parking plaza), and locate planters in the breezeway at the base of the façade. In addition, the applicant has responded to the Planning Commission’s direction by enclosing the mop sink so it is no longer visible from the breezeway. The applicant has also removed the proposed opaque film from the business office, and has installed shades along the window system that are intended to be used during the evenings or at times when there are security or privacy concerns for the applicant. During regular business hours the shades are intended to be open. The applicant’s project description letter is included in Attachment C and describes the project in more detail, including the applicant’s outreach to the neighboring tenants at the site.

Design and Materials

The applicant is not proposing to modify the Santa Cruz Avenue storefront, which currently contains blue and white columns, along with a blue marquee with a red band along the top edge. The existing exposed tube neon sign is proposed to remain as part of the project.

At this time, the applicant is requesting to apply horizontal bars of opaque white film to two portions of the façade along the breezeway. The bars would be separated by clear

glass, which would allow some visibility into the rear kitchen area. The application of the opaque white film has been limited to the portions of the façade with a direct view into the kitchen. Adjacent to the service entry, the applicant is proposing to install a permanent display case, which would contain products similar to those available within the bakery. The applicant states that the display case would have interior lighting to accent the items on display. The display case would be located behind clear unobstructed glass. Adjacent to the display case, the service entrance would contain horizontal bars of opaque white film, and the opaque film would also be applied below the display case in the same horizontal striped design.

Along the main breezeway façade, to the right of the service entrance, the applicant is proposing to install horizontal bars of opaque white film. The alternating pattern of clear glass and opaque film is proposed to extend from the floor to ceiling. The office area would continue to be clear glass, with the exception of the area below the level of the desk, which would contain the same horizontal pattern of opaque film. At the base of the façade, the applicant is proposing to install two planter boxes, which could add visual interest to the façade. At the far right of this façade, the customer entrance would remain clear. The proposed white opaque film would cover approximately 18 percent of the façade, which is well below the Specific Plan maximum limit of 50 percent. The applicant is proposing to use the same film as previously requested, which would allow 69 percent of visible light through. The proposal would comply with the Specific Plan Standard E.3.5.16 (50 percent opaque film limit) and Standard E.3.5.02 (50 percent transparency). A rendering of the proposed façade and a photo of a sample display case are available as Attachment D, and color versions will be distributed at the meeting.

Staff believes that the design of the proposed opaque film, the display case, and the planter boxes would add visual interest to the façade, while allowing the privacy needs of SusieCakes to be met. The proposed breezeway façade modifications would meet the Specific Plan requirements for transparency and the maximum area of obscured glass along a façade. The office space has been cleaned up and organized (e.g. new shelving unit and storage casework), per the Planning Commission's direction. The applicant has revised the project to incorporate the Planning Commission's direction and has worked with the neighboring tenant on the proposed modifications. Additionally, the proposed film would be limited to only the portions of the façade that have a direct view into the kitchen. The display case would relay the type of products on sale, and would be consistent with the retail character of the overall downtown district. Staff believes the proposed exterior modifications continue to provide an inviting storefront due to the application of the opaque film in a horizontal alternating pattern, would not conflict with the existing style and design of storefronts in the downtown area, and would be consistent with the Specific Plan.

Correspondence

Staff has not received any items of correspondence on the project.

Conclusion

Staff believes that the proposed exterior modifications would allow the business to address its operational needs, while adhering to the standards and guidelines of the Specific Plan relating to storefronts. Staff believes that the proposed architectural control revision incorporates the Planning Commission's direction from the July 22, 2013 meeting. The proposed opaque white film would be limited to a smaller portion of the façade than previously requested by the applicant, and the proposed horizontal striped pattern would be visually appealing. The side entrance would remain clear glass, maintaining an accessible side entrance to the space. The proposed display case would reduce visibility of the storage/operations portion of the tenant space, while also relaying the type of products on sale. Staff recommends approval of the architectural control request.

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (CEQA) Guidelines.

RECOMMENDATION

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan. In particular:
 - i. The project complies with the 50 percent limit for opaque glass on a façade (Standard E.3.5.16).

- ii. The project complies with the minimum 50 percent transparency requirement for opaque glass (Standard E.3.5.02).
- 3. Approve the architectural control requests subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by John Clarke Architects, dated received January 29, 2014, consisting of three plan sheets and approved by the Planning Commission on March 24, 2014, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay 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.

PUBLIC NOTICE & APPEAL PERIOD

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. Planning Commission action will be effective after 15 days unless the action is appealed to the City Council, in which case the outcome of the application shall be determined by the City Council.

ATTACHMENTS

- A. Location Map
- B. Project Plans
- C. Project Description Letter
- D. Rendering of Proposed Façade and Photo of Sample Display Case
- E. Planning Commission Minutes – December 12, 2011 (truncated)
- F. Planning Commission Minutes – July 22, 2013 (truncated)

Note: Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBITS TO BE PROVIDED AT MEETING

- A. Color And Materials Sample
- B. Color Rendering of Proposed Facade and Photo of Sample Display Case

Report prepared by:
Kyle Perata
Associate Planner

Report reviewed by:
Thomas Rogers
Senior Planner

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PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEM E1

LOCATION: 903 Peggy Lane

APPLICANT: Henry L. Riggs

EXISTING USE: Single-Family
Residence

OWNER: Carol and Brandon
Brosious

PROPOSED USE: Single-Family
Residence

APPLICATION: Use Permit

ZONING: R-1-U (Single-Family Urban Residential)

	PROPOSED PROJECT	EXISTING DEVELOPMENT	ZONING ORDINANCE
Lot area	5,547.0 sf	5,547.0 sf	7,000.0 sf min.
Lot width	50.0 ft.	50.0 ft.	65.0 ft. min.
Lot depth	111.0 ft.	111.0 ft.	100.0 ft. min.
Setbacks			
Front	20.0 ft.	22.1 ft.	20.0 ft. min.
Rear	33.0 ft.	33.0 ft.	20.0 ft. min.
Side (left)	9.9 ft.	9.9 ft.	5.0 ft. min.
Side (right)	3.5 ft.	3.5 ft.	5.0 ft. min.
Building coverage	1,854.0 sf 33.4 %	1,840.0 sf 33.0 %	1,941.1 sf max. 35.0 % max.
FAL (Floor Area Limit)	2,795.0 sf	1,793.0 sf	2,800.0 sf max.
Square footage by floor	1,513.0 sf/1 st floor 1,049.0 sf/2 nd floor 233.0 sf/garage 101.0 sf/porches 7.0 sf/fireplace	1,560.0 sf/1 st floor 233.0 sf/garage 47.0 porches	
Square footage of buildings	2,903.0 sf	1,840.0 sf	
Building height	22.7 ft.	14.0 ft.	28.0 ft. max.
Parking	1 covered/1 uncovered	1 covered/1 uncovered	1 covered/1 uncovered
Note: Areas shown highlighted indicate a nonconforming or substandard situation.			
Trees	Heritage trees: 3*	Non-Heritage trees: 7	New Trees: 0
	Heritage trees proposed for removal: 0	Non-Heritage trees proposed for removal: 0	Total Number of Trees: 10
* Two of the heritage trees are located on 901 Peggy Lane and one is located in the right-of-way			

PROPOSAL

The applicant is requesting a revision to a previously approved use permit, originally granted in May 2007 to construct a single-story addition and conduct interior modifications to a single-story, single-family residence. The current proposal includes the addition of a second floor and a remodel of the first floor, and would exceed 50 percent of the replacement value of the existing nonconforming structure in a 12-month period. The proposed remodeling and expansion would also exceed 50 percent of the existing floor area, and is considered equivalent to a new structure. The subject parcel is located in the R-1-U (Single-Family Urban) zoning district on a substandard lot with regard to lot width.

ANALYSIS

Site Location

The subject site is located at 903 Peggy Lane, near the intersection of Peggy Lane and Bay Road. The subject parcel is surrounded on all sides by single-family homes that are also in the R-1-U zoning district. Peggy Lane, which forms a horseshoe with Timothy Lane, is primarily one-story in character, although there are a couple of two-story homes where Peggy Lane curves eastward towards Timothy Lane.

Project Description

In 2007, the property owners obtained a use permit to construct a single-story addition and conduct interior modifications to a single-story, single-family residence. This project consisted of the addition of a new master bedroom suite, family room, and kitchen, as well as a new front-loading, one-car garage. The existing residence is considered to be a legal non-conforming structure, with a right side setback of three feet, six inches, where a minimum of five feet is required. This non-conformity extends along the depth of the house for approximately 28 feet. The rear addition, which was approved by the 2007 use permit, meets the minimum five-foot setback. The subject parcel's width and area fall below the respective minimum for the R-1-U zoning district, making the parcel substandard for the purposes of a two-story development. The current proposal includes the addition of a second floor and a remodel of the first floor of the existing residence, and would exceed 50 percent of the replacement value of the existing nonconforming structure in a 12-month period. The required parking spaces will be provided by the existing attached, one-car garage and the existing uncovered parking space in the rear left hand side of the lot. A shed currently occupies a portion of the uncovered parking space; however, this would be removed.

The proposed residence would have a floor area of 2,795.0 square feet where 2,800.0 square feet is the floor area limit (FAL) and building coverage of 33.4 percent where 35 percent is the maximum permitted. The proposed residence would have three bedrooms and four bathrooms, with all the bedrooms and three of the bathrooms on the second floor.

Design and Materials

The proposed second floor would be “L” shaped to accommodate the heritage oak tree located at 901 Peggy Lane. Most of the second floor would be set back from the first floor line, although part of the upper façade would be at the minimum 5-foot setback line. The right side gable would intrude into the daylight plane 4.4 feet where 10 feet is the maximum permitted intrusion when the required side yard setback is five feet. The length of the gable intrusion into the daylight plane would be 21.5 feet where 30 feet is the maximum permitted. The exterior finish would be both a sand finish cement plaster and horizontal siding. The existing front porch would be removed and replaced with a slightly larger porch directly adjacent to the garage, slightly decreasing the existing front setback of 22.1 feet but not intruding on the required 20-foot front yard setback. The existing rear porch would also be expanded to include part of the existing laundry room. The roofing would be asphalt shingle to match the existing roof. The windows would be clad wood casement. Eight skylights are proposed.

Although the project would be a two-story residence, the structure would present a varied set of forms that would reduce the perception of two-story mass. Although the majority of homes along Peggy Lane are one-story, there are also two-story homes located on Peggy Lane. Staff believes that the scale, materials, and style of the proposed residence are compatible with the neighborhood.

Valuation

To calculate the replacement and new construction costs on which the 50 percent limit is based, the City uses standards established by the Building Division. The City has determined that the replacement cost of the existing structure would be \$332,600, meaning that the applicant would be allowed to propose new construction and remodeling at the site totaling less than \$166,300 in any 12-month period (although in this case the applicant would still need to apply for a revision of the existing use permit). The City has determined that the value of the proposed work would be \$378,460. Based on this estimate, the project requires use permit approval by the Planning Commission, both for the revision of the previous use permit and for exceeding 50 percent of the replacement cost.

Trees and Landscaping

Three heritage size trees are located near the left side of the property: an oak tree in the public right-of-way, and an oak tree and a redwood tree on the neighboring parcel to the left of the subject parcel. Seven non-heritage size trees are located on the subject parcel: an oak tree in the front yard, and five birch trees and one cherry tree in the rear yard. No trees are proposed for removal. The Building Division has indicated that an arborist report would be needed for the building permit due to the proximity of the heritage oak tree on the neighboring parcel to the foundation upgrade work needed for the second floor. The proposed site improvements should not adversely affect the surrounding trees as standard tree protection measures will be required through recommended condition 3.g.

Correspondence

The applicant indicated that the property owners shared the proposed plans with their neighbors at 901 and 907 Peggy Lane, and 908 Teresa Court, and that the neighbors did not object to the proposed project. Staff has not received any correspondence.

Conclusion

Staff believes that the scale, materials, and style of the proposed residence are in keeping with those of the greater neighborhood. The building forms and materials would be varied, reducing the perception of mass. Staff recommends that the Planning Commission approve the proposed project.

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") of the current California Environmental Quality Act (CEQA) Guidelines.

RECOMMENDATION

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") 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 prepared by Henry L. Riggs, consisting of 8 plan sheets, dated received March 11, 2014, and approved by the Planning Commission on March 24, 2014, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants 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 applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.

- d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

PUBLIC NOTICE & APPEAL PERIOD

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. Planning Commission action will be effective after 15 days calendar days unless the action is appealed to the City Council, in which case the outcome of the application shall be determined by the City Council.

ATTACHMENTS

- A. Location Map
- B. Project Plans
- C. Project Description Letter
- D. Description of Neighborhood Outreach

Note: Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBITS TO BE PROVIDED AT MEETING

None

Report prepared by:
Corinna Sandmeier
Contract Planner

Report reviewed by:
Thomas Rogers
Senior Planner

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PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEM E2

LOCATION:	1550 El Camino Real	APPLICANT:	AT&T Mobility
EXISTING USE:	Commercial Building	OWNER:	Beltramo's Investment Co.
PROPOSED USE:	Commercial Building/ Wireless Telecommunications Facility	APPLICATION:	Use Permit
ZONING:	SP-ECR/D (El Camino Real/Downtown Specific Plan) - ECR NE (El Camino Real North-East)		

PROPOSAL

The applicant is requesting a use permit for a new wireless telecommunications facility and an associated equipment enclosure mounted on top of an existing two-story commercial building. The twelve proposed directional panel antennas would be screened with wooden screen walls consistent with the existing rooftop equipment screening at the site. No new ground-level equipment is proposed. The project site is located in the SP-ECR-D (El Camino Real/Downtown Specific Plan), El Camino Real North-East (ECR NE) zoning district. Utility transmission and distribution facilities are allowed in any zoning district subject to Planning Commission approval of a use permit.

ANALYSIS

Wireless telecommunications facilities are subject to review by the Planning Commission through the use permit process. The use permit allows the Planning Commission to determine whether the use is appropriate at the proposed location and consider the aesthetics of the site with and without the antennas and associated equipment enclosure. The Federal Communications Commission (FCC) establishes requirements for radio frequency (RF) emissions, with which wireless telecommunication providers must comply. Federal law preempts certain local

regulations, and the City's decision on the requested use permit cannot be based on concerns over radio frequency emissions. As discussed below, the applicant has submitted a RF Emissions Compliance Report, which illustrates that the proposed antennas would comply with FCC requirements. In making a decision on this project, the Commission should consider whether the antennas are aesthetically appropriate for the site.

Site Location

The project site is located at 1550 El Camino Real within the El Camino Real/Downtown Specific Plan in the El Camino Real North-East (ECR NE) zoning district. The adjacent parcels to the west directly across Encinal Avenue and parcels to the east of the subject site are also located in the Specific Plan. These parcels are occupied by a mix of office, retail, and personal service uses. Parcels to the south of the subject site are occupied by Menlo College within the Town of Atherton, outside of the boundaries of the City of Menlo Park. Parcels to the north of the subject site, across San Antonio Street, are located within the Apartment (R-3) zoning district and are occupied by multi-family residences.

