



PLANNING COMMISSION MINUTES

Regular Meeting
July 21, 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 (absent), Combs, Eiref (Chair), Ferrick, Kadvany, Onken (Vice Chair), Strehl

INTRODUCTION OF STAFF – Deanna Chow, Senior Planner; David Hogan, Senior Contract Planner; Leigh Prince, City Attorney; Thomas Rogers, Senior Planner.

A. REPORTS AND ANNOUNCEMENTS

A1. Update on Pending Planning Items

- a. El Camino Real/Downtown Specific Plan – Ballot Measure – City Council – July 15, 2014

Senior Planner Rogers said the City Council at their July 15 meeting considered three items related to the El Camino Real/Downtown Specific Plan – Ballot Measure. He said the Council certified the ballot measure as having the required number of signatures per the County Elections Officer. He said the second item was a report from an independent consultant with perspective about the Initiative and the pros and cons. He said the Council asked numerous questions about the report and there was substantial public comment about the report from different perspectives. He said the third item was an action item. He said under election law if an initiative was certified the Council either might adopt it outright or place it on the next election ballot. He said the Council took action to place the Initiative on the November General Election ballot and designated a subcommittee to write an argument against the Initiative. He said all five Council Members indicated they had concerns with the Initiative and Council Members Cline and Mueller were appointed as the subcommittee.

- b. General Plan Advisory Committee (GPAC) – Call for At-Large Member Applications – August 11, 2014 deadline

Senior Planner Rogers said this agenda had an item for the Planning Commission to nominate one member to the General Plan Advisory Committee. He said there were also three At-Large-Member vacancies, and August 11, 2014 was the deadline to apply. He said any of the other Commissioners not nominated for appointment to the committee might apply for the At-Large-Member seats. He said also the Commissioners were requested to encourage other members of the public to apply.

B. PUBLIC COMMENT

C. CONSENT

- C1.** Approval of minutes from the June 9, 2014 Planning Commission meeting ([Attachment](#))

Commission Action: M/S Strehl/Onken to approve the minutes as submitted.

Motion carried 6-0 with Commissioner Bressler absent.

- C2.** Approval of minutes from the June 23, 2014 Planning Commission meeting ([Attachment](#))

Commission Action: M/S Strehl/Onken to approve the minutes as submitted.

Motion carried 6-0 with Commissioner Bressler absent.

D. PUBLIC HEARING

- D1. Use Permit/Calysta Energy/1140 O'Brien Dr., Suite B:** Request for a use permit for the indoor storage and use of hazardous materials for the development of sustainable fuels and chemicals, located in an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the existing building. ([Attachment](#))

Staff Comment: Senior Planner Rogers said there were no additions or changes to the written report.

Public Comment: Mr. Allan Leblanc, Business Development Director, Calysta Energy, said their work requires the use of methane and they have four tanks of it onsite, each about 200 cubic feet. He said these tanks were smaller in volume each than propane tanks used in rural households.

Commissioner Strehl asked about outreach in the event of a need to evacuate noting a nearby Boys and Girls Club and a kindergarten through fourth grade school.

Mr. Leblanc said the quantity of the gas stored was quite small and they had not done outreach with neighboring organizations. He said they have emergency procedures in place.

Mr. Brandon Doss, scientist, Calysta Energy, said part of his work was to establish relationships with Menlo Park Fire District, San Mateo County Environmental Health, and their waste vendor, Ingenium, and with the oversight of those agencies, their company has up to code hazardous materials plans and emergency action plans. He said those plans were provided to the City of Menlo Park as well.

Commissioner Ferrick said it sounded to her that if the tanks were to explode that the impact would be only to the applicant's property and not to neighboring properties. Mr. Doss said that was correct. He said neither the County nor Fire District had indicated there were any concerns with the proposal. He said they were willing to work with the neighboring organizations.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Ferrick moved to approve as recommended in the staff report. She referred to a statement on page 3 of the staff report that there would be no unique requirements for the proposed use and noting its proximity to the Boys and Girls Club and a school. Commissioner Onken seconded the motion.

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

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by the applicant, consisting of five plan sheets, dated received July 15, 2014, and approved by the Planning Commission on July 21, 2014 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.
 - e. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Department, West Bay Sanitary District, Menlo Park Building Division or other agency having responsibility to assure public health and safety for the use of hazardous materials will be grounds for considering revocation of the use permit.
 - f. If the business discontinues operations at the premises, the use permit for hazardous materials shall expire unless a new business submits a new hazardous materials business plan to the Planning Division for review by the

applicable agencies to determine whether the new hazardous materials business plan is in substantial compliance with the use permit.

4. Approve the use permit subject to the following ***project specific*** conditions:
 - a. Prior to building permit issuance and formal submittal of the HMBP to the San Mateo County Environmental Health Division, the applicant shall update the contact list in the "Emergency Communications, Phone Numbers, and Notifications" section of the HMBP to include the San Francisco Public Utility Commission's (SFPUC) Millbrae Dispatch center.

Motion carried 6-0 with Commissioner Bressler absent.

D2. Use Permit Revision/Memry Corporation/4065 Campbell Avenue: Request for a revision to a use permit, previously approved in 1992, to modify the quantities of hazardous materials used and stored at the site. The subject property is located in the M-2 (General Industrial) zoning district and the hazardous materials are used in association with the manufacturing of metallic components. The applicant is proposing to install a new approximately 5,600 liter liquid argon tank and associated screening, which would be located within the existing rear storage yard. ([Attachment](#))

Staff Comment: Senior Planner Rogers said staff had no additions to the written report.

Public Comment: Mr. Greg Spears, Compliance Officer, Facilities Manager and Safety Officer, Memry Corporation, said the overall project was to increase the amount of liquid argon to help the company reduce overhead costs. He said the process had been in place for 20-plus years. He said their vendors suggested by increasing the amount stored that would help reduce the number of truck deliveries and the bulk cost of their purchases of liquid argon.

Chair Eiref asked if this was a manufacturing firm. Mr. Spears said it was a manufacturing facility of nickel titanium products.

Commissioner Onken asked for information on potential hazards of argon. Mr. Spears said the argon was stored in liquid form and in the process of changing from liquid to gas it would become very cold. He noted that it was an inert gas.

Commissioner Ferrick asked about the worst case scenario for a person exposed to argon in an enclosed space. Mr. Spears said in an enclosed space it would act as a sudden asphyxiant. He said the material was stored outside in a fenced area. He said exposure outside could result in frostbite. He said if someone was immediately outside the fence and for some unknown reason there was a large release of argon the argon might cause frostbite to that person.

Chair Eiref asked if sensors would indicate any leaking. Mr. Spears said as it was an inert gas they would be able to tell if there was any leakage from the gauges and the manifolds in place. He said if it was leaking cold vapor would appear smoke-like in appearance. He said ice would form on the tank if there were any cracks or ruptures and that was monitored.

Commissioner Ferrick asked about the frequency of monitoring. Mr. Spears said staff regularly travels past the area. He said in addition to ice forming on the unit if there was a leak there would be a noise associated with it that would alert staff.

Commissioner Combs asked if they had had any leaks since 1992. Mr. Spears said he was not aware of any such incident.

Commissioner Strehl asked if there were any alarms to alert people to a leak. Mr. Spears said he was not sure an alarm could even be installed. He said if the tank was enclosed oxygen levels could be monitored but that was not possible in the outside.

Chair Eiref closed the public hearing.

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

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit revision subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by WHL Architects, consisting of nine plan sheets, dated received July 8, 2014, and approved by the Planning Commission on July 21, 2014 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.
 - e. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Department, West Bay Sanitary District, Menlo Park Building Division or other agency having responsibility to

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

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

Motion carried 6-0 with Commissioner Bressler absent.

D3. Rezoning, Conditional Development Permit, Tentative Parcel Map, Heritage Tree Removal Permits, Below Market Rate (BMR) Housing Agreement, Environmental Review/The Sobrato Organization/151 Commonwealth Drive and 164 Jefferson Drive:

Request for a rezoning from M-2 (General Industrial District) to M-2-X (General Industrial, Conditional Development), conditional development permit, and tentative parcel map to construct approximately two four-story buildings totaling approximately 259,920 square feet and associated site improvements, including new landscaping, outdoor amenities, at-grade parking, and use of hazardous materials associated with emergency generators. The proposed buildings would exceed the 35-foot height maximum and would include a sign program that exceeds the 150 square-foot maximum. The existing two parcels would be reconfigured into three parcels, but would be considered as one lot for the purposes of applying the development standards. As part of the proposal, the applicant is seeking approval of heritage tree permits for the removal of 22 heritage trees, primarily in poor health. In addition, the project includes a BMR Housing Agreement for the payment of in-lieu fees. Environmental review includes the preparation of an environmental impact report (EIR) to analyze the potential environmental impacts of the proposed project.