Project Description

The proposed new telecommunications facility would include the installation of twelve directional panel antennas mounted on top of the roof of an existing two-story office building. The antennas would be located in three screened areas, or stealth boxes (as the applicant refers to them), designed with materials to match the existing rooftop equipment wooden screening material. Associated equipment would be located within a screened area adjacent to an antenna stealth box. The top of the existing rooftop equipment screen wall is located at a height of approximately 35 feet above average natural grade, or seven feet, four inches from the roof surface. The top of all proposed screen walls would be located at a height of approximately 39 feet eight inches above average natural grade, or 12 feet from the roof surface. The height of the proposed walls would be four feet, eight inches greater than the existing screen wall. The flat roof has an existing approximately three foot parapet. All other new associated equipment would be located in interior spaces on the first and second floors of the office building; no new equipment or changes to existing ground-level equipment are proposed.

The project plans, which illustrate the location, size, and height of the antennas with associated screening and equipment enclosure, are included as Attachment B of this staff report.

Design and Materials

In reviewing the request, the Planning Commission should consider the potential visual impacts of the proposed project, which would include twelve new antennas in three new stealth boxes on the roof. The stealth box that would be in the western corner of the roof (facing the Encinal Avenue/El Camino Real intersection) was designed to be

consistent with the proposed box located in the eastern corner of the roof. Both screen walls would be twelve feet in height from the roof floor and have similar proportions. The third antenna stealth box would be located immediately north of the existing screen wall and would likely only be visible from the building's parking lot. While the orientation of the antennas differs in each grouping, the screening walls have been designed to be parallel to the main building walls for consistency. The applicant has stated that other more centralized design options were explored, but the further away from the roof parapet, the greater the required height of the antennas. The applicant stated for reference that for every two feet that the antennas move away from the parapet, the antenna height must be increased one foot in order for the signal to clear the corner of the building. Conversely, if the antennas were to be moved closer to the parapet, the height differential would also only be one or two feet, and the screening would then be more visible from the right-of-way.

Although the antennas and associated screening are almost five feet taller in height than the existing screen wall, staff believes that the existing trees on the site, in front of the building facing El Camino Real, on the western side of the building, facing Encinal Avenue, and in the parking lot behind the building, limit the visual impact of the existing and proposed rooftop screening. The existing wooden screen wall is comprised of wood boards with horizontal gaps between them to screen existing equipment from view while avoiding a monolithic feel. The proposed screening material would be consistent with the existing horizontal wooden screen wall, providing consistency. The applicant has provided photo simulations, which are included in Attachment D.

Service Coverage and Radio Frequency

The proposed AT&T wireless communications facility is being implemented to address the in-building wireless service needs of wireless customers. The applicant has indicated that the proposed antennas would allow AT&T to provide improved network coverage to the area between Crane Street, Glenwood Avenue, Moulton Drive (in the Town of Atherton), and Spruce Avenue. Coverage maps showing the existing and improved coverage with the proposed antennas are included in Attachment E.

The applicant has submitted a Radio Frequency (RF) report (Attachment F) that concludes that the proposed facility would comply with the prevailing standards for limiting human exposure to radio frequency energy and complies with FCC radiofrequency radiation exposure limits. Due to their mounting locations, the equipment and antennas would not be accessible to the public. The RF report states that explanatory warning signs posted at the roof access hatch and at the antennas would be sufficient to meet FCC-adopted guidelines.

Correspondence

At the time of writing this report, staff has not received any correspondence.

Conclusion

The proposed antennas would improve existing service with regard to in-building wireless service. Staff believes that the proposed wooden screening would sufficiently screen the antennas while avoiding a monolithic feel, and potential negative aesthetic impacts have been minimized through the siting of the antennas and existing tree canopies. Staff believes the proposed configuration appears to be the best alternative given the project constraints. Staff recommends that the Planning Commission approve the proposed wireless telecommunications facility and associated equipment enclosure.

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (CEQA) Guidelines.

RECOMMENDATION

1. Make a finding that the project is categorically exempt Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make necessary findings, pursuant to 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 safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of the proposed use, and will not be detrimental to property and improvements in the neighborhood or general welfare of the City. *(Due to the Federal Communications Commission (FCC) preemption over local law regarding concerns over health where the proposed facility meets FCC requirements, staff has eliminated the standard finding for "health" with respect to the subject use permit.)*
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by L.D. Strobel Co. Inc., dated received February, 28, 2014, consisting of seven plan sheets and approved by the Planning Commission on March, 24, 2014 except as modified by the conditions contained herein.
 - b. Prior to building permit issuance, the applicant shall comply with all County, State, and Federal 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 that are directly applicable to the new construction.

PUBLIC NOTICE & APPEAL PERIOD

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. Planning Commission action will be effective after 15 days calendar days unless the action is appealed to the City Council, in which case the outcome of the application shall be determined by the City Council.

ATTACHMENTS

- A. Location Map
- B. Project Plans
- C. Project Description Letter
- D. Photo Simulations
- E. Existing and proposed coverage maps
- F. Radio Frequency Report prepared by Hammet & Edison, Inc., received December 31, 2013

Note: Attached are reduced versions of maps and diagrams submitted by the applicant. The accuracy of the information in these drawings is the responsibility of the applicant, and verification of the accuracy by City Staff is not always possible. The original full-scale maps and drawings are available for public viewing at the Community Development Department.

EXHIBITS TO BE PROVIDED AT MEETING

- Color version of existing and proposed coverage maps
- Color version of photo simulations

Report prepared by:
Elizabeth Schuller
Assistant Planner

Report reviewed by:
Thomas Rogers
Senior Planner

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PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEMS: E3, F1, G1

LOCATION:	151 Commonwealth Drive and 164 Jefferson Drive	APPLICANT:	The Sobrato Organization
EXISTING USE:	<u>151 Commonwealth Drive</u> – Unoccupied Industrial Building <u>164 Jefferson Drive</u> – Light Industrial	PROPERTY OWNER:	The Sobrato Organization
PROPOSED USE:	Office	APPLICATION:	Rezoning; Conditional Development Permit; Tentative Parcel Map; Tree Removal Permits; BMR Agreement; and Environmental Review
EXISTING ZONING:	M-2 (General Industrial)		
PROPOSED ZONING:	M-2-X (General Industrial – Conditional Development)		

INTRODUCTION

This staff report combines the presentation of information for three different items on agenda for the March 24, 2014 Planning Commission meeting; a public hearing, a regular business item, and a Commission study session. The three items are as follows.

1. **Public Hearing Item - Draft Environmental Impact Report (DEIR):** Review of the Draft EIR for the Commonwealth Corporate Center Project and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft EIR during the public comment review period, running through April 14, 2014. Comments received during the public hearing on the Draft EIR will be recorded and responded to as part of the Final EIR. Comments may also be submitted as written correspondence before the end of the comment period. The response to comments in the Final EIR will be reviewed at a subsequent Planning Commission meeting.
2. **Regular Business Item - Draft Fiscal Impact Analysis:** Review of the Draft FIA for the Commonwealth Corporate Center and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft FIA. Comments received on the Draft FIA will be recorded and included and responded to in the Final FIA.
3. **Study Session Item - Review of Commonwealth Corporate Center Project:** An overview of the Project will be provided and the Planning Commission and public will have the opportunity to provide feedback to the applicant on the proposed Project.

BACKGROUND/PROPOSAL

On March 7, 2012, the Sobrato Organization submitted applications to demolish the existing structures and build two four-story office buildings (totaling 259,920 square feet) on approximately 13.3 acres located adjacent to U.S. 101 and the Dumbarton rail corridor. A Project location map is provided in Attachment A. The requested City approvals and land use entitlements included the following.

- **Rezoning** the project site from M-2 to M-2(X) to exceed the 35-foot height limit prescribed for the M-2 Zone and to build up to 62 feet;
- **Conditional Development Permit** to establish development regulations, and approve the site plan and architecture for the project;
- **Tentative Parcel Map** to reconfigure the two existing parcels into three new parcels, one for each building and one common parcel for the parking and shared amenities;
- **Heritage Tree Removal Permits** for the 22 heritage trees proposed for removal;
- **BMR Agreement** for the payment of in-lieu fees associated with the City's Below Market Rate Housing Program;
- **Draft Environmental Impact Report (Draft EIR)** to analyze the potential environmental impacts of the proposed project; and.

- **Fiscal Impact Analysis (FIA)** to evaluate the fiscal and financial impacts of the proposed project.

The most recent set of plans for the Project are contained in Attachment F.

MEETING PROCEDURE

Given the variety of the Project-related topics to be covered at the meeting, staff recommends the following meeting procedure to effectively and efficiently move through the three items included on the agenda for the Commonwealth Corporate Center Project. This will also allow the public and the Planning Commission to focus their comments on the specific project components rather than jump from subject to subject the agenda. As a result, the staff report is divided into three major sections; one for the Public Hearing, one for the Regular Business Item, and one for the Study Session.

Item E3: Draft Environmental Impact Report Public Hearing

1. Introduction by Staff
2. Draft EIR Overview Presentation by City staff
3. Public Comments on Draft EIR
4. Commission Questions on Draft EIR
5. Commissioner Comments on Draft EIR
6. Close of Public Hearing

Item F1: Draft Fiscal Impact Analysis Regular Business Item

7. Introduction by Staff
8. Draft FIA Overview by City Consultant
9. Public Comments on Draft FIA
10. Commission Questions on Draft FIA
11. Commissioner Comments on Draft FIA

Item G1: Project Proposal Study Session

12. Project Overview Presentation by the Project sponsor
13. Public Comments on Project Proposal
14. Commission Questions on Project Proposal
15. Commissioner Comments on Project Proposal

PUBLIC HEARING ITEM E3: DRAFT ENVIRONMENTAL IMPACT REPORT

INTRODUCTION

The California Environmental Quality Act (CEQA) requires that agencies approving a project that has the potential to effect the environment evaluate those impacts prior to approving the project or program. For relatively minor activities a negative declaration is commonly prepared, for larger activities an environmental impact report (EIR) is commonly prepared. The process and procedures to prepare these documents is spelled out in CEQA, the CEQA Guidelines, or by local rules that further define how CEQA is implemented.

Because of the size of the project and the associated potential transportation impact, the City determined that an EIR should be prepared for the Commonwealth Corporate Center Project. Consequently, the Notice of Preparation (the start of the 30-day scoping process) was issued on August 6, 2012 and a public scoping meeting was held on August 20, 2012. The public review and comment period for the Draft EIR is February 28, 2014 through April 14, 2014. The purpose of tonight's meeting is provide the public another opportunity to provide comments on the Draft EIR (in addition to providing written comments during the review and comment period).

The Draft EIR analyzes the potential impacts of the Project across a wide range of impact areas. The Draft EIR evaluates fourteen topic areas as required by the CEQA. The topic areas included: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Noise, Population and Housing, Public Services, Transportation & Traffic, and Public Utilities.

Of these 14 topic areas discussed in the Draft EIR, most have impacts that are Less Than Significant, or Less Than Significant with the identified Mitigation Measures. However, three potential impact areas have Significant and Unavoidable impacts. These potentially significant impact categories are associated with: Air Quality-Construction, Noise-Construction, and Transportation & Traffic. These significant and unavoidable impacts are explained in more detail below. Any significant and unavoidable impacts associated with the Project will require the City Council to adopt a Statement of Overriding Considerations if the Council determines that the Project's benefits outweigh the potentially significant environmental impacts.

The members of the Planning Commission were previously provided a copy of the Draft EIR and a copy of the Draft EIR is located on the City website.

SUMMARY OF SIGNIFICANT AND UNAVOIDABLE PROJECT IMPACTS

Air Quality - Construction

The increase in nitrogen oxides (NO_x) during project construction exceeds the Bay Area Air Quality Management District (BAAQMD) significance thresholds. This impact is directly attributable to the demolition of the existing buildings, the site grading, and the initial phases of building construction. The BAAQMD threshold of 54 pounds per day is expected to be exceeded for 91 of the 334 estimated construction days. The DEIR also identifies mitigation measures to reduce nitrogen oxides. With the implementation of these mitigation measures, project construction will still exceed the BAAQMD criteria. However, the exceedence is expected to be for only 21 construction days.

Even though the mitigation measure is expected to substantially reduce NO_x emissions, the BAAQMD significance threshold is still exceeded. Therefore, the impact is significant and unavoidable. This impact is also identified as a significant and unavoidable cumulative impact in conjunction with the construction of future anticipated projects in the surrounding area. There were no identified air quality impacts from project operation.

Noise - Construction

The use of heavy equipment (such as vibratory rollers, and large trucks and bulldozers) during project construction has the potential to affect nearby sensitive land uses. During the Notice of Preparation for the project a business located in an adjacent building expressed concern that their vibration sensitive equipment could be affected by the proposed demolition and construction activities.

The Federal Transit Administration's (FTA) recommended significance threshold for vibration-producing activities is 65 VdB at a distance of 225 feet. The analysis indicated that the projected vibration could exceed this threshold. The DEIR identified two mitigation measures involving the notification of nearby business and the scheduling of construction to minimize potential vibratory impacts. Even with these mitigation measures, the impact is still considered to be significant and unavoidable. There were no identified noise impacts from project operation.

Transportation - Operation

The Transportation Impact Analysis for the Commonwealth Corporate Center included the analysis of the following scenarios:

- Existing Conditions;
- Near Term 2015 Conditions;
- Near Term 2015 Plus Project Conditions;
- Cumulative 2030; and
- Cumulative 2030 Plus Project Conditions.

The TIA evaluated the Project's impacts to traffic (intersections, roadway segments, and Routes of Regional Significance), transit service, and bicycle and pedestrian facilities. The Project's impacts to transit service and bicycle and pedestrian facilities were all found to be Less Than Significant. Therefore, the following discussion focuses on vehicular traffic impacts.

The analysis studied 28 intersections, 12 roadway segments, and 9 roadway segments on four Routes of Regional Significance (State and Federal highways). Many of the arterial intersections and roadway segments were also included in the analysis and mitigation requirements for the recent Facebook Campus Project.

The analysis found that the Commonwealth Corporate Center Project would result in significant and unavoidable impacts to 12 intersections, ten roadway segments, and five segments of Routes of Regional Significance in both the near-term and long-term (cumulative) conditions as described below. Five of the significant and unavoidable intersection impacts are classified as unavoidable because the City does not have jurisdiction over the facility and cannot guarantee the improvements would be implemented even though it is required that construction of feasible improvements will be diligently pursued.