[\(Attachment\)](#)

Staff Comment: Senior Contract Planner Hogan said the Commission at its March 24, 2014 meeting in considering the EIR had a number of suggestions for the applicant, and those were discussed on page 4 of the staff report. He said he believed the applicant had addressed all of the suggestions and comments made by the Planning Commission at that time. He said the Heritage Tree Removal Permit was considered by the Environmental Quality Commission (EQC) and the Below Market Rate (BMR) Agreement was considered by the Housing Commission. He said both Commissions were recommending approval. He said there was a small addition to Attachment E, the Statement of Overriding Considerations, as the public benefits offered had changed through the process, and the last three would be added to the resolution for the approval of the State of Overriding Considerations.

Questions of Staff: Chair Eiref said it was unusual that staff was not making a recommendation on the project. Planner Hogan said in the M2 zone there was an expectation of additional benefits to the community and that responsibility was placed in the hands of the policy, decision-makers rather than staff. He said from a simple design perspective if community benefits were not an issue, he suspected staff would be able to make a recommendation.

Senior Planner Chow said the Planning Commission and City Council would be looking at the Statement of Overriding Considerations because of the significant and unavoidable impacts and the question was whether the public benefit outweighed the impacts. She said the applicant

was requesting the property be rezoned to the X-Development zoning district and that was a policy consideration for the Commission.

Chair Eiref asked about a change to the visual view of the project since last reviewed by the Commission. Staff indicated there were no changes.

Commissioner Onken asked about Commission actions needed. Planner Hogan said at the least there would be two actions; one on the environmental document and one on the project itself. He said there were two items related to the environmental document and five items related to the project. He said the Commission would look overall at the project for consistency with the General Plan and zoning and decide whether the project was offering sufficient benefit to the City.

Public Comment: Mr. Richard Truempler, Director of Development for The Sobrato Organization, introduced Mr. Robert Hollister, the President of the company. He said also their design team was available to answer any questions. Mr. Truempler provided the Commission with information on The Sobrato Organization noting it was a local, family-owned company, unique in that they are long-term holders of the real estate they develop. He said the family in 1996 created a foundation through which they have donated \$238 million to the community. He noted numerous organizations in the City that receive donations from the foundation.

Mr. Truempler said it was his understanding that staff supported the project design but could not comment on the public benefit aspect. He said the project would keep with the intent of the M2 district and was in context with the surrounding development. He said the project conformed with the General Plan and would not require a development agreement. He said they proposed to replace 240,000 square feet of obsolete industrial buildings with 260,000 square feet of modern Class A office buildings developed into two, four-story 130,000 square feet buildings. He said the buildings have an open floor plan, large onsite amenity area, adequate parking with infrastructure support for car charging stations, provisions to allow for lab space on the first floor, and a cafeteria. He said the project would add over 400 trees, which was a 300% increase to the vegetated area. He said upon completion there would be over three acres of vegetated area that would reduce and serve to filter storm water runoff. He said these modern buildings would enable the City to retain and attract businesses generating important tax revenue for the City.

Mr. Paul Lettieri, the Guzzardo Partnership, the project landscape architect, said based on the Commission's suggestion that they have added a perimeter path around the site. He said at the bottom of the plan shown on screen that they have included an even wider area which might allow for future bike paths or a semi-public path to connect to the train tracks with the idea that perhaps someday there would not be train tracks but a City bike and pedestrian path. He described another path leading to a seating area which also connected with paths coming from the buildings. He said they also allowed for more bicycle parking on the site noting there were 66 spaces shown on the plan with 44 lockers and 22 racks with the potential to easily add more racks. He said there were a variety of use and open areas on the site. He said they have increased the permeability of the site significantly. He noted a strong tree canopy over the entire parking lot and noted that in 15 years time they would have 50% canopy coverage and in 10 years 33% canopy coverage.

Mr. Craig Almeleh, project architect, said they enjoyed working with The Sobrato Organization as they allow them to do very creative and innovative building architecture. He said they created wings across the buildings that act as two components of the architecture in providing screening of the mechanical equipment and providing solar sustainable shading. He said the lead-free double pane very high efficient glass system would create an innovative crystalline look. He said the buildings were simple in form to allow them to be viable for many years. He said they would have a minimum 5,000 square foot cafeteria that would flow onto the large amenity space. He said staff had been very much involved with the evolution of the architecture and they had a minimum goal of LEED gold.

Mr. Truempler said at the last study session it was noted that the City was working on a climate action plan and that was very important to the Commission and staff. He said at considerable more cost they have agreed to build to a LEED gold standard or equivalent. He said that required the building have an energy-efficient building envelope. He said that was done through high performance glass, insulated roof, and high efficiency air conditioning and lighting systems controlled by an integrated digital management system. He said the plumbing fixtures would be automatic low flow. He said the landscaping was based on a water efficient design incorporating hydro-zoning, native planting, and rain sensor technology controls. He noted the bicycle amenities that include storage and changing and shower rooms as well as the infrastructure for car charging stations and preferred parking for alternative fuel vehicles and carpoolers. He said their Transportation Demand Management (TDM) Program would provide subsidized transit passes and participate in the emergency ride home program for workers.

Mr. Truempler said the project was a significant investment for The Sobrato Organization and would benefit Menlo Park as it was the necessary modernization of the City's building stock and created the possibility of use tax generation on a site that has produced none over the last 50 years. He said the Fiscal Impact Analysis (FIA) prepared by the City indicated the project would produce over \$3,000,000 net revenue to the general fund and \$2,000,000 to the Sequoia Union High School District over a 20-year period. He said with fees such as planning and permitting fees, BMR fees, Traffic Impact Fees (TIF), and adding the projected revenue stream, that the City would realize over \$20,000,000 in revenue over the same 20-year period. He said based on the Planning Commission's comments at the last study session that The Sobrato Organization recognized that though limited, the project would have certain impacts that would require the City to make a Statement of Overriding Considerations primarily related to traffic impacts. He said they took the Commission's comments seriously and worked to develop a public benefits package in scale with the proposed project noting it conforms with the General Plan and would not need a development agreement.

Mr. Truempler said the first public benefit they were offering was a sales tax guarantee noting that sales tax most benefits the City but it was also the most vulnerable and varied revenue stream. He said The Sobrato Organization would guarantee \$75,000 in sales tax revenue per year for 10 years after occupancy which would be \$30,000 more annually than what the City's FIA projected. He said during the construction they would make a good faith effort to include a provision in the construction contract of \$5,000,000 or more to book and record materials purchases in the City. He said their intent was to work with the City to identify ways the project could generate an even revenue stream benefiting the general fund. He said in addition to their traffic mitigation measures they would contribute \$150,000 to the City for Capital Improvement Projects (CIP). He said they would build the building to LEED gold or equivalent in line with the City's Climate Action Plan. He said in addition to the sidewalks they have committed to build

they would dedicate an easement to support a future pedestrian path to the Dumbarton rail line when it becomes a pedestrian pathway. He said the Public Works Department brought to their attention the long term need in about 10 to 15 years to replace a water main owned by the City that crosses the project site and serves the M2 district. He said there was a fee structure in place to cover those costs but they would also partner with the City to replace the water main in a cost-sharing construction agreement. He said as a commercial building owner they were not obligated to use the City's franchisee for garbage and recycling but they were willing to do that as it was important to the City.

Chair Eiref asked why the water main would be replaced if not needed. Mr. Truempler said they inspected the water main and it seemed to have anywhere from 10 to 20 years life expectancy but it was important to do now as the site would be torn up with the project rather than have to excavate a developed site.

Chair Eiref asked about permeability. Mr. Truempler said that they were adding two acres effectively of a vegetated permeable area. He said he had talked with their civil engineers about adding more permeable area but his understanding was this would not accomplish anything as they would be treating all the water runoff. Chair Eiref said there was permeable asphalt in some of the City's parking facilities which meant less water needed treatment as it was absorbed in the ground. Mr. Truempler said only 11% of the site would be covered with buildings so they were not challenged by impermeability. Chair Eiref asked if the cafeteria would be open to the public. Mr. Truempler said that and the level of food service would be determined by the tenant.

Commissioner Onken asked how much more was required of LEED gold versus CalGreen and Title 24. Mr. Truempler said the new Title 24 has made it even harder to attain LEED gold but they would have meet more efficient glazier and HVAC requirements. He said they would go through the LEED process, and while not certain they would receive final certification they would at least do the LEED scorecard. He said they have a LEED consultant on the project. He said they would also have tenant guideline plans.

Commissioner Onken said there was reference to the Dumbarton rail line being turned into pedestrian and bicycle paths but his understanding was it would become the modernized Newark to Redwood City train link.