Intersections

A total of fourteen study intersections were identified as having significant impacts. Of these, one is impacted only in the 2015 Near Term scenario, nine are impacted in both the 2015 Near Term and 2030 Cumulative scenarios while four are impacted only in the 2030 Cumulative impact scenario. Of the fourteen impacted intersections, seven are required to be improved by Facebook and one by the St. Anton Housing project. Of the remaining intersections, feasible mitigation was identified for two intersections to fully mitigate the Project's impacts. Feasible partial mitigation was identified for two additional intersections. The remaining affected intersections are either under control of another agency or improvements are infeasible due to the need for additional right-of-way to accommodate the improvements. Draft EIR Table 3.3-20 summarizes these results.

The following chart provides a comprehensive summary of the impacted intersections and associated mitigations measures. Many of these improvements are already the responsibility of either the Facebook Campus Project [FB] and/or the St. Anton Housing Project [SA]. This is indicated in the following table.

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Marsh Rd. and Bayfront Expressway (#1)	Near Term & Cumulative	Caltrans	Reconfigure the westbound approach from a shared left-through-right lane to a left-through lane and a right-through lane. [FB] Re-stripe southbound through-lane to through-right-turn lane. [SA] Add a third eastbound right-turn lane.	Yes	Yes, with Caltrans approval
Marsh Rd. and US-101 NB Off Ramp (#3)	Near Term & Cumulative	Caltrans	Add a northbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Independence Dr. and Constitution Dr. (#8)	Near Term & Cumulative	Menlo Park	Reconfigure to prevent left turns onto Independence Dr.	No	No

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Bayfront Expressway and Chrysler Dr. (#9)	Near Term & Cumulative	Caltrans	Restripe existing eastbound right-turn lane to a shared left-right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Chrysler Dr. and Jefferson Dr. (#11)	Near Term & Cumulative	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chrysler Dr. and Independence Dr. (#12)	Near Term	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chilco St. and Constitution Dr. (#14)	Near Term & Cumulative	Menlo Park	Reconfigure southbound approach to include left-turn lane and shared through-right turn lane.	Yes	Yes
Willow Rd. and Bayfront Expressway (#15)	Near Term & Cumulative	Caltrans	Add a third eastbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Willow Rd. and Newbridge St. (#19)	Near Term & Cumulative	Caltrans	Reconfigure the southbound approach from a left-turn lane, a through lane and a right-turn lane to a left-through-lane, right-through-lane, and right-turn lane. [infeasible]	No ¹	Partial, with Caltrans approval
			Add a third westbound through-lane. [FB]	Yes ¹	
University Ave. and Bayfront Expressway (#25)	Near Term & Cumulative	Caltrans	Add a fourth southbound through lane	No	No
Marsh Rd. and US-101 SB Off Ramp (#4)	Cumulative	Caltrans	Add additional southbound ramp lane and add additional eastbound receiving lane on Marsh Rd. bridge.	No	No
Marsh Rd. and Scott Dr. (#5)	Cumulative	Caltrans	Reconfigure to add westbound right-turn-through lane.	No	No
Marsh Rd. and Middlefield Rd. (#7)	Cumulative	Atherton	Add a second left-turn lane to the southbound approach and widen paving. Re-stripe Marsh to accommodate receiving lane. [FB]	No	No
Willow Rd. and Middlefield Rd. (#24)	Cumulative	Menlo Park	Pay City TIF towards the eastbound approach improvements.	Yes	Yes
1. The southbound improvements are not feasible; the westbound improvements are feasible and will be implemented by Facebook.					

Roadway Segments

All of the studied roadway segments around the project are controlled by the City of Menlo Park. To determine if there is an impact, the daily increase in traffic volumes associated with the proposal were compared to the City's impact criteria for its respective street type. Using the City's added net traffic volume standard, ten roadway segments would be significantly impacted by the project. These impacts are identified in both the 2015 Near Term and 2030 Cumulative scenarios. Draft EIR Table 3.3-21 summarizes these results.

Of the impacted segments, eight have no feasible mitigation measures because the thresholds are based on the amount of traffic added by the Project, which can only be reduced by reducing the project size. The impacts on the following roadway segments remain significant and unavoidable:

- Marsh Road between Bohannon Drive and Bay Road (Segment B);
- Chrysler Drive between Bayfront Expressway and Constitution Drive (Segment C);
- Chrysler Drive between Constitution Drive and Jefferson Drive (Segment D);
- Chilco Street between Bayfront Expressway and Constitution Drive (Segment E);
- Chilco Street between Hamilton Avenue and Ivy Drive (Segment F);
- Jefferson Drive between Chrysler Drive and the project access drive (Segment J);
- Jefferson Drive between the project access drive and Constitution Drive (Segment K) ; and
- Independence Drive between Constitution Drive and Chrysler Drive (Segment L).

For the remaining two impacted roadway segments, the installation of a Class III Bike Route is expected to partially mitigate the impacts of the Project. However, the impacts to these two roadway segments remain significant and unavoidable. These two partially mitigated roadway segments are:

- Constitution Drive between Independence Drive and Chrysler Drive (Segment G); and
- Constitution Drive between Jefferson Drive and Chilco Drive (Segment I).

Routes of Regional Significance

The San Mateo County Congestion Management Program Land Use Analysis Program guidelines requires that Routes of Regional Significance be evaluated to determine the impacts of added Project generated trips for projects that generate more than 100 net peak hour trips. The Routes of Regional Significance that are in the project area are

State Route (SR) 84 (Bayfront Expressway), SR 114 (Willow Road), and United States Highway 101 (US 101). Nine segments were evaluated in the transportation analysis, which determined that the following five segments had significant and unavoidable impacts in both the 2015 Near Term and 2030 Cumulative scenarios.

- SR 84, between Willow Road and University Avenue;
- SR 84, between University Avenue and County Line;
- US 101, between March Road and Willow Road;
- US 101, between Willow Road and University Avenue; and
- US 101, south of University Avenue.

There are no feasible mitigation measures for these impacts because of the already constrained rights-of-way. Draft EIR Table 3.3-22 summarizes the impacts for the Routes of Regional Significance.

Transportation Mitigation Measure Summary

Based upon the analysis contained in the Draft EIR, the impact and mitigation on the intersection and roadways in the study area are summarized below. Many of the traffic impacts that are being potentially mitigated will require outside agency approval and therefore will remain significant and unavoidable.

SUMMARY OF IMPACTED INTERSECTIONS AND ROADWAY SEGMENTS				
	Intersections		Roadway Segments	
	2015 Near Term	2030 Cumulative	2015 Near Term	2030 Cumulative
Significantly Impacted	10	13	10	
Mitigated by Commonwealth Project	4 ¹	4 ¹	2 ²	
Mitigated by Other Project(s)	5 ³	5 ³		
Significantly Impacted and No Feasible Mitigation	2	5	8	
1. Of which, 2 are partially mitigated. 2. Of which, 2 are partially mitigated. 3. Of these, one intersection (Marsh Road and Bayfront Expressway) includes mitigation measures from Facebook, St. Anton, and Commonwealth.				

SUMMARY OF ALTERNATIVES ANALYSIS

Per the requirements of CEQA, project alternatives are required to meet the majority of the Project objectives established by the project sponsor and substantially lessen or avoid significant and unavoidable impacts. The Draft EIR analyzed two alternatives, a No Project Alternative and a Reduced Project Alternative. The Draft EIR also considered and rejected the Alternative Location and Alternate Development Scenario alternatives. The environmental impacts of the alternatives are assessed in Chapter 4 of the DEIR. The Project Alternatives outlined in the Draft EIR are as follows.

- The No Project Alternative would have the existing Project sites remain as-is, an unused distillery complex and small single-story industrial building. This Alternative was analyzed in the Draft EIR.
- The Reduced Development Alternative would limit development to 75% of the floor area allowed in the M-2 Zone, approximately 195,000 square feet. This Alternative was analyzed in the Draft EIR. The Reduced Development Alternative was also determined to be the environmentally superior alternative but did not reduce any of the significant and unavoidable impacts.
- The Alternative Development (Land Use) Scenario would have involved the redevelopment of the site with a non-industrial or non-office land use. However, since only industrial, manufacturing and office uses are allowed in the General Industrial General Plan Land Use and Zone District, and the Project location is unsuitable for a non-industrial/office land uses, this alternative was considered and rejected.
- The Alternative Location scenario involves the construction of this project in another location. Because the project proponent does not own any alternate sites in the Menlo Park area, this alternative was also considered and rejected

Based upon the Alternatives Analysis, the EIR is not recommending one of the alternative projects.

REGULAR BUSINESS ITEM F1: DRAFT FISCAL IMPACT ANALYSIS (FIA)

INTRODUCTION

The City's independent economic consultant, Bay Area Economics, has prepared a Draft Fiscal Impact Analysis (FIA), projecting the potential net increase in revenues and expenditures, and resulting net fiscal impact directly associated with development of the proposed Project. The Draft FIA also explores a number of related topics, including indirect revenues/costs from potential induced housing demand, as well as one-time/non-recurring revenues (such as impact fees), and potential additional opportunities for fiscal benefits.

The FIA is based upon two different development scenarios. The first scenario is for the proposed Project with approximately 260,000 square feet of office. The second scenario is for the CEQA Reduced Project Alternative with approximately 195,000 square feet of office/R&D space.

The Draft FIA evaluates Project related impacts to the City's General Fund as well as the following affected Special Districts that serve the community:

- Menlo Park Fire Protection District;
- Ravenswood School District;

- Sequoia Union High School District;
- San Mateo County Office of Education Special District;
- San Mateo County Community College District;
- Midpeninsula Regional Open Space District; and
- Sequoia Healthcare District.

The Menlo Park Municipal Water District and the West Bay Sanitary District operate on a cost-recovery basis through operation use fees. As a result, the project is not expected to have an ongoing fiscal impact on these two districts.

The Draft FIA was released with the Draft EIR on February 28, 2014, and is available for public review at City offices, the City Library, and is viewable on the City Project web page. The fiscal impacts of the proposed Project are summarized below.

CITY GENERAL FUND IMPACT OF PROPOSED PROJECT

The core of the Draft FIA is the estimation of annual General Fund revenues and costs associated with the construction and operation of the Commonwealth Corporate Center. The major annually occurring revenue sources include new property taxes, sales taxes, and transient occupancy taxes (TOT), also known as the room or lodging tax. The Draft FIA analyzes two scenarios when evaluating the potential General Fund revenues from the Project. These two scenarios correspond to the alternative assumptions for both sales tax and TOT generation. The fiscal impact analysis for the first year of project operation, excluding onetime fee payments, is provided below.

CITY OF MENLO PARK – GENERAL FUND				
	Proposed Project		Project Alternative	
First Year (2015)				
New Revenues	\$311,300		\$232,800	
New Expenditures	\$172,400		\$121,200	
Net Fiscal Impact	\$138,900		\$111,600	
2015 – 2030 (in 2013 Dollars)				
Net Fiscal Impact		\$1,970,906		\$1,585,328

Since the dissolution of the Redevelopment Agency, the proposed Project would have no effect on Redevelopment Agency Funding. In addition to the recurring revenues and expenses associated with property taxes, sales taxes and transient occupancy taxes, the project scenarios will also generate a number of one time revenues, mostly related to City impact and permit fees.

SPECIAL DISTRICTS

There are seven special districts serving the project site that may benefit from the construction of the Project. These districts include a fire protection district, three

school districts, a County agency, a hospital district, and a regional open space district. The primary benefit to these districts from the Project is the increase in property taxes, though the Community College District may also benefit from increased tuition fee payments. According to the FIA, the Project would have no fiscal impact to the San Mateo County Office of Education, the Mid-peninsula Regional Open Space District, or the Sequoia Health Care District. The following table summarizes the net fiscal impact of the Commonwealth Corporate Center on the remaining four special districts.

SPECIAL DISTRICT FISCAL IMPACTS				
	Menlo Park Fire Protection District	SM County Community College District	Sequoia Union HSD	Ravenswood School District
New Revenues	\$102,800	\$54,400	\$111,700	\$278,100
New Expenditures	\$87,600	\$55,500	\$0	\$0
Net Fiscal Impact	\$15,200	(-\$1,100)	\$111,700	N/A¹
<p>1. The Ravenswood School District (providing elementary and middle schools) is a revenue limit district, and as such, any new property tax revenues simply offset payments from the State and do not result in increased revenue to the District. Any revenue increase benefits the State (and potentially other school districts).</p> <p>Note: The Net Fiscal Impact for the Project Alternative are \$18,000, \$2,900, \$86,700, and N/A¹, respectively.</p>				

STUDY SESSION ITEM G1: REVIEW OF COMMONWEALTH CORPORATE CENTER PROJECT PROPOSAL

INTRODUCTION

The Commonwealth Corporate Center proposes to construct two four-story office buildings on a 13.3 acre site adjacent to US 101 and the Dumbarton Railway. The Project consists of five separate City permit requests, which are described below, and a related Environmental Impact Report, which is described earlier in the staff report. Reductions of the project plans are contained in Attachment B.

APPLICATIONS

Rezoning

The Project includes a request to rezone the entire site from M-2 (General Industrial) to M-2(X) (General Industrial - Conditional Development) for an increase in building height, the proposed lot configuration, and sign program.

Conditional Development Permit

The Project includes the removal of six structures (totaling 237,858 square feet) and the construction and operation of two four-story office buildings totaling 259,920 square feet, an access drive between Jefferson Drive and Commonwealth Drive, 867 parking

spaces, outdoor recreation area, project signage, landscaping, and on-site storm retention facilities. No development agreement is required for this project.

Tentative Parcel Map

The project includes a request to subdivide the two existing lots into three lots. Two of the proposed lots would be for each of the office buildings, while the third lot would contain most of the common components such as the parking areas and on-site amenities.

Heritage Tree Removal Permits

The Project includes the removal of 22 heritage trees and the retention of 1 heritage tree. This request was reviewed by the Environmental Quality Commission on February 26, 2014. At their meeting, the Commission voted 5-0 recommending that the Planning Commission and City Council approve the request to remove 22 heritage trees.

Below Market Rate Agreement

The Project is office in nature and does not contain any residential units (nor is housing is not allowed in the M-2 Zoning District). As a result, payment of the In Lieu Below Market Rate (BMR) Housing fees will be required. The draft Agreement was reviewed by the Housing Commission on February 5, 2014. At their meeting, the Commission voted 5-0 recommending that the City Council approve the BMR Agreement.

PROPOSED PROJECT

Location/Setting

The project is located on the east side of US 101 north of the Dumbarton rail line. The site is in an industrial area that is occupied by a number of larger multi-story office buildings. A Project Location Map is contained in Attachment A. The General Plan and Zoning Designations and the existing land use information are summarized below.