Ms. Nicole Nagaya, the City's Transportation Manager, said they were not talking about abandoning the rail line. She said currently Caltrain and other transit agencies continued to plan and work toward a Dumbarton rail. She said they currently did not have funding but were proposing to go forward in 2015 to identify funding options on a regional level. She said the connection that the City asked for and which The Sobrato Organization had agreed to provide would go along the southern side with access to a future rail line so those in M2 could access a station. She said if Caltrain and the other agencies decided to abandon a Dumbarton connection there could be a longer term scenario for potential bicycle and pedestrian corridor but at this time the intent was to provide access to the station.

Commissioner Strehl asked about the anticipated number of employees. Mr. Truempler said they expected about 1,300. Commissioner Strehl asked where they were proposing to locate the cafeteria. Mr. Truempler said in the common area between the two buildings. He noted it would be an indoor cafeteria with both indoor and outdoor seating.

Commissioner Strehl noted that the Dumbarton rail project was not proposed for abandonment but it would not happen for a long time as it was a very low priority project for state and federal funding.

Commissioner Kadvany asked if there were energy efficient goals and metrics they were using to determine and measure how efficient their energy measures were. He said these would be new buildings on completely flat land and suitable for building a very energy efficient building. He asked what was keeping them from making this a world class energy efficient building. Mr. Truempier said that the building would be particularly energy efficient what with the new more stringent Title 24 adopted by the state. He said toward the LEED gold that the building had to be 15% better than what the state required and those requirements were the most stringent in the U.S.

Mr. Heath Blount, Brightworks Sustainability, said that a typical office building uses about 60 EY which was a watts per square foot per year measurement. He said they were targeting the building's energy performance to exceed the current Title 24 energy requirements by approximately 15%. He said Menlo Park had a 15% better than the old version of Title 24 requirement. He said with their project it would equate to about 50 EY. Commissioner Kadvany asked if this was better than the high level of energy building efficiencies in other countries. Mr. Blount said this was a speculative office building and there would be tenants occupying the space so they needed to provide heating, ventilation and cooling systems that were flexible for use by tenants moving into the building and creating offices and conference rooms. He said the HVAC system chosen would provide that flexibility and was the most energy efficient system having that needed flexibility. He said the glazing performance was better than the Title 24 code requirements and those were the most stringent requirements in the U.S. at this time.

Commissioner Combs asked if they intended to rent to one tenant. Mr. Truempier said one tenant would be ideal but the building was constructed so it could be broken into different tenant spaces. He said they would market the site building by building.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken noted that office building development was not highly favored by the City in the downtown and asked if this project was being looked at in isolation. He asked about the City's policy and if the City was supportive of the project. He referenced the Specific Plan.

Senior Planner Chow said this was outside of the Specific Plan zone and in the M2 zone which has land use policies and zoning regulations in the General Plan specific to that zone. She said as part of the Commission's deliberations that office use was part of that discussion as to whether it was an appropriate land use given the impacts and benefits being presented for consideration.

Commissioner Kadvany said he appreciated the information on The Sobrato Organization and its Foundation's many contributions to the community. He noted the benefits being offered by the project. He said the applicant was also receiving benefit for such a large project that would increase employee capacity from a couple hundred people to 1,300 people through surface parking being allowed and no requirement for underground parking or parking structures such

as was required of the Menlo Gateway project. He said he thought the guaranteed sales tax revenue could be increased either through the amount annually or extending the number of years it would be paid.

Mr. Truempler said the Floor Area Ratio (FAR) for the Menlo Gateway project which Commission Kadvany had referenced relating to parking structures was 137% and their proposed project was 45% FAR. He said the Menlo Gateway project changed the General Plan and their project was within the General Plan.

Commissioner Ferrick said usually in an EIR that office space was calculated at 300 square foot per employee but this was calculated at 200 square foot noting that was generous. Mr. Truempler said that when they started the process that Mr. Sobrato when he visited with the Planning Commission had indicated he wanted a reasonable deal and said he would be reasonable in how they evaluated their building. He said Mr. Sobrato thought that one employee per 300 square feet was not perhaps how the building would be lived in over the next 20 years, and suggested that even with the traffic impact the project would get as a result, that they look at the one employee per 200 square feet scenario. Commissioner Ferrick said that was not something the applicant had to do and that they could have calculated at the one employee per 300 square feet or 866 workers and not 1,300 workers. She noted that evolving office use has an increase in the density of workers. She said they had previously discussed the clear glass and about using bird friendly glass particularly along the Bay area. Mr. Lettieri said they were conforming with the San Francisco Bird Friendly Design Guidelines which has multiple ways to address bird safety. Commissioner Ferrick asked if the Sobrato Family would sell this project noting there were some companies intently acquiring real property at this time. Mr. Truempler said it was easiest to say no as it was quite unlikely they would do that as that was not their business model. He said the intent was to build and hold it as they have done many other times. Commissioner Ferrick asked if the agreements, rules and entitlements carried over if the property was sold. Planner Hogan said they would. Commissioner Ferrick complimented what was included in the TDM program and asked if there was any consideration of including Caltrain passes as part of that. Mr. Truempler said absolutely and those were called "GO-passes" and they would provide those. Commissioner Ferrick said she really liked the beautiful, modern and timeless architecture and having 400 trees on the site. She said she liked the lower density. She asked about the elevation on the property near the rail line. Mr. Truempler said the rail line was on a berm and the site drains to the green corner. Commissioner Ferrick said she was asking because she thought it would be wonderful to have a bicycle/pedestrian undercrossing near the tennis court end to reach the park on the other side. She said there was a nearby bicycle/pedestrian overcrossing and she was looking at how they could create connections in that area for that use. Mr. Truempler said the easement was in place so if things evolved in the future such a crossing could be possible.

Commissioner Onken asked how the parking was calculated. Mr. Truempler said when they bought the site they had some parking along Jefferson but in talking to the City they realized the area could be better utilized so they used it to create an onsite amenity area. He said their traffic engineers felt there was adequate parking. He said for the EIR they used an envelope to analyze the building realistically. He said they thought the project was parked adequately. Commissioner Onken asked if it was parked one space to 300 square feet or one space to 200 square feet. Mr. Truempler said it was parked one space to 300 square feet per code.

Commissioner Ferrick said she preferred it not being parked more densely as more parking invited more cars. She noted that the net add of square footage for building was only 22,000 square feet.

Commissioner Strehl said she appreciated the applicant's responsiveness in terms of the cafeteria and the TDM program. She asked if traffic conditions deteriorated even more significantly in that area whether the City would decide if there should be some kind of traffic impact fee for properties and developers in the M2. Planner Hogan said it would be based on how the City structured the fee as to whether it was on a property basis or new impact fee for development. He said if there was a new impact fee for new development and this project was constructed, they would not be required to pay. Commissioner Strehl said there were significant traffic impacts cumulatively in the area and her concern was how they would deal with those going forward. Mr. Truempler said the City had looked at that and the applicant was making significant traffic mitigations.

Transportation Manager Nagaya said all new development in the City was subject to a Transportation Impact Fee (TIF). She said the project would be required to implement mitigations within and outside of that fee structure noting they would either build or pay the City to build the other improvements. She said a General Plan update was moving forward for the M2 area. She said within the Specific Plan they were pursuing a supplemental cost-sharing structure where new development in the area would be subject to an additional fee beyond the adopted TIF. She said for the M2 they could either update the City TIF or moving forward adopt a supplemental cost-sharing structure so new development would pay for new mitigations.

Commissioner Strehl said she liked the building design and it was a great addition to the City. She said she appreciated the philanthropic contributions by the Sobrato family and organization to the community.

Chair Eiref said he too liked the design but felt the roadway impacts were of concern to the City and its residents. He said it looked like a number of intersections would be improved through the St. Anton project and this project but he believed 13 of the roadway segments themselves would not be improved. He noted they were beginning a General Plan update for this area. He asked how they should consider traffic with this project as they were looking at 3,700 new trips per day. Ms. Nagaya said the transportation planning profession in general also on occasion struggled with that question. She said the mechanism they have both through environmental review and for transportation analysis has traditionally been intersection focused.

She said how the policies were structured led to the kind of point optimization process for individual projects that Chair Eiref noted. She said the City's Transportation Impact Analysis Guidelines have the roadway segments analysis requirement but what was difficult with that analyses method was they did not have a strong mechanism for mitigating the impacts that were being identified. She said improvements that might mitigate would be widening the roadway which in residential areas the City might not want to pursue. She said for an area like Marsh Road that the City would not necessarily have the right-of-way to expand Marsh Road in some of the constrained corridors. She said it was challenging to identify some long term roadway segment capacity enhancing improvements. She said through the General Plan they would be honing in on what the metrics they would want to use within the City to evaluate both new development and the transportation system in general. Chair Eiref asked what the supplemental cost-sharing in the M2 would look like in considering a recommendation to the

City Council. Ms. Nagaya said that structure would not be driven from the staff level but through a community visioning process to determine priorities.