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
Project Site: Existing	Light industrial, unoccupied industrial/warehouse	M-2, General Industrial
<i>Proposed</i>	<i>Office/R&D</i>	<i>M-2(X), General Industrial - Conditional Development</i>
North	Office, industrial/warehouse	M-2, General Industrial
East	Office/R&D	M-2(X), General Industrial - Conditional Development

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
South	Freeway, railroad right-of-way (Kelly Park is located across the railroad r-o-w)	Unzoned public rights-of-way
West	Office/R&D	M-2, General Industrial

The Project site consists of two lots occupied with industrial buildings. The larger of the two lots is the 12.1-acre property containing the site of the former Diageo North America distillery. This larger site contains approximately 220,000 square feet of manufacturing, warehouse, and office areas. This site has been vacant since 2011. This larger parcel is accessed from the terminus of Commonwealth Drive. The smaller lot is a 1.17-acre parcel accessed from Jefferson Drive. This smaller lot contains a 20,000 square foot, one-story industrial building. Prior to this entitlement request, there were four different tenants in this building.

Project Description

The Sobrato Organization is proposing to construct two four-story office buildings on a 13.28 acre site. A summary of the existing development, the requirements of the M-2 Zone, and the proposed project are provided below.

COMPARISON OF EXISTING AND PROPOSED PROJECTS			
	Existing	Zoning Ordinance Requirement	Proposed
Project Site	13.28 ac	25,000 sf minimum	13.28 ac (578,472 sf)
Building Height	27'	35' maximum	62' ²
Building Size	237,858 sf	260,312 sf maximum	259,920 sf
Floor Area Ratio	41.1%	45% maximum ¹	44.9%
Building/Lot Coverage	41.1%	50% maximum	11.9%
Impervious Area	93.4%	N/A	74.4%
Landscaped Area	6.6%	N/A	25.6%
1. The Floor Area Ratio for the existing industrial uses is 55%, and Floor Area Ratio for the proposed office use is 45%. 2. Requested as part of M-2(X) Zoning Designation, the top of the proposed roof-mounted equipment screening is 72'4". 3. The calculations are based on the total lot area of the three proposed parcels, which is allowed through the Conditional Development Permit.			

Access and Circulation

The Project is located on the east side of US 101 near the Dumbarton Rail Corridor. Access to the local road network is provided via a new access drive along the western edge of the site that would connect Commonwealth Drive to Jefferson Drive. These connection points access the local road network which connects directly to State Route 84 (Bayfront Expressway) and indirectly to State Route 119 (Willow Road) via Chilco Street and Ivy Drive. Bayfront Expressway and Willow Road connect to US 101 and Interstate 880 across the Dumbarton Bridge, allowing convenient access throughout the region.

There are no fixed-route transit or Caltrain stations adjacent to the project site. The Caltrain Marsh Road Shuttle runs along Jefferson Drive providing access to the Menlo Park Caltrain station. In addition, while not adjacent to the site, the area is also served by SamTrans Route 270 at Marsh Road (1/2 mile to the west) which runs toward the Redwood City Caltrain Station and SamTrans Route 281 from the Belle Haven neighborhood (one mile to the east) to the Palo Alto Caltrain Station. A transfer from Route 281 to SamTrans Route 296 along Willow Road also provides access to downtown Menlo Park and the Menlo Park Caltrain Station.

Bicycle and pedestrian access to the project site is also limited. Marsh Road provides the closest access point to rest of the community. The other connection to the site is via Constitution Drive and Chilco Street which connects to Ivy Drive and Newbridge Street in the Belle Haven neighborhood. However, the existing sidewalk and bike lane networks do not completely connect the project site to either Marsh Road or Belle Haven. The Draft EIR includes a mitigation measure that the Project install additional sidewalks along Jefferson Drive (west to Chrysler Drive) and install a Class III (striped) bike lane along Constitution Drive. Onsite pathways will connect to sidewalks along Commonwealth Drive and Jefferson Drive.

Site Plan

The Commonwealth Corporate Center is designed to provide maximum visibility from US 101 and to locate the proposed buildings away from, as much as possible, the Belle Haven neighborhood to the southeast. The two buildings are located between the access drive and the parking lot which occupies most of the northern and eastern thirds of the site. The main access drive runs north to south along the west of the property.

Building “1” is located adjacent to the main access drive with the long edge facing US 101. This building is set back approximately 150 feet from the freeway. Building “2” is located east of the Building “1” and is oriented so that the narrow end is facing toward the freeway. This building is about 90 feet from the freeway at its closest. The buildings are oriented so that the long side of the first building is facing the short side of the other. A pedestrian oriented plaza with outdoor seating areas will be located between the two buildings and will wrap around the north side of Building “1”. This

plaza area will be extensively landscaped and will incorporate water fountains and features in its design.

Separated pedestrian paths project from the buildings into the parking lot to allow safe and easy access to the buildings. The delivery and loading areas are located on the ends of each building near the main access drive and main drive aisle around the buildings. Combined trash and emergency generator enclosures are located near the loading areas and oriented away from the primary building entrances.

Parking

The Project proposes 849 parking spaces and 18 handicapped accessible parking spaces. The Project is currently parked at a ratio of 1 space per 300 square feet. The possibility of placing a portion of the parking lot in a landscaped reserve has been discussed with the applicant. However, until a specific building tenant has been identified the applicant is reluctant to implement a landscape reserve.

The Project also includes bicycle lockers that are provided at the south end to Building 2 and shower facilities are provided in each building.

Architecture

The buildings are in a modern steel and glass architectural style. The buildings incorporate two different architectural compositions which maximize the aesthetic variation of the structures. The first architectural composition contains vertically-oriented window wall components with a recessed ground floor. The second composition incorporates horizontally-oriented window walls with horizontal elements separating each floor. This second composition includes recessed upper floors and exposed structural elements around the building entrances. The building façade will utilize aluminum panels with high performance blue-tint glass set in aluminum frames. Each building story has approximately 30,000 square feet of floor area.

The Sobrato Organization is also requesting project signage as part of the Conditional Development District request. The applicant is requesting two building mounted signs on each building, a free-standing sign along Jefferson Drive (two-sided) and Commonwealth Drive (one-sided), as well as a two sided onsite directional signage within the project boundary. Staff is currently working with the applicant to arrive at an appropriate level of signage for this site given its size, freeway frontage and multiple access points.

Landscaping

The conceptual landscape plan includes perimeter, parking lot, accent landscaping around the buildings and outdoor seating areas, and heritage tree replacements. The Project landscaping would increase the amount of on-site landscaping from 6 percent to over 25 percent and result in the planting of over 425 new trees. The stormwater

detention basins are incorporated into the Landscape Plan. The conceptual Landscape Plan has identified the following species and sizes: Strawberry Tree (24 inch box), European Hornbeam (24 inch box), Elm (15 gallon and 24 inch box), Purple Leaf Plum (15 gallon), Liquid Amber (15 gallon), Brisbane Box (24 inch box), Ginkgo (24 inch box and 36 inch box), Carolina Laurel Cherry (24 inch box), Crape Myrtle (48 inch box), and additional London Plane Trees (24 inch box).

On February 26, 2014, the Environmental Quality Commission (EQC) recommended allowing the removal of 22 of the 23 heritage sized trees onsite. The single tree required for retention is a native oak tree. The Applicant is proposing to provide an additional 44 trees as replacement heritage trees. The proposed heritage tree replacements are the London Plane Tree (*Platanus x. a 'Columbia'*) in 24 inch boxes. These trees are proposed to be located along the main drive aisle that connects Commonwealth Drive and Jefferson Drive to create a "boulevard effect" at the project entries, although the exact driveway configuration is still subject to review and potential modification.

CORRESPONDENCE

Since the release of the Draft EIR and Draft FIA on February 28, 2014, the City has yet to receive any correspondence from any other jurisdictions, agencies, or individuals.

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of all property owners and occupants within a quarter-mile (1,320 feet) radius of the subject property. The newspaper notice was published on February 28, 2014. In addition, the City has prepared a Project page for the proposal, which is available at: http://www.menlopark.org/projects/comdev_commonwealth.htm. This page provides up-to-date information about the Project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled. Previous staff reports and other related documents are available for review on the Project page.

RECOMMENDATION

Staff recommends that the Planning Commission follow the meeting procedure for the three agendas outlined on page 3 of this staff report and do the following;

1. Conduct a Public Hearing to receive public testimony on the Draft EIR.
2. Review the Fiscal Impact Analysis, receive public testimony on the Draft document, and provide comments to staff and the City Consultant.
3. Conduct a Study Session on the Commonwealth Corporate Center Project and provide comments to staff and the applicant.

ATTACHMENTS

- A. Location Map
- B. Project Plans

AVAILABLE FOR REVIEW AT CITY OFFICES AND CITY WEBSITE

The following documents are available for review at City offices and on the City website.

- Draft Environmental Impact Report prepared by ICF, dated February 2014
- Draft Fiscal Impact Analysis prepared by BAE, dated December 2013
- Commonwealth Corporate Center Project Plans, dated January 2014

Report prepared by:

David Hogan

Contract Planner

Report reviewed by:

Justin Murphy

Development Services Manager



PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEMS: E3, F1, G1

LOCATION:	151 Commonwealth Drive and 164 Jefferson Drive	APPLICANT:	The Sobrato Organization
EXISTING USE:	<u>151 Commonwealth Drive</u> – Unoccupied Industrial Building <u>164 Jefferson Drive</u> – Light Industrial	PROPERTY OWNER:	The Sobrato Organization
PROPOSED USE:	Office	APPLICATION:	Rezoning; Conditional Development Permit; Tentative Parcel Map; Tree Removal Permits; BMR Agreement; and Environmental Review
EXISTING ZONING:	M-2 (General Industrial)		
PROPOSED ZONING:	M-2-X (General Industrial – Conditional Development)		

INTRODUCTION

This staff report combines the presentation of information for three different items on agenda for the March 24, 2014 Planning Commission meeting; a public hearing, a regular business item, and a Commission study session. The three items are as follows.

1. **Public Hearing Item - Draft Environmental Impact Report (DEIR):** Review of the Draft EIR for the Commonwealth Corporate Center Project and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft EIR during the public comment review period, running through April 14, 2014. Comments received during the public hearing on the Draft EIR will be recorded and responded to as part of the Final EIR. Comments may also be submitted as written correspondence before the end of the comment period. The response to comments in the Final EIR will be reviewed at a subsequent Planning Commission meeting.
2. **Regular Business Item - Draft Fiscal Impact Analysis:** Review of the Draft FIA for the Commonwealth Corporate Center and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft FIA. Comments received on the Draft FIA will be recorded and included and responded to in the Final FIA.
3. **Study Session Item - Review of Commonwealth Corporate Center Project:** An overview of the Project will be provided and the Planning Commission and public will have the opportunity to provide feedback to the applicant on the proposed Project.

BACKGROUND/PROPOSAL

On March 7, 2012, the Sobrato Organization submitted applications to demolish the existing structures and build two four-story office buildings (totaling 259,920 square feet) on approximately 13.3 acres located adjacent to U.S. 101 and the Dumbarton rail corridor. A Project location map is provided in Attachment A. The requested City approvals and land use entitlements included the following.

- **Rezoning** the project site from M-2 to M-2(X) to exceed the 35-foot height limit prescribed for the M-2 Zone and to build up to 62 feet;
- **Conditional Development Permit** to establish development regulations, and approve the site plan and architecture for the project;
- **Tentative Parcel Map** to reconfigure the two existing parcels into three new parcels, one for each building and one common parcel for the parking and shared amenities;
- **Heritage Tree Removal Permits** for the 22 heritage trees proposed for removal;
- **BMR Agreement** for the payment of in-lieu fees associated with the City's Below Market Rate Housing Program;
- **Draft Environmental Impact Report (Draft EIR)** to analyze the potential environmental impacts of the proposed project; and.

- **Fiscal Impact Analysis (FIA)** to evaluate the fiscal and financial impacts of the proposed project.

The most recent set of plans for the Project are contained in Attachment F.

MEETING PROCEDURE

Given the variety of the Project-related topics to be covered at the meeting, staff recommends the following meeting procedure to effectively and efficiently move through the three items included on the agenda for the Commonwealth Corporate Center Project. This will also allow the public and the Planning Commission to focus their comments on the specific project components rather than jump from subject to subject the agenda. As a result, the staff report is divided into three major sections; one for the Public Hearing, one for the Regular Business Item, and one for the Study Session.

Item E3: Draft Environmental Impact Report Public Hearing

1. Introduction by Staff
2. Draft EIR Overview Presentation by City staff
3. Public Comments on Draft EIR
4. Commission Questions on Draft EIR
5. Commissioner Comments on Draft EIR
6. Close of Public Hearing

Item F1: Draft Fiscal Impact Analysis Regular Business Item

7. Introduction by Staff
8. Draft FIA Overview by City Consultant
9. Public Comments on Draft FIA
10. Commission Questions on Draft FIA
11. Commissioner Comments on Draft FIA

Item G1: Project Proposal Study Session

12. Project Overview Presentation by the Project sponsor
13. Public Comments on Project Proposal
14. Commission Questions on Project Proposal
15. Commissioner Comments on Project Proposal

PUBLIC HEARING ITEM E3: DRAFT ENVIRONMENTAL IMPACT REPORT

INTRODUCTION

The California Environmental Quality Act (CEQA) requires that agencies approving a project that has the potential to effect the environment evaluate those impacts prior to approving the project or program. For relatively minor activities a negative declaration is commonly prepared, for larger activities an environmental impact report (EIR) is commonly prepared. The process and procedures to prepare these documents is spelled out in CEQA, the CEQA Guidelines, or by local rules that further define how CEQA is implemented.

Because of the size of the project and the associated potential transportation impact, the City determined that an EIR should be prepared for the Commonwealth Corporate Center Project. Consequently, the Notice of Preparation (the start of the 30-day scoping process) was issued on August 6, 2012 and a public scoping meeting was held on August 20, 2012. The public review and comment period for the Draft EIR is February 28, 2014 through April 14, 2014. The purpose of tonight's meeting is provide the public another opportunity to provide comments on the Draft EIR (in addition to providing written comments during the review and comment period).

The Draft EIR analyzes the potential impacts of the Project across a wide range of impact areas. The Draft EIR evaluates fourteen topic areas as required by the CEQA. The topic areas included: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Noise, Population and Housing, Public Services, Transportation & Traffic, and Public Utilities.

Of these 14 topic areas discussed in the Draft EIR, most have impacts that are Less Than Significant, or Less Than Significant with the identified Mitigation Measures. However, three potential impact areas have Significant and Unavoidable impacts. These potentially significant impact categories are associated with: Air Quality-Construction, Noise-Construction, and Transportation & Traffic. These significant and unavoidable impacts are explained in more detail below. Any significant and unavoidable impacts associated with the Project will require the City Council to adopt a Statement of Overriding Considerations if the Council determines that the Project's benefits outweigh the potentially significant environmental impacts.

The members of the Planning Commission were previously provided a copy of the Draft EIR and a copy of the Draft EIR is located on the City website.

SUMMARY OF SIGNIFICANT AND UNAVOIDABLE PROJECT IMPACTS

Air Quality - Construction

The increase in nitrogen oxides (NO_x) during project construction exceeds the Bay Area Air Quality Management District (BAAQMD) significance thresholds. This impact is directly attributable to the demolition of the existing buildings, the site grading, and the initial phases of building construction. The BAAQMD threshold of 54 pounds per day is expected to be exceeded for 91 of the 334 estimated construction days. The DEIR also identifies mitigation measures to reduce nitrogen oxides. With the implementation of these mitigation measures, project construction will still exceed the BAAQMD criteria. However, the exceedence is expected to be for only 21 construction days.

Even though the mitigation measure is expected to substantially reduce NO_x emissions, the BAAQMD significance threshold is still exceeded. Therefore, the impact is significant and unavoidable. This impact is also identified as a significant and unavoidable cumulative impact in conjunction with the construction of future anticipated projects in the surrounding area. There were no identified air quality impacts from project operation.

Noise - Construction

The use of heavy equipment (such as vibratory rollers, and large trucks and bulldozers) during project construction has the potential to affect nearby sensitive land uses. During the Notice of Preparation for the project a business located in an adjacent building expressed concern that their vibration sensitive equipment could be affected by the proposed demolition and construction activities.

The Federal Transit Administration's (FTA) recommended significance threshold for vibration-producing activities is 65 VdB at a distance of 225 feet. The analysis indicated that the projected vibration could exceed this threshold. The DEIR identified two mitigation measures involving the notification of nearby business and the scheduling of construction to minimize potential vibratory impacts. Even with these mitigation measures, the impact is still considered to be significant and unavoidable. There were no identified noise impacts from project operation.

Transportation - Operation

The Transportation Impact Analysis for the Commonwealth Corporate Center included the analysis of the following scenarios:

- Existing Conditions;
- Near Term 2015 Conditions;
- Near Term 2015 Plus Project Conditions;
- Cumulative 2030; and
- Cumulative 2030 Plus Project Conditions.

The TIA evaluated the Project's impacts to traffic (intersections, roadway segments, and Routes of Regional Significance), transit service, and bicycle and pedestrian facilities. The Project's impacts to transit service and bicycle and pedestrian facilities were all found to be Less Than Significant. Therefore, the following discussion focuses on vehicular traffic impacts.

The analysis studied 28 intersections, 12 roadway segments, and 9 roadway segments on four Routes of Regional Significance (State and Federal highways). Many of the arterial intersections and roadway segments were also included in the analysis and mitigation requirements for the recent Facebook Campus Project.

The analysis found that the Commonwealth Corporate Center Project would result in significant and unavoidable impacts to 12 intersections, ten roadway segments, and five segments of Routes of Regional Significance in both the near-term and long-term (cumulative) conditions as described below. Five of the significant and unavoidable intersection impacts are classified as unavoidable because the City does not have jurisdiction over the facility and cannot guarantee the improvements would be implemented even though it is required that construction of feasible improvements will be diligently pursued.

Intersections

A total of fourteen study intersections were identified as having significant impacts. Of these, one is impacted only in the 2015 Near Term scenario, nine are impacted in both the 2015 Near Term and 2030 Cumulative scenarios while four are impacted only in the 2030 Cumulative impact scenario. Of the fourteen impacted intersections, seven are required to be improved by Facebook and one by the St. Anton Housing project. Of the remaining intersections, feasible mitigation was identified for two intersections to fully mitigate the Project's impacts. Feasible partial mitigation was identified for two additional intersections. The remaining affected intersections are either under control of another agency or improvements are infeasible due to the need for additional right-of-way to accommodate the improvements. Draft EIR Table 3.3-20 summarizes these results.

The following chart provides a comprehensive summary of the impacted intersections and associated mitigations measures. Many of these improvements are already the responsibility of either the Facebook Campus Project [FB] and/or the St. Anton Housing Project [SA]. This is indicated in the following table.

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Marsh Rd. and Bayfront Expressway (#1)	Near Term & Cumulative	Caltrans	Reconfigure the westbound approach from a shared left-through-right lane to a left-through lane and a right-through lane. [FB] Re-stripe southbound through-lane to through-right-turn lane. [SA] Add a third eastbound right-turn lane.	Yes	Yes, with Caltrans approval
Marsh Rd. and US-101 NB Off Ramp (#3)	Near Term & Cumulative	Caltrans	Add a northbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Independence Dr. and Constitution Dr. (#8)	Near Term & Cumulative	Menlo Park	Reconfigure to prevent left turns onto Independence Dr.	No	No

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Bayfront Expressway and Chrysler Dr. (#9)	Near Term & Cumulative	Caltrans	Restripe existing eastbound right-turn lane to a shared left-right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Chrysler Dr. and Jefferson Dr. (#11)	Near Term & Cumulative	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chrysler Dr. and Independence Dr. (#12)	Near Term	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chilco St. and Constitution Dr. (#14)	Near Term & Cumulative	Menlo Park	Reconfigure southbound approach to include left-turn lane and shared through-right turn lane.	Yes	Yes
Willow Rd. and Bayfront Expressway (#15)	Near Term & Cumulative	Caltrans	Add a third eastbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Willow Rd. and Newbridge St. (#19)	Near Term & Cumulative	Caltrans	Reconfigure the southbound approach from a left-turn lane, a through lane and a right-turn lane to a left-through-lane, right-through-lane, and right-turn lane. [infeasible]	No ¹	Partial, with Caltrans approval
			Add a third westbound through-lane. [FB]	Yes ¹	
University Ave. and Bayfront Expressway (#25)	Near Term & Cumulative	Caltrans	Add a fourth southbound through lane	No	No
Marsh Rd. and US-101 SB Off Ramp (#4)	Cumulative	Caltrans	Add additional southbound ramp lane and add additional eastbound receiving lane on Marsh Rd. bridge.	No	No
Marsh Rd. and Scott Dr. (#5)	Cumulative	Caltrans	Reconfigure to add westbound right-turn-through lane.	No	No
Marsh Rd. and Middlefield Rd. (#7)	Cumulative	Atherton	Add a second left-turn lane to the southbound approach and widen paving. Re-stripe Marsh to accommodate receiving lane. [FB]	No	No
Willow Rd. and Middlefield Rd. (#24)	Cumulative	Menlo Park	Pay City TIF towards the eastbound approach improvements.	Yes	Yes
1. The southbound improvements are not feasible; the westbound improvements are feasible and will be implemented by Facebook.					

Roadway Segments

All of the studied roadway segments around the project are controlled by the City of Menlo Park. To determine if there is an impact, the daily increase in traffic volumes associated with the proposal were compared to the City's impact criteria for its respective street type. Using the City's added net traffic volume standard, ten roadway segments would be significantly impacted by the project. These impacts are identified in both the 2015 Near Term and 2030 Cumulative scenarios. Draft EIR Table 3.3-21 summarizes these results.

Of the impacted segments, eight have no feasible mitigation measures because the thresholds are based on the amount of traffic added by the Project, which can only be reduced by reducing the project size. The impacts on the following roadway segments remain significant and unavoidable:

- Marsh Road between Bohannon Drive and Bay Road (Segment B);
- Chrysler Drive between Bayfront Expressway and Constitution Drive (Segment C);
- Chrysler Drive between Constitution Drive and Jefferson Drive (Segment D);
- Chilco Street between Bayfront Expressway and Constitution Drive (Segment E);
- Chilco Street between Hamilton Avenue and Ivy Drive (Segment F);
- Jefferson Drive between Chrysler Drive and the project access drive (Segment J);
- Jefferson Drive between the project access drive and Constitution Drive (Segment K) ; and
- Independence Drive between Constitution Drive and Chrysler Drive (Segment L).

For the remaining two impacted roadway segments, the installation of a Class III Bike Route is expected to partially mitigate the impacts of the Project. However, the impacts to these two roadway segments remain significant and unavoidable. These two partially mitigated roadway segments are:

- Constitution Drive between Independence Drive and Chrysler Drive (Segment G); and
- Constitution Drive between Jefferson Drive and Chilco Drive (Segment I).

Routes of Regional Significance

The San Mateo County Congestion Management Program Land Use Analysis Program guidelines requires that Routes of Regional Significance be evaluated to determine the impacts of added Project generated trips for projects that generate more than 100 net peak hour trips. The Routes of Regional Significance that are in the project area are

State Route (SR) 84 (Bayfront Expressway), SR 114 (Willow Road), and United States Highway 101 (US 101). Nine segments were evaluated in the transportation analysis, which determined that the following five segments had significant and unavoidable impacts in both the 2015 Near Term and 2030 Cumulative scenarios.

- SR 84, between Willow Road and University Avenue;
- SR 84, between University Avenue and County Line;
- US 101, between March Road and Willow Road;
- US 101, between Willow Road and University Avenue; and
- US 101, south of University Avenue.

There are no feasible mitigation measures for these impacts because of the already constrained rights-of-way. Draft EIR Table 3.3-22 summarizes the impacts for the Routes of Regional Significance.

Transportation Mitigation Measure Summary

Based upon the analysis contained in the Draft EIR, the impact and mitigation on the intersection and roadways in the study area are summarized below. Many of the traffic impacts that are being potentially mitigated will require outside agency approval and therefore will remain significant and unavoidable.

SUMMARY OF IMPACTED INTERSECTIONS AND ROADWAY SEGMENTS				
	Intersections		Roadway Segments	
	2015 Near Term	2030 Cumulative	2015 Near Term	2030 Cumulative
Significantly Impacted	10	13	10	
Mitigated by Commonwealth Project	4 ¹	4 ¹	2 ²	
Mitigated by Other Project(s)	5 ³	5 ³		
Significantly Impacted and No Feasible Mitigation	2	5	8	
1. Of which, 2 are partially mitigated. 2. Of which, 2 are partially mitigated. 3. Of these, one intersection (Marsh Road and Bayfront Expressway) includes mitigation measures from Facebook, St. Anton, and Commonwealth.				

SUMMARY OF ALTERNATIVES ANALYSIS

Per the requirements of CEQA, project alternatives are required to meet the majority of the Project objectives established by the project sponsor and substantially lessen or avoid significant and unavoidable impacts. The Draft EIR analyzed two alternatives, a No Project Alternative and a Reduced Project Alternative. The Draft EIR also considered and rejected the Alternative Location and Alternate Development Scenario alternatives. The environmental impacts of the alternatives are assessed in Chapter 4 of the DEIR. The Project Alternatives outlined in the Draft EIR are as follows.

- The No Project Alternative would have the existing Project sites remain as-is, an unused distillery complex and small single-story industrial building. This Alternative was analyzed in the Draft EIR.
- The Reduced Development Alternative would limit development to 75% of the floor area allowed in the M-2 Zone, approximately 195,000 square feet. This Alternative was analyzed in the Draft EIR. The Reduced Development Alternative was also determined to be the environmentally superior alternative but did not reduce any of the significant and unavoidable impacts.
- The Alternative Development (Land Use) Scenario would have involved the redevelopment of the site with a non-industrial or non-office land use. However, since only industrial, manufacturing and office uses are allowed in the General Industrial General Plan Land Use and Zone District, and the Project location is unsuitable for a non-industrial/office land uses, this alternative was considered and rejected.
- The Alternative Location scenario involves the construction of this project in another location. Because the project proponent does not own any alternate sites in the Menlo Park area, this alternative was also considered and rejected

Based upon the Alternatives Analysis, the EIR is not recommending one of the alternative projects.

REGULAR BUSINESS ITEM F1: DRAFT FISCAL IMPACT ANALYSIS (FIA)

INTRODUCTION

The City's independent economic consultant, Bay Area Economics, has prepared a Draft Fiscal Impact Analysis (FIA), projecting the potential net increase in revenues and expenditures, and resulting net fiscal impact directly associated with development of the proposed Project. The Draft FIA also explores a number of related topics, including indirect revenues/costs from potential induced housing demand, as well as one-time/non-recurring revenues (such as impact fees), and potential additional opportunities for fiscal benefits.

The FIA is based upon two different development scenarios. The first scenario is for the proposed Project with approximately 260,000 square feet of office. The second scenario is for the CEQA Reduced Project Alternative with approximately 195,000 square feet of office/R&D space.

The Draft FIA evaluates Project related impacts to the City's General Fund as well as the following affected Special Districts that serve the community:

- Menlo Park Fire Protection District;
- Ravenswood School District;

- Sequoia Union High School District;
- San Mateo County Office of Education Special District;
- San Mateo County Community College District;
- Midpeninsula Regional Open Space District; and
- Sequoia Healthcare District.

The Menlo Park Municipal Water District and the West Bay Sanitary District operate on a cost-recovery basis through operation use fees. As a result, the project is not expected to have an ongoing fiscal impact on these two districts.

The Draft FIA was released with the Draft EIR on February 28, 2014, and is available for public review at City offices, the City Library, and is viewable on the City Project web page. The fiscal impacts of the proposed Project are summarized below.

CITY GENERAL FUND IMPACT OF PROPOSED PROJECT

The core of the Draft FIA is the estimation of annual General Fund revenues and costs associated with the construction and operation of the Commonwealth Corporate Center. The major annually occurring revenue sources include new property taxes, sales taxes, and transient occupancy taxes (TOT), also known as the room or lodging tax. The Draft FIA analyzes two scenarios when evaluating the potential General Fund revenues from the Project. These two scenarios correspond to the alternative assumptions for both sales tax and TOT generation. The fiscal impact analysis for the first year of project operation, excluding onetime fee payments, is provided below.

CITY OF MENLO PARK – GENERAL FUND				
	Proposed Project		Project Alternative	
First Year (2015)				
New Revenues	\$311,300		\$232,800	
New Expenditures	\$172,400		\$121,200	
Net Fiscal Impact	\$138,900		\$111,600	
2015 – 2030 (in 2013 Dollars)				
Net Fiscal Impact		\$1,970,906		\$1,585,328

Since the dissolution of the Redevelopment Agency, the proposed Project would have no effect on Redevelopment Agency Funding. In addition to the recurring revenues and expenses associated with property taxes, sales taxes and transient occupancy taxes, the project scenarios will also generate a number of one time revenues, mostly related to City impact and permit fees.

SPECIAL DISTRICTS

There are seven special districts serving the project site that may benefit from the construction of the Project. These districts include a fire protection district, three

school districts, a County agency, a hospital district, and a regional open space district. The primary benefit to these districts from the Project is the increase in property taxes, though the Community College District may also benefit from increased tuition fee payments. According to the FIA, the Project would have no fiscal impact to the San Mateo County Office of Education, the Mid-peninsula Regional Open Space District, or the Sequoia Health Care District. The following table summarizes the net fiscal impact of the Commonwealth Corporate Center on the remaining four special districts.

SPECIAL DISTRICT FISCAL IMPACTS				
	Menlo Park Fire Protection District	SM County Community College District	Sequoia Union HSD	Ravenswood School District
New Revenues	\$102,800	\$54,400	\$111,700	\$278,100
New Expenditures	\$87,600	\$55,500	\$0	\$0
Net Fiscal Impact	\$15,200	(-\$1,100)	\$111,700	N/A¹
<p>1. The Ravenswood School District (providing elementary and middle schools) is a revenue limit district, and as such, any new property tax revenues simply offset payments from the State and do not result in increased revenue to the District. Any revenue increase benefits the State (and potentially other school districts).</p> <p>Note: The Net Fiscal Impact for the Project Alternative are \$18,000, \$2,900, \$86,700, and N/A¹, respectively.</p>				

STUDY SESSION ITEM G1: REVIEW OF COMMONWEALTH CORPORATE CENTER PROJECT PROPOSAL

INTRODUCTION

The Commonwealth Corporate Center proposes to construct two four-story office buildings on a 13.3 acre site adjacent to US 101 and the Dumbarton Railway. The Project consists of five separate City permit requests, which are described below, and a related Environmental Impact Report, which is described earlier in the staff report. Reductions of the project plans are contained in Attachment B.

APPLICATIONS

Rezoning

The Project includes a request to rezone the entire site from M-2 (General Industrial) to M-2(X) (General Industrial - Conditional Development) for an increase in building height, the proposed lot configuration, and sign program.

Conditional Development Permit

The Project includes the removal of six structures (totaling 237,858 square feet) and the construction and operation of two four-story office buildings totaling 259,920 square feet, an access drive between Jefferson Drive and Commonwealth Drive, 867 parking

spaces, outdoor recreation area, project signage, landscaping, and on-site storm retention facilities. No development agreement is required for this project.

Tentative Parcel Map

The project includes a request to subdivide the two existing lots into three lots. Two of the proposed lots would be for each of the office buildings, while the third lot would contain most of the common components such as the parking areas and on-site amenities.

Heritage Tree Removal Permits

The Project includes the removal of 22 heritage trees and the retention of 1 heritage tree. This request was reviewed by the Environmental Quality Commission on February 26, 2014. At their meeting, the Commission voted 5-0 recommending that the Planning Commission and City Council approve the request to remove 22 heritage trees.

Below Market Rate Agreement

The Project is office in nature and does not contain any residential units (nor is housing is not allowed in the M-2 Zoning District). As a result, payment of the In Lieu Below Market Rate (BMR) Housing fees will be required. The draft Agreement was reviewed by the Housing Commission on February 5, 2014. At their meeting, the Commission voted 5-0 recommending that the City Council approve the BMR Agreement.

PROPOSED PROJECT

Location/Setting

The project is located on the east side of US 101 north of the Dumbarton rail line. The site is in an industrial area that is occupied by a number of larger multi-story office buildings. A Project Location Map is contained in Attachment A. The General Plan and Zoning Designations and the existing land use information are summarized below.

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
Project Site: Existing	Light industrial, unoccupied industrial/warehouse	M-2, General Industrial
<i>Proposed</i>	<i>Office/R&D</i>	<i>M-2(X), General Industrial - Conditional Development</i>
North	Office, industrial/warehouse	M-2, General Industrial
East	Office/R&D	M-2(X), General Industrial - Conditional Development

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
South	Freeway, railroad right-of-way (Kelly Park is located across the railroad r-o-w)	Unzoned public rights-of-way
West	Office/R&D	M-2, General Industrial

The Project site consists of two lots occupied with industrial buildings. The larger of the two lots is the 12.1-acre property containing the site of the former Diageo North America distillery. This larger site contains approximately 220,000 square feet of manufacturing, warehouse, and office areas. This site has been vacant since 2011. This larger parcel is accessed from the terminus of Commonwealth Drive. The smaller lot is a 1.17-acre parcel accessed from Jefferson Drive. This smaller lot contains a 20,000 square foot, one-story industrial building. Prior to this entitlement request, there were four different tenants in this building.

Project Description

The Sobrato Organization is proposing to construct two four-story office buildings on a 13.28 acre site. A summary of the existing development, the requirements of the M-2 Zone, and the proposed project are provided below.

COMPARISON OF EXISTING AND PROPOSED PROJECTS			
	Existing	Zoning Ordinance Requirement	Proposed
Project Site	13.28 ac	25,000 sf minimum	13.28 ac (578,472 sf)
Building Height	27'	35' maximum	62' ²
Building Size	237,858 sf	260,312 sf maximum	259,920 sf
Floor Area Ratio	41.1%	45% maximum ¹	44.9%
Building/Lot Coverage	41.1%	50% maximum	11.9%
Impervious Area	93.4%	N/A	74.4%
Landscaped Area	6.6%	N/A	25.6%
1. The Floor Area Ratio for the existing industrial uses is 55%, and Floor Area Ratio for the proposed office use is 45%. 2. Requested as part of M-2(X) Zoning Designation, the top of the proposed roof-mounted equipment screening is 72'4". 3. The calculations are based on the total lot area of the three proposed parcels, which is allowed through the Conditional Development Permit.			

Access and Circulation

The Project is located on the east side of US 101 near the Dumbarton Rail Corridor. Access to the local road network is provided via a new access drive along the western edge of the site that would connect Commonwealth Drive to Jefferson Drive. These connection points access the local road network which connects directly to State Route 84 (Bayfront Expressway) and indirectly to State Route 119 (Willow Road) via Chilco Street and Ivy Drive. Bayfront Expressway and Willow Road connect to US 101 and Interstate 880 across the Dumbarton Bridge, allowing convenient access throughout the region.

There are no fixed-route transit or Caltrain stations adjacent to the project site. The Caltrain Marsh Road Shuttle runs along Jefferson Drive providing access to the Menlo Park Caltrain station. In addition, while not adjacent to the site, the area is also served by SamTrans Route 270 at Marsh Road (1/2 mile to the west) which runs toward the Redwood City Caltrain Station and SamTrans Route 281 from the Belle Haven neighborhood (one mile to the east) to the Palo Alto Caltrain Station. A transfer from Route 281 to SamTrans Route 296 along Willow Road also provides access to downtown Menlo Park and the Menlo Park Caltrain Station.

Bicycle and pedestrian access to the project site is also limited. Marsh Road provides the closest access point to rest of the community. The other connection to the site is via Constitution Drive and Chilco Street which connects to Ivy Drive and Newbridge Street in the Belle Haven neighborhood. However, the existing sidewalk and bike lane networks do not completely connect the project site to either Marsh Road or Belle Haven. The Draft EIR includes a mitigation measure that the Project install additional sidewalks along Jefferson Drive (west to Chrysler Drive) and install a Class III (striped) bike lane along Constitution Drive. Onsite pathways will connect to sidewalks along Commonwealth Drive and Jefferson Drive.

Site Plan

The Commonwealth Corporate Center is designed to provide maximum visibility from US 101 and to locate the proposed buildings away from, as much as possible, the Belle Haven neighborhood to the southeast. The two buildings are located between the access drive and the parking lot which occupies most of the northern and eastern thirds of the site. The main access drive runs north to south along the west of the property.

Building “1” is located adjacent to the main access drive with the long edge facing US 101. This building is set back approximately 150 feet from the freeway. Building “2” is located east of the Building “1” and is oriented so that the narrow end is facing toward the freeway. This building is about 90 feet from the freeway at its closest. The buildings are oriented so that the long side of the first building is facing the short side of the other. A pedestrian oriented plaza with outdoor seating areas will be located between the two buildings and will wrap around the north side of Building “1”. This

plaza area will be extensively landscaped and will incorporate water fountains and features in its design.

Separated pedestrian paths project from the buildings into the parking lot to allow safe and easy access to the buildings. The delivery and loading areas are located on the ends of each building near the main access drive and main drive aisle around the buildings. Combined trash and emergency generator enclosures are located near the loading areas and oriented away from the primary building entrances.

Parking

The Project proposes 849 parking spaces and 18 handicapped accessible parking spaces. The Project is currently parked at a ratio of 1 space per 300 square feet. The possibility of placing a portion of the parking lot in a landscaped reserve has been discussed with the applicant. However, until a specific building tenant has been identified the applicant is reluctant to implement a landscape reserve.

The Project also includes bicycle lockers that are provided at the south end to Building 2 and shower facilities are provided in each building.

Architecture

The buildings are in a modern steel and glass architectural style. The buildings incorporate two different architectural compositions which maximize the aesthetic variation of the structures. The first architectural composition contains vertically-oriented window wall components with a recessed ground floor. The second composition incorporates horizontally-oriented window walls with horizontal elements separating each floor. This second composition includes recessed upper floors and exposed structural elements around the building entrances. The building façade will utilize aluminum panels with high performance blue-tint glass set in aluminum frames. Each building story has approximately 30,000 square feet of floor area.

The Sobrato Organization is also requesting project signage as part of the Conditional Development District request. The applicant is requesting two building mounted signs on each building, a free-standing sign along Jefferson Drive (two-sided) and Commonwealth Drive (one-sided), as well as a two sided onsite directional signage within the project boundary. Staff is currently working with the applicant to arrive at an appropriate level of signage for this site given its size, freeway frontage and multiple access points.

Landscaping

The conceptual landscape plan includes perimeter, parking lot, accent landscaping around the buildings and outdoor seating areas, and heritage tree replacements. The Project landscaping would increase the amount of on-site landscaping from 6 percent to over 25 percent and result in the planting of over 425 new trees. The stormwater

detention basins are incorporated into the Landscape Plan. The conceptual Landscape Plan has identified the following species and sizes: Strawberry Tree (24 inch box), European Hornbeam (24 inch box), Elm (15 gallon and 24 inch box), Purple Leaf Plum (15 gallon), Liquid Amber (15 gallon), Brisbane Box (24 inch box), Ginkgo (24 inch box and 36 inch box), Carolina Laurel Cherry (24 inch box), Crape Myrtle (48 inch box), and additional London Plane Trees (24 inch box).

On February 26, 2014, the Environmental Quality Commission (EQC) recommended allowing the removal of 22 of the 23 heritage sized trees onsite. The single tree required for retention is a native oak tree. The Applicant is proposing to provide an additional 44 trees as replacement heritage trees. The proposed heritage tree replacements are the London Plane Tree (*Platanus x. a 'Columbia'*) in 24 inch boxes. These trees are proposed to be located along the main drive aisle that connects Commonwealth Drive and Jefferson Drive to create a "boulevard effect" at the project entries, although the exact driveway configuration is still subject to review and potential modification.

CORRESPONDENCE

Since the release of the Draft EIR and Draft FIA on February 28, 2014, the City has yet to receive any correspondence from any other jurisdictions, agencies, or individuals.

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of all property owners and occupants within a quarter-mile (1,320 feet) radius of the subject property. The newspaper notice was published on February 28, 2014. In addition, the City has prepared a Project page for the proposal, which is available at: http://www.menlopark.org/projects/comdev_commonwealth.htm. This page provides up-to-date information about the Project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled. Previous staff reports and other related documents are available for review on the Project page.

RECOMMENDATION

Staff recommends that the Planning Commission follow the meeting procedure for the three agendas outlined on page 3 of this staff report and do the following;

1. Conduct a Public Hearing to receive public testimony on the Draft EIR.
2. Review the Fiscal Impact Analysis, receive public testimony on the Draft document, and provide comments to staff and the City Consultant.
3. Conduct a Study Session on the Commonwealth Corporate Center Project and provide comments to staff and the applicant.

ATTACHMENTS

- A. Location Map
- B. Project Plans

AVAILABLE FOR REVIEW AT CITY OFFICES AND CITY WEBSITE

The following documents are available for review at City offices and on the City website.

- Draft Environmental Impact Report prepared by ICF, dated February 2014
- Draft Fiscal Impact Analysis prepared by BAE, dated December 2013
- Commonwealth Corporate Center Project Plans, dated January 2014

Report prepared by:

David Hogan

Contract Planner

Report reviewed by:

Justin Murphy

Development Services Manager



PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 24, 2014
AGENDA ITEMS: E3, F1, G1

LOCATION:	151 Commonwealth Drive and 164 Jefferson Drive	APPLICANT:	The Sobrato Organization
EXISTING USE:	<u>151 Commonwealth Drive</u> – Unoccupied Industrial Building <u>164 Jefferson Drive</u> – Light Industrial	PROPERTY OWNER:	The Sobrato Organization
PROPOSED USE:	Office	APPLICATION:	Rezoning; Conditional Development Permit; Tentative Parcel Map; Tree Removal Permits; BMR Agreement; and Environmental Review
EXISTING ZONING:	M-2 (General Industrial)		
PROPOSED ZONING:	M-2-X (General Industrial – Conditional Development)		

INTRODUCTION

This staff report combines the presentation of information for three different items on agenda for the March 24, 2014 Planning Commission meeting; a public hearing, a regular business item, and a Commission study session. The three items are as follows.

1. **Public Hearing Item - Draft Environmental Impact Report (DEIR):** Review of the Draft EIR for the Commonwealth Corporate Center Project and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft EIR during the public comment review period, running through April 14, 2014. Comments received during the public hearing on the Draft EIR will be recorded and responded to as part of the Final EIR. Comments may also be submitted as written correspondence before the end of the comment period. The response to comments in the Final EIR will be reviewed at a subsequent Planning Commission meeting.
2. **Regular Business Item - Draft Fiscal Impact Analysis:** Review of the Draft FIA for the Commonwealth Corporate Center and provision of an opportunity for Planning Commissioners and members of the public to comment individually on the Draft FIA. Comments received on the Draft FIA will be recorded and included and responded to in the Final FIA.
3. **Study Session Item - Review of Commonwealth Corporate Center Project:** An overview of the Project will be provided and the Planning Commission and public will have the opportunity to provide feedback to the applicant on the proposed Project.

BACKGROUND/PROPOSAL

On March 7, 2012, the Sobrato Organization submitted applications to demolish the existing structures and build two four-story office buildings (totaling 259,920 square feet) on approximately 13.3 acres located adjacent to U.S. 101 and the Dumbarton rail corridor. A Project location map is provided in Attachment A. The requested City approvals and land use entitlements included the following.

- **Rezoning** the project site from M-2 to M-2(X) to exceed the 35-foot height limit prescribed for the M-2 Zone and to build up to 62 feet;
- **Conditional Development Permit** to establish development regulations, and approve the site plan and architecture for the project;
- **Tentative Parcel Map** to reconfigure the two existing parcels into three new parcels, one for each building and one common parcel for the parking and shared amenities;
- **Heritage Tree Removal Permits** for the 22 heritage trees proposed for removal;
- **BMR Agreement** for the payment of in-lieu fees associated with the City's Below Market Rate Housing Program;
- **Draft Environmental Impact Report (Draft EIR)** to analyze the potential environmental impacts of the proposed project; and.

- **Fiscal Impact Analysis (FIA)** to evaluate the fiscal and financial impacts of the proposed project.

The most recent set of plans for the Project are contained in Attachment F.

MEETING PROCEDURE

Given the variety of the Project-related topics to be covered at the meeting, staff recommends the following meeting procedure to effectively and efficiently move through the three items included on the agenda for the Commonwealth Corporate Center Project. This will also allow the public and the Planning Commission to focus their comments on the specific project components rather than jump from subject to subject the agenda. As a result, the staff report is divided into three major sections; one for the Public Hearing, one for the Regular Business Item, and one for the Study Session.

Item E3: Draft Environmental Impact Report Public Hearing

1. Introduction by Staff
2. Draft EIR Overview Presentation by City staff
3. Public Comments on Draft EIR
4. Commission Questions on Draft EIR
5. Commissioner Comments on Draft EIR
6. Close of Public Hearing

Item F1: Draft Fiscal Impact Analysis Regular Business Item

7. Introduction by Staff
8. Draft FIA Overview by City Consultant
9. Public Comments on Draft FIA
10. Commission Questions on Draft FIA
11. Commissioner Comments on Draft FIA

Item G1: Project Proposal Study Session

12. Project Overview Presentation by the Project sponsor
13. Public Comments on Project Proposal
14. Commission Questions on Project Proposal
15. Commissioner Comments on Project Proposal

PUBLIC HEARING ITEM E3: DRAFT ENVIRONMENTAL IMPACT REPORT

INTRODUCTION

The California Environmental Quality Act (CEQA) requires that agencies approving a project that has the potential to effect the environment evaluate those impacts prior to approving the project or program. For relatively minor activities a negative declaration is commonly prepared, for larger activities an environmental impact report (EIR) is commonly prepared. The process and procedures to prepare these documents is spelled out in CEQA, the CEQA Guidelines, or by local rules that further define how CEQA is implemented.

Because of the size of the project and the associated potential transportation impact, the City determined that an EIR should be prepared for the Commonwealth Corporate Center Project. Consequently, the Notice of Preparation (the start of the 30-day scoping process) was issued on August 6, 2012 and a public scoping meeting was held on August 20, 2012. The public review and comment period for the Draft EIR is February 28, 2014 through April 14, 2014. The purpose of tonight's meeting is provide the public another opportunity to provide comments on the Draft EIR (in addition to providing written comments during the review and comment period).

The Draft EIR analyzes the potential impacts of the Project across a wide range of impact areas. The Draft EIR evaluates fourteen topic areas as required by the CEQA. The topic areas included: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Noise, Population and Housing, Public Services, Transportation & Traffic, and Public Utilities.

Of these 14 topic areas discussed in the Draft EIR, most have impacts that are Less Than Significant, or Less Than Significant with the identified Mitigation Measures. However, three potential impact areas have Significant and Unavoidable impacts. These potentially significant impact categories are associated with: Air Quality-Construction, Noise-Construction, and Transportation & Traffic. These significant and unavoidable impacts are explained in more detail below. Any significant and unavoidable impacts associated with the Project will require the City Council to adopt a Statement of Overriding Considerations if the Council determines that the Project's benefits outweigh the potentially significant environmental impacts.

The members of the Planning Commission were previously provided a copy of the Draft EIR and a copy of the Draft EIR is located on the City website.

SUMMARY OF SIGNIFICANT AND UNAVOIDABLE PROJECT IMPACTS

Air Quality - Construction

The increase in nitrogen oxides (NO_x) during project construction exceeds the Bay Area Air Quality Management District (BAAQMD) significance thresholds. This impact is directly attributable to the demolition of the existing buildings, the site grading, and the initial phases of building construction. The BAAQMD threshold of 54 pounds per day is expected to be exceeded for 91 of the 334 estimated construction days. The DEIR also identifies mitigation measures to reduce nitrogen oxides. With the implementation of these mitigation measures, project construction will still exceed the BAAQMD criteria. However, the exceedence is expected to be for only 21 construction days.

Even though the mitigation measure is expected to substantially reduce NO_x emissions, the BAAQMD significance threshold is still exceeded. Therefore, the impact is significant and unavoidable. This impact is also identified as a significant and unavoidable cumulative impact in conjunction with the construction of future anticipated projects in the surrounding area. There were no identified air quality impacts from project operation.

Noise - Construction

The use of heavy equipment (such as vibratory rollers, and large trucks and bulldozers) during project construction has the potential to affect nearby sensitive land uses. During the Notice of Preparation for the project a business located in an adjacent building expressed concern that their vibration sensitive equipment could be affected by the proposed demolition and construction activities.

The Federal Transit Administration's (FTA) recommended significance threshold for vibration-producing activities is 65 VdB at a distance of 225 feet. The analysis indicated that the projected vibration could exceed this threshold. The DEIR identified two mitigation measures involving the notification of nearby business and the scheduling of construction to minimize potential vibratory impacts. Even with these mitigation measures, the impact is still considered to be significant and unavoidable. There were no identified noise impacts from project operation.

Transportation - Operation

The Transportation Impact Analysis for the Commonwealth Corporate Center included the analysis of the following scenarios:

- Existing Conditions;
- Near Term 2015 Conditions;
- Near Term 2015 Plus Project Conditions;
- Cumulative 2030; and
- Cumulative 2030 Plus Project Conditions.

The TIA evaluated the Project's impacts to traffic (intersections, roadway segments, and Routes of Regional Significance), transit service, and bicycle and pedestrian facilities. The Project's impacts to transit service and bicycle and pedestrian facilities were all found to be Less Than Significant. Therefore, the following discussion focuses on vehicular traffic impacts.

The analysis studied 28 intersections, 12 roadway segments, and 9 roadway segments on four Routes of Regional Significance (State and Federal highways). Many of the arterial intersections and roadway segments were also included in the analysis and mitigation requirements for the recent Facebook Campus Project.

The analysis found that the Commonwealth Corporate Center Project would result in significant and unavoidable impacts to 12 intersections, ten roadway segments, and five segments of Routes of Regional Significance in both the near-term and long-term (cumulative) conditions as described below. Five of the significant and unavoidable intersection impacts are classified as unavoidable because the City does not have jurisdiction over the facility and cannot guarantee the improvements would be implemented even though it is required that construction of feasible improvements will be diligently pursued.

Intersections

A total of fourteen study intersections were identified as having significant impacts. Of these, one is impacted only in the 2015 Near Term scenario, nine are impacted in both the 2015 Near Term and 2030 Cumulative scenarios while four are impacted only in the 2030 Cumulative impact scenario. Of the fourteen impacted intersections, seven are required to be improved by Facebook and one by the St. Anton Housing project. Of the remaining intersections, feasible mitigation was identified for two intersections to fully mitigate the Project's impacts. Feasible partial mitigation was identified for two additional intersections. The remaining affected intersections are either under control of another agency or improvements are infeasible due to the need for additional right-of-way to accommodate the improvements. Draft EIR Table 3.3-20 summarizes these results.

The following chart provides a comprehensive summary of the impacted intersections and associated mitigations measures. Many of these improvements are already the responsibility of either the Facebook Campus Project [FB] and/or the St. Anton Housing Project [SA]. This is indicated in the following table.

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Marsh Rd. and Bayfront Expressway (#1)	Near Term & Cumulative	Caltrans	Reconfigure the westbound approach from a shared left-through-right lane to a left-through lane and a right-through lane. [FB] Re-stripe southbound through-lane to through-right-turn lane. [SA] Add a third eastbound right-turn lane.	Yes	Yes, with Caltrans approval
Marsh Rd. and US-101 NB Off Ramp (#3)	Near Term & Cumulative	Caltrans	Add a northbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Independence Dr. and Constitution Dr. (#8)	Near Term & Cumulative	Menlo Park	Reconfigure to prevent left turns onto Independence Dr.	No	No

TABLE OF INTERSECTION IMPACTS					
Intersection	Scenario of Significance	Roadway Jurisdiction	Mitigation Measure	Feasible?	Mitigated?
Bayfront Expressway and Chrysler Dr. (#9)	Near Term & Cumulative	Caltrans	Restripe existing eastbound right-turn lane to a shared left-right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Chrysler Dr. and Jefferson Dr. (#11)	Near Term & Cumulative	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chrysler Dr. and Independence Dr. (#12)	Near Term	Menlo Park	Add sidewalks and contribute fair share toward future signalization or traffic control.	No	Partial
Chilco St. and Constitution Dr. (#14)	Near Term & Cumulative	Menlo Park	Reconfigure southbound approach to include left-turn lane and shared through-right turn lane.	Yes	Yes
Willow Rd. and Bayfront Expressway (#15)	Near Term & Cumulative	Caltrans	Add a third eastbound right-turn lane. [FB]	Yes	Yes, with Caltrans approval
Willow Rd. and Newbridge St. (#19)	Near Term & Cumulative	Caltrans	Reconfigure the southbound approach from a left-turn lane, a through lane and a right-turn lane to a left-through-lane, right-through-lane, and right-turn lane. [infeasible]	No ¹	Partial, with Caltrans approval
			Add a third westbound through-lane. [FB]	Yes ¹	
University Ave. and Bayfront Expressway (#25)	Near Term & Cumulative	Caltrans	Add a fourth southbound through lane	No	No
Marsh Rd. and US-101 SB Off Ramp (#4)	Cumulative	Caltrans	Add additional southbound ramp lane and add additional eastbound receiving lane on Marsh Rd. bridge.	No	No
Marsh Rd. and Scott Dr. (#5)	Cumulative	Caltrans	Reconfigure to add westbound right-turn-through lane.	No	No
Marsh Rd. and Middlefield Rd. (#7)	Cumulative	Atherton	Add a second left-turn lane to the southbound approach and widen paving. Re-stripe Marsh to accommodate receiving lane. [FB]	No	No
Willow Rd. and Middlefield Rd. (#24)	Cumulative	Menlo Park	Pay City TIF towards the eastbound approach improvements.	Yes	Yes
1. The southbound improvements are not feasible; the westbound improvements are feasible and will be implemented by Facebook.					

Roadway Segments

All of the studied roadway segments around the project are controlled by the City of Menlo Park. To determine if there is an impact, the daily increase in traffic volumes associated with the proposal were compared to the City's impact criteria for its respective street type. Using the City's added net traffic volume standard, ten roadway segments would be significantly impacted by the project. These impacts are identified in both the 2015 Near Term and 2030 Cumulative scenarios. Draft EIR Table 3.3-21 summarizes these results.

Of the impacted segments, eight have no feasible mitigation measures because the thresholds are based on the amount of traffic added by the Project, which can only be reduced by reducing the project size. The impacts on the following roadway segments remain significant and unavoidable:

- Marsh Road between Bohannon Drive and Bay Road (Segment B);
- Chrysler Drive between Bayfront Expressway and Constitution Drive (Segment C);
- Chrysler Drive between Constitution Drive and Jefferson Drive (Segment D);
- Chilco Street between Bayfront Expressway and Constitution Drive (Segment E);
- Chilco Street between Hamilton Avenue and Ivy Drive (Segment F);
- Jefferson Drive between Chrysler Drive and the project access drive (Segment J);
- Jefferson Drive between the project access drive and Constitution Drive (Segment K) ; and
- Independence Drive between Constitution Drive and Chrysler Drive (Segment L).

For the remaining two impacted roadway segments, the installation of a Class III Bike Route is expected to partially mitigate the impacts of the Project. However, the impacts to these two roadway segments remain significant and unavoidable. These two partially mitigated roadway segments are:

- Constitution Drive between Independence Drive and Chrysler Drive (Segment G); and
- Constitution Drive between Jefferson Drive and Chilco Drive (Segment I).

Routes of Regional Significance

The San Mateo County Congestion Management Program Land Use Analysis Program guidelines requires that Routes of Regional Significance be evaluated to determine the impacts of added Project generated trips for projects that generate more than 100 net peak hour trips. The Routes of Regional Significance that are in the project area are

State Route (SR) 84 (Bayfront Expressway), SR 114 (Willow Road), and United States Highway 101 (US 101). Nine segments were evaluated in the transportation analysis, which determined that the following five segments had significant and unavoidable impacts in both the 2015 Near Term and 2030 Cumulative scenarios.

- SR 84, between Willow Road and University Avenue;
- SR 84, between University Avenue and County Line;
- US 101, between March Road and Willow Road;
- US 101, between Willow Road and University Avenue; and
- US 101, south of University Avenue.

There are no feasible mitigation measures for these impacts because of the already constrained rights-of-way. Draft EIR Table 3.3-22 summarizes the impacts for the Routes of Regional Significance.

Transportation Mitigation Measure Summary

Based upon the analysis contained in the Draft EIR, the impact and mitigation on the intersection and roadways in the study area are summarized below. Many of the traffic impacts that are being potentially mitigated will require outside agency approval and therefore will remain significant and unavoidable.

SUMMARY OF IMPACTED INTERSECTIONS AND ROADWAY SEGMENTS				
	Intersections		Roadway Segments	
	2015 Near Term	2030 Cumulative	2015 Near Term	2030 Cumulative
Significantly Impacted	10	13	10	
Mitigated by Commonwealth Project	4 ¹	4 ¹	2 ²	
Mitigated by Other Project(s)	5 ³	5 ³		
Significantly Impacted and No Feasible Mitigation	2	5	8	
1. Of which, 2 are partially mitigated. 2. Of which, 2 are partially mitigated. 3. Of these, one intersection (Marsh Road and Bayfront Expressway) includes mitigation measures from Facebook, St. Anton, and Commonwealth.				

SUMMARY OF ALTERNATIVES ANALYSIS

Per the requirements of CEQA, project alternatives are required to meet the majority of the Project objectives established by the project sponsor and substantially lessen or avoid significant and unavoidable impacts. The Draft EIR analyzed two alternatives, a No Project Alternative and a Reduced Project Alternative. The Draft EIR also considered and rejected the Alternative Location and Alternate Development Scenario alternatives. The environmental impacts of the alternatives are assessed in Chapter 4 of the DEIR. The Project Alternatives outlined in the Draft EIR are as follows.

- The No Project Alternative would have the existing Project sites remain as-is, an unused distillery complex and small single-story industrial building. This Alternative was analyzed in the Draft EIR.
- The Reduced Development Alternative would limit development to 75% of the floor area allowed in the M-2 Zone, approximately 195,000 square feet. This Alternative was analyzed in the Draft EIR. The Reduced Development Alternative was also determined to be the environmentally superior alternative but did not reduce any of the significant and unavoidable impacts.
- The Alternative Development (Land Use) Scenario would have involved the redevelopment of the site with a non-industrial or non-office land use. However, since only industrial, manufacturing and office uses are allowed in the General Industrial General Plan Land Use and Zone District, and the Project location is unsuitable for a non-industrial/office land uses, this alternative was considered and rejected.
- The Alternative Location scenario involves the construction of this project in another location. Because the project proponent does not own any alternate sites in the Menlo Park area, this alternative was also considered and rejected.

Based upon the Alternatives Analysis, the EIR is not recommending one of the alternative projects.

REGULAR BUSINESS ITEM F1: DRAFT FISCAL IMPACT ANALYSIS (FIA)

INTRODUCTION

The City's independent economic consultant, Bay Area Economics, has prepared a Draft Fiscal Impact Analysis (FIA), projecting the potential net increase in revenues and expenditures, and resulting net fiscal impact directly associated with development of the proposed Project. The Draft FIA also explores a number of related topics, including indirect revenues/costs from potential induced housing demand, as well as one-time/non-recurring revenues (such as impact fees), and potential additional opportunities for fiscal benefits.

The FIA is based upon two different development scenarios. The first scenario is for the proposed Project with approximately 260,000 square feet of office. The second scenario is for the CEQA Reduced Project Alternative with approximately 195,000 square feet of office/R&D space.

The Draft FIA evaluates Project related impacts to the City's General Fund as well as the following affected Special Districts that serve the community:

- Menlo Park Fire Protection District;
- Ravenswood School District;

- Sequoia Union High School District;
- San Mateo County Office of Education Special District;
- San Mateo County Community College District;
- Midpeninsula Regional Open Space District; and
- Sequoia Healthcare District.

The Menlo Park Municipal Water District and the West Bay Sanitary District operate on a cost-recovery basis through operation use fees. As a result, the project is not expected to have an ongoing fiscal impact on these two districts.

The Draft FIA was released with the Draft EIR on February 28, 2014, and is available for public review at City offices, the City Library, and is viewable on the City Project web page. The fiscal impacts of the proposed Project are summarized below.

CITY GENERAL FUND IMPACT OF PROPOSED PROJECT

The core of the Draft FIA is the estimation of annual General Fund revenues and costs associated with the construction and operation of the Commonwealth Corporate Center. The major annually occurring revenue sources include new property taxes, sales taxes, and transient occupancy taxes (TOT), also known as the room or lodging tax. The Draft FIA analyzes two scenarios when evaluating the potential General Fund revenues from the Project. These two scenarios correspond to the alternative assumptions for both sales tax and TOT generation. The fiscal impact analysis for the first year of project operation, excluding onetime fee payments, is provided below.

CITY OF MENLO PARK – GENERAL FUND				
	Proposed Project		Project Alternative	
First Year (2015)				
New Revenues	\$311,300		\$232,800	
New Expenditures	\$172,400		\$121,200	
Net Fiscal Impact	\$138,900		\$111,600	
2015 – 2030 (in 2013 Dollars)				
Net Fiscal Impact		\$1,970,906		\$1,585,328

Since the dissolution of the Redevelopment Agency, the proposed Project would have no effect on Redevelopment Agency Funding. In addition to the recurring revenues and expenses associated with property taxes, sales taxes and transient occupancy taxes, the project scenarios will also generate a number of one time revenues, mostly related to City impact and permit fees.

SPECIAL DISTRICTS

There are seven special districts serving the project site that may benefit from the construction of the Project. These districts include a fire protection district, three

school districts, a County agency, a hospital district, and a regional open space district. The primary benefit to these districts from the Project is the increase in property taxes, though the Community College District may also benefit from increased tuition fee payments. According to the FIA, the Project would have no fiscal impact to the San Mateo County Office of Education, the Mid-peninsula Regional Open Space District, or the Sequoia Health Care District. The following table summarizes the net fiscal impact of the Commonwealth Corporate Center on the remaining four special districts.

SPECIAL DISTRICT FISCAL IMPACTS				
	Menlo Park Fire Protection District	SM County Community College District	Sequoia Union HSD	Ravenswood School District
New Revenues	\$102,800	\$54,400	\$111,700	\$278,100
New Expenditures	\$87,600	\$55,500	\$0	\$0
Net Fiscal Impact	\$15,200	(-\$1,100)	\$111,700	N/A¹
<p>1. The Ravenswood School District (providing elementary and middle schools) is a revenue limit district, and as such, any new property tax revenues simply offset payments from the State and do not result in increased revenue to the District. Any revenue increase benefits the State (and potentially other school districts).</p> <p>Note: The Net Fiscal Impact for the Project Alternative are \$18,000, \$2,900, \$86,700, and N/A¹, respectively.</p>				

STUDY SESSION ITEM G1: REVIEW OF COMMONWEALTH CORPORATE CENTER PROJECT PROPOSAL

INTRODUCTION

The Commonwealth Corporate Center proposes to construct two four-story office buildings on a 13.3 acre site adjacent to US 101 and the Dumbarton Railway. The Project consists of five separate City permit requests, which are described below, and a related Environmental Impact Report, which is described earlier in the staff report. Reductions of the project plans are contained in Attachment B.

APPLICATIONS

Rezoning

The Project includes a request to rezone the entire site from M-2 (General Industrial) to M-2(X) (General Industrial - Conditional Development) for an increase in building height, the proposed lot configuration, and sign program.

Conditional Development Permit

The Project includes the removal of six structures (totaling 237,858 square feet) and the construction and operation of two four-story office buildings totaling 259,920 square feet, an access drive between Jefferson Drive and Commonwealth Drive, 867 parking

spaces, outdoor recreation area, project signage, landscaping, and on-site storm retention facilities. No development agreement is required for this project.

Tentative Parcel Map

The project includes a request to subdivide the two existing lots into three lots. Two of the proposed lots would be for each of the office buildings, while the third lot would contain most of the common components such as the parking areas and on-site amenities.

Heritage Tree Removal Permits

The Project includes the removal of 22 heritage trees and the retention of 1 heritage tree. This request was reviewed by the Environmental Quality Commission on February 26, 2014. At their meeting, the Commission voted 5-0 recommending that the Planning Commission and City Council approve the request to remove 22 heritage trees.

Below Market Rate Agreement

The Project is office in nature and does not contain any residential units (nor is housing is not allowed in the M-2 Zoning District). As a result, payment of the In Lieu Below Market Rate (BMR) Housing fees will be required. The draft Agreement was reviewed by the Housing Commission on February 5, 2014. At their meeting, the Commission voted 5-0 recommending that the City Council approve the BMR Agreement.

PROPOSED PROJECT

Location/Setting

The project is located on the east side of US 101 north of the Dumbarton rail line. The site is in an industrial area that is occupied by a number of larger multi-story office buildings. A Project Location Map is contained in Attachment A. The General Plan and Zoning Designations and the existing land use information are summarized below.

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
Project Site: Existing	Light industrial, unoccupied industrial/warehouse	M-2, General Industrial
<i>Proposed</i>	<i>Office/R&D</i>	<i>M-2(X), General Industrial - Conditional Development</i>
North	Office, industrial/warehouse	M-2, General Industrial
East	Office/R&D	M-2(X), General Industrial - Conditional Development

LAND USE AND ZONING SUMMARY		
	Land Use	General Plan & Zoning
South	Freeway, railroad right-of-way (Kelly Park is located across the railroad r-o-w)	Unzoned public rights-of-way
West	Office/R&D	M-2, General Industrial

The Project site consists of two lots occupied with industrial buildings. The larger of the two lots is the 12.1-acre property containing the site of the former Diageo North America distillery. This larger site contains approximately 220,000 square feet of manufacturing, warehouse, and office areas. This site has been vacant since 2011. This larger parcel is accessed from the terminus of Commonwealth Drive. The smaller lot is a 1.17-acre parcel accessed from Jefferson Drive. This smaller lot contains a 20,000 square foot, one-story industrial building. Prior to this entitlement request, there were four different tenants in this building.

Project Description

The Sobrato Organization is proposing to construct two four-story office buildings on a 13.28 acre site. A summary of the existing development, the requirements of the M-2 Zone, and the proposed project are provided below.

COMPARISON OF EXISTING AND PROPOSED PROJECTS			
	Existing	Zoning Ordinance Requirement	Proposed
Project Site	13.28 ac	25,000 sf minimum	13.28 ac (578,472 sf)
Building Height	27'	35' maximum	62' ²
Building Size	237,858 sf	260,312 sf maximum	259,920 sf
Floor Area Ratio	41.1%	45% maximum ¹	44.9%
Building/Lot Coverage	41.1%	50% maximum	11.9%
Impervious Area	93.4%	N/A	74.4%
Landscaped Area	6.6%	N/A	25.6%
1. The Floor Area Ratio for the existing industrial uses is 55%, and Floor Area Ratio for the proposed office use is 45%. 2. Requested as part of M-2(X) Zoning Designation, the top of the proposed roof-mounted equipment screening is 72'4". 3. The calculations are based on the total lot area of the three proposed parcels, which is allowed through the Conditional Development Permit.			

Access and Circulation

The Project is located on the east side of US 101 near the Dumbarton Rail Corridor. Access to the local road network is provided via a new access drive along the western edge of the site that would connect Commonwealth Drive to Jefferson Drive. These connection points access the local road network which connects directly to State Route 84 (Bayfront Expressway) and indirectly to State Route 119 (Willow Road) via Chilco Street and Ivy Drive. Bayfront Expressway and Willow Road connect to US 101 and Interstate 880 across the Dumbarton Bridge, allowing convenient access throughout the region.

There are no fixed-route transit or Caltrain stations adjacent to the project site. The Caltrain Marsh Road Shuttle runs along Jefferson Drive providing access to the Menlo Park Caltrain station. In addition, while not adjacent to the site, the area is also served by SamTrans Route 270 at Marsh Road (1/2 mile to the west) which runs toward the Redwood City Caltrain Station and SamTrans Route 281 from the Belle Haven neighborhood (one mile to the east) to the Palo Alto Caltrain Station. A transfer from Route 281 to SamTrans Route 296 along Willow Road also provides access to downtown Menlo Park and the Menlo Park Caltrain Station.

Bicycle and pedestrian access to the project site is also limited. Marsh Road provides the closest access point to rest of the community. The other connection to the site is via Constitution Drive and Chilco Street which connects to Ivy Drive and Newbridge Street in the Belle Haven neighborhood. However, the existing sidewalk and bike lane networks do not completely connect the project site to either Marsh Road or Belle Haven. The Draft EIR includes a mitigation measure that the Project install additional sidewalks along Jefferson Drive (west to Chrysler Drive) and install a Class III (striped) bike lane along Constitution Drive. Onsite pathways will connect to sidewalks along Commonwealth Drive and Jefferson Drive.

Site Plan

The Commonwealth Corporate Center is designed to provide maximum visibility from US 101 and to locate the proposed buildings away from, as much as possible, the Belle Haven neighborhood to the southeast. The two buildings are located between the access drive and the parking lot which occupies most of the northern and eastern thirds of the site. The main access drive runs north to south along the west of the property.

Building “1” is located adjacent to the main access drive with the long edge facing US 101. This building is set back approximately 150 feet from the freeway. Building “2” is located east of the Building “1” and is oriented so that the narrow end is facing toward the freeway. This building is about 90 feet from the freeway at its closest. The buildings are oriented so that the long side of the first building is facing the short side of the other. A pedestrian oriented plaza with outdoor seating areas will be located between the two buildings and will wrap around the north side of Building “1”. This

plaza area will be extensively landscaped and will incorporate water fountains and features in its design.

Separated pedestrian paths project from the buildings into the parking lot to allow safe and easy access to the buildings. The delivery and loading areas are located on the ends of each building near the main access drive and main drive aisle around the buildings. Combined trash and emergency generator enclosures are located near the loading areas and oriented away from the primary building entrances.

Parking

The Project proposes 849 parking spaces and 18 handicapped accessible parking spaces. The Project is currently parked at a ratio of 1 space per 300 square feet. The possibility of placing a portion of the parking lot in a landscaped reserve has been discussed with the applicant. However, until a specific building tenant has been identified the applicant is reluctant to implement a landscape reserve.

The Project also includes bicycle lockers that are provided at the south end to Building 2 and shower facilities are provided in each building.

Architecture

The buildings are in a modern steel and glass architectural style. The buildings incorporate two different architectural compositions which maximize the aesthetic variation of the structures. The first architectural composition contains vertically-oriented window wall components with a recessed ground floor. The second composition incorporates horizontally-oriented window walls with horizontal elements separating each floor. This second composition includes recessed upper floors and exposed structural elements around the building entrances. The building façade will utilize aluminum panels with high performance blue-tint glass set in aluminum frames. Each building story has approximately 30,000 square feet of floor area.

The Sobrato Organization is also requesting project signage as part of the Conditional Development District request. The applicant is requesting two building mounted signs on each building, a free-standing sign along Jefferson Drive (two-sided) and Commonwealth Drive (one-sided), as well as a two sided onsite directional signage within the project boundary. Staff is currently working with the applicant to arrive at an appropriate level of signage for this site given its size, freeway frontage and multiple access points.

Landscaping

The conceptual landscape plan includes perimeter, parking lot, accent landscaping around the buildings and outdoor seating areas, and heritage tree replacements. The Project landscaping would increase the amount of on-site landscaping from 6 percent to over 25 percent and result in the planting of over 425 new trees. The stormwater

detention basins are incorporated into the Landscape Plan. The conceptual Landscape Plan has identified the following species and sizes: Strawberry Tree (24 inch box), European Hornbeam (24 inch box), Elm (15 gallon and 24 inch box), Purple Leaf Plum (15 gallon), Liquid Amber (15 gallon), Brisbane Box (24 inch box), Ginkgo (24 inch box and 36 inch box), Carolina Laurel Cherry (24 inch box), Crape Myrtle (48 inch box), and additional London Plane Trees (24 inch box).

On February 26, 2014, the Environmental Quality Commission (EQC) recommended allowing the removal of 22 of the 23 heritage sized trees onsite. The single tree required for retention is a native oak tree. The Applicant is proposing to provide an additional 44 trees as replacement heritage trees. The proposed heritage tree replacements are the London Plane Tree (*Platanus x. a 'Columbia'*) in 24 inch boxes. These trees are proposed to be located along the main drive aisle that connects Commonwealth Drive and Jefferson Drive to create a "boulevard effect" at the project entries, although the exact driveway configuration is still subject to review and potential modification.

CORRESPONDENCE

Since the release of the Draft EIR and Draft FIA on February 28, 2014, the City has yet to receive any correspondence from any other jurisdictions, agencies, or individuals.

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail of all property owners and occupants within a quarter-mile (1,320 feet) radius of the subject property. The newspaper notice was published on February 28, 2014. In addition, the City has prepared a Project page for the proposal, which is available at: http://www.menlopark.org/projects/comdev_commonwealth.htm. This page provides up-to-date information about the Project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled. Previous staff reports and other related documents are available for review on the Project page.

RECOMMENDATION

Staff recommends that the Planning Commission follow the meeting procedure for the three agendas outlined on page 3 of this staff report and do the following;

1. Conduct a Public Hearing to receive public testimony on the Draft EIR.
2. Review the Fiscal Impact Analysis, receive public testimony on the Draft document, and provide comments to staff and the City Consultant.
3. Conduct a Study Session on the Commonwealth Corporate Center Project and provide comments to staff and the applicant.

ATTACHMENTS

- A. Location Map
- B. Project Plans

AVAILABLE FOR REVIEW AT CITY OFFICES AND CITY WEBSITE

The following documents are available for review at City offices and on the City website.

- Draft Environmental Impact Report prepared by ICF, dated February 2014
- Draft Fiscal Impact Analysis prepared by BAE, dated December 2013
- Commonwealth Corporate Center Project Plans, dated January 2014

Report prepared by:

David Hogan

Contract Planner

Report reviewed by:

Justin Murphy

Development Services Manager