Mr. Truempler said they deliberately overtaxed themselves by using the one worker per 200 square feet and they were willing to do that. He said their traffic mitigations were equal to East Facebook and Bohannon projects.

Chair Eiref said Facebook has an amazing ridesharing culture and although doubling the number of employees were not increasing the number of trips. Mr. Truempler said that project would still create traffic impacts and their project would mitigate the traffic impacts at the same TIF rate.

Chair Eiref said a large fraction of the TDM program was the Go-passes but there was some speculation that they wouldn't be used because of the distance of this property from the train station. He asked about other ideas they had to encourage transit. Mr. Truempler said the TDM program they have put together was realistic. He said Facebook with its unique culture and scale had the ability to do some amazing things. He said with a speculative office building that they could not predict how users would use shuttles or whether they would have a similar culture as Facebook. He said they have analyzed it realistically, overtaxed themselves and were implementing a TDM program at their cost which they thought was effective and realistic.

Chair Eiref said the \$150,000 for CIP for a project of this scope did not seem a significant contribution. Mr. Truempler said over a 20-year period there was a \$10,000,000 cost for the project. He said the cost of fees and taxes was over 10% of the project cost which was significant. He said the \$150,000 was for traffic impact. He said from their viewpoint what they were offering was very reasonable and generous.

Commissioner Onken said communities such as Mountain View complain that they do not have any office building site in excess of 100,000 square feet. He said there was currently a shortage of large office space on the peninsula and he thought it was a good bet that these two proposed buildings would go to a single tenant. He said that was the best possible solution for TDMs and other programs.

Commissioner Strehl said annually either The Sobrato Organization or the tenant would need to complete a survey as to the number of workers using a TDM option. Mr. Truempler said the TDM as proposed would have a survey requirement. Commissioner Strehl asked if they found out no one was using the TDM what mechanism they would use to improve that. Mr. Truempler said they have discussed that scenario with the Public Works Director. He said for instance that if the Go-passes were not effective and there was money associated with that program they would work with the City if that money was allocable somewhere else such as to the City shuttle. Commissioner Strehl said Facebook would have to pay a fee if they didn't meet the TDM program goals. Ms. Nagaya said that Facebook was subject to a vehicle trip cap so if they generated more vehicle traffic than what they were allotted and studied in their EIR they were subject to a potential penalty. She said in this case the traffic was analyzed for office development. She said they did not know who would occupy the space and what scale tenant they would be. She said the TDM Program was minimal to allow some flexibility to work with Sobrato over time to evolve the Program. She said the EIR did not take credit for any of the TDM Program elements that would be in place.

Senior Planner Chow said the public benefits being offered were part of the Conditional Development Permit, which was item 4 for consideration and was part of item 2 related to the Statement of Overriding Considerations so discussion about public benefits could occur on item 2. She said depending on whether recommendations were made to change public benefit that would need to be reflected also reflected in item 4. She said those would be discussed with the applicant as those were items being offered and not what the City was requiring of the applicant.

Chair Eiref said his sense was people were excited about the project but questioning whether the public benefits being offered were material to the size of the project. He said he had a personal concern that they continue to allow projects without solving the roadway issue.

1. Certification of the Environmental Impact Report for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Strehl/Ferrick to recommend that the City Council adopt a resolution certifying the Environmental Impact Report.

Motion carried 6-0 with Commissioner Bressler absent.

2. Required CEQA Findings, Statement of Overriding Consideration, and Mitigation Monitoring and Report Program for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commissioner Kadvany said he thought they should recommend to the City Council to push harder on revenue benefit to the City as the general fund was important. He said that they should get away from the emphasis on LEED certification and focus on building performance as the buildings would exist for 50 years. He said they should be looking at the highest level of energy efficiencies. He said regarding traffic that he foresaw that his project would easily become part of the larger Transportation Management Association that was in the works for this corridor.

Chair Eiref suggested if under the General Plan Update a supplement cost-sharing traffic impact structure was developed that it be retroactive to this project.

Ms. Leigh Prince, City Attorney's Office, said that this project needed to be looked at under the General Plan and the fee structure that was in effect. She said if there were specific things they were looking for in the public benefit that the applicant was present and they were the ones making the offer and was not something the City could impose upon the applicant.

Mr. Truempler said one thing they were offering was a guarantee and the project was the opportunity to generate much more. He said the FIA used the median which would be about \$40,000 sales tax revenue and they were guaranteeing \$75,000 at a minimum for 10 years. He said if they have a project that was marketable and easy to lease they would do much better than that.

Commission Onken said in terms of public benefit and funds the City would receive that he would suggest moving to recommend to the City Council approval of the findings, the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program and defer to the City Council to determine what the appropriate public benefits were. He said they have

heard good arguments about generous public benefit but they were not in the best position to make a determination of what the best outcome to the City was. He said regarding energy efficiencies that the model for speculative office buildings was glass with non-operable windows and a large parking area. Commissioner Kadvany said he would second the motion with the addition to recommend that the City Council make the determination that the energy efficiencies for this project should be world scale standard given the restraints of a speculative office building.

Commissioner Combs said he did not know what world class energy efficiency standard was or whether staff and the applicant would know.

Commissioner Kadvany relayed that one compared what the possible performance improvement is over the California standard plus 15 percent for development projects of this type.

Chair Eiref said he noted there were no solar panels.

Commissioner Strehl said she was not comfortable with telling the City Council that the project should go beyond the requirements of Title 24, the state standard, which was more stringent than the national standard.

Commissioner Ferrick said she appreciated the applicant was striving for LEED gold. She said there were a number of things that would improve on that depending on what the interior buildout would be and for instance the addition of solar in the parking lot.

Commissioner Kadvany said there was an organization Menlo Spark working with the Packard Foundation who were looking at carbon neutrality for Menlo Park.

Commissioner Ferrick suggested allowing the City Council to define the specificity related to the Commission recommending greater energy efficiency from the project.

Commission Action: M/S Onken/Kadvany to recommend that the City Council adopt a resolution adopting the findings required by the California Environmental Quality Act, adopting the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program, with the exception to defer to Council to determine the amount of public benefit that provides the best possible outcome to the City and to recommend greater energy efficiency from the project.

Motion carried 5-1 with Commissioner Combs opposed and Commissioner Bressler absent.

3. Rezoning the property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development Overlay).

Commission Action: M/S Eiref/Strehl to recommend that the City Council introduce an Ordinance Rezoning property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development Overlay).

Motion carried 6-0 with Commissioner Bressler absent.

4. Conditional Development Permit for the property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Kadwany/Eiref to recommend that the City Council adopt a resolution approving a Conditional Development Permit for property located at 151 Commonwealth Drive and 164 Jefferson Drive, with a recommendation that the public benefit amount that provides the best possible outcome to the City be determined by the City Council and to recommend greater energy efficiency from the project.

Motion carried 5-1 with Commissioner Combs opposed and Commissioner Bressler absent.

5. Tentative Parcel Map for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commissioner Onken confirmed with staff that the entitlements would be very clear as related to the subdivision.

Commission Action: M/S Onken/Strehl to recommend that the City Council adopt a resolution approving a Tentative Parcel Map for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Motion carried 6-0 with Commissioner Bressler absent.

6. Below Market Rate Housing Agreement with The Sobrato Organization for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Eiref/Combs to recommend that the City Council adopt a resolution approving a Below Market Rate Housing Agreement with The Sobrato Organization for property located at 151 Commonwealth Drive and 164 Jefferson Drive

Motion carried 6-0 with Commissioner Bressler absent.

Commissioner Strehl asked about the proposed signage plan. Mr. Almeleh stated that the scale is appropriate for the location and the overall sign area would allow for more than one user. Senior Planner Chow said signage was based upon how large the street frontage was but in general in the M2 zoning district most of the street frontage has the maximum size signage allowed. She said because of the height of the building and distance from the highway greater signage limits might be appropriate. She said through the Master Sign Program staff could work with letter sizing on the signage which typically was about 24-inches on signage along Hwy. 101.

7. Heritage Tree Removal Permits for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Strehl/Onken to recommend that the City Council adopt a resolution approving the Heritage Tree Removal Permits for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Motion carried 6-0 with Commissioner Bressler absent.

E. REGULAR BUSINESS

- E1. General Plan:** Nomination of a commissioner to serve on the General Plan Advisory Committee (GPAC). ([Attachment](#))

Commission Action: M/S Eiref/Ferrick to recommend Commissioner Strehl as the Planning Commission's GPAC representative.

Motion carried 6-0 with Commissioner Bressler absent.

F. COMMISSION BUSINESS

There was none.

ADJOURNMENT

The meeting adjourned at 9:29 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on August 18, 2